


**OIL AND GAS DEVELOPMENT COMPANY LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT [UNAUDITED]**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2015**

	Note	Quarter ended 30 September	
		2015	2014
----- (Rupees '000) -----			
Sales - net	14	44,513,220	64,395,972
Royalty		(5,013,989)	(7,415,784)
Operating expenses		(12,634,230)	(13,213,233)
Transportation charges		(468,405)	(614,943)
<b>Gross profit</b>		<b>26,396,596</b>	<b>43,152,012</b>
Other income	15	3,990,363	6,280,359
Exploration and prospecting expenditure		(1,807,095)	(3,751,599)
General and administration expenses		(915,305)	(1,331,781)
Finance cost		(424,693)	(611,512)
Workers' profit participation fund		(1,380,435)	(2,188,414)
Share of profit in associate - net of taxation		368,838	30,809
<b>Profit before taxation</b>		<b>26,228,269</b>	<b>41,579,874</b>
Taxation	16	(7,968,457)	(13,269,800)
<b>Profit for the quarter</b>		<b>18,259,812</b>	<b>28,310,074</b>
<b>Earnings per share - basic and diluted (Rupees)</b>	17	<b>4.25</b>	<b>6.58</b>


The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

Chief Executive

Director

  
CFO  
OGDCL



  
(AHMED HAYAT LAK)  
Company Secretary

Annex - II

**OIL AND GAS DEVELOPMENT COMPANY LIMITED  
CONDENSED INTERIM BALANCE SHEET [UNAUDITED]  
AS AT 30 SEPTEMBER 2015**

	Unaudited 30 September 2015	Audited 30 June 2015	Note
(Rupees '000)			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital	43,009,284	43,009,284	
Capital reserves	7,668,500	7,456,000	
Unappropriated profit	410,102,996	392,055,684	
	460,780,780	442,520,968	
<b>NON CURRENT LIABILITIES</b>			
Deferred taxation	16,597,002	16,606,840	
Deferred employee benefits	12,505,631	12,457,915	
Provision for decommissioning cost	20,807,116	20,303,619	
	49,909,749	49,368,374	
<b>CURRENT LIABILITIES</b>			
Trade and other payables	48,724,217	61,901,977	
	559,414,746	553,791,319	
<b>CONTINGENCIES AND COMMITMENTS</b>			
			5
<b>NON CURRENT ASSETS</b>			
Fixed assets	110,349,502	109,983,739	6
Property, plant and equipment	79,133,171	78,260,687	7
Development and production assets - intangible	9,972,139	8,139,436	8
Exploration and evaluation assets	199,454,812	196,383,862	
Long term investments	121,106,621	131,193,328	9
Long term loans and receivable	5,770,747	5,932,606	
Long term prepayments	538,407	502,972	
	326,870,587	334,012,768	
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools	17,852,869	16,847,032	
Stock in trade	260,921	317,476	
Trade debts	129,197,963	121,411,485	10
Loans and advances	7,599,338	8,043,768	11
Deposits and short term prepayments	1,635,869	1,414,433	
Interest accrued	15,010,296	14,433,563	
Other receivables	127,862	183,825	
Income tax - advance	25,948,699	24,059,740	12
Current maturity of term finance certificates	20,500,000	10,250,000	
Other financial assets	5,023,700	9,814,481	13
Cash and bank balances	9,386,642	13,002,748	
	232,544,159	219,778,551	
	559,414,746	553,791,319	

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Chief Executive

Director

**OIL AND GAS DEVELOPMENT COMPANY LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT [UNAUDITED]**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2015**

	Note	Quarter ended 30 September	
		2015	2014
		----- (Rupees '000) -----	
Sales - net	14	44,513,220	64,395,972
Royalty		(5,013,989)	(7,415,784)
Operating expenses		(12,634,230)	(13,213,233)
Transportation charges		(468,405)	(614,943)
		(18,116,624)	(21,243,960)
<b>Gross profit</b>		26,396,596	43,152,012
Other income	15	3,990,363	6,280,359
Exploration and prospecting expenditure		(1,807,095)	(3,751,599)
General and administration expenses		(915,305)	(1,331,781)
Finance cost		(424,693)	(611,512)
Workers' profit participation fund		(1,380,435)	(2,188,414)
Share of profit in associate - net of taxation		368,838	30,809
<b>Profit before taxation</b>		26,228,269	41,579,874
Taxation	16	(7,968,457)	(13,269,800)
<b>Profit for the quarter</b>		18,259,812	28,310,074
<b>Earnings per share - basic and diluted (Rupees)</b>	17	4.25	6.58

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

Chief Executive

Director

**OIL AND GAS DEVELOPMENT COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME [UNAUDITED]**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2015**

	Quarter ended 30 September	
	2015	2014
	----- (Rupees '000) -----	
<b>Profit for the quarter</b>	18,259,812	28,310,074
Other comprehensive income/(loss) for the quarter		
Items that will not be reclassified to profit or loss:		
Remeasurement loss on employee retirement benefit plans	-	(1,059,171)
Current tax credit related to remeasurement loss on employee retirement benefit plans	-	537,454
	-	(521,717)
<b>Total comprehensive income for the quarter</b>	<u>18,259,812</u>	<u>27,788,357</u>

