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FOR IMMEDIATE RELEASE

**OGDCL UN-AUDITED FINANCIAL RESULTS FOR THE FIRST QUARTER ENDED
30TH SEPTEMBER 2017**

Oil and Gas Development Company Limited (OGDCL), (Ticker: OGDC), today announced its financial results for the first quarter ended 30th September 2017. Financial Statements were prepared in accordance with International Financial Reporting Standards;

Highlights of First Quarter (ended 30th September 2017) Results include:

- OGDCL's net sales registered at Rs 43.962 billion
- Net Profit before Taxation during the period was Rs 24.389 billion
- Net Profit after Taxation during the period was Rs 17.010 billion translating into Earnings per Share of Rs 3.95.
- The Board of Directors declared first interim cash dividend of Rs 1.75 per share
- Operating profit margin and net profit margin were 47% and 39%, respectively.
- Average net realized price of crude oil sold was US\$ 49.60 / bbl as against US \$ 44.37 / bbl during corresponding period last year. Average net realized price for natural gas sold was Rs 252.16/Mcf as against Rs 242.16/Mcf during corresponding period last year
- 49 L. Kms of 2D and 181 Sq. Kms of 3D seismic data acquisition completed
- Two (2) new development wells namely Mela-6 and Qadirpur HRL-14 were spud during the period under review
- Company's exploratory efforts yielded two (02) new oil and gas discoveries namely Bhambara-1 in district Sukkur and Tando Allah Yar South West-1 in district Hyderabad, Sindh province
- Average net crude oil production of 42,529 barrels per day, net gas production of 987 MMcf per day and net LPG production of 590 M. Tons per day was achieved during the period under review

	1Q 2017-18 Rs (in billions)	1Q 2016-17 Rs (in billions)
Net Sales	43.962	39.566
Profit before Taxation	24.389	20.835
Profit after Taxation	17.010	14.632
Earnings per Share - Rs	3.95	3.40

MD / CEO's Statement

Mr. Zahid Mir, commenting on the Company's first quarter financial results FY2017-18 stated that:

"I am pleased to announce that the increase in crude oil and LPG production accompanied with moderate recovery in international oil prices led OGDCL to witness improvement in its top and bottom line financial results during the first three months of our current fiscal year 2017-18. During the period under review, the Company registered Profit after Tax of Rs 17.010 billion translating into Earnings per Share of Rs 3.95.

Our well-conceived growth strategy has resulted in two (2) new oil and gas discoveries having expected cumulative daily production potential of 16 MMcf of gas and 72 barrels of oil. Against the backdrop of natural decline in some of our mature producing fields, OGDCL's average net crude oil production clocked at 42,529 barrels per day exhibiting an increase of 6% in comparison to the corresponding period last year. Not only this, the Company also saw a surge in production of LPG by 73% owing to production commencement from KPD and TAY fields in conjunction with production increase from Sinjhoru and non-operated JV fields.

Before concluding, I would like to place on record my appreciation for the skill, dedication and commitment of our workforce which is second to none and thank all employees of the Company for making it happen. I can assure all our stakeholders that maintaining investment discipline and exhibiting operational efficiency in the conduct of E&P activities will remain corner stone of the Company's growth strategy to continue with the track record of delivering industry leading performance while maximizing return for the shareholders."

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Notes to Editors

OGDCL, the largest petroleum Exploration and Production (E&P) Company in Pakistan, is a listed Company on Pakistan Stock Exchange and its Global Depository Shares (GDS) were issued on London Stock Exchange in December 2006. It holds the largest portfolio of recoverable hydrocarbon reserves of Pakistan, at 32% of gas and 59% of oil, respectively, as at June 30, 2017. It contributed 29% of the country's total natural gas production and 50% of its total oil production during July 2017 to August 2017.

With a portfolio of 56 exploration licences, the Company has the largest exploration acreage in Pakistan, covering 32% of the total awarded acreage as of September 30, 2017. Currently, all production volumes are being realized from onshore areas of Pakistan, however, the Company also has working interests in Pakistan's offshore exploration blocks.

