



**OIL AND GAS DEVELOPMENT COMPANY LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT [UNAUDITED]**  
**FOR NINE MONTHS ENDED 31 MARCH 2009**

|   | Note | (Restated)                          |                          | (Restated)                         |                          |
|---|------|-------------------------------------|--------------------------|------------------------------------|--------------------------|
|   |      | Three months ended 31 March<br>2009 | 2008                     | Nine months ended 31 March<br>2009 | 2008                     |
| (Rupees '000)                                   |      |                                     |                          |                                    |                          |
| Sales - net                                     | 12   | 28,290,932                          | 32,055,233               | 100,231,295                        | 88,877,523               |
| Royalty   |      | (3,267,078)                         | (3,408,980)              | (11,513,862)                       | (10,786,277)             |
| Operating expenses                              |      | (5,365,016)                         | (4,164,430)              | (16,021,107)                       | (12,802,052)             |
| Transportation charges                          |      | (410,331)                           | (401,600)                | (1,192,402)                        | (981,774)                |
|   |      | <u>(9,042,425)</u>                  | <u>(7,975,010)</u>       | <u>(28,727,371)</u>                | <u>(24,570,103)</u>      |
| Gross profit                                    |      | 19,248,507                          | 24,080,223               | 71,503,924                         | 64,307,420               |
| Other income                                    |      | 661,609                             | 704,838                  | 3,744,062                          | 2,207,317                |
| Exploration and prospecting expenditure         |      | (771,007)                           | (1,299,781)              | (4,273,104)                        | (5,382,562)              |
| General and administration expenses             |      | (217,282)                           | (213,831)                | (765,621)                          | (860,224)                |
| Reversal of provision for impairment loss       |      | 1,417                               | -                        | 24,977                             | -                        |
| Finance cost                                    |      | (174,802)                           | (157,062)                | (516,735)                          | (455,183)                |
| Workers' profit participation fund              |      | (940,408)                           | (1,156,541)              | (3,488,050)                        | (2,992,035)              |
| Share of profit in associated company           |      | <u>13,296</u>                       | <u>12,091</u>            | <u>43,505</u>                      | <u>32,868</u>            |
| PROFIT BEFORE TAXATION                          |      | 17,821,330                          | 21,969,937               | 66,272,958                         | 56,857,601               |
| Taxation  |      | <u>(5,217,919)</u>                  | <u>(9,757,738)</u>       | <u>(21,864,787)</u>                | <u>(20,552,369)</u>      |
| PROFIT FOR THE PERIOD                           |      | <u><u>12,603,411</u></u>            | <u><u>12,212,199</u></u> | <u><u>44,408,171</u></u>           | <u><u>36,305,232</u></u> |
| Earnings per share - basic and diluted (Rupees) | 13   | <u><u>2.93</u></u>                  | <u><u>2.84</u></u>       | <u><u>10.33</u></u>                | <u><u>8.44</u></u>       |

The annexed selected notes 1 to 18 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 NINE MONTHS ENDED 31 MARCH 2009**