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

**Chief Executive**

**Director**

**OIL AND GAS DEVELOPMENT COMPANY LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2015**

	Quarter ended 30 September	
	2015	2014
	----- (Rupees '000) -----	
<b>Cash flows from operating activities</b>		
Profit before taxation	26,228,269	41,579,874
Adjustments for:		
Depreciation	1,682,511	1,179,960
Amortization of development and production assets	4,485,372	4,771,858
Royalty	5,013,989	7,415,784
Workers' profit participation fund	1,380,435	2,188,414
Provision for employee benefits	750,248	954,565
Un-winding of discount on provision for decommissioning cost	420,699	609,045
Interest income	(3,500,119)	(4,529,190)
Un-realized loss on investments at fair value through profit or loss	17,980	9,489
Dividend income	(19,296)	(18,615)
Gain on disposal of property, plant and equipment	(1,259)	(573)
Share of profit in associate	(368,838)	(30,809)
	<u>36,089,991</u>	<u>54,129,802</u>
<b>Working capital changes</b>		
(Increase)/decrease in current assets:		
Stores, spare parts and loose tools	(1,005,837)	(1,631,155)
Stock in trade	56,555	(25,469)
Trade debts	(7,786,478)	2,559,131
Deposits and short term prepayments	(221,436)	(52,714)
Advances and other receivables	662,252	(138,037)
Increase/ (decrease) in current liabilities:		
Trade and other payables	172,110	2,368,883
	<u>27,967,157</u>	<u>57,210,441</u>
<b>Cash generated from operations</b>		
Royalty paid	(5,022,171)	(6,333,284)
Employee benefits paid	(1,007,837)	(6,268,116)
Long term prepayments	(35,435)	(15,131)
(Payments)/receipt of workers' profit participation fund	(7,200,000)	346,775
Income taxes paid	(9,867,254)	(16,659,998)
	<u>(23,132,697)</u>	<u>(28,929,754)</u>
Net cash from operating activities	4,834,460	28,280,687
<b>Cash flows from investing activities</b>		
Capital expenditure	(8,853,349)	(11,214,374)
Interest received	3,047,567	3,567,587
Dividends received	100,660	36,990
Proceeds from disposal of property, plant and equipment	3,879	3,730
Net cash used in investing activities	<u>(5,701,243)</u>	<u>(7,606,067)</u>
<b>Cash flows from financing activities</b>		
Dividends paid	(7,522,124)	(8,951,117)
Net cash used in financing activities	<u>(7,522,124)</u>	<u>(8,951,117)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<u>(8,388,907)</u>	<u>11,723,503</u>
Cash and cash equivalents at beginning of the quarter	22,527,785	40,113,906
<b>Cash and cash equivalents at end of the quarter</b>	<u>14,138,878</u>	<u>51,837,409</u>

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

Chief Executive

Director

**OIL AND GAS DEVELOPMENT COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2015**

	Share capital	Capital reserves		Unappropriated profit	Total equity
		Capital reserve	Self insurance		
---(Rupees '000)---					
<b>Balance at 1 July 2014</b>	43,009,284	836,000	5,770,000	346,055,921	395,671,205
Transfer to self insurance reserve	-	-	213,059	(213,059)	-
Charged to self insurance reserve	-	-	(559)	559	-
<b>Total comprehensive income for the quarter</b>					
Profit for the quarter	-	-	-	28,310,074	28,310,074
Other comprehensive loss for the quarter	-	-	-	(521,717)	(521,717)
<b>Total comprehensive income for the quarter</b>				<b>27,788,357</b>	<b>27,788,357</b>
<b>Transactions with owners, recorded directly in equity</b>					
Total distributions to owners	-	-	-	-	-
<b>Balance at 30 September 2014</b>	<b>43,009,284</b>	<b>836,000</b>	<b>5,982,500</b>	<b>373,631,778</b>	<b>423,459,562</b>
<b>Balance at 1 July 2015</b>	<b>43,009,284</b>	<b>836,000</b>	<b>6,620,000</b>	<b>392,055,684</b>	<b>442,520,968</b>
Transfer to self insurance reserve	-	-	212,893	(212,893)	-
Charged to self insurance reserve	-	-	(393)	393	-
<b>Total comprehensive income for the quarter</b>				<b>18,259,812</b>	<b>18,259,812</b>
Profit for the quarter	-	-	-	18,259,812	18,259,812
Other comprehensive loss for the quarter	-	-	-	-	-
<b>Total comprehensive income for the quarter</b>				<b>18,259,812</b>	<b>18,259,812</b>
<b>Transactions with owners, recorded directly in equity</b>					
Total distributions to owners	-	-	-	-	-
<b>Balance at 30 September 2015</b>	<b>43,009,284</b>	<b>836,000</b>	<b>6,832,500</b>	<b>410,102,996</b>	<b>460,780,780</b>

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

Chief Executive

Director

**OIL AND GAS DEVELOPMENT COMPANY LIMITED**  
**SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION [UNAUDITED]**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2015**

**1 LEGAL STATUS AND OPERATIONS**

Oil and Gas Development Company Limited (OGDCL), "the Company", was incorporated on 23 October 1997 under the Companies Ordinance, 1984. The Company was established to undertake exploration and development of oil and gas resources, including production and sale of oil and gas and related activities formerly carried on by Oil and Gas Development Corporation, which was established in 1961. The registered office of the Company is located at OGDCL House, Plot No. 3, F-6/G-6, Blue Area, Islamabad, Pakistan. The Company is listed on all the three stock exchanges of Pakistan and its Global Depository Shares (IGDS = 10 ordinary shares of the Company) are listed on the London Stock Exchange.

