

OIL AND GAS DEVELOPMENT COMPANY LIMITED
CONDENSED INTERIM BALANCE SHEET [UNAUDITED]
AS AT 31 DECEMBER 2015

	Unaudited 31 December 2015	Audited 30 June 2015
Note -----(Rupees '000)-----		
SHARE CAPITAL AND RESERVES		
Share capital	43,009,284	43,009,284
Capital reserves	4 9,172,197	7,456,000
Unappropriated profit	<u>411,642,288</u>	<u>392,055,684</u>
	463,823,769	442,520,968
NON CURRENT LIABILITIES		
Deferred taxation	<u>16,497,655</u>	<u>16,606,840</u>
Deferred employee benefits	12,396,436	12,457,915
Provision for decommissioning cost	<u>21,353,094</u>	<u>20,303,619</u>
	50,247,185	49,368,374
CURRENT LIABILITIES		
Trade and other payables	5 49,546,226	61,901,977
	<u>563,617,180</u>	<u>553,791,319</u>

CONTINGENCIES AND COMMITMENTS

6

The annexed notes 1 to 24 form an integral part of this condensed interim financial information.

Chief Executive

Director

	Unaudited 31 December 2015	Audited 30 June 2015
Note -----(Rupees '000)-----		
NON CURRENT ASSETS		
Fixed assets		
Property, plant and equipment	7 111,072,740	109,983,739
Development and production assets - intangible	8 82,510,215	78,260,687
Exploration and evaluation assets	9 7,889,301	8,139,436
	201,472,256	196,383,862
Long term investments	10 121,718,163	131,193,328
Long term loans and receivable	5,659,985	5,932,606
Long term prepayments	<u>662,224</u>	<u>502,972</u>
	329,512,628	334,012,768
CURRENT ASSETS		
Stores, spare parts and loose tools	19,177,606	16,847,032
Stock in trade	282,762	317,476
Trade debts	11 123,453,333	121,411,485
Loans and advances	12 9,737,389	8,043,768
Deposits and short term prepayments	1,543,232	1,414,433
Interest accrued	17,721,834	14,433,563
Other receivables	168,163	183,825
Income tax - advance	13 27,765,771	24,059,740
Current maturity of term finance certificates	20,500,000	10,250,000
Other financial assets	14 9,768,813	9,814,481
Cash and bank balances	<u>3,985,649</u>	<u>13,002,748</u>
	234,104,552	219,778,551
	<u>563,617,180</u>	<u>553,791,319</u>

OIL AND GAS DEVELOPMENT COMPANY LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT [UNAUDITED]
FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

	Note	Three months ended 31 December		Six months ended 31 December	
		2015	2014	2015	2014
----- (Rupees '000) -----					
Sales - net	15	41,673,067	54,247,664	86,186,287	118,643,636
Royalty		(4,679,811)	(6,105,213)	(9,693,800)	(13,520,997)
Operating expenses		(13,934,047)	(12,919,639)	(26,568,277)	(26,132,872)
Transportation charges		(400,563)	(419,260)	(868,968)	(1,034,203)
		<u>(19,014,421)</u>	<u>(19,444,112)</u>	<u>(37,131,045)</u>	<u>(40,688,072)</u>
Gross profit		22,658,646	34,803,552	49,055,242	77,955,564
Other income	16	4,304,692	3,941,181	8,295,055	10,221,540
Exploration and prospecting expenditure		(2,906,371)	(2,521,237)	(4,713,466)	(6,272,836)
General and administration expenses		(897,014)	(742,966)	(1,812,319)	(2,074,747)
Finance cost		(407,966)	(630,883)	(832,659)	(1,242,395)
Workers' profit participation fund		(1,149,884)	(1,743,678)	(2,530,319)	(3,932,092)
Share of profit in associate-net of taxation		<u>245,679</u>	<u>23,900</u>	<u>614,517</u>	<u>54,709</u>
Profit before taxation		21,847,782	33,129,869	48,076,051	74,709,743
Taxation	17	<u>(5,902,007)</u>	<u>(13,611,571)</u>	<u>(13,870,464)</u>	<u>(26,881,371)</u>
Profit for the period		<u>15,945,775</u>	<u>19,518,298</u>	<u>34,205,587</u>	<u>47,828,372</u>
Earnings per share - basic and diluted (Rupees)	18	<u>3.71</u>	<u>4.54</u>	<u>7.95</u>	<u>11.12</u>