|  | (Restated)                 |              |
|--|----------------------------|--------------|
|  | Nine months ended 31 March |              |
|  | 2009                       | 2008         |
|  | (Rupees '000)              |              |
| <b>Cash flows from operating activities</b>                                |                            |              |
| Profit before taxation   | 66,272,958                 | 56,857,601   |
| Adjustments for:   |                            |              |
| Depreciation   | 2,348,966                  | 2,193,771    |
| Amortization of development and production assets                          | 4,058,999                  | 3,051,194    |
| Royalty  | 11,513,862                 | 10,786,277   |
| Workers' profit participation fund   | 3,488,050                  | 2,992,035    |
| Provision for employee benefits  | 1,043,379                  | 504,251      |
| Unwinding of discount on provision for decommissioning cost                | 503,885                    | 447,937      |
| Interest income  | (1,516,342)                | (1,827,686)  |
| Unrealized loss/(gain) on investments at fair value through profit or loss | 122,815                    | (5,902)      |
| Dividend income  | (29,512)                   | (28,150)     |
| Gain on disposal of property, plant and equipment                          | (10,462)                   | (303)        |
| Interest income on long term receivables                                   | (28,669)                   | (43,910)     |
| Reversal of provision for impairment loss                                  | (24,977)                   | -            |
| Share of profit in associated company                                      | (43,505)                   | (32,868)     |
| Provision for doubtful advances  | -                          | (9,864)      |
|  | 87,699,447                 | 74,884,383   |
| <b>Working capital changes</b>   |                            |              |
| (Increase)/decrease in current assets:                                     |                            |              |
| Stores, spare parts and loose tools  | (337,720)                  | (2,489,194)  |
| Stock in trade   | 69,090                     | (13,280)     |
| Trade debts  | (24,041,173)               | (5,997,246)  |
| Deposits and short term prepayments  | 110,611                    | 31,086       |
| Loans, advances and other receivables                                      | 183,699                    | 1,845        |
| Increase/(decrease) in current liabilities:                                |                            |              |
| Trade and other payables   | 1,549,393                  | (2,124,053)  |
| <b>Cash generated from operations</b>                                      | 65,233,347                 | 64,293,541   |
| Royalty paid   | (13,655,018)               | (8,682,314)  |
| Employee benefits paid   | (884,250)                  | (631,517)    |
| (Paid to)/received from workers' profit participation fund                 | (174,911)                  | 302,383      |
| Income taxes paid  | (17,466,498)               | (13,521,166) |
|  | (32,180,677)               | (22,532,614) |
| Net cash from operating activities   | 33,052,670                 | 41,760,927   |
| <b>Cash flows from investing activities</b>                                |                            |              |
| Capital expenditure  | (19,796,565)               | (9,925,737)  |
| Interest received  | 1,758,892                  | 2,222,467    |
| Dividends received   | 53,157                     | 52,081       |
| Purchase of investments  | -                          | (200,000)    |
| Proceeds from encashment of investments                                    | 1,498,347                  | 50,061       |
| Proceeds from disposal of property, plant and equipment                    | 14,452                     | 2,967        |
| Long term prepayments  | 30,244                     | (167,859)    |
| Net cash used in investing activities                                      | (16,441,473)               | (7,966,020)  |
| <b>Cash flows from financing activities</b>                                |                            |              |
| Dividends paid   | (21,291,990)               | (24,652,541) |
| Net cash used in financing activities                                      | (21,291,990)               | (24,652,541) |
| <b>Net (decrease)/increase in cash and cash equivalents</b>                | (4,680,793)                | 9,142,366    |
| <b>Cash and cash equivalents at beginning of the period</b>                | 18,276,380                 | 23,737,736   |
| <b>Cash and cash equivalents at end of the period</b>                      | 13,595,587                 | 32,880,102   |

The annexed selected notes 1 to 18 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 NINE MONTHS ENDED 31 MARCH 2009**

|  | Share capital     | Capital reserve |                  | Unappropriated profit | Total equity       |
|--|-------------------|-----------------|------------------|-----------------------|--------------------|
|  |                   | Bonus share     | Specific         |                       |                    |
|  | (Rupees '000)     |                 |                  |                       |                    |
| Balance at 01 July 2007 as restated                | 43,009,284        | 836,000         | 2,438,228        | 60,652,540            | 106,936,052        |
| Final dividend 2007: Rs 3.50 per share             | -                 | -               | -                | (15,053,249)          | (15,053,249)       |
| First interim dividend 2008: Rs 1.75 per share     | -                 | -               | -                | (7,526,625)           | (7,526,625)        |
| Second interim dividend 2008: Rs 2.00 per share    | -                 | -               | -                | (8,601,857)           | (8,601,857)        |
| Transfer to capital reserve                        | -                 | -               | 177,816          | (177,816)             | -                  |
| Profit for nine months as restated                 | -                 | -               | -                | 36,305,232            | 36,305,232         |
| Total recognized income for the period as restated | -                 | -               | -                | 36,305,232            | 36,305,232         |
| Balance at 31 March 2008 as restated               | <u>43,009,284</u> | <u>836,000</u>  | <u>2,616,044</u> | <u>65,598,225</u>     | <u>112,059,553</u> |
| Balance at 01 July 2008 as restated                | 43,009,284        | 836,000         | 2,667,064        | 63,902,995            | 110,415,343        |
| Final dividend 2008: Rs 3.50 per share             | -                 | -               | -                | (15,053,249)          | (15,053,249)       |
| First interim dividend 2009: Rs 2.00 per share     | -                 | -               | -                | (8,601,857)           | (8,601,857)        |
| Second interim dividend 2009: Rs 1.75 per share    | -                 | -               | -                | (7,526,625)           | (7,526,625)        |
| Transfer to capital reserve                        | -                 | -               | 152,905          | (152,905)             | -                  |
| Profit for nine months                             | -                 | -               | -                | 44,408,171            | 44,408,171         |
| Total recognized income for the period             | -                 | -               | -                | 44,408,171            | 44,408,171         |
| Balance at 31 March 2009                           | <u>43,009,284</u> | <u>836,000</u>  | <u>2,819,969</u> | <u>76,976,530</u>     | <u>123,641,783</u> |

