

## FOR IMMEDIATE RELEASE

**OGDCL UN-AUDITED FINANCIAL RESULTS FOR THE NINE MONTHS  
ENDED 31<sup>ST</sup> MARCH 2020**

**Highlights of the Nine Months ended 31<sup>st</sup> March 2020 include:**

- OGDCL's net sales registered at Rs 198.413 billion
- Net Profit before Taxation during the period was Rs123.315 billion
- Net Profit after Taxation during the period was Rs 83.645 billion translating into Earnings per Share of Rs19.45.
- Operating profit margin and net profit margin were 51% and 42%, respectively
- Average net realized price of crude oil sold was US\$ 53.03/bbl as against US\$ 59.06/bbl during corresponding period last year.
- Average net realized price of natural gas sold was Rs 388.04/Mcf as against Rs326.59/Mcf during corresponding period last year
- 2,461 Line Kms of 2D seismic acquisition completed
- Sixteen (16) new wells including eight (8) exploratory / appraisal wells, four(4) development wells and four re-entry wells were spud during the period under review. Amongst the aforementioned wells, shale gas pilot well KUC-1 was spud on 14 December 2019 in Kunnar ML in order to estimate shale gas potential and to acquire first-hand information for further evaluation.
- Company's exploratory efforts to discover new hydrocarbon reserves yielded five (5) new oil and gas discoveries namely Pandhi-1 in district Sanghar, Metlo-1 in district Khairpur, Sindh province, Togh-1 (Hangu), Togh-1 (Lumshival) and Chanda-5 in district Kohat, KPK province.
- Average net crude oil production of 38,125 barrels per day, net gas production of 927MMcf per day and net LPG production of 771 M. Tons per day was achieved during the period under review

	<b>9 Months 2019-20 (Rs in million)</b>	<b>9 Months 2018-19 (Rs in million)</b>
<b>Net Sales</b>	198,413	192,047
<b>Profit before Taxation</b>	123,315	127,994
<b>Profit after Taxation</b>	83,645	85,312
<b>Earnings per Share - Rs</b>	19.45	19.84

## **MD & CEO's Statement**

Mr. Shahid Salim Khan, MD & CEO, while commenting on OGDCL's Nine Months (July 2019 – March 2020) results stated:

“I am pleased to report on our successful nine months FY2020 results. Despite rapid decline in the international oil prices and lower hydrocarbon production against the backdrop of less demand due to coronavirus pandemic, OGDCL during the nine months ended 31 March 2020 registered Sales Revenue of Rs 198.413 billion which was higher by Rs 6.366 billion during the corresponding period of last year. To mitigate the negative effects of global low oil prices, prioritization of capital allocation and deployment of effective cost control mechanisms was ensured.

OGDCL is fully focused to augment Company's hydrocarbon reserves base and enhance oil and gas production from our existing hydrocarbon assets. Our exploratory efforts during the period under review resulted in the acquisition of 2,461 Line km of new 2D seismic data. Furthermore, the nine months of the fiscal year 2019-20 witnessed exploration success across the Company's acreage with five discoveries at Pandhi-1 in district Sanghar, Metlo-1 in district Khairpur, Sindh province, Togh-1 (Hangu), Togh-1 (Lumshiwai) and Chanda-5 in district Kohat, KPK province.

In conclusion, let me state that I take pride in my workforce as it remains resilient and focused on achieving above-par performance and remains on track on a carefully chartered path of industry-leading growth in years to come.”

## **For further information:**

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### **Notes to Editors**

OGDCL, the largest petroleum Exploration and Production (E&P) Company in Pakistan, is listed on the Pakistan Stock Exchange and its Global Depository Shares (GDS) are traded in the London Stock Exchange since December 2006. As at June 30, 2019 it held the largest portfolio of recoverable hydrocarbon reserves of Pakistan, i.e., 38% of gas and 23% of oil, respectively. It contributed 29% of the country's total natural gas production and 46% of its total oil production from July 2019 to February 2020.

With a portfolio of 44 exploration licences, the Company has the largest exploration acreage in Pakistan, covering 37% of the total awarded acreage as of March 31, 2020. 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 118.39 billion for the year ended June 30, 2019.

## **SUMMARY RESULTS**

### **Financial Results**

Against the backdrop of plunge in international oil price and lower hydrocarbon production, OGDCL during the nine months ended 31 March 2020 registered Sales Revenue of Rs 198.413 billion (9M 2018-19: Rs 192.047 billion). Average basket price of crude oil during the reporting period plunged to US\$ 60.00/barrel (9M 2018-19: US\$ 69.23/barrel) leading to lower realized price of US\$ 53.03/BBL (9M 2018-19: US\$ 59.06/barrel). The Company's sales were supported by increase in average realized price of gas and LPG to Rs 388.04/Mcf (9M 2018-19: Rs 326.59/Mcf) and Rs 69,218/ton (9M 2018-19: Rs 67,142/ton) respectively coupled with rise in average exchange rate to Rs 156.59/US\$ (9M 2018-19: Rs 133.09/US\$).

However, OGDCL's profitability during the period under review was impacted by exploration and prospecting expenditures owing to six (6) number of wells declared dry and abandoned against one (1) well in the corresponding period last year. Moreover, reduced other income on account of lower exchange gain recorded on revaluation of FC investment contributed towards lower financial results. Overall, the Company recorded Profit after Tax of Rs 83.645 billion (9M 2018-19: Rs 85.312 billion) translating into an Earnings per Share of Rs 19.45 (9M 2018-19: Rs 19.84).