The annexed notes 1 to 24 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 SIX MONTHS ENDED 31 DECEMBER 2015

	Three months ended 31 December 2015	2014	Six months ended 31 December 2015	2014
	----- (Rupees '000) -----			
Profit for the period	15,945,775	19,518,298	34,205,587	47,828,372
Other comprehensive income/(loss) for the period				
Items that will not be reclassified to profit or loss:				
Remeasurement loss on employee retirement benefit plans	-	-	-	(1,059,171)
Tax credit related to remeasurement loss on employee retirement benefit plans				
Current tax credit	-	-	-	537,454
Deferred tax charge	-	-	-	-
	-	-	-	537,454
	-	-	-	(521,717)
Total comprehensive income for the period	<u>15,945,775</u>	<u>19,518,298</u>	<u>34,205,587</u>	<u>47,306,655</u>

The annexed notes 1 to 24 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 SIX MONTHS ENDED 31 DECEMBER 2015

	Six months ended 31 December	
	2015	2014
Note	------(Rupees '000)-----	
Cash flows from operating activities		
Profit before taxation	48,076,051	74,709,743
Adjustments for:		
Depreciation	3,419,375	2,646,225
Amortization of development and production assets	8,463,996	8,874,936
Impairment on assets	943,241	433,276
Royalty	9,693,800	13,520,997
Workers' profit participation fund	2,530,319	3,932,092
Provision for employee benefits	1,500,553	2,105,014
Un-winding of discount on provision for decommissioning cost	825,791	1,234,735
Interest income	(6,817,785)	(9,121,213)
Un-realized loss/(gain) on investments at fair value through profit or loss	2,316	(24,245)
Dividend income	(19,296)	(18,615)
(Gain)/loss on disposal of property, plant and equipment	(6,578)	3,465
Share of profit in associate	(614,517)	(54,709)
Stores inventory written off	-	1,671
	67,997,266	98,243,372
Working capital changes		
(Increase)/decrease in current assets:		
Stores, spare parts and loose tools	(2,330,574)	(691,272)
Stock in trade	34,714	112,270
Trade debts	(2,041,848)	(8,697,463)
Deposits and short term prepayments	(128,799)	(244,718)
Advances and other receivables	(1,405,338)	(272,773)
(Decrease)/increase in current liabilities:		
Trade and other payables	(3,597,228)	6,520,096
Cash generated from operations	58,528,193	94,969,512
Royalty paid	(9,708,457)	(13,319,666)
Employee benefits paid	(1,747,940)	(12,542,425)
Long term prepayments	(159,252)	141,183
(Payments) to/receipt from workers' profit participation fund-net	(6,685,550)	346,775
Income taxes paid	(17,685,680)	(28,681,929)
	(35,986,879)	(54,056,062)
Net cash from operating activities	22,541,314	40,913,450
Cash flows from investing activities		
Capital expenditure	(17,096,184)	(31,506,840)
Interest received	3,777,876	9,144,897
Dividends received	133,459	36,990
Purchase of investments	(522,843)	(517,129)
Proceeds from disposal of property, plant and equipment	21,995	14,421
Net cash used in investing activities	(13,685,697)	(22,827,661)
Cash flows from financing activities		
Dividends paid	(17,916,068)	(20,546,647)
Net cash used in financing activities	(17,916,068)	(20,546,647)
Net decrease in cash and cash equivalents	(9,060,451)	(2,460,858)
Cash and cash equivalents at beginning of the period	22,527,785	40,113,906
Cash and cash equivalents at end of the period	13,467,334	37,653,048

The annexed notes 1 to 24 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 SIX MONTHS ENDED 31 DECEMBER 2015

