

OIL AND GAS DEVELOPMENT COMPANY LIMITED
CONDENSED INTERIM BALANCE SHEET [UNAUDITED]
AS AT 31 DECEMBER 2008

	Unaudited 31 December 2008	Audited 30 June 2008		Unaudited 31 December 2008	Audited 30 June 2008	
Note	(Rupees '000)			Note	(Rupees '000)	
SHARE CAPITAL AND RESERVES			NON CURRENT ASSETS			
Share capital	43,009,284	43,009,284	Fixed assets			
Capital reserve	2,769,638	2,667,064	Property, plant and equipment	7	26,647,265	23,225,763
Unappropriated profit	72,006,704	63,695,077	Development and production assets- intangible	8	42,053,618	36,808,041
	<u>117,785,626</u>	<u>109,371,425</u>	Exploration and evaluation assets	9	8,161,178	7,672,444
					76,862,061	67,706,248
			Long term investments		2,371,436	3,175,054
			Long term loans and receivables		1,242,827	1,324,059
			Long term prepayments		83,548	108,937
					<u>80,559,872</u>	<u>72,314,298</u>
NON CURRENT LIABILITIES			CURRENT ASSETS			
Deferred taxation	13,819,958	12,370,448	Stores, spare parts and loose tools		16,831,876	16,274,079
Deferred employee benefits	1,662,609	1,528,444	Stock in trade		90,476	151,782
Provision for decommissioning cost	6,529,259	6,066,716	Trade debts	10	61,703,208	40,626,931
	22,011,826	19,965,608	Loans and advances		2,157,212	2,339,037
			Deposits and short term prepayments		431,718	678,789
			Interest accrued		108,166	158,863
Trade and other payables	22,935,509	17,088,050	Other receivables		1,106,211	1,102,044
Provision for taxation	9,783,279	4,143,304	Other financial assets	11	7,506,541	10,207,516
	32,718,788	21,231,354	Cash and bank balances		2,020,960	6,715,048
					91,956,368	78,254,089
CONTINGENCIES AND COMMITMENTS					<u>172,516,240</u>	<u>150,568,387</u>
					<u>172,516,240</u>	<u>150,568,387</u>

The annexed selected notes 1 to 17 form an integral part of this condensed interim financial information.

Chief Executive

Director

OIL AND GAS DEVELOPMENT COMPANY LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT [UNAUDITED]
FOR SIX MONTHS ENDED 31 DECEMBER 2008

	Note	Three months ended 31 December		Six months ended 31 December	
		2008	2007	2008	2007
		(Rupees '000)			
Sales - net	12	30,436,447	28,798,851	71,718,886	56,567,583
Royalty		(3,268,405)	(3,279,304)	(8,219,099)	(7,345,459)
Operating expenses		(5,476,327)	(4,526,526)	(10,439,296)	(8,284,419)
Transportation charges		(314,101)	(277,812)	(782,071)	(580,174)
		(9,058,833)	(8,083,642)	(19,440,466)	(16,210,052)
Gross profit		21,377,614	20,715,209	52,278,420	40,357,531
Other income		839,420	554,425	2,986,175	1,193,370
Exploration and prospecting expenditure		(1,182,112)	(2,354,694)	(3,502,097)	(4,082,781)
General and administration expenses		(278,060)	(330,378)	(545,656)	(643,937)
Finance cost		(153,892)	(118,286)	(309,594)	(257,351)
Workers' profit participation fund		(1,030,148)	(923,314)	(2,545,362)	(1,828,342)
PROFIT BEFORE TAXATION		19,572,822	17,542,962	48,361,886	34,738,490
Taxation		(6,479,044)	(5,877,805)	(16,292,579)	(10,736,473)
PROFIT FOR THE PERIOD		13,093,778	11,665,157	32,069,307	24,002,017
Earnings per share - basic and diluted (Rupees)	13	3.04	2.71	7.46	5.58

The annexed selected notes 1 to 17 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 SIX MONTHS ENDED 31 DECEMBER 2008