**2 BASIS OF PREPARATION**

This condensed interim financial information of the Company for the quarter ended 30 September 2015 has been prepared in accordance with the requirements of International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial information does not include all disclosures that are reported for full audited annual financial statements and should therefore be read in conjunction with the audited annual financial statements for the year ended 30 June 2015. Comparative balance sheet is extracted from the audited annual financial statements as of 30 June 2015, whereas comparative profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from unaudited interim financial information for the quarter ended 30 September 2014.

**3 ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS**

The accounting policies, significant judgements made in the application of accounting policies, key sources of estimations, the methods of computation adopted in preparation of this condensed interim financial information and financial risk management policies are the same as those applied in preparation of annual audited financial statements for the year ended 30 June 2015.

		Unaudited 30 September 2015	Audited 30 June 2015
	Note	----- (Rupees '000) -----	
<b>4 TRADE AND OTHER PAYABLES</b>			
Creditors		1,857,120	1,159,807
Payable to Government of Pakistan -on account of Kunnar discount	4.1	2,085,112	2,085,112
Accrued liabilities		6,406,470	7,792,656
Payable to joint venture partners		5,185,993	5,747,349
Retention money payable		6,123,253	6,208,634
Royalty payable		3,751,085	3,759,267
Excise duty payable		242,398	243,798
General sales tax payable		1,627,096	1,636,792
Gas Infrastructure Development Cess (GIDC) payable		7,570,711	6,143,565
Trade deposits		103,210	102,210
Workers' profit participation fund - net		865,985	6,685,550
Employees' pension trust		3,116,025	3,116,025
Un-paid dividend	4.2	8,473,840	16,000,346
Un-claimed dividend		189,337	184,955
Advances from customers		928,956	861,045
Other payables		197,626	174,866
		<u>48,724,217</u>	<u>61,901,977</u>

- 4.1** This represents payable to Ministry of Finance in respect of price discount on Kunnar crude sale, withheld by the Company due to related receivable from a customer and tax recoveries made by tax authorities.
- 4.2** This includes an amount of Rs 7,887 million (30 June 2015: Rs 9,225 million) payable to OGDCL Employees' Empowerment Trust. The payment of dividend has been withheld since GoP is considering to revamp Benazir Employees' Stock Option Scheme (BESOS) as communicated to the Company by Privatization Commission of Pakistan (PCP) through Letter No. 13(4)12/PC(BESOS)/OGDCL dated 15 July 2015. Further, the PCP has requested the Company to maintain status quo till final decision by the GoP.

**OIL AND GAS DEVELOPMENT COMPANY LIMITED**  
**SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION [UNAUDITED]**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2015**

**5 CONTINGENCIES AND COMMITMENTS**

**5.1 Contingencies**

- 5.1.1** Claims against the Company not acknowledged as debts amounted to Rs 1,034.851 million at quarter end (30 June 2015: Rs 1,483.728 million).
- 5.1.2** Certain banks have issued guarantees on behalf of the Company in ordinary course of business aggregating Rs 1.707 million (30 June 2015: Rs 1.707 million).
- 5.1.3** The Company's share of associate contingencies based on the latest available financial statements (30 June 2015) of the associate are same as disclosed in annual audited financial statements for the year ended 30 June 2015.

**5.2 Commitments**

- 5.2.1** Commitments outstanding at quarter end amounted to Rs 48,082.812 million (30 June 2015: Rs 61,786.278 million). These include amounts aggregating to Rs 27,115.103 million (30 June 2015: Rs 27,052.325 million) representing the Company's share in the minimum work commitments under Petroleum Concession Agreements.
- 5.2.2** Letters of credit issued by various banks on behalf of the Company in ordinary course of the business, outstanding at quarter end amounted to Rs 16,310.107 million (30 June 2015: Rs 12,711.536 million).
- 5.2.3** The Company's share of associate commitments based on the latest available financial statements (30 June 2015) of associate are same as disclosed in the annual audited financial statements for the year ended 30 June 2015.



**OIL AND GAS DEVELOPMENT COMPANY LIMITED**  
**SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION [UNAUDITED]**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2015**