Share capital	Capital reserves					Unappropriated profit	Total equity
	Capital reserve	Self insurance	Exploration, evaluation and development reserve	Capital redemption reserve fund	Reserve for Mari Seismic Unit		
------(Rupees '000)-----							
Balance at 1 July 2014	43,009,284	836,000	5,770,000	-	-	346,055,921	395,671,205
Transfer to self insurance reserve	-	-	431,847	-	-	(431,847)	-
Charged to self insurance reserve	-	-	(6,847)	-	-	6,847	-
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	47,828,372	47,828,372
Other comprehensive loss for the period	-	-	-	-	-	(521,717)	(521,717)
Total comprehensive income for the period	-	-	-	-	-	47,306,655	47,306,655
Transactions with owners, recorded directly in equity							
Final dividend 2014: Rs 3.00 per share	-	-	-	-	-	(12,902,786)	(12,902,786)
First interim dividend 2015: Rs 2.50 per share	-	-	-	-	-	(10,752,321)	(10,752,321)
Total distributions to owners	-	-	-	-	-	(23,655,107)	(23,655,107)
Balance at 31 December 2014	<u>43,009,284</u>	<u>836,000</u>	<u>6,195,000</u>	<u>-</u>	<u>-</u>	<u>369,282,469</u>	<u>419,322,753</u>
Balance at 1 July 2015	43,009,284	836,000	6,620,000	-	-	392,055,684	442,520,968
Transfer to self insurance reserve	-	-	426,009	-	-	(426,009)	-
Charged to self insurance reserve	-	-	(1,009)	-	-	1,009	-
Transfer to exploration, evaluation and development reserve by an associated Company	-	-	-	858,744	-	(858,744)	-
Transfer to capital redemption reserve fund by an associated Company	-	-	-	-	311,919	(311,919)	-
Transfer to reserve for Mari Seismic Unit by an associated Company	-	-	-	-	-	120,534	(120,534)
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	34,205,587	34,205,587
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	34,205,587	34,205,587
Transactions with owners, recorded directly in equity							
Final dividend 2015: Rs 1.50 per share	-	-	-	-	-	(6,451,393)	(6,451,393)
First interim dividend 2016: Rs 1.50 per share	-	-	-	-	-	(6,451,393)	(6,451,393)
Total distributions to owners	-	-	-	-	-	(12,902,786)	(12,902,786)
Balance at 31 December 2015	<u>43,009,284</u>	<u>836,000</u>	<u>7,045,000</u>	<u>858,744</u>	<u>311,919</u>	<u>120,534</u>	<u>411,642,288</u>
							<u>463,823,769</u>

The annexed notes 1 to 24 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 SIX MONTHS ENDED 31 DECEMBER 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. Previously, the shares of the Company were quoted on Karachi, Lahore and Islamabad stock exchanges of Pakistan. However, due to integration of these stock exchanges into Pakistan Stock Exchange effective 11 January 2016, the shares of the Company are now quoted on Pakistan Stock Exchange. The Global Depository Shares (1GDS = 10 ordinary shares of the Company) of the Company are listed on the London Stock Exchange.

2 BASIS OF PREPARATION

This condensed interim financial information of the Company for the six months period ended 31 December 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. The disclosures in this condensed interim financial information do not include those 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 condensed interim balance sheet is extracted from the audited annual financial statements as of 30 June 2015, whereas comparative condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity are stated from unaudited condensed interim financial information for the six months period ended 31 December 2014.

This condensed interim financial information is unaudited and is being submitted to the members as required under Section 245 of the Companies Ordinance, 1984 and Rule Book of Pakistan Stock Exchange Limited.

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, except for the changes mentioned below:

3.1 The Company has adopted the following new standards from current reporting period including any consequential amendments to other standards:

a.	IFRS 10	Consolidated Financial Statements
b.	IFRS 11	Joint Arrangements
c.	IFRS 12	Disclosure of Interest in Other Entities
d.	IFRS 13	Fair Value Measurement

a. IFRS 10 'Consolidated Financial Statements' became effective from financial periods beginning on or after 1 January 2015. As a result of IFRS 10, the Company has changed its accounting policy for determining whether it has control over and consequently whether it consolidates its investees. IFRS 10 introduces a new control model that focuses on whether the Company has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns. The Company reassessed the control conclusion for its investees at 1 July 2015, however, there has been no change in the control conclusion.

b. IFRS 11 'Joint Arrangements' is a replacement of IAS 31 'Interest in Joint Ventures' and modifies the accounting for joint arrangements:

Under IFRS 11, the Company classifies its interests in joint arrangements as either joint operations or joint ventures depending on the Company's rights to the assets and obligations for the liabilities of the arrangements. When making this assessment, the Company considers the structure of the arrangements, the legal form of any separate vehicles, the contractual terms of the arrangements and other facts and circumstances. The Company has assessed the nature of its joint arrangements and determined them to be joint operations.