The annexed selected notes 1 to 18 form an integral part of this condensed interim financial information.

**Chief Executive**

**Director**

**OIL AND GAS DEVELOPMENT COMPANY LIMITED**  
**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION [UNAUDITED]**  
**FOR NINE MONTHS ENDED 31 MARCH 2009**

**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 registered office of the Company is located at OGDCL House, Plot No. 3, F-6/G-6, Blue Area, Islamabad, Pakistan. The Company is deemed to own all the properties, rights, assets, obligations and liabilities of Oil and Gas Development Corporation (OGDC) as on that date. The Company is engaged in the exploration and development of oil and gas resources, including production and sale of oil and gas and related activities. The Company is listed on all the three stock exchanges of Pakistan and its Global Depository Shares (1GDS = 10 Ordinary shares of the Company) are listed on the London Stock Exchange.

Government of Pakistan owns 85.02% (30 June 2008: 85.02%) of the Ordinary shares of the Company as of 31 March 2009.

On 28 January 2009, the Honorable Islamabad High Court approved the scheme of merger of Pirkoh Gas Company (Private) Limited (PGCL) with the Company effective from 01 January 2009. Consequently, PGCL has been merged with the Company and this condensed interim financial information has been prepared in accordance with the said merger scheme.

**2 BASIS OF PREPARATION**

This condensed interim financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. This condensed interim financial information is unaudited and is being submitted to shareholders as required by Section 245 of the Companies Ordinance, 1984.

This condensed interim financial information should be read in conjunction with annual audited financial statements for the year ended 30 June 2008. Comparative balance sheet is extracted from annual audited consolidated financial statements for the year ended 30 June 2008 whereas comparative profit and loss account, comparative statement of changes in equity and comparative cash flow statement are stated from unaudited condensed consolidated interim financial information for the nine months ended 31 March 2008.

**3 ACCOUNTING POLICIES**

**3.1** Accounting policies, related judgments, estimates and assumptions adopted for preparation of this condensed interim financial information are the same as those applied in preparation of the annual audited consolidated financial statements for the year ended 30 June 2008.

**3.2** Taxes on income in the interim period are accrued using the tax rates that would be applicable to expected total annual earnings.

**3.3 New accounting standards and IFRIC interpretations that are not yet effective**

The following standards, amendments and interpretations of approved accounting standards, effective for accounting periods beginning as mentioned there against are either not relevant to the Company's current operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures:

Revised IAS 1 - Presentation of financial statements (effective 1 January 2009)

Revised IAS 23 - Borrowing costs (effective 1 January 2009)

Amended IAS 27 - Consolidated and Separate Financial Statements (effective 1 July 2009)

IAS 29 - Financial Reporting in Hyperinflationary Economies (effective 28 April 2008)

Amendments to IAS 32 - Financial instruments (effective 1 January 2009)

Amendments to IAS 39 - Financial Instruments: Recognition and Measurement (effective 1 July 2009)

Amendment to IFRS 2 - Share-based Payment (effective 1 January 2009)

Revised IFRS 3 - Business Combinations (effective 1 July 2009)

IFRS 7 - Financial Instruments: Presentation (effective 28 April 2008)

IFRS 8 - Operating Segments (effective 01 January 2009)

IFRIC 13 - Customer Loyalty Programmes (effective 01 July 2008)

IFRIC 15 - Agreement for the Construction of Real Estate (effective 01 January 2008)

IFRIC 16 - Hedge of Net Investment in a Foreign Operation (effective 1 October 2008)

IFRIC 17 - Distribution of Non-Cash Assets to Owners (effective 1 July 2009)

IFRIC 18 - Transfers of Assets from Customers (effective 1 July 2009)

The International Accounting Standards Board's annual improvements project published in May 2008, contains a number of amendments which would generally be applicable for financial periods beginning on or after 1 January 2009. These amendments extend to 35 standards and include changes in terminology and accounting requirements.