	Unaudited 30 September 2015	Audited 30 June 2015
<b>6</b>	.....(Rupees '000).....	
<b>PROPERTY, PLANT AND EQUIPMENT</b>		
Carrying amount at beginning of the quarter/year	109,983,739	71,803,994
Additions/adjustments during the quarter/year	2,306,636	45,433,418
Book value of disposals	(2,620)	(38,122)
Depreciation charge for the quarter/year	(1,938,253)	(6,622,268)
Impairment charge for the quarter/year	-	(199,378)
Revision in estimate of decommissioning cost during the quarter/year	-	(393,905)
Carrying amount at end of the quarter/year	<u>110,349,502</u>	<u>109,983,739</u>
<b>6.1 Additions/adjustments during the quarter/year</b>		
Freehold land	-	5,606
Buildings, offices and roads on freehold land	1,412	63,070
Buildings, offices and roads on leasehold land	57,924	141,870
Plant and machinery	896,397	16,027,130
Rigs	498,768	15,872
Pipelines	350,175	3,322,040
Office and domestic equipment	25,884	152,727
Office and technical data computers	78,199	121,123
Furniture and fixture	5,579	13,570
Vehicles	88,935	274,426
Decommissioning cost	-	88,603
Capital work in progress (net)	(265,870)	23,404,312
Stores held for capital expenditure (net)	569,233	1,803,069
	<u>2,306,636</u>	<u>45,433,418</u>
<b>7 DEVELOPMENT AND PRODUCTION ASSETS - INTANGIBLE</b>		
Carrying amount at beginning of the quarter/year	78,260,687	74,329,473
Additions during the quarter/year	3,625,108	16,190,247
Transferred from exploration and evaluation assets during the quarter/year	1,732,748	9,472,118
Amortization charge for the quarter/year	(4,485,372)	(16,281,337)
Revision in estimate of decommissioning cost during the quarter/year	-	(3,038,148)
Impairment charge for the quarter/year	-	(2,411,666)
Carrying amount at end of the quarter/year	<u>79,133,171</u>	<u>78,260,687</u>
<b>8 EXPLORATION AND EVALUATION ASSETS</b>		
Balance at beginning of the quarter/ year	6,103,544	7,913,076
Additions during the quarter/ year	3,981,423	12,512,724
	<u>10,084,967</u>	<u>20,425,800</u>
Cost of dry and abandoned wells during the quarter/ year	(208,682)	(4,850,138)
Cost of wells transferred to development and production assets during the quarter/ year	(1,732,748)	(9,472,118)
	<u>(1,941,430)</u>	<u>(14,322,256)</u>
	8,143,537	6,103,544
Stores held for exploration and evaluation activities	1,828,602	2,035,892
Balance at end of the quarter/ year	<u>9,972,139</u>	<u>8,139,436</u>

**OIL AND GAS DEVELOPMENT COMPANY LIMITED**  
**SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION [UNAUDITED]**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2015**

		Unaudited 30 September 2015	Audited 30 June 2015
	Note	.....(Rupees '000).....	
<b>9 LONG TERM INVESTMENTS</b>			
Investment in related party - associate, quoted Mari Petroleum Company Limited (MPCL)		1,688,647	1,401,173
Investments held to maturity			
Term Deposit Receipts (TDRs)	9.1	5,862,129	5,862,129
Investment in Pakistan Investment Bonds	9.2	52,055,845	52,180,026
Investment in Term Finance Certificates	9.3	82,000,000	82,000,000
		139,917,974	140,042,155
Less: Current maturity of Term Finance Certificates		(20,500,000)	(10,250,000)
		119,417,974	129,792,155
		121,106,621	131,193,328

9.1 These represent investments in local currency TDRs. Face value of these investments is Rs 5,862 million (30 June 2015: Rs 5,862 million) and carry effective interest rate of 9.91% (30 June 2015: 9.91%) per annum. These investments are due to mature within next 12 months, however, these have not been classified as current assets based on the management's intention to reinvest them in the like investments for a longer term.

9.2 This represents investment in Pakistan Investment Bonds (PIBs) carrying interest rate of 11.50% per annum. These PIBs were issued on 19 July 2012 for a period of five (5) years maturing on 19 July 2017.

9.3 This represents investment in Privately Placed Term Finance Certificates (TFCs) amounting to Rs 82 billion (30 June 2015: Rs 82 billion). In 2013, the Government of Pakistan, for partial resolution of circular debt issue prevailing in the energy sector, approved issuance of TFCs amounting to Rs 82 billion by Power Holding (Private) Limited (PHPL). These TFCs were subscribed by the Company in order to settle its overdue receivables from oil refineries and gas companies.

TFCs are for a period of seven (7) years including grace period of three (3) years carrying interest rate of KIBOR + 1%, payable semi-annually. The principal portion of these TFCs shall be repaid in eight (8) equal installments starting from 42nd month of date of transaction. National Bank of Pakistan executed the transaction on 10 September 2012 as Trustee. These TFCs are secured by Sovereign Guarantee, covering the principal, markup, and/or any other amount becoming due for payment in respect of investment in TFCs. The interest due as of 30 September 2015 was Rs 13,359 million (30 June 2015: Rs 11,502 million) of which Rs 12,979 million (30 June 2015: Rs 9,151 million) was past due as of the balance sheet date.

	Unaudited 30 September 2015	Audited 30 June 2015
	----- (Rupees '000) -----	
<b>10 TRADE DEBTS</b>		
Un-secured, considered good	129,198,756	121,411,485
Un-secured, considered doubtful	111,989	112,782
	129,310,745	121,524,267
Provision for doubtful debts	(111,989)	(112,782)
Trade debts written off	(793)	-
	129,197,963	121,411,485

10.1 Trade debts include overdue amount of Rs 87,559 million (30 June 2015: Rs 76,990 million) on account of Inter-Corporate Circular debt, receivable from oil refineries and gas companies out of which Rs 63,519 million (30 June 2015: Rs 60,702 million) is overdue from a related party, Sui Southern Gas Company Limited. The Government of Pakistan (GoP) is pursuing for satisfactory settlement of Inter-Corporate Circular debt issue and the Company considers this amount to be fully recoverable.