OIL AND GAS DEVELOPMENT COMPANY LIMITED
SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION [UNAUDITED]
FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

- c. IFRS 12 'Disclosure of Interest in Other Entities' became effective from financial periods beginning on or after 1 January 2015. As a result of IFRS 12, the Company is required to expand its disclosures about interest in equity accounted investee.
- d. IFRS 13 'Fair Value Measurement' became effective from financial periods beginning on or after 1 January 2015. IFRS 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required or permitted by other IFRSs. It unifies the definition of fair value as a price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7. The application of IFRS 13 does not have any impact on the financial statements of the Company except for certain additional disclosures.

3.2 During the period, the Company has signed the supplemental Agreements with the Government of Pakistan (the Government) for conversion of Petroleum Concession Agreements (PCA) to the Petroleum Exploration and Production Policy, 2012 in respect of various blocks. Price regimes prevailing in Petroleum Policy 2007, Petroleum Policy 2009 and Petroleum Policy 2012 shall be applicable correlated with the spud date of wells in the respective policies starting from 27 November 2007 and for future exploratory efforts under respective blocks.

In terms of supplemental agreements, draft statements in respect of Mamikhel, Maramzai & Makori East discoveries in TAL block have been submitted to the Government, while the Company is in process of finalizing draft statements of other blocks. Such statements shall be finalized within next six months. The Government shall facilitate for issuance of necessary gas price notifications and payments to be made to the parties within twelve months of the statements being finalized. Effect of adjustment arising from revision in sale price will be recognised upon finalization of the statements and issuance of gas price notifications by the Government.

		Unaudited 31 December 2015	Audited 30 June 2015
	Note	------(Rupees '000)-----	
4 CAPITAL RESERVES			
Capital reserve	4.1	836,000	836,000
Self insurance reserve	4.2	7,045,000	6,620,000
Exploration, evaluation and development reserve	4.3	858,744	-
Capital redemption reserve fund	4.4	311,919	-
Reserve for Mari Seismic Unit	4.5	<u>120,534</u>	<u>-</u>
		<u>9,172,197</u>	<u>7,456,000</u>

- 4.1** This represents bonus shares issued by former wholly owned subsidiary-Pirkoh Gas Company (Private) Limited (PGCL) prior to merger.
- 4.2** The Company has set aside a specific capital reserve for self insurance of rigs, wells, plants, pipelines, workmen compensation, vehicle repair and losses for petroleum products in transit. The reserve is not available for distribution to shareholders.
- 4.3** This represents Company's share of profit set aside by an associated company to be reinvested for exploration and development activities in Mari as well as outside Mari Field.
- 4.4** This represents Company's share of profit set aside by an associated company to redeem redeemable preference shares in the form of cash to the preference shareholders.
- 4.5** This represents Company's share of profit set aside by an associated company to establish its own state of the art Mari Seismic Unit (MSU) for the acquisition of 3D and 2D seismic data.

OIL AND GAS DEVELOPMENT COMPANY LIMITED
SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION [UNAUDITED]
FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

	Note	Unaudited 31 December 2015	Audited 30 June 2015
		------(Rupees '000)-----	
5	TRADE AND OTHER PAYABLES		
	Creditors	942,767	1,159,807
	Payable to Government of Pakistan-on account of Kunnar discount	2,085,112	2,085,112
	Accrued liabilities	7,294,767	7,792,656
	Payable to joint operations	2,434,768	5,747,349
	Retention money payable	6,238,354	6,208,634
	Royalty payable	3,744,610	3,759,267
	Excise duty payable	252,407	243,798
	General sales tax payable	1,547,095	1,636,792
	Gas Infrastructure Development Cess (GIDC) payable	6,398,538	6,143,565
	Trade deposits	109,254	102,210
	Workers' profit participation fund-net	2,530,319	6,685,550
	Employees' pension trust	3,540,671	3,116,025
	Un-paid dividend	10,452,994	16,000,346
	Un-claimed dividend	719,025	184,955
	Advances from customers	957,372	861,045
	Other payables	298,173	174,866
		<u>49,546,226</u>	<u>61,901,977</u>

5.1 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. Also refer note 13.2 to the condensed interim financial information.