**OIL AND GAS DEVELOPMENT COMPANY LIMITED**  
**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION [UNAUDITED]**  
**FOR NINE MONTHS ENDED 31 MARCH 2009**

|   | <b>31 March</b>      | <b>(Restated)</b> |
|---|----------------------|-------------------|
|   | <b>2009</b>          | <b>30 June</b>    |
|   | <b>(Rupees '000)</b> |                   |
| <b>4 TRADE AND OTHER PAYABLES</b>                         |                      |                   |
| Creditors   | 275,143              | 345,588           |
| Accrued liabilities                                       | 5,929,944            | 5,451,929         |
| Royalty   | 4,523,174            | 6,664,330         |
| Excise duty   | 120,900              | 105,357           |
| Development surcharge                                     | 4,269                | -                 |
| General sales tax   | 977,957              | 584,886           |
| Payable to joint venture partners                         | 2,439,320            | 1,369,547         |
| Retention money   | 271,731              | 278,088           |
| Trade deposits  | 137,462              | 99,262            |
| Workers' profit participation fund                        | 3,487,966            | 174,827           |
| Unpaid dividend   | 11,341,675           | 1,450,691         |
| Unclaimed dividend  | 101,545              | 102,788           |
| Advances from customers                                   | 180,369              | 174,341           |
| Other payables  | 35,215               | 413,921           |
|   | <u>29,826,670</u>    | <u>17,215,555</u> |
| <b>5 PROVISION FOR TAXATION</b>                           |                      |                   |
| Tax payable/(advance tax) at beginning of the period/year | 4,223,048            | (5,700,810)       |
| Income tax paid during the period/year                    | (17,466,498)         | (22,992,422)      |
| Provision for taxation - current                          | 14,410,346           | 21,039,758        |
| Provision for taxation - prior years                      | 2,580,432            | 11,876,522        |
| Tax payable at end of the period/year                     | <u>3,747,328</u>     | <u>4,223,048</u>  |

**5.1 TAX STATUS**

Various appeals in respect of assessment years 1992-93 to 2002-03, tax years 2003 to 2008 are pending at different appellate forums in the light of the order of the Commissioner of Income Tax (Appeals), Income Tax Appellate Tribunal (ITAT) and decision of the adjudicator appointed by both the Company as well as the Federal Board of Revenue (FBR) mainly on the issues of decommissioning cost, depletion allowance and employee benefits.

**6 CONTINGENCIES AND COMMITMENTS**

- 6.1** Claims against the Company as on 31 March 2009, not acknowledged as debts amounted to Rs 210.737 million (30 June 2008 : Rs 229.420 million) since in the opinion of the management, there is a fairly reasonable chance that these will be decided in favour of the Company.
- 6.2** At present Qadirpur Gas Price is being notified by Oil and Gas Regulatory Authority (OGRA) on the basis of a provisional discount table for High Sulphur Fuel Oil (HSFO) price upto the maximum limit of USD 200 per metric ton notified by Ministry of Petroleum and Natural Resources, Government of Pakistan (GoP). In terms of article 4.1(b) of Qadirpur Gas Pricing Agreement, the Company, as operator of Qadirpur Joint Venture, has taken up the matter with GoP for notification of step discounts to be used in the calculation of gas price at HSFO prices exceeding USD 200 per metric ton. To date no agreement has been reached on said step discounts between the Company and GoP. After settlement of discount issue which can not be quantified at this stage, gas prices will be adjusted with retrospective effect i.e., July 2005. Since the gas prices during the year 2005-06 were notified on the basis of existing table, therefore, there may be some adjustment pertaining to past periods whenever the discount levels are finalized.
- 6.3** Commitments outstanding as on 31 March 2009 amounted to Rs 9,343.997 million (30 June 2008 : Rs 18,909.109 million). These included amounts aggregating to Rs 3,355.281 million (30 June 2008 : Rs 967.227 million) representing the Company's share in the minimum work commitments related to operated/non-operated concessions.
- 6.4** Letters of credit issued by various banks on behalf of the Company in ordinary course of the business, outstanding at the period end amounted to Rs 5,609.148 million (30 June 2008 : Rs 6,504.968 million).
- 6.5** Certain banks have issued guarantees on behalf of the Company in ordinary course of business aggregating Rs 104.844 million (30 June 2008 : Rs 444.844 million).