**OIL AND GAS DEVELOPMENT COMPANY LIMITED**  
**SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2015**

**11 LOANS AND ADVANCES**

This includes an amount of Rs 3,180 million (30 June 2015: Rs 3,180 million) paid under protest to Federal Board of Revenue (FBR) on account of sales tax demand raised in respect of capacity invoices from Uch Gas Field for the period July 2004 to March 2011. Based on Sales Tax General Order (STGO) 1 of 2000 dated 24 January 2000, the matter was argued before various appellate forums, however, the Supreme Court of Pakistan finally decided the issue against the Company on 15 April 2013. The FBR granted time relaxation to the Company for issuance of debit note for an amount of Rs 750 million for the period April 2011 to May 2012, accounted for as trade debt. Uch Power Limited (UPL) challenged the grant of time relaxation to the Company by FBR before Islamabad High Court. On 27 December 2013, the Honourable Court decided the matter in favour of the Company. In light of the Islamabad High Court decision, the Company has applied to FBR for obtaining condonation of time limit for issuing debit notes to UPL for the remaining amount of Rs 3,180 million for the period July 2004 to March 2011 and currently the matter is pending with FBR.

UPL has filed an Intra Court appeal against the decision of the Islamabad High Court and the Islamabad High Court has granted stay against recovery of Rs 750 million to UPL. Management and its legal advisor are confident that the stay will be vacated and the Intra Court appeal by UPL will also be decided in favour of the Company.

		Unaudited 30 September 2015	Audited 30 June 2015
<b>12 INCOME TAX - ADVANCE</b>	Note	------(Rupees '000)-----	
Income tax- advance at beginning of the quarter/year		24,059,740	14,319,141
Income tax paid during the quarter/year		9,854,057	50,613,873
Income tax recovered by tax authorities during the quarter/year		13,197	3,942,695
Provision for current taxation for the quarter/year- Profit and loss account		(7,978,295)	(37,279,117)
Tax credit related to remeasurement loss on employee retirement benefit plans for the quarter/ year - Other comprehensive income		-	624,129
Provision for taxation - prior years		-	(8,160,981)
Income tax - advance at end of the quarter/year		<u>25,948,699</u>	<u>24,059,740</u>
<b>13 OTHER FINANCIAL ASSETS</b>			
Investment in Term Deposits	13.1	4,752,236	9,525,037
Investment at fair value through profit or loss - NFI units		<u>271,464</u>	<u>289,444</u>
		<u>5,023,700</u>	<u>9,814,481</u>

**13.1** This include foreign currency TDRs amounting to USD 45.520 million (30 June 2015: USD 94.448 million), carrying interest rate ranging from 1.75% to 2.35% (30 June 2015: 1.75% to 2.35%) per annum, having maturities between one month to three months. There is no local currency TDR as at 30 September 2015 (30 June 2015: nil).

		Quarter ended 30 September	
		2015	2014
		------(Rupees '000)-----	
<b>14 SALES - net</b>			
<b>Gross sales</b>			
Crude oil		16,704,267	31,992,135
Gas		33,692,077	36,942,164
Liquefied petroleum gas		1,325,756	1,716,764
Sulphur		299,907	262,969
Other operating revenue		14,936	18,971
		<u>52,036,943</u>	<u>70,933,003</u>
<b>Government levies</b>			
General sales tax		(5,136,947)	(5,658,358)
Gas Infrastructure Development Cess (GIDC)		(1,577,711)	-
Excise duty		(809,065)	(878,673)
		<u>(7,523,723)</u>	<u>(6,537,031)</u>
		<u>44,513,220</u>	<u>64,395,972</u>

**14.1** Gas sales include sales from Dhachrapur, Nur-Bagla and Jakhro fields invoiced on provisional prices. There may be adjustment in revenue upon issuance of final wellhead prices notification by Ministry of Petroleum and Natural Resources (MPNR), impact of which cannot be determined at this stage.

**OIL AND GAS DEVELOPMENT COMPANY LIMITED**

**SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION [UNAUDITED]  
FOR THE QUARTER ENDED 30 SEPTEMBER 2015**

- 14.2. On 20 February 2012, OGDCL entered into an agreement with M/s Jamshoro Joint Venture Limited (JJVL) to process gas from Kunnar Pasahki Deep (KPD) to produce Natural Gas Liquids (NGL), Liquefied Petroleum Gas (LPG) and Condensate in consideration of gas processing charges. However, Sui Southern Gas Company Limited (SSGCL) claimed that as per applicable petroleum policy the delivery point should be KPD field gate instead of JJVL plant. The matter was discussed between the parties and SSGCL viewpoint was accepted and a term sheet was signed between OGDCL and SSGCL in 2013. Resultantly, the delivery point was changed to KPD field gate and OGDCL renounced its right on LPG, etc production. Consequently, the Company issued a provisional credit note of Rs 2,285 million in prior years related to revenue from sale of LPG, NGL and Condensate from the JJVL plant net of processing and other ancillary charges. OGDCL also recorded a provisional debit note amounting to Rs 164.445 million relating to additional gas sales revenue to SSGCL on account of the change in delivery point from JJVL plant to KPD field gate. These credit and debit notes recorded in the books of accounts in prior years are provisional and the final prices will be agreed between SSGCL and OGDCL upon execution of Gas Sales Agreement (GSA) and adjustments, if any, will be incorporated in the books on finalization of GSA.