5.2 This includes an amount of Rs 9,766 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). Further, PCP through Letter No. 13(412/PC(BESOS)/OGDCL dated 8 December 2015 has requested the Company to maintain status quo till a policy decision is made by the Government of Pakistan regarding BESOS.

6 CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

6.1.1 Claims against the Company not acknowledged as debts amounted to Rs 1,479.623 million at period end (30 June 2015: Rs 1,483.728 million).

6.1.2 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).

6.2 Commitments

6.2.1 Commitments outstanding at period end amounted to Rs 64,412.176 million (30 June 2015: Rs 61,786.278 million). These include amounts aggregating to Rs 26,444.198 million (30 June 2015: Rs 27,052.325 million) representing the Company's share in the minimum work commitments under Petroleum Concession Agreements.

6.2.2 Letters of credit issued by various banks on behalf of the Company in ordinary course of the business, outstanding at period end amounted to Rs 15,165.070 million (30 June 2015: Rs 12,711.536 million).

6.2.3 The Company's share of associate commitments for capital expenditure based on the financial information of associate for the period ended 30 September 2015 was Rs 1,350.512 million (30 June 2015: Rs 1,620.719 million).

OIL AND GAS DEVELOPMENT COMPANY LIMITED
SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION [UNAUDITED]
FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

		Unaudited 31 December 2015	Audited 30 June 2015
	Note	------(Rupees '000)-----	
7	PROPERTY, PLANT AND EQUIPMENT		
Carrying amount at beginning of the period/year		109,983,739	71,803,994
Additions/adjustments during the period/year	7.1	5,111,003	45,433,418
Book value of disposals		(15,417)	(38,122)
Depreciation charge for the period/year		(4,006,585)	(6,622,268)
Impairment charge for the period/year		-	(199,378)
Revision in estimate of decommissioning cost during the period/year		-	(393,905)
Carrying amount at end of the period/year		<u>111,072,740</u>	<u>109,983,739</u>
7.1	Additions/adjustments during the period/year		
Freehold land		1,678	5,606
Buildings, offices and roads on freehold land		87,191	63,070
Buildings, offices and roads on leasehold land		97,824	141,870
Plant and machinery		7,314,806	16,027,130
Rigs		373,679	15,872
Pipelines		662,914	3,322,040
Office and domestic equipment		44,145	152,727
Office and technical data computers		114,060	121,123
Furniture and fixture		10,118	13,570
Vehicles		171,305	274,426
Decommissioning cost		-	88,603
Capital work in progress (net)		(3,391,873)	23,404,312
Stores held for capital expenditure (net)		(374,844)	1,803,069
		<u>5,111,003</u>	<u>45,433,418</u>
8	DEVELOPMENT AND PRODUCTION ASSETS-INTANGIBLE		
Carrying amount at beginning of the period/year		78,260,687	74,329,473
Additions during the period/year		9,619,855	16,190,247
Transfer from exploration and evaluation assets during the period/year		4,036,910	9,472,118
Amortization charge for the period/year		(8,463,996)	(16,281,337)
Impairment charge for the period/year		(943,241)	(2,411,666)
Revision in estimates of decommissioning cost during the period/year		-	(3,038,148)
Carrying amount at end of the period/year		<u>82,510,215</u>	<u>78,260,687</u>
9	EXPLORATION AND EVALUATION ASSETS		
Balance at beginning of the period/year		6,103,544	7,913,076
Additions during the period/year		5,662,208	12,512,724
		<u>11,765,752</u>	<u>20,425,800</u>
Cost of dry and abandoned wells during the period/year		(1,422,356)	(4,850,138)
Cost of wells transferred to development and production assets during the period/year		(4,036,910)	(9,472,118)
		<u>(5,459,266)</u>	<u>(14,322,256)</u>
		6,306,486	6,103,544
Stores held for exploration and evaluation activities		1,582,815	2,035,892
Balance at end of the period/year		<u>7,889,301</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 SIX MONTHS ENDED 31 DECEMBER 2015

	Note	Unaudited 31 December 2015	Audited 30 June 2015
		------(Rupees '000)-----	
10 LONG TERM INVESTMENTS			
Investment in related party-associate, quoted			
Mari Petroleum Company Limited (MPCL)	10.1	1,901,527	1,401,173
Investments held to maturity			
Term Deposit Receipts (TDRs)	10.2	6,384,972	5,862,129
Investment in Pakistan Investment Bonds	10.3	51,931,664	52,180,026
Investment in Term Finance Certificates	10.4	82,000,000	82,000,000
		140,316,636	140,042,155
Less: Current maturity of Term Finance Certificates		(20,500,000)	(10,250,000)
		119,816,636	129,792,155
		<u>121,718,163</u>	<u>131,193,328</u>