**OIL AND GAS DEVELOPMENT COMPANY LIMITED**  
**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION [UNAUDITED]**  
**FOR NINE MONTHS ENDED 31 MARCH 2009**

|  |      | (Restated)                 |                          |
|--|------|----------------------------|--------------------------|
|  |      | Nine months ended 31 March |                          |
|  |      | 2009                       | 2008                     |
|  | Note | (Rupees '000)              |                          |
| <b>7 PROPERTY, PLANT AND EQUIPMENT</b>   |      |                            |                          |
| Carrying amount at beginning of the period                                       |      | 20,863,962                 | 20,005,480               |
| Additions during the period  | 7.1  | 5,803,373                  | 2,588,463                |
| Book value of disposals  | 7.2  | (1,166)                    | (2,664)                  |
| Depreciation charge for the period   |      | (2,704,791)                | (2,493,366)              |
| Reversal of provision for impairment loss  |      | 24,977                     | -                        |
| Closing book value   |      | <u>23,986,355</u>          | <u>20,097,913</u>        |
| Capital works in progress  |      | 4,071,180                  | 2,508,562                |
| Carrying amount at end of the period   |      | <u><u>28,057,535</u></u>   | <u><u>22,606,475</u></u> |
| <b>7.1 Additions during the period</b>   |      |                            |                          |
| Freehold land  |      | 5,511                      | 631                      |
| Leasehold land   |      | 1,935                      | -                        |
| Buildings, offices and roads on freehold land                                    |      | 42,686                     | 36,923                   |
| Buildings, offices and roads on leasehold land                                   |      | -                          | 3,761                    |
| Plant and machinery  |      | 4,609,348                  | 1,627,695                |
| Rigs   |      | 91,966                     | 102,255                  |
| Pipelines  |      | 79,467                     | 358,346                  |
| Vehicles   |      | 769,631                    | 204,335                  |
| Office and domestic equipment  |      | 80,879                     | 38,657                   |
| Office and technical data computers  |      | 38,087                     | 16,666                   |
| Furniture and fixture  |      | 6,581                      | 6,287                    |
| Stores held for capital expenditure (net)  |      | 47,084                     | 192,907                  |
| Decommissioning cost   |      | 30,198                     | -                        |
|  |      | <u><u>5,803,373</u></u>    | <u><u>2,588,463</u></u>  |
| <b>7.2 Book value of disposals during the period</b>                             |      |                            |                          |
| Rigs   |      | 1                          | -                        |
| Vehicles   |      | 1,165                      | 2,664                    |
|  |      | <u><u>1,166</u></u>        | <u><u>2,664</u></u>      |
| <b>8 DEVELOPMENT AND PRODUCTION ASSETS - INTANGIBLE</b>                          |      |                            |                          |
| Carrying amount at beginning of the period                                       |      | 31,748,208                 | 27,211,897               |
| Additions during the period  |      | 9,470,786                  | 3,695,683                |
| Amortization charge for the period   |      | (4,058,999)                | (3,051,194)              |
| Closing book value   |      | <u>37,159,995</u>          | <u>27,856,386</u>        |
| Wells in progress  |      | 6,887,732                  | 5,155,173                |
| Carrying amount at end of the period   |      | <u><u>44,047,727</u></u>   | <u><u>33,011,559</u></u> |
| <b>9 EXPLORATION AND EVALUATION ASSETS</b>                                       |      |                            |                          |
| Balance at beginning of the period   |      | 2,823,295                  | 1,875,370                |
| Additions during the period  |      | 5,736,763                  | 6,535,954                |
|  |      | 8,560,058                  | 8,411,324                |
| Cost of dry and abandoned wells during the period                                |      | (2,685,098)                | (3,800,286)              |
| Cost of wells transferred to development and production assets during the period |      | (814,331)                  | (1,167,008)              |
|  |      | <u>(3,499,429)</u>         | <u>(4,967,294)</u>       |
|  |      | 5,060,629                  | 3,444,030                |
| Stores held for exploration and evaluation activities (net)                      |      | 4,207,929                  | 3,237,247                |
| Balance at end of the period   |      | <u><u>9,268,558</u></u>    | <u><u>6,681,277</u></u>  |