	Six months ended 31 December	
	2008	2007
	(Rupees '000)	
Cash flows from operating activities		
Profit before taxation	48,361,886	34,738,490
Adjustments for:		
Depreciation	1,635,578	1,398,319
Amortization of development and production assets	2,715,530	2,025,175
Royalty	8,219,099	7,345,459
Workers' profit participation fund	2,545,362	1,828,342
Provision for employee benefits	703,374	324,436
Unwinding of discount on provision for decommissioning cost	297,904	252,775
Interest income	(1,069,459)	(985,811)
Unrealized loss on investments at fair value through profit or loss	131,669	8,173
Dividend income	(36,862)	(35,632)
Gain on disposal of property, plant and equipment	(10,462)	(303)
Provision for doubtful debts	(3,173)	-
Provision for doubtful advances	-	(9,864)
	63,490,446	46,889,559
Working capital changes		
(Increase)/decrease in current assets:		
Stores, spare parts and loose tools	(557,797)	(1,171,157)
Stock in trade	61,306	(28,992)
Trade debts	(21,073,104)	(8,144,382)
Deposits and short term prepayments	247,071	(118,675)
Loans, advances and other receivables	258,890	7,607
Increase/(decrease) in current liabilities:		
Trade and other payables	2,122,702	(1,387,539)
Cash generated from operations	44,549,514	36,046,421
Royalty paid	(10,509,191)	(5,743,647)
Employee benefits paid	(569,209)	(384,142)
Paid to workers' profit participation fund	(187,411)	-
Income taxes paid	(9,203,094)	(6,693,226)
	(20,468,905)	(12,821,015)
Net cash generated from operating activities	24,080,609	23,225,406
Cash flows from investing activities		
Capital expenditure	(13,346,674)	(6,270,970)
Interest received	1,240,427	1,105,499
Dividends received	36,862	35,632
Purchase of investments	-	(200,000)
Proceeds from encashment of investments	683,347	16,583
Proceeds from disposal of property, plant and equipment	14,854	1,616
Long term prepayments	25,389	(47,251)
Net cash used in investing activities	(11,345,795)	(5,358,891)
Cash flows from financing activities		
Dividend paid	(19,998,209)	(17,121,135)
Net cash used in financing activities	(19,998,209)	(17,121,135)
Net (decrease)/increase in cash and cash equivalents	(7,263,395)	745,380
Cash and cash equivalents at beginning of the period	16,684,880	17,994,342
Cash and cash equivalents at end of the period	9,421,485	18,739,722

The annexed selected notes 1 to 17 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 SIX MONTHS ENDED 31 DECEMBER 2008

	<u>Share capital</u>	<u>Capital reserve</u>	<u>Unappropriated profit</u>	<u>Total equity</u>
	(Rupees '000)			
Balance at 01 July 2007	43,009,284	2,438,228	55,169,140	100,616,652
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)
Transfer to capital reserve	-	126,714	(126,714)	-
Profit for six months	-	-	24,002,017	24,002,017
Total recognized income for the period	-	-	24,002,017	24,002,017
Balance at 31 December 2007	<u>43,009,284</u>	<u>2,564,942</u>	<u>56,464,569</u>	<u>102,038,795</u>
Balance at 01 July 2008	43,009,284	2,667,064	63,695,077	109,371,425
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)
Transfer to capital reserve	-	102,574	(102,574)	-
Profit for six months	-	-	32,069,307	32,069,307
Total recognized income for the period	-	-	32,069,307	32,069,307
Balance at 31 December 2008	<u>43,009,284</u>	<u>2,769,638</u>	<u>72,006,704</u>	<u>117,785,626</u>

The annexed selected notes 1 to 17 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 SIX MONTHS ENDED 31 DECEMBER 2008

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 (IGDS = 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 December 2008.

The Company holds 100% shares of Pirkoh Gas Company (Private) Limited ("the subsidiary"). The subsidiary was incorporated in 1982 as a private limited company under the repealed Companies Act, 1913 now Companies Ordinance, 1984. The subsidiary is engaged in exploration and production of natural gas and related activities.

