

Islamabad, April 28, 2022

FOR IMMEDIATE RELEASE**OGDCL's Financial Results for the Nine Months Ended 31 March 2022**

Oil and Gas Development Company Limited (OGDCL), (Ticker: OGDC), today announces its financial results for the nine months ended March 31, 2022. Financial Statements have been prepared in accordance with International Financial Reporting Standards.

Highlights of the nine months include:

- OGDCL registered net sales of Rs 240.267 billion compared to Rs 176.382 billion in the corresponding period last year
- Net Profit before Taxation was Rs 169.951 billion compared to Rs 96.892 billion in the corresponding period last year
- Net Profit after Taxation was Rs 112.044 billion as against Rs 66.346 billion in the corresponding period last year translating into an Earnings per Share of Rs 26.05
- The Board of Directors declared third interim cash dividend of Rs 1/- per share
- Operating Profit Margin and Net Profit Margin were 57% and 47%, respectively
- Average net realized price of crude oil was US\$ 68.84/bbl as against US\$ 43.28/bbl in the corresponding period last year
- Average net realized price for natural gas was Rs 420.83/Mcf as against Rs 383.48/Mcf in the corresponding period last year
- Acquired 1,426 Line km of 2D and 120 sq. km of 3D seismic data in comparison to 2,461 Line km of 2D and 387 sq. km of 3D seismic data in the corresponding period last year
- Spud eight (8) wells including five (5) exploratory wells and three (3) development wells
- Exploratory efforts yielded four (4) oil and gas discoveries; Wali-1 (Kawagarh), Wali-1 (Hangu) and Wali-1 (Lockhart) in district FR Lakki, KP province and Jandran West-1 in district Kohlu, Balochistan province
- Average net saleable crude oil, gas and LPG production were 36,173 barrels per day, 828 MMcf per day and 822 Tons per day during the period under review
- A summary of profit and loss indicators is tabulated below:

| | Rs in billion | |
|-------------------------|-------------------|-------------------|
| | 9M 2021-22 | 9M 2020-21 |
| Net Sales | 240.267 | 176.382 |
| Profit before Taxation | 169.951 | 96.892 |
| Profit after Taxation | 112.044 | 66.346 |
| Earnings per Share - Rs | 26.05 | 15.43 |

MD & CEO's Statement

Syed Khalid Siraj Subhani, MD/CEO OGDCL, commenting on the financial results of OGDCL's nine months ended March 31, 2022 said:

I am pleased to report that OGDCL during the period under review registered Sales Revenue of Rs 240.267 billion and Profit after Tax of Rs 112.044 billion. Higher profitability has been achieved mainly on account of increase in the average realized price of crude oil, gas and LPG. During July 2021 - March 2022, the Company acquired 1,426 Line km of 2D and 120 sq. km of 3D seismic data which represents 74% and 15% of total 2D and 3D seismic data acquisition in the Country respectively. OGDCL drilled a total of eight (8) wells and its pursuit to exploration-led growth strategy led the Company to discover four (4) new hydrocarbon finds during the reporting period.

OGDCL during the period under review contributed around 48%, 30% and 38% towards Country's total oil, natural gas and LPG production respectively. The development project for installation of LPG extraction plant at Daru-Mangrio central facility is underway and bids have been received for hiring of the contractor which are currently under technical evaluation. Moreover, compression projects are underway at Qadirpur, Maru-Reti, Dakhni, KPD-TAY and Uch fields. Aforesaid compression projects will help in optimizing hydrocarbon recovery and to maintain production plateaus.

OGDCL along with other consortium members has been awarded Offshore Block 5 in Abu Dhabi's second competitive exploration bid round. The consortium companies have established an independent company, Pakistan International Oil Limited (PIOL) at Abu Dhabi Global Market with each consortium company having a 25% equity stake in PIOL. The exploration concession agreement between PIOL and Abu Dhabi National Oil Company (ADNOC) was signed on 31 August, 2021.