		Quarter ended 30 September	
		2015	2014
		----- (Rupees '000) -----	
<b>15</b>	<b>OTHER INCOME</b>		
	Interest income	3,500,119	4,529,190
	Dividend income from NIT units	19,296	18,615
	Un-realized loss on investments at fair value through profit or loss	(17,980)	(9,489)
	Exchange gain - net	215,561	1,583,018
	Others	273,367	159,025
		<u>3,990,363</u>	<u>6,280,359</u>
<b>16</b>	<b>TAXATION</b>		
	Current:		
	- for the quarter	7,978,295	12,781,408
	- for prior period	-	1,099,378
		7,978,295	13,880,786
	Deferred - (credit)/charge		
	- for the quarter	(9,838)	88,286
	- for prior period	-	(699,272)
		(9,838)	(610,986)
		<u>7,968,457</u>	<u>13,269,800</u>
<b>17</b>	<b>EARNINGS PER SHARE - BASIC AND DILUTED</b>		
	Profit for the quarter (Rupees '000)	<u>18,259,812</u>	<u>28,310,074</u>
	Average number of shares outstanding during the quarter ('000)	<u>4,300,928</u>	<u>4,300,928</u>
	Earnings per share - basic (Rupees)	<u>4.25</u>	<u>6.58</u>
	There is no dilutive effect on the earnings per share of the Company.		

OIL AND GAS DEVELOPMENT COMPANY LIMITED  
 SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION [UNAUDITED]  
 FOR THE QUARTER ENDED 30 SEPTEMBER 2015

18 RELATED PARTIES TRANSACTIONS

Government of Pakistan owns 74.97% (30 June 2015: 74.97%) shares of the Company. Therefore, all entities owned and controlled by the Government of Pakistan are related parties of the Company. Other related parties comprise associated company, major shareholders, directors, companies with common directorship, key management personnel and employees pension trust. The Company in normal course of business pays for electricity, gas and telephone to entities controlled by Government of Pakistan which are not material, hence not disclosed in this condensed interim financial information. Transactions of the Company with related parties and balances outstanding at quarter end are as follows:

	Quarter ended 30 September	
	2015	2014
	------(Rupees '000)-----	
<b>Associated company</b>		
Share of profit in associate - net of taxation	368,838	30,809
<b>Major shareholders</b>		
<b>Government of Pakistan</b>		
Dividend paid	5,078,640	7,255,217
Payable on account of Kunnar discount at 30 September	2,085,112	2,085,112
<b>Related parties by virtue of common directorship and GoP holdings</b>		
<b>Government Holdings (Private) Limited (GHPL)</b>		
GHPL share (various fields) of receivables	258,887	670,979
<b>Power Holding (Private) Limited (PHPL)</b>		
Markup earned	1,856,817	2,304,357
Balance of investment in TFCs and markup receivable as at 30 September	95,358,654	91,214,958
<b>State Bank of Pakistan</b>		
Interest earned on Pakistan Investment Bonds (PIBs)	1,471,713	1,471,713
Balance of investment in PIBs and markup receivable as at 30 September	51,956,469	51,956,469
<b>Pak Arab Refinery Company Limited</b>		
Sale of crude oil	1,411,240	2,808,150
Trade debts as at 30 September	1,008,132	2,519,101
<b>Sui Northern Gas Pipelines Limited</b>		
Sale of natural gas	13,629,804	14,053,398
Purchase of high BTU value gas	-	1,203,952
Trade debts as at 30 September	21,337,933	11,851,822
Payable as at 30 September	473,503	1,098
<b>Sui Southern Gas Company Limited</b>		
Sale of natural gas	11,065,294	15,023,851
Pipeline rental charges	9,165	9,165
Trade debts as at 30 September	70,772,694	56,217,125
<b>Pakistan State Oil Company Limited</b>		
Purchase of petroleum, oil and lubricants	1,284,311	1,037,540
Trade debts as at 30 September	1,867	1,867
Payable as at 30 September	91,974	2,900
<b>National Insurance Company Limited</b>		
Insurance premium paid	190,538	166,104
<b>National Logistic Cell</b>		
Crude transportation charges paid	260,753	457,809
Payable as at 30 September	478,979	414,792

OIL AND GAS DEVELOPMENT COMPANY LIMITED  
 SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION [UNAUDITED]  
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	Quarter ended 30 September	
	2015	2014
	----- (Rupees '000) -----	
<b>RELATED PARTIES TRANSACTIONS - Continued</b>		
<b>Enar Petrotech Services Limited</b>		
Consultancy services	8,805	800
Sale of crude oil	2,220,794	3,143,547
Trade debts as at 30 September	1,203,929	1,715,057
Payable as at 30 September	-	5,147
<b>Other related parties</b>		
Contribution to staff benefit funds	636,969	6,018,406
Remuneration including benefits and perquisites of key management personnel	125,594	190,255

- Key management personnel comprises chief executive, executive directors and general managers of the Company.

**19 RISK MANAGEMENT**

Financial risk management objectives and policies are consistent with that disclosed in the annual audited financial statements for the year ended 30 June 2015.

**20 NON ADJUSTING EVENT AFTER BALANCE SHEET DATE**

20.1 The members approved final cash dividend relating to the year ended 30 June 2015 at the rate of Rs 1.50 per share amounting to Rs 6,451 million in their annual general meeting held on 15 October 2015.

20.2 The Board of Directors approved interim cash dividend at the rate of Rs 1.50 per share amounting to Rs 6,451 million in its meeting held on 16 October 2015.

**21 DATE OF AUTHORIZATION FOR ISSUE**

This condensed interim financial information was authorized for issue on 16 October 2015 by the Board of Directors of the Company.

**22 GENERAL**

Figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.