Board of Directors of the Company and the subsidiary in their meeting of 20 August 2008 and 19 August 2008 respectively have approved merger of the subsidiary with the Company with effect from 01 July 2008. Consequently on directions of the Honorable Islamabad High Court, meetings of the members of both the companies were held on 24 December 2008 under chairmanship of the Registrar of Companies to consider and approve the scheme of merger. The members of both the companies approved the scheme of merger subject to sanction by the Honorable Islamabad High Court. On 28 January 2009, the Honorable Islamabad High Court approved the scheme of merger effective from 01 January 2009.

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 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 interim financial information for the six months ended on 31 December 2007.

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 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 SIX MONTHS ENDED 31 DECEMBER 2008

	31 December	30 June
	2008	2008
	(Rupees '000)	
4 TRADE AND OTHER PAYABLES		
Creditors	284,471	345,588
Accrued liabilities	5,483,538	5,375,810
Royalty	4,316,899	6,606,991
Excise duty	117,314	103,819
Development surcharge	3,455	-
General sales tax	788,960	580,774
Payable to joint venture partners	3,532,915	1,369,547
Retention money	265,356	278,088
Trade deposits	136,481	98,281
Workers' profit participation fund	2,545,362	187,411
Un-paid dividend	5,103,311	1,450,691
Un-claimed dividend	107,065	102,788
Advances from customers	168,839	174,341
Other payables	81,543	413,921
	<u>22,935,509</u>	<u>17,088,050</u>

5 PROVISION FOR TAXATION

Tax payable/(advance tax) at beginning of the period/year	4,143,304	(5,950,713)
Income tax paid during the period/year	(9,203,094)	(22,306,667)
Provision for taxation - current	12,573,550	20,850,485
Provision for taxation - prior years	2,269,519	11,550,199
Tax payable at end of the period/year	<u>9,783,279</u>	<u>4,143,304</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) 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 December 2008, 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 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 that year whenever the discount levels are finalized.
- 6.3** Commitments outstanding as on 31 December 2008 amounted to Rs 7,279.226 million (30 June 2008 : Rs 18,909.109 million). These included amounts aggregating to Rs 3,533.958 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 7,710.764 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 SIX MONTHS ENDED 31 DECEMBER 2008

		Six months ended 31 December	
	Note	2008	2007
		(Rupees '000)	
7 PROPERTY, PLANT AND EQUIPMENT			
Carrying amount at beginning of the period		20,861,883	19,794,799
Additions during the period	7.1	4,804,798	1,546,961
Book value of disposals	7.2	(4,392)	(1,313)
Depreciation charge for the period		(1,864,429)	(1,599,113)
Closing book value		<u>23,797,860</u>	<u>19,741,334</u>
Capital work in progress		2,849,405	2,333,886
Carrying amount at end of the period		<u><u>26,647,265</u></u>	<u><u>22,075,220</u></u>
7.1 Additions during the period			
Freehold land		424	1,238
Leasehold land		1,935	-
Buildings, offices and roads on freehold land		44,897	44,241
Buildings, offices and roads on leasehold land		-	3,761
Plant and machinery		3,897,603	1,150,027
Rigs		81,049	77,893
Pipelines		78,093	94,107
Vehicles		500,995	139,336
Office and domestic equipment		74,859	22,230
Office and technical data computers		26,344	9,945
Furniture and fixture		4,671	1,428
Stores held for capital expenditure (net)		63,730	2,755
Decommissioning cost		30,198	-
		<u><u>4,804,798</u></u>	<u><u>1,546,961</u></u>
7.2 Book value of disposals during the period			
Rigs		1	-
Vehicles		4,391	1,313
		<u><u>4,392</u></u>	<u><u>1,313</u></u>
8 DEVELOPMENT AND PRODUCTION ASSETS - INTANGIBLE			
Carrying amount at beginning of the period		31,748,208	26,650,320
Additions during the period		6,270,793	2,142,846
Amortization charge for the period		(2,715,530)	(2,025,175)
Closing book value		<u>35,303,471</u>	<u>26,767,991</u>
Wells in progress		6,750,147	3,983,624
Carrying amount at end of the period		<u><u>42,053,618</u></u>	<u><u>30,751,615</u></u>
9 EXPLORATION AND EVALUATION ASSETS			
Balance at beginning of the period		2,823,295	1,875,370
Additions during the period		3,813,099	4,695,176
		6,636,394	6,570,546
Cost of dry and abandoned wells during the period		(2,382,683)	(3,069,697)
Cost of wells transferred to development and production assets during the period		(593,297)	(487,812)
		<u>(2,975,980)</u>	<u>(3,557,509)</u>
		3,660,414	3,013,037
Stores held for exploration and evaluation activities		4,500,764	3,818,368
Balance at end of the period		<u><u>8,161,178</u></u>	<u><u>6,831,405</u></u>