OGDCL has entered into a non-binding framework agreement with the Federal Government, Government of Balochistan, GHPL, PPL and Barrick Gold Corporation for extraction of gold and copper reserves from Reko Diq. OGDCL, PPL and GHPL will hold 25% of equity in the project divided equally among these companies. While 50% of the equity will be held by Barrick Gold who shall also have management and operator rights and remaining 25% of the equity will be held by the Government of Balochistan. Initially, the Company has deposited \$187.5 million into the escrow account as entry fee which would be utilized towards acquisition of 8.33% interest in the project.

Finally, I would like to commend the continued support extended by all our stakeholders which has always proved fruitful in the pursuit to achieve organizational goals and objectives and maximizing shareholders value. I would also like to place on record efforts put in by the Company's employees while driving forward business operational and financial performance, safely and responsibly.

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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 which are 34% of gas and 37% of oil as at December 31, 2021. During the period under review, it contributed around 48%, 30% and 38% towards Country's total oil, natural gas and LPG production respectively.

With a portfolio of 48 exploration licences, OGDCL has the largest exploration acreage in Pakistan, covering 41% of the total awarded acreage as of March 31, 2022. Currently, all production volumes are being realized from onshore areas of Pakistan, however, the Company also possesses working interest in Pakistan's offshore exploration block; Indus-G.

OGDCL for the year ended June 30, 2021 registered a net Profit after Tax of Rs 91.534 billion.

SUMMARY RESULTS

Financial Results

OGDCL, during the nine months ended 31 March 2022, registered improved Sales Revenue of Rs 240.267 billion (9M 2020-21: Rs 176.382 billion). Higher Sales Revenue is primarily attributable to increase in average realized price of crude oil to US\$ 68.84/barrel (9M 2020-21: US\$ 43.28/barrel). Moreover, the Company recorded increase in the realized prices of gas and LPG averaging Rs 420.83/Mcf (9M 2020-21: Rs 383.48/Mcf) and Rs 119,857/Ton (9M 2020-21: Rs 67,838/Ton) respectively. Furthermore, rise in average exchange rate to Rs 172.59/US\$ (9M 2020-21: Rs 162.44/US\$) coupled with enhancement in LPG production lent strength to the business financials.

In addition, OGDCL's profitability during the period under review was positively influenced by increase in finance and other income mainly on account of exchange gain. However, contribution towards PIOL coupled with decline in share of profit in associate partially impacted the bottom line. Nonetheless, the Company recorded Profit after Tax of Rs 112.044 billion (9M 2020-21: Rs 66.346 billion) translating into an Earnings per Share of Rs 26.05 (9M 2020-21: Rs 15.43).

Dividend

The Board has announced third interim cash dividend of Rs 1/- per share (10 %) for the year ending 30 June 2022. This is in addition to the first interim cash dividend of Rs 1.75 per share (17.50%) and second interim cash dividend of Rs 2.00 per share (20.00%) totalling Rs 3.75 per share (37.50%) already declared and paid during the fiscal year.

Exploration and Development Activities

As of 31 March 2022, OGDCL's exploration acreage stood at 87,290 sq. km representing 41% of Country's total area under exploration. The Company's exploration portfolio currently comprises forty-eight (48) owned and operated joint venture exploration licenses. Additionally, the Company possesses working interest in nine (9) exploration blocks operated by other E&P companies.

OGDCL during the period under review acquired 1,426 Line km of 2D and 120 sq. km of 3D seismic data in comparison to 2,461 Line km of 2D and 387 sq. km of 3D seismic data during the corresponding period last year. The acquired seismic data represents 74% and 15% of total 2D and 3D seismic data acquisition in the Country respectively. Moreover, the Company using in-house resources processed/reprocessed 2,572 Line km of 2D and 905 sq. km of 3D seismic data.

On the drilling front, OGDCL spud eight (8) wells (9M 2020-21: 13 wells) including five (5) exploratory wells namely Bago Phulphoto-1, Bewato-1, Killi Malik-1, Kalerishum-1 & Nim East-1 and three (3) development wells namely Hakeem Daho-3, Qadirpur-63 & Lala Jamali-2. Moreover, drilling and testing of twelve (12) wells pertaining to previous fiscal year was also completed. Total drilling recorded during the reporting period was 33,663 meters (9M 2020-21: 45,672 meters).