### **Dividend**

No dividend was approved by the Board of Directors for the third quarter of FY2020.

### **Exploration and Development Activities**

OGDCL being the market leader in E&P sector of Pakistan holds the largest exploration acreage which as of 31 March 2020 stood at 79,994 sq. km representing 37% of the Country's total area under exploration (source: PPIS). The Company's exploration portfolio currently comprises forty four (44) owned and operated joint venture exploration licenses. Additionally, the Company possesses working interest in six (6) exploration blocks operated by other E&P companies.

In its efforts to explore oil and gas reserves, OGDCL during the period under review acquired 2,461 Line km of 2D seismic data compared to 707 Line km of 2D and 620 sq. km of 3D seismic data in the corresponding period last year. Acquired seismic data represents 78% of total 2D seismic data acquired in the Country during the reporting period (source: PPIS).

Moreover, 4,084 Line km of 2D and 2,283 sq. km of 3D seismic data were also processed/reprocessed using in-house resources.

During the period under review, OGDCL spud sixteen (16) wells (9M 2018-19: 11 wells) comprising eight (8) exploratory/appraisal wells; Rangunwari-1, Dhok Hussain North-1, Wali-1, Metlo-1, Katiar-1, KUC-1, Jatoi-1 & Zin SML-4, four (4) development wells; Thora Deep-3, Rajian-11, Nashpa-10 & Qadirpur HRL-15 and four (4) re-entry wells; Siab-1, Qadirpur-14, Rajian-10 & Thal East-1. Amongst the aforementioned wells, shale gas pilot well KUC-1 was spud on 14 December 2019 in Kunnar ML in order to estimate shale gas potential and to acquire first-hand information for further evaluation. Moreover, drilling and testing of thirteen (13) wells pertaining to previous fiscal years have also been completed, while total drilling recorded during the nine months was 48,274 meters (9M 2018-19: 48,262 meters).

### Discoveries

During the period under review, OGDCL marked five (5) oil and gas discoveries namely Pandhi-1 in district Sanghar, Metlo-1 in district Khairpur, Sindh province, Togh-1 (Hangu), Togh-1 (Lumshiwai) and Chanda-5 in district Kohat, KPK province. Aforementioned discoveries have cumulative daily production potential of 24 MMcf of gas and 842 barrels of oil. Preliminary reserves estimate on 2P basis are 48.79 billion cubic feet of gas and 1.51 million barrels of oil, combined 10.24 million barrels of oil equivalent.

### Development Projects

Name of Project	Location of Project	Working Interest	Completion Date	Current Status
Nashpa Compression	Karak, KPK	OGDCL 56.45% PPL 28.55% GHPL 15.00%	July 2020	Design review and HAZOP study have been completed while development work at project site by the EPCC contractor is underway.
Mela	Kohat, KPK	OGDCL 56.45% PPL 28.55% GHPL 15.00%	February 2020	Commissioning activities at project site have been completed while delivery of gas to Nashpa for LPG extraction will start after completion of Nashpa-Mela pipeline.
Qadirpur Compression	Ghotki, Sindh	OGDCL 75.00% PPL 7.00% KUFPEC 8.50% PKPEL 4.75% PKPEL2 4.75%	June 2021	Turbine up-gradation contract has been finalized while cases for procurement of compressors and hiring of PC contractor after technical and financial evaluation are at approval stage.
Uch Compression	DeraBugti, Balochistan	OGDCL 100%	June 2022	Against the tender documents submitted by the consultant, press tendering has been done on 13 March 2020 while bid opening date for the same is 28 April 2020.

## Production

OGDCL during July 2019 – February 2020 contributed around 46%, 29% and 33% of Country's total oil, gas and LPG production respectively (source: PPIS). In comparison to the corresponding period last year, Company's hydrocarbon production was adversely affected primarily owing to global outbreak of COVID-19 coupled with natural decline at Rajian, Kunnar, Mela, Nashpa, Sinjhor, TAY, Bobi, Lashari Centre, TandoAlam and Qadirpur fields and mechanical problems at Nashpa, Kunnar and KPD fields. Moreover, gas output was also impacted due to less gas intake from Uch-II and Qadirpur fields by UPL-II (unplanned ATA) and Engro (lower demand by WAPDA during November and December 2019) respectively. Furthermore, lower production from NJV fields contributed towards decline in hydrocarbon production.

Aforesaid decline in production was partially mitigated by injection of nine (9) operated wells in the production gathering system viz., Qadirpur-14 & 61, Pasakhi Deep-4 & 5, Nashpa-9, Chanda-5, Qadirpur Deep X-1, TAY North-1 and Uch-17A which cumulatively yielded gross crude oil and gas production of 137,230 barrels and 5,562 MMcf respectively, whereas installation of Electrical Submersible Pump at Pasakhi-5 produced a positive impact of 500 barrels per day. Average daily net saleable production during the nine months is as follows:

<b>Products</b>	<b>Unit of Measurement</b>	<b>9Months 2019-20</b>	<b>9Months 2018-19</b>
Crude oil	Barrels per day	38,125	40,952
Gas	MMcf per day	927	1,010
LPG	Tons per day	771	819