OGDCL had a net Profit after Tax of Rs 63.803 billion for the year ended June 30, 2017.

SUMMARY RESULTS

Financial Summary:

Increase in crude oil and LPG production accompanied with moderate recovery in international oil prices led OGDCL to witness improvement in its top and bottom line financial results for the period ended 30 September 2017. This is evident by the fact that average basket price of crude oil during the three months period stood at US\$ 49.60/barrel against US\$ 44.37/barrel in the comparative period of the last fiscal year. Resultantly, the Company recorded higher realized price for crude oil, gas and LPG averaging US\$ 45.13/barrel, Rs 252.16/Mcf and Rs 45,337/ton compared with US\$ 39.50/ barrel, Rs 242.16/Mcf and Rs 33,031/ton in the preceding period. Moreover, slight increase in the exchange rate to Rs 105.58 per US\$ from Rs 104.87 per US\$ in the corresponding period positively influenced the financials thereby enabling the Company to register an improved Sales Revenue of Rs 43.962 billion (1Q FY 2016-17: Rs 39.566 billion).

During July-September 2017, OGDCL reported lower prospecting expenditures coupled with no well declared as dry and abandoned thus contributing favorably towards the business financial performance. However, the Company's financial results were partially offset by decline in other income mainly owing to decrease in investment and bank deposits and receipts on account of signature bonus combined with higher taxation for the current period. Overall, the Company registered Profit after Tax of Rs 17.010 billion (1Q FY 2016-17: Rs 14.632 billion) translating into Earnings per Share of Rs 3.95 (1Q FY 2016-17: Rs 3.40). Moving on, maintaining investment discipline and exhibiting operational efficiency in the conduct of E&P activities will remain central to the Company's financial strategy to continue with the track record of delivering industry leading performance while maximizing return for the shareholders.

Dividend

The Board of Directors has announced first interim cash dividend of Rs 1.75 per share (17.5%) for the year ending 30 June 2018.

Exploration and Development Activities

OGDCL with an aim to unlock value in the operated assets and achieve production growth carried on the exploration activities in the awarded exploration acreage which as of 30 September 2017 stood at 110,781 sq. km. The Company's exploration acreage being the largest exploration area held by any E&P company in Pakistan covers around 32% of the Country's total area under exploration. Currently the Company's exploration portfolio constitutes fifty six (56) owned and operated joint venture exploration licenses in addition to holding working interest in five (5) blocks operated by other E&P companies.

OGDCL in an effort to explore new oil and gas reserves continued with its seismic data activities acquiring 181 sq. km of 3D and 49 Line km of 2D seismic data during the period under review. Whilst, the Company's 3D seismic data acquisition represents 60% of total 3D seismic data gathered in the Country (source: PPIS), overall seismic data acquisition is from exploratory blocks viz., Lakhi Rud, Pezu, Soghri and Wali. Moreover, processing/reprocessing of 699 Line km of 2D and 266 sq. km of 3D seismic data has been carried out using in-house resources.

In addition to the above, OGDCL during the reporting period spud two (2) new development wells namely Mela-6 and Qadirpur HRL-14. Besides this, drilling and testing of five (5) ongoing wells pertaining to fiscal year 2016-17 have also been completed. During July-September 2017, drilling carried out at aforesaid wells aggregated to 20,360 meters. Moving forward, the Company with an aim to boost oil and gas reserves through exploitation of unconventional sources of energy plans to advance further with the study to evaluate shale gas/oil and tight gas/oil potential in its operated blocks.

Discoveries

OGDCL's exploratory endeavors to locate new hydrocarbon reserves during the period under review resulted in two (2) new oil and gas discoveries possessing expected cumulative daily production potential of 16 MMcf of gas and 72 barrels of oil. These discoveries were witnessed at Bhambara-1 in district Sukkur and Tando Allah Yar South West-1 in district Hyderabad, Sindh province. Preliminary reserves estimate attributable to discoveries is 49.16 billion cubic feet of gas and 0.22 million barrels of oil, combined 8.70 million barrels of oil equivalent.