Discoveries

During the period under review, OGDCL's exploratory efforts to locate reserves yielded four (4) oil and gas discoveries. These discoveries have an expected cumulative daily production potential of 39 MMcf of gas and 2,850 barrels of oil. Aforementioned discoveries include Wali-1 (Kawagarh), Wali-1 (Hangu) and Wali-1 (Lockhart) in district FR Lakki, KP province and Jandran West-1 in district Kohlu, Balochistan province. Preliminary 2P reserves estimates attributable to these discoveries are 236 billion cubic feet of gas and 13 million barrels of oil, combined 58 million barrels of oil equivalent.

Development Projects

| Name of Project | Location of Project | Working Interest Owners | Completion Date | Current Status |
|--|-------------------------|---|-----------------|--|
| Qadirpur Compression | Ghotki, Sindh | OGDCL 75.00% PPL 7.00% KUFPEC 8.50% AHEL 4.75% PKPEL2 4.75% | April 2022 | The first compressor train has been taken into operation while the commissioning of second train is in progress. |
| Maru-Reti Compression | Ghotki, Sindh | OGDCL 57.76% GHPL 22.50% SEPL 10.66% IPRTOC 9.08% | August 2022 | PC contractor has been mobilized at the project site for installation of the compressor. |
| Daru-Mangrio Central Facility LPG Extraction | Hyderabad, Sindh | OGDCL 77.50% GHPL 22.50% | November 2022 | Bids received for hiring of the contractor are under technical evaluation. |
| Dakhni Compression | Attock, Punjab | OGDCL 100% | June 2023 | Technical evaluation of the bids for hiring of the EPCC contractor has been completed while financial evaluation is in progress. |
| KPD-TAY Compression | Hyderabad, Sindh | KPD: OGDCL 100% TAY: OGDCL 77.50% GHPL 22.50% | September 2023 | FEED work has been completed and tender for hiring of the EPCC contractor has been advertised. |
| Uch Compression | Dera Bugti, Balochistan | OGDCL 100% | December 2023 | Bids received for hiring of the EPCC contractor are under technical evaluation. |

Production

OGDCL, during the period under review, contributed around 48%, 30% and 38% towards Country's total oil, natural gas and LPG production respectively. The Company's average daily net oil and gas production clocked in at 36,173 barrels (9M 2020-21: 36,836 barrels) and 828 MMcf (9M 2020-21: 865 MMcf) respectively. The production was impacted primarily by natural decline at Rajjan, Chanda, Nashpa, KPD-TAY and Qadirpur fields. Moreover, lower production was recorded on account of annual turn around (ATA) at six (6) production fields (9M 2020-21: ATA at five (5) production fields); Qadirpur (5-11 August 2021), Mela (22-25 August 2021), Nashpa (22-29 August 2021), Sinjhor (6-15 October 2021), Uch-I (18-29 October 2021 & 10-15 December 2021) and Uch-II (11-31 March 2022). Likewise, decline in production share from NJV fields also contributed towards lower output. The Company's average daily net LPG production clocked in at 822 Tons (9M 2020-21: 802 Tons) owing to higher production mainly from Mela, Nashpa and TAY fields.

Aforementioned decline in oil and gas production was partially mitigated by injection of eight (8) operated wells in the production gathering system. These injected wells include Tando Alam-21, Sial-1, Pasahki-12, Mangrio-2, Togh Bala-2, Gundunwari-1, Pandhi-1 and Siab-1 which cumulatively yielded gross crude oil and gas production of 305,804 barrels and 3,677 MMcf respectively. In order to arrest natural decline and sustain production from mature wells, seventy (70) work-over jobs were carried out comprising twelve (12) with rig and fifty eight (58) rig-less. Moreover to induce improvement in the current well flow parameters, pressure build-up survey jobs were completed at various wells of producing fields; Mela, Pasahki, Nashpa, Qadirpur, Maru-Reti, Uch and Kunnar.

OGDCL's average daily net saleable crude oil, gas and LPG production including share in both operated and non-operated JV fields is as follows:

| Products | Unit of Measurement | 9M 2021-22 | 9M 2020-21 |
|-----------------|----------------------------|-------------------|-------------------|
| Crude oil | Barrels per day | 36,173 | 36,836 |
| Gas | MMcf per day | 828 | 865 |
| LPG | Tons per day | 822 | 802 |