- 10.1** For the purpose of applying equity method of accounting, share of profit in MPCL is based on unaudited financial information of MPCL for the quarter ended 30 September 2015 (2014: 30 September 2014) prorated for the six months period. The financial information of MPCL for the six months period ended 31 December 2015 were not issued till the date of authorization of condensed interim financial information of the Company.
- 10.2** These represent investments in local currency TDRs carrying effective interest rate of 7.35% (30 June 2015: 9.91%) per annum. These investments are earmarked against self insurance reserve.
- 10.3** This represents investment in Pakistan Investment Bonds (PIBs) carrying interest rate of 11.50% (30 June 2015: 11.50%) per annum. These PIBs were issued on 19 July 2012 for a period of five years maturing on 19 July 2017.
- 10.4** This represents investment in Privately Placed Term Finance Certificates (TFCs) issued by Power Holding (Private) Limited (PHPL). 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. 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. The interest due as of 31 December 2015 is Rs 15,022 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 31 December 2015	Audited 30 June 2015
		------(Rupees '000)-----
11 TRADE DEBTS		
Un-secured, considered good	123,453,333	121,411,485
Un-secured, considered doubtful	111,989	112,782
	123,565,322	121,524,267
Provision for doubtful debts	(111,989)	(112,782)
	<u>123,453,333</u>	<u>121,411,485</u>

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11.1 Trade debts include overdue amount of Rs 85,074 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 62,236 million (30 June 2015: Rs 60,702 million) and Rs 15,420 million (30 June 2015: Rs 10,380 million) is overdue from related parties, Sui Southern Gas Company Limited and Sui Northern Gas Pipeline Limited respectively. 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.

11.2 Included in trade debts is an amount of Rs 8,296 million (30 June 2015: Rs 8,043 million) receivable from three Independent Power Producers and a fertilizer company on account of Gas Infrastructural Development Cess (GIDC) and related sales tax paid/payable thereon. Retrospective imposition of GIDC has finally been confirmed by the Government of Pakistan through promulgation of GIDC Act 2015. Accordingly, where applicable, the Company has charged GIDC to its customers and has recognized its liability in these financial statements.

12 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.

13 INCOME TAX-ADVANCE	Note	Unaudited 31 December 2015	Audited 30 June 2015
		----- (Rupees '000) -----	
Income tax- advance at beginning of the period/year		24,059,740	14,319,141
Income tax paid during the period/year		17,685,680	50,613,873
Income tax recovered by tax authorities during the period/year		-	3,942,695
Provision for current taxation for the period/year-Profit and loss account		(13,979,649)	(37,279,117)
Tax credit related to remeasurement loss on employee retirement benefit plans for the period/year-Other Comprehensive Income		-	624,129
Provision for taxation-prior years		-	(8,160,981)
Income tax-advance at end of the period/year	13.1 & 13.2	<u>27,765,771</u>	<u>24,059,740</u>

13.1 Income tax advance includes Rs 13,225 million paid to tax authorities during the year ended 30 June 2015 on account of disallowance of actuarial loss amounting to Rs 26,316 million related to period up to 30 June 2014 which the Company claimed in its return for the tax year 2014. This actuarial loss was recognized in the books as a result of retrospective application of IAS 19 (as revised in June 2011) 'Employee Benefits' during the year ended 30 June 2014. The Commissioner Inland Revenue Appeals (CIRA) through its order dated 3 November 2015 accepted the Company's viewpoint, however ordered to claim the expenditure over a period of seven years. The Company has filed an appeal against the order of CIRA in Appellate Tribunal Inland Revenue which is currently pending. The management, based on opinion of its tax consultant dated 29 January 2015 believes that there is reasonable probability that the matter will be decided in favour of the Company by appellate forums available under the law.