Development Projects

In line with the business strategy to maintain and enhance hydrocarbon production, OGDCL during the period under review carried on the progressive activities on its ongoing development projects namely Nashpa and Soghri. Under Nashpa project, design phase and delivery of major equipment at site has been completed while installation and erection works are in final stage. Incremental daily production envisaged upon completion of the project in November 2017 is 1,100 barrels of oil/NGL, 10 MMcf of gas and 340 Tons of LPG.

Soghri development project scope involves installation of gas sweetening unit and allied utilities at Dakhni site to process Soghri gas. Regarding this, shifting of amine unit from Sinjhor field, procurement of necessary equipment and technical and financial evaluation for hiring of the PC contractor have been completed. Whereas, project construction activities will commence after award of the contract to PC contractor. Soghri project upon completion in June 2018 is anticipated to render daily incremental production of 20 MMcf of gas.

Production

OGDCL being a state owned enterprise is cognizant of the rising energy demands in the Country and in this regard is making all out efforts to optimize oil and gas production from its owned and operated JV fields. In this pursuit, the Company during the period under review injected five (5) new operated wells; Pakhro-1, Dachrapur-3, Chanda-4 and Qadirpur-58 & HRL-12 in the production gathering system, which cumulatively yielded gross crude oil and gas production of 4,133 barrels and 891 MMcf respectively. Moreover, production testing has been carried at TAY South West-1, Bhambara-1 and Rajian-10. The Company's production contributed around 50% and 29% of the Country's total oil and natural gas production respectively during July-August 2017).

In order to arrest natural decline and revive production from mature wells, OGDCL during the reporting period carried out successful workover jobs with rig at wells; Kunnar-10, Pasakhi-7 and Lashari Centre-6. Likewise, carrying out of rig-less workover jobs to boost oil and gas volumes remained part and parcel of the production operations. Moreover to induce improvement in the current well flow parameters, pressure build-up survey jobs were completed at various wells of Kunnar, Soghri, Jakhro, Sinjhor, Qadirpur and Dakhni fields. As part of preventive maintenance plan, Annual Turn Around (ATA) of plants were carried out at Sinjhor, Jakhro, Chanda, Kunnar/KPD and Dakhni fields.

Against the backdrop of natural decline in some of the mature producing fields, OGDCL's average net crude oil production clocked at 42,529 barrels per day exhibiting an increase of 6% in comparison to the corresponding period last year. Higher crude oil production is mainly observed from KPD, Sono and Nashpa fields coupled with startup of production from TAY field and increase in production share from non-operated JV fields. Regarding LPG, 73% production surge is witnessed owing to production commencement from KPD and TAY fields in conjunction with production increase from Sinjhor and non-operated JV fields.

OGDCL's average net saleable gas production stood at 987 MMcf per day which has been affected primarily owing to natural depletion in addition to high water cut at certain wells of Qadirpur field, ATA, pressure survey jobs and delay in plant start-up activities at KPD field and less gas intake from Uch-II field - shut-in of turbines of UPL-II with effect from 31 August 2017 to 13 September 2017. Moreover, decline in production share from non-operated JV fields mainly Bhit, Badhra and Miano influenced gas production.

OGDCL's average daily net saleable production of crude oil, gas, LPG and sulphur including share in both operated and non-operated JV fields during the period under review is as follows:

Products	Unit of Measurement	1st Quarter 2017-18	1st Quarter 2016-17
Crude oil	Barrels per day	42,529	40,230
Gas	MMcf per day	987	1,050
LPG	Tons per day	590	342

Going forward, OGDCL based on vigorous exploratory endeavors accompanied with the focus on completion of ongoing development projects is confident to maintain and enhance oil and gas output while continuing to play a pivotal role in meeting oil and gas demands of the Country in the coming years.