**OIL AND GAS DEVELOPMENT COMPANY LIMITED**  
**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION [UNAUDITED]**  
**FOR NINE MONTHS ENDED 31 MARCH 2009**

|                                 | 31 March<br>2009  | (Restated)<br>30 June<br>2008 |
|---------------------------------|-------------------|-------------------------------|
|                                 | (Rupees '000)     |                               |
| <b>10 TRADE DEBTS</b>           |                   |                               |
| Un-secured, considered good     | 64,746,472        | 40,706,744                    |
| Un-secured, considered doubtful | 113,309           | 4,325,082                     |
|                                 | <u>64,859,781</u> | <u>45,031,826</u>             |
| Provision for doubtful debts    | (113,309)         | (4,325,082)                   |
| Trade debts written off         | -                 | (1,445)                       |
|                                 | <u>64,746,472</u> | <u>40,705,299</u>             |

**10.1** Trade debts include an amount of Rs 121.258 million (30 June 2008: Rs 4,436 million) withheld by Uch Power (Private) Limited (UPL) against claims for damages related to minimum supply of gas. Provision amounting to Rs 4,213 million has been adjusted in this condensed interim financial information as approved by the management in line with the settlement agreement between the Company and UPL approved by the GoP.

**10.2** Trade debts also include an amount of Rs 6,171 million (30 June 2008: Rs 3,649 million) which has been withheld by the refineries under the previous directive of Ministry of Petroleum and Natural Resources and represents revenue on Crude Oil in excess of USD 50 per barrel. On 04 December 2007, Ministry of Petroleum and Natural Resources issued another directive whereby discount on Crude Oil and Condensate in excess of USD 50 per barrel was settled. According to the said directive, in case the net prices exceed the present ceiling limits mentioned in the respective agreements, the excess will be equally shared between the Government and Exploration and Production (E&P) Companies both for Crude Oil and Condensate. The effect of this has been incorporated in this condensed interim financial information. Further, the matter has been taken up with oil refineries for release of withheld amounts. Management considers this amount to be fully recoverable.

**10.3** Also included in trade debts is an amount of Rs 4,372 million (30 June 2008: Rs 3,954 million) withheld by refineries on the direction of Directorate General of Petroleum Concessions (DGPC) pending finalization of crude oil sale agreements. On 02 April 2009, DG (Oil) has advised refineries to release 100% of the Company's withheld amounts.

**10.4** Trade debts also include an overdue amount of Rs 32,849 million withheld by refineries and gas companies due to inter-corporate debts. A committee, under the chairmanship of Secretary Finance GoP, has been formed to review and settle inter-corporate receivables/payables. On 13 April 2009, Finance Division has asked companies for acceptance of an arrangement whereby National Transmission and Despatch Company Limited (NTDC) will make direct payment upto Rs 12,000 million to the Company which will result in adjustment of receivables from Pak Arab Refinery Company Limited (PARCO) Rs 4,341 million, Sui Southern Gas Company Limited (SSGCL) Rs 2,960 million and Sui Northern Gas Pipelines Limited (SNGPL) Rs 4,699 million out of total receivables from these companies. Management considers the total withheld amount to be fully recoverable and hence, no provision has been made for these debts in this condensed interim financial information.

|  |      | 31 March<br>2009 | (Restated)<br>30 June<br>2008 |
|--|------|------------------|-------------------------------|
|  | Note | (Rupees '000)    |                               |
| <b>11 OTHER FINANCIAL ASSETS</b>                 |      |                  |                               |
| Investments:                                     |      |                  |                               |
| At fair value through profit or loss - NIT units |      | 114,869          | 237,684                       |
| Available for sale                               | 11.1 | <u>8,637,625</u> | <u>9,969,832</u>              |
|  |      | <u>8,752,494</u> | <u>10,207,516</u>             |

**11.1** These represent investments in TDRs maturing in the short term and carry interest rate of 1.80% to 13.10% (30 June 2008: 5.00% to 10.70%) per annum. Included in these investments are foreign currency TDRs amounting to USD 107.50 million (30 June 2008: USD 73 million).