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- 13.2** During the year ended 30 June 2014, tax authorities raised demands of Rs 13,370 million by disallowing effect of price discount on sale of crude from Kunnar field and have recovered Rs 5,317 million (30 June 2015: Rs 5,317 million) upto 31 December 2015. During the year ended 30 June 2015, appeal before Appellate Tribunal Inland Revenue (ATIR) against the said demands were decided against the Company. The Company filed reference applications before Islamabad High Court against the decision of ATIR, which is currently pending. Management and its legal advisor are of the view that the price discount is not income of the Company and hence not liable to tax. Accordingly, management is confident that the matter will be resolved in favour of the Company as the discounted price for Kunnar field was finally determined by the Ministry of Petroleum and Natural Resources (MPNR) and major portion of price discount amount was paid to the Government of Pakistan (GoP) during the year ended 30 June 2014 upon directions from the Ministry of Finance, to this effect.

	Note	Unaudited 31 December 2015	Audited 30 June 2015
------(Rupees '000)-----			
14 OTHER FINANCIAL ASSETS			
Investment in Term Deposits	14.1	9,481,685	9,525,037
Investment at fair value through profit or loss-NIT units		287,128	289,444
		<u>9,768,813</u>	<u>9,814,481</u>

- 14.1** This include foreign currency TDRs amounting to USD 90.500 million (30 June 2015: USD 94.448 million), carrying interest rate ranging from 1.70% to 2.65% (30 June 2015: 1.75% to 2.35%) per annum, having maturities between one month to three months.

	Three months ended 31 December 2015	2014	Six months ended 31 December 2015	2014
------(Rupees '000)-----				
15 SALES-net				
Gross sales				
Crude oil	15,402,645	25,684,918	32,106,912	57,677,053
Gas	31,506,637	34,819,541	65,198,714	71,761,705
Liquefied petroleum gas	1,834,561	1,734,049	3,160,317	3,450,813
Sulphur	-	75,676	299,907	338,645
Other operating revenue	14,326	13,734	29,262	32,705
	<u>48,758,169</u>	<u>62,327,918</u>	<u>100,795,112</u>	<u>133,260,921</u>
Government levies				
General sales tax	(4,846,721)	(5,324,407)	(9,983,668)	(10,982,765)
Gas Infrastructure Development Cess (GIDC)	(1,414,437)	(1,934,852)	(2,992,148)	(1,934,852)
Excise duty	(823,944)	(820,995)	(1,633,009)	(1,699,668)
	<u>(7,085,102)</u>	<u>(8,080,254)</u>	<u>(14,608,825)</u>	<u>(14,617,285)</u>
	<u>41,673,067</u>	<u>54,247,664</u>	<u>86,186,287</u>	<u>118,643,636</u>

- 15.1** 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.

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15.2 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 figures 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.

	Three months ended 31 December		Six months ended 31 December	
	2015	2014	2015	2014
	------(Rupees '000)-----			
16 OTHER INCOME				
Interest income	3,317,666	4,592,023	6,817,785	9,121,213
Dividend income from NIT units	-	-	19,296	18,615
Un-realized gain/(loss) on investments at fair value through profit or loss	15,664	33,734	(2,316)	24,245
Exchange gain/(loss)-net	267,509	(776,567)	483,070	806,451
Others	703,853	91,991	977,220	251,016
	<u>4,304,692</u>	<u>3,941,181</u>	<u>8,295,055</u>	<u>10,221,540</u>

17 TAXATION

Current:

- for the period
- for prior period

6,001,354	9,745,365	13,979,649	22,526,773
-	8,304,218	-	9,403,596
<u>6,001,354</u>	<u>18,049,583</u>	<u>13,979,649</u>	<u>31,930,369</u>

Deferred-charge/(credit)

- for the period
- for prior period

(99,347)	1,132,019	(109,185)	1,220,305
-	(5,570,031)	-	(6,269,303)
<u>(99,347)</u>	<u>(4,438,012)</u>	<u>(109,185)</u>	<u>(5,048,998)</u>
<u>5,902,007</u>	<u>13,611,571</u>	<u>13,870,464</u>	<u>26,881,371</u>

18 EARNINGS PER SHARE-BASIC AND DILUTED

Profit for the period (Rupees '000)

<u>15,945,775</u>	<u>19,518,298</u>	<u>34,205,587</u>	<u>47,828,372</u>
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Average number of shares outstanding during the period ('000)

<u>4,300,928</u>	<u>4,300,928</u>	<u>4,300,928</u>	<u>4,300,928</u>
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Earnings per share-basic (Rupees)

<u>3.71</u>	<u>4.54</u>	<u>7.95</u>	<u>11.12</u>
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There is no dilutive effect on the earnings per share of the Company.