OIL AND GAS DEVELOPMENT COMPANY LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION [UNAUDITED]

FOR SIX MONTHS ENDED 31 DECEMBER 2008

	31 December 2008	30 June 2008
	(Rupees '000)	
10 TRADE DEBTS		
Un-secured, considered good	61,703,208	40,628,376
Un-secured, considered doubtful	4,328,255	4,325,082
	<u>66,031,463</u>	<u>44,953,458</u>
Provision for doubtful debts	(4,328,255)	(4,325,082)
Trade debts written off	-	(1,445)
	<u>61,703,208</u>	<u>40,626,931</u>

10.1 Trade debts include an amount of Rs 4,453 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. The GoP had constituted a committee to resolve this matter and on the advice of the committee, a settlement proposal has been finalized. Management has principally agreed to the proposal and a provision amounting to Rs 4,271 million (30 June 2008: Rs 4,268 million) has been made.

10.2 Trade debts also include an amount of Rs 6,909 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 5,745 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. Management considers this amount to be fully recoverable.

10.4 Trade debts also include an overdue amount of Rs 28,635 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 debts. Management considers this amount to be fully recoverable and hence, no provision has been made for these debts in this condensed interim financial information.

	Note	31 December 2008	30 June 2008
		(Rupees '000)	
11 OTHER FINANCIAL ASSETS			
Investments:			
At fair value through profit or loss - NIT units		106,016	237,684
Available for sale	11.1	7,400,525	9,969,832
		<u>7,506,541</u>	<u>10,207,516</u>

11.1 These represent investments in Term Deposit Receipts (TDRs) maturing in the short term and carry interest rate of 6.80% to 19.00% (30 June 2008: 5.00% to 10.70%) per annum. Included in these investments are foreign currency TDRs amounting to USD 93.50 million (30 June 2008: USD 73 million).

	Three months ended 31 December		Six months ended 31 December	
	2008	2007	2008	2007
	(Rupees '000)			
12 SALES - net				
Gross sales				
Crude oil	14,171,504	15,943,042	39,489,217	31,804,682
Gas	17,910,796	13,889,377	35,157,253	27,884,936
Gasoline	65,165	4,740	178,808	4,740
Kerosene oil	43,938	102,728	83,998	218,430
High speed diesel oil	2,662	98,566	2,662	200,542
Solvent oil	-	6,931	4,537	14,713
Naphtha	79,149	810,802	401,184	1,625,705
Liquefied petroleum gas	930,810	1,580,951	1,925,758	2,893,038
Sulphur	144,801	239,895	232,402	307,117
Other operating revenue	8,555	21,956	16,786	31,947
	<u>33,357,380</u>	<u>32,698,988</u>	<u>77,492,605</u>	<u>64,985,850</u>
Government levies				
Excise duty	(360,951)	(360,643)	(722,281)	(729,498)
Development surcharge	(11,700)	(20,780)	(19,762)	(40,752)
General sales tax	(2,548,282)	(3,518,714)	(5,031,676)	(7,648,017)
	<u>(2,920,933)</u>	<u>(3,900,137)</u>	<u>(5,773,719)</u>	<u>(8,418,267)</u>
	<u>30,436,447</u>	<u>28,798,851</u>	<u>71,718,886</u>	<u>56,567,583</u>

OIL AND GAS DEVELOPMENT COMPANY LIMITED
SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION [UNAUDITED]
FOR SIX MONTHS ENDED 31 DECEMBER 2008