Chief Executive

Director

Islamabad, October 16, 2015

## FOR IMMEDIATE RELEASE

**OGDCL UN-AUDITED FINANCIAL RESULTS FOR THE FIRST QUARTER ENDED  
30<sup>TH</sup> SEPTEMBER 2015**

Oil and Gas Development Company Limited (OGDCL), (Ticker: OGDC), today announced its financial results for the first quarter ended 30<sup>th</sup> September 2015. Financial Statements were prepared in accordance with International Financial Reporting Standards;

**Highlights of First Quarter (ended 30<sup>th</sup> September 2015) Results include:**

- OGDCL's net sales registered at Rs 44.513 billion
- Net Profit before Taxation during the period was Rs 26.228 billion
- Net Profit after Taxation during the period was Rs 18.260 billion translating into Earnings per Share of Rs 4.25.
- The Board of Directors declared first interim cash dividend of Rs 1.50 per share
- Average net realized price of crude oil sold was US\$ 46.57/bbl as against US\$ 86.41/bbl during corresponding period last year. Average net realized price of natural gas sold was Rs 264.20/Mcf as against Rs 282.93/Mcf during corresponding period last year
- 1,458 L. Kms of 2D and 767 Sq. Kms of 3D seismic data acquisition completed
- Four (4) new wells including two (2) exploratory / appraisal wells namely Bachani-1 & Bitrism West-1 and two (2) development wells namely Qadirpur-55 & Buzdar North-2 were spud during the period under review
- Company's exploratory efforts to discover new hydrocarbon reserves yielded two (2) new oil and gas discovery at Chak Naurang South-1 well in district Chakwal, Punjab province and Aradin-1 well in district Khairpur, Sindh province.
- Average net crude oil production of 39,154 barrels per day, net gas production of 1,130 MMcf per day and net LPG production of 267 M. Tons per day was achieved during the period under review

	<b>1Q 2015-16 Rs (in billions)</b>	<b>1Q 2014-15 Rs (in billions)</b>
Net Sales	44.513	64.396
Profit before Taxation	26.228	41.580
Profit after Taxation	18.260	28.310
Earnings per Share - Rs	4.25	6.58

## **MD / CEO's Statement**

Mr. Zahid Mir, commenting on the Company's first quarter financial results FY2015-16, stated:

"I am pleased to report that the Company has embarked upon exploration led growth strategy to enhance reserves and during July – September 2015 period OGDCL acquired 2D seismic data of 1,458 line kms (1Q 2014-15: 1,013 line kms) and 3D seismic data of 767 sq. kms (1Q 2014-15: 301 sq. kms) respectively in various exploratory blocks. Against the backdrop of depressed international oil prices, OGDCL has maintained a rigorous approach to capital allocation and focused on efficiency and competitiveness in carrying out exploration, development and production activities. The Company's Sales, affected by decrease in oil and gas production, were partially offset by increase in average exchange rate to Rs/US\$ 103.19 from Rs/US\$ 101.38 during the last period leading the business to register Sales Revenue of Rs 44.513 billion. Furthermore, Company reported Profit after Tax of Rs 18.260 billion translating into Earnings per Share of Rs 4.25.

In its endeavor to enhance oil and gas production from owned and operated joint venture fields, OGDCL during July-September 2015 added 1,650 barrels per day of crude oil and 12 MMcf per day of gas through addition of new wells; Loti-19, Chak 63-3, Chak 2-3 and Noorai Jagir-1 in the existing gathering system.

Lastly, I am proud to state that our workforce has shown full dedication and commitment which is behind the consistent performance of the Company. I thank all employees of the Company for making it happen. I am also very pleased to inform all our stakeholders that the Company with all its resources, both material and human, is well on its path of progress and the future looks very bright."



**For further information:**

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**Notes to Editors**

OGDCL, the largest petroleum Exploration and Production (E&P) Company in Pakistan, was listed on all three stock exchanges of the country in November 2003 and its Global Depository Shares (GDS) were issued on London Stock Exchange in December 2006. It holds the largest portfolio of recoverable hydrocarbon reserves of Pakistan, at 59% of oil and 36% of gas, respectively, as at 30<sup>th</sup> June 2015. It contributed 28% of the country's total natural gas production and 49% of its total oil production during the month of August 2015.

With a portfolio of 63 exploration licences, the Company has the largest exploration acreage in Pakistan, covering 32% of the total awarded acreage as of 30<sup>th</sup> June 2015. Currently all production volumes are being realized from onshore areas of Pakistan, however, the Company also has working interests in Pakistan's offshore exploration blocks.

OGDCL had a net Profit after Tax of Rs 87.249 billion for the year ended 30<sup>th</sup> June 2015.

## SUMMARY RESULTS

### Financial Summary:

Prevalence of lower international oil prices primarily affected OGDCL's financial results for the quarter ended 30 September 2015. The same is evident by the fact that average basket price of crude oil during July – September 2015 was US\$ 52.46/barrel against US\$ 103.80/barrel in the corresponding quarter. Resultantly, the Company's average realized prices recorded for crude oil and gas were US\$ 46.57/barrel and Rs 264.20/Mcf compared with US\$ 86.41/barrel and Rs 282.93/Mcf respectively in the comparative period. In addition, the Company's Sales affected by decrease in oil and gas production were partially offset by increase in average exchange rate to Rs/US\$ 103.19 from Rs/US\$ 101.38 during the last period leading the business to register Sales Revenue of Rs 44.513 billion (1Q 2014-15: Rs 64.396 billion).