**OIL AND GAS DEVELOPMENT COMPANY LIMITED**  
**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION [UNAUDITED]**  
**FOR NINE MONTHS ENDED 31 MARCH 2009**

|   | (Restated)                  |                   | (Restated)                 |                   |
|---|-----------------------------|-------------------|----------------------------|-------------------|
|   | Three months ended 31 March |                   | Nine months ended 31 March |                   |
|   | 2009                        | 2008              | 2009                       | 2008              |
|   | (Rupees '000)               |                   |                            |                   |
| <b>12 SALES - net</b>   |                             |                   |                            |                   |
| <b>Gross sales</b>  |                             |                   |                            |                   |
| Crude oil   | 10,592,526                  | 16,619,777        | 50,081,743                 | 48,424,459        |
| Gas   | 19,839,105                  | 15,825,556        | 55,266,986                 | 44,021,250        |
| Gasoline  | 25,684                      | -                 | 204,492                    | 4,740             |
| Kerosene oil  | 40,256                      | 64,571            | 124,254                    | 283,001           |
| High speed diesel oil   | 1,142                       | 27,237            | 3,804                      | 227,779           |
| Solvent oil   | -                           | 1,753             | 4,537                      | 16,466            |
| Naphtha   | 79,987                      | 580,514           | 481,171                    | 2,206,219         |
| Liquefied petroleum gas                                       | 801,232                     | 1,388,832         | 2,726,990                  | 4,281,870         |
| Sulphur   | 54,104                      | 209,661           | 286,506                    | 516,778           |
| Other operating revenue                                       | 8,461                       | 18,413            | 25,247                     | 50,360            |
|   | 31,442,497                  | 34,736,314        | 109,205,730                | 100,032,922       |
| <b>Government levies</b>                                      |                             |                   |                            |                   |
| Excise duty   | (384,919)                   | (396,800)         | (1,119,023)                | (1,141,815)       |
| Development surcharge   | (16,146)                    | (8,757)           | (35,908)                   | (49,509)          |
| General sales tax   | (2,750,500)                 | (2,275,524)       | (7,819,504)                | (9,964,075)       |
|   | (3,151,565)                 | (2,681,081)       | (8,974,435)                | (11,155,399)      |
|   | <u>28,290,932</u>           | <u>32,055,233</u> | <u>100,231,295</u>         | <u>88,877,523</u> |
| <b>13 EARNINGS PER SHARE - BASIC AND DILUTED</b>              |                             |                   |                            |                   |
| Profit for the period (Rupees '000)                           | 12,603,411                  | 12,212,199        | 44,408,171                 | 36,305,232        |
| Average number of shares outstanding during the period ('000) | 4,300,928                   | 4,300,928         | 4,300,928                  | 4,300,928         |
| Earnings per share - basic (Rupees)                           | <u>2.93</u>                 | <u>2.84</u>       | <u>10.33</u>               | <u>8.44</u>       |

There is no dilutive effect on the earnings per share of the Company.

**OIL AND GAS DEVELOPMENT COMPANY LIMITED**  
**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION [UNAUDITED]**  
**FOR NINE MONTHS ENDED 31 MARCH 2009**

**14 RELATED PARTIES TRANSACTIONS**

Related parties comprise, associated company, profit oriented state controlled entities, major shareholders, directors, companies with common directorship, key management personnel and employees pension trust. Transactions of the Company with related parties and balance outstanding at the period end are as follows:

|  | (Restated)                 |            |
|--|----------------------------|------------|
|  | Nine months ended 31 March |            |
|  | 2009                       | 2008       |
|  | (Rupees '000)              |            |
| <b>Associated company - Mari Gas Company Limited</b>                     |                            |            |
| Dividend income received   | 23,645                     | 23,931     |
| <b>Related parties by virtue of common directorship and GoP holdings</b> |                            |            |
| <b>Attock Refinery Limited</b>   |                            |            |
| Sale of crude oil  | 29,894,097                 | 30,536,901 |
| Desalting charges paid   | 20,316                     | 36,910     |
| Receivable as at 31 March  | 14,268,308                 | 10,627,019 |
| <b>Government Holdings (Private) Limited</b>                             |                            |            |
| Payable as at 31 March   | 133,190                    | 18,606     |
| <b>Pak Arab Refinery Company Limited</b>                                 |                            |            |
| Sale of crude oil  | 3,134,901                  | 3,121,406  |
| Receivable as at 31 March  | 4,429,269                  | 1,347,427  |
| <b>Sui Northern Gas Pipelines Limited</b>                                |                            |            |
| Sale of natural gas  | 25,895,741                 | 25,696,840 |
| Purchase of high BTU value gas   | 1,679,540                  | 1,705,389  |
| Receivable as at 31 March  | 9,140,768                  | 4,959,135  |
| <b>Sui Southern Gas Company Limited</b>                                  |                            |            |
| Sale of natural gas  | 22,326,838                 | 12,884,633 |
| Pipeline rental charges  | 29,632                     | 1,777      |
| Receivable as at 31 March  | 19,104,577                 | 6,614,803  |
| <b>Pakistan State Oil Company Limited</b>                                |                            |            |
| Sale of refined petroleum products                                       | 93,587                     | 339,472    |
| Sale of liquefied petroleum gas  | 18,842                     | 9,858      |
| Purchase of petroleum, oil and lubricants                                | 2,300,742                  | 1,510,761  |
| Receivable as at 31 March  | 21,325                     | 50,484     |
| <b>Packages Limited</b>  |                            |            |
| Sale of sulphur  | 20,859                     | 41,024     |
| <b>National Insurance Company Limited</b>                                |                            |            |
| Insurance premium paid   | 540,245                    | 349,569    |
| <b>National Logistic Cell</b>  |                            |            |
| Crude transportation charges paid  | 940,859                    | 856,289    |
| <b>Heavy Mechanical Complex (Private) Limited</b>                        |                            |            |
| Purchase of stores and spares  | 15,827                     | 13,577     |
| <b>Water and Power Development Authority</b>                             |                            |            |
| Sale of natural gas  | 58,327                     | 115,497    |
| Receipts against long term loan  | 93,375                     | 801,663    |
| Receivable as at 31 March  | 28,937                     | 33,963     |
| <b>Enar Petrotech Services (Private) Limited</b>                         |                            |            |
| Consultancy services   | 27,783                     | 39,332     |
| Sale of crude oil  | 1,397,559                  | 1,113,532  |
| Receivable as at 31 March  | 21,537                     | 150,840    |
| <b>Government of Pakistan</b>  |                            |            |
| Dividend paid  | 16,298,737                 | 20,011,294 |
| <b>Other related parties</b>   |                            |            |
| Contribution to staff benefit funds                                      | 1,020,062                  | 486,653    |
| Remuneration including benefits and perquisites of chief executives      | 16,942                     | 9,354      |
| Remuneration including benefits and perquisites of executives            | 1,919,893                  | 1,205,952  |

Transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuations modes as admissible. Sale of crude oil to related parties is at a price determined in accordance with the agreed pricing formula as approved by GoP under respective agreement. Sale of natural gas to related parties is at price notified by the GoP whereas sale of Liquefied Petroleum Gas and Refined Petroleum Products is made at prices notified by Oil Companies Advisory Committee/Oil and Gas Regulatory Authority (OGRA).

**OIL AND GAS DEVELOPMENT COMPANY LIMITED**  
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**FOR NINE MONTHS ENDED 31 MARCH 2009**

**15 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 2008.

**16 CORRESPONDING FIGURES**

Previous period/year figures have been restated, rearranged and/or reclassified, wherever necessary, for the purpose of comparison in this condensed interim financial information.

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

**17.1** The Board of Directors proposed interim dividend at the rate of Rs \_\_\_\_\_ per share in its meeting held on 23 April 2009.

**17.2** This condensed interim financial information was authorized for issue on 23 April 2009 by the Board of Directors of the Company.

**18 GENERAL**

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

**Chief Executive**

**Director**