	Three months ended 31 December		Six months ended 31 December	
	2008	2007	2008	2007
	(Rupees '000)			
13 EARNINGS PER SHARE - BASIC AND DILUTED				
Profit for the period (Rupees '000)	13,093,778	11,665,157	32,069,307	24,002,017
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)	3.04	2.71	7.46	5.58

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

14 RELATED PARTIES TRANSACTIONS

Related parties comprise wholly owned subsidiary, 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:

	Six months ended 31 December	
	2008	2007
	(Rupees '000)	
Subsidiary company		
Gas processing charges	92,656	104,105
Technical support provided	44,567	54,648
Reimbursement of payroll expense	66,823	53,150
Stores and supplies transferred	27,851	30,875
Dividend income received	616,000	-
Receivable as at 31 December	430,363	39,796
Associated company		
Dividend income received	7,350	7,482
Related parties by virtue of common directorship and GoP holdings		
Attock Refinery Limited		
Sale of crude oil	23,796,841	16,781,148
Desalting charges paid	13,543	20,132
Receivable as at 31 December	16,352,852	12,009,096
National Refinery Limited		
Sale of crude oil	4,853,296	5,444,538
Sale of naphtha	322,035	1,409,907
Naphtha handling and storage charges	7,683	44,690
Receivable as at 31 December	-	6,084,802
Government Holdings (Private) Limited		
Payable as at 31 December	103,540	18,606
Pak Arab Refinery Company Limited		
Sale of crude oil	2,852,981	2,145,004
Receivable as at 31 December	4,138,444	2,240,328
Sui Northern Gas Pipelines Limited		
Sale of natural gas	16,629,668	14,165,582
Purchase of high BTU value gas	1,039,446	1,102,287
Receivable as at 31 December	7,844,785	5,460,665
Sui Southern Gas Company Limited		
Sale of natural gas	14,245,073	6,402,612
Pipeline rental charges	20,232	7,865
Receivable as at 31 December	16,718,490	6,824,827
Pakistan State Oil Company Limited		
Sale of refined petroleum products	60,877	239,654
Sale of liquefied petroleum gas	7,467	2,683
Purchase of petroleum, oil and lubricants	1,561,526	960,166
Receivable as at 31 December	12,248	393,662

OIL AND GAS DEVELOPMENT COMPANY LIMITED
SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION [UNAUDITED]
FOR SIX MONTHS ENDED 31 DECEMBER 2008

	Six months ended 31 December	
	2008	2007
	(Rupees '000)	
TRANSACTIONS WITH RELATED PARTIES - Continued		
Packages Limited		
Sale of sulphur	20,859	23,466
National Insurance Company Limited		
Insurance premium paid	279,261	215,355
National Logistic Cell		
Crude transportation charges paid	684,097	555,838
Heavy Mechanical Complex (Private) Limited		
Purchase of stores and spares	15,827	13,577
Water and Power Development Authority		
Sale of natural gas	41,093	36,020
Receipts against long term loan	-	266,700
Receivable as at 31 December	28,561	30,069
Enar Petrotech Services (Private) Limited		
Consultancy services	24,390	18,506
Sale of crude oil	1,055,487	654,144
(Payable)/receivable as at 31 December	(8,003)	204,839
Government of Pakistan		
Dividend paid	16,298,737	13,612,016
Other related parties		
Contribution to staff benefit funds	703,374	324,436
Remuneration including benefits and perquisites of chief executives	10,625	6,675
Remuneration including benefits and perquisites of executives	1,439,667	829,972

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, except in rare circumstances for some of the transactions with the wholly owned subsidiary, where, subject to the approval of the Board of Directors, it is in the interest of the Company to do so. 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).

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 NON ADJUSTING EVENT AFTER BALANCE SHEET DATE

- 16.1** The Board of Directors proposed interim dividend at the rate of Rs _____ per share in its meeting held on 26 February 2009.
- 16.2** This condensed interim financial information was authorized for issue on 26 February 2009 by the Board of Directors of the Company.

17 GENERAL

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

Chief Executive

Director