Apart from the above, reduced other income mainly on account of decline in interest income on investment and bank deposits and exchange gain impacted OGDCL's profitability. This has led the Company to report Profit after Tax of Rs 18.260 billion translating into Earnings per Share of Rs 4.25.

Against the backdrop of plunge in international oil prices impacting the business financials, OGDCL has maintained a rigorous approach to capital allocation and focused on efficiency and competitiveness in carrying out exploration, development and production activities.

### Dividend

The Board of Directors has announced first interim cash dividend of Rs 1.50 per share (15%) for the year ending 30 June 2016.

### Exploration and Development Activities

OGDCL's exploratory assets currently constitute sixty three (63) owned and operated joint venture exploration licenses along with holding working interest in six (6) blocks operated by other exploration and production companies. These exploratory licenses are spread across all four (4) provinces of the Country covering an area of 115,037 sq. km as of 30 September 2015, representing the largest exploration acreage held by any E&P Company in Pakistan.

In line with exploration led growth strategy to enhance reserves and embark upon new growth opportunities, OGDCL stepped up seismic data acquisition during July – September 2015. This is witnessed by the fact that 2D and 3D seismic data of 1,458 Line km (1Q 2014-15: 1,013 Line km) and 767 sq. km (1Q 2014-15: 301 sq. km) respectively were acquired by the Company in

various exploratory blocks. Moreover, 2,208 Line km of 2D seismic data of various blocks were processed using in-house resources.

During the period under review, OGDCL spud four (4) wells including two (2) exploratory/appraisal wells viz., Bachani-1 & Bitrism West-1 and two (2) development wells viz., Qadirpur-55 & Buzdar North-2. Furthermore, drilling and testing of thirteen (13) wells spud in the previous fiscal year also continued during the reporting period.

With an aim to exploit unconventional oil and gas resources, OGDCL is carrying out a comprehensive study through an international consultant to evaluate shale gas/oil and tight gas/oil potential in its operated blocks. In this regard, 1st phase of the study has been completed while the 2nd phase of the study is currently underway.

### **Discoveries**

OGDCL's exploratory endeavors to locate new hydrocarbon reserves during the period under review led to discoveries at Chak Naurang South-1 in district Chakwal, Punjab province and Aradin-1 in district Khairpur, Sindh province.

### **Development Projects**

OGDCL efforts for completion of its ongoing development projects including Kunnar Pasahki Deep-Tando Allah Yar (KPD-TAY), Sinjhora, Uch-II, Jhal Magsi, Nashpa and Mela continued during the period under review. In this regard, phase-II of the Sinjhora development project, upon completion of commissioning activities during the month of July 2015, has been brought into production. At present, total production from combined phases; I and II is around 2,700 barrels per day of crude oil, 30 MMcf per day of gas and 120 Tons per day of LPG.

### **Production**

In its endeavor to enhance oil and gas production from owned and operated joint venture fields, OGDCL during July-September 2015 added 1,650 barrels per day of crude oil and 12 MMcf per day of gas through addition of new wells; Loti-19, Chak 63-3, Chak 2-3 and Noorai Jagir-1 in the existing gathering system.

In order to enhance/revive production from the mature wells, OGDCL during the period under review carried out workover job with rig at Kal-3. Likewise, rig-less workover jobs to boost oil and gas production were carried out at various wells; Mithrao-1, Kunnar-6, Pasahki-5, Chanda-1 & 2, Loti-19 & 20, Qadirpur-22 & 27 and TDM-17 & 19. In an effort to induce improvement in

current well flow parameters, pressure build-up survey jobs were completed at various wells; Qadirpur-30, 38, 39, 40, 51 and 52.

As part of preventive maintenance plan, OGDCL during the period under review carried out Annual Turn Around (ATA) of plants at Bobi, Qadirpur, Kunnar and Kunnar Pasahki Deep fields. The commissioning of cathodic protection system at 24 wells of Kunnar Pasahki Deep and 5 wells of Uch-II project has also been completed. Moreover, installation of production testing hookup has been completed at Qadirpur-55, Thal East-1 and Suleman-2.

During the reporting period, OGDCL's net oil and gas production in comparison to the corresponding period last year is impacted mainly due to natural decline in some of its mature hydrocarbon producing fields accompanied with fall in the share of crude oil and gas production from non-operated joint venture fields. Moreover, less gas intake from Uch-II by Uch-II Power (Private) Limited due to ATA and Qadirpur field owing to tripping of turbines at Engro Powergen Qadirpur Limited and Liberty Power Limited influenced the Company's production. Regarding LPG production, the Company witnessed increase owing to startup of production from Sinjhora and Jakhro fields.

The average daily net production of crude oil and gas during the period under review, including share in both operated and non-operated joint venture fields is as under:

<b>Products</b>	<b>Unit of Measurement</b>	<b>1<sup>st</sup> Quarter 2015-16</b>	<b>1<sup>st</sup> Quarter 2014-15</b>
Crude oil	Barrels per day	39,154	40,868
Gas	MMcf per day	1,130	1,216
LPG	Tons per day	267	231

Moving forward, OGDCL is confident that its commitment to carry on aggressive exploration strategy comprising fast track seismic data acquisition, data processing/interpretation and active drilling campaigns accompanied with near term completion of ongoing development projects will lead to enhancement in oil and gas production and creation of material value for the shareholders in the years to come.