19 CASH AND CASH EQUIVALENTS

Cash and bank balances

Unaudited
31 December
2015

Unaudited
31 December
2014

------(Rupees '000)-----

Short term highly liquid investments

3,985,649

5,160,865

9,481,685

32,492,183

13,467,334

37,653,048

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20 RELATED PARTIES TRANSACTIONS

Government of Pakistan owns 74.97% (31 December 2014: 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 period end are as follows:

	Six months ended 31 December	
	2015	2014
	------(Rupees '000)-----	
Associated company		
Share of profit in associate-net of taxation	614,517	54,709
Dividend received	114,163	18,375
Major shareholders		
Government of Pakistan		
Dividend paid	13,784,880	9,673,623
Dividend payable as at 31 December	-	8,061,352
Payable on account of Kunnar discount at 31 December	2,085,112	2,085,112
Related parties by virtue of common directorship and GoP holdings		
Government Holdings (Private) Limited (GHPL)		
GHPL share (various fields)-receivable	704,577	829,084
Power Holding (Private) Limited (PHPL)		
Markup earned	3,520,631	4,615,095
Balance of investment in TFCs and markup receivable as at 31 December	97,022,467	89,443,129
State Bank of Pakistan		
Interest earned on Pakistan Investment Bonds (PIBs)	2,943,426	2,943,426
Balance of Investment in PIBs and markup receivable as at 31 December	53,428,182	53,428,182
Pak Arab Refinery Company Limited		
Sale of crude oil	2,725,947	6,067,298
Trade debts as at 31 December	853,840	2,485,774
Sui Northern Gas Pipelines Limited		
Sale of natural gas	26,631,374	26,640,668
Purchase of high BTU value gas	-	1,986,766
Trade debts as at 31 December	24,305,980	15,412,397
Payable as at 31 December	473,503	199,454
Sui Southern Gas Company Limited		
Sale of natural gas	21,071,056	28,519,971
Pipeline rental charges	18,330	18,330
Trade debts as at 31 December	67,767,910	63,004,360
Pakistan State Oil Company Limited		
Purchase of petroleum, oil and lubricants	2,361,477	2,038,667
Trade debts as at 31 December	1,867	1,867
Payable as at 31 December	3,000	2,700
National Insurance Company Limited		
Insurance premium paid	235,604	264,301
Payable as at 31 December	71,726	-

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RELATED PARTIES TRANSACTIONS - Continued

National Logistic Cell

Crude transportation charges paid	654,202	683,278
Payable as at 31 December	461,001	552,292

Enar Petrotech Services Limited

Consultancy services	93,564	800
Sale of crude oil	4,228,961	5,592,136
Trade debts as at 31 December	1,133,461	1,296,210
Payable as at 31 December	1,712	5,147

Other related parties

Contribution to staff benefit funds	849,292	12,036,812
Remuneration including benefits and perquisites of key management personnel	223,596	298,509

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

21 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, except for following additional disclosure required under IFRS 13 'Fair Value Measurement'.

Fair value measurement

The carrying values of financial assets and liabilities approximate their fair values. The table below analyse financial assets that are measured at fair value, by valuation method.

The different levels have been defined as follows:

- Level 1: quoted prices in active markets for identical assets and liabilities;
- Level 2: Observable inputs; and
- Level 3: Unobservable inputs

The company held the following financial assets at fair value;

		Level 1	Level 2	Level 3	Total
	Note	----- (Rupees '000) -----			
31 December 2015					
Financial assets measure at fair value					
Investments at fair value through profit and loss account-NIT units	14	<u>287,128</u>	<u>-</u>	<u>-</u>	<u>287,128</u>
30 June 2015					
Financial assets measure at fair value					
Investments at fair value through profit and loss account-NIT units	14	<u>289,444</u>	<u>-</u>	<u>-</u>	<u>289,444</u>

22 NON ADJUSTING EVENT AFTER BALANCE SHEET DATE

- 22.1** The Board of Directors approved interim cash dividend at the rate of Rs 1.20 per share amounting to Rs 5,161 million in its meeting held on 16 February 2016.

23 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 16 February 2016 by the Board of Directors of the Company.

24 GENERAL

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

Chief Executive

Director