

Islamabad, September 23, 2024

**FOR IMMEDIATE RELEASE****OGDCL Audited Financial Results for the Year Ended 30 June 2024**

Oil and Gas Development Company Limited (OGDCL), (Ticker: OGDC), today announces its financial results for the year ended June 30, 2024. Financial Statements have been prepared in accordance with International Financial Reporting Standards.

**Highlights of the year include:**

- OGDCL registered net sales of Rs 463.698 billion compared to 413.594 billion in the last year.
- Net Profit before Taxation was Rs 293.787 billion compared to Rs 383.772 billion in the last year
- Net Profit after Taxation was Rs 208.976 billion as against Rs 224.618 billion in the last year translating into an Earnings per Share of Rs 48.59
- The Board of Directors declared final cash dividend of Rs 4.00 per share
- Operating Profit Margin and Net Profit Margin were 52% and 45%, respectively
- Average net realized price of crude oil was US\$ 68.67/bbl as against US\$ 71.78/bbl during last year
- Average net realized price for natural gas was Rs 712.88/Mcf as against Rs 610.92/Mcf during last year
- Acquired 1,236 Line km of 2D and 1,201 sq. km of 3D seismic data compared to 1,804 Line km of 2D and 765 sq. km of 3D seismic data in the last year.
- Spud 13 wells including 7 exploratory/appraisal wells and 6 development wells
- Exploratory efforts yielded 5 gas condensate discoveries viz., Chak 214-1 in district Rahim Yar Khan, Punjab, Dars West-2 in district Tando Allah Yar, Kharo-1 in district Khairpur and Nur West-1 in district Sujawal, Sindh and Togh-2 in district Kohat, KP.
- Average net saleable crude oil, gas and LPG production were 33,117 barrels per day, 717 MMcf per day and 717 Tons per day during the year under review
- A summary of profit and loss indicators is tabulated below:

	<b>Rs in billion</b>	
	<b>FY 2023-24</b>	<b>FY 2022-23</b>
Net Sales	463.698	413.594
Profit before Taxation	293.787	383.773
Profit after Taxation	208.976	224.618
Earnings per Share – Rs	48.59	52.23

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

Mr. Ahmed Hayat Lak, MD/CEO OGDCL, commenting on the financial results of OGDCL's FY 2023-24 said:

I am pleased to report that OGDCL during the year ended June 30, 2024 registered Sales Revenue of Rs 463.698 billion and Profit after Tax of Rs 208.976 billion. Higher sales are primarily attributable to favorable exchange rate variance and volume variance partially offset by unfavorable crude oil price variance.

During the fiscal year 2023-24, the Company acquired 1,236 Line km of 2D and 1,201 sq. km of 3D seismic data, which represents 45% and 89% of total 2D and 3D seismic data acquisition respectively in the Country. OGDCL drilled a total of 13 wells and its pursuit to exploration-led growth strategy led the Company to 5 new hydrocarbon discoveries.

OGDCL during the year under review contributed around 46%, 28% and 37% towards Country's total oil, natural gas and LPG production respectively. The Company recorded stable crude oil and LPG production primarily on the back of production optimization efforts and production increase from Bettani field. OGDCL successfully brought Bettani field into production by completing development of early production facilities (EPF) at Wali-1 in June 2023. The field is operational and producing around 950 barrels per day of crude oil and 14 MMcf per day of gas.

At present, further field development is being undertaken to enhance oil and gas production through drilling of new wells. The aforesaid development projects will help in optimizing hydrocarbon recovery and to maintain production plateaus in the future.

Moving forward, all of us at OGDCL remain committed to long term value creation through an approach that returns capital to shareholders, maintains investment discipline and preserves a strong balance sheet. While continuing our journey towards achieving organizational goals and objectives, we assure you that we will continue to strengthen our distinctive capabilities and work hard to keep and earn your support in a safe and responsible way.

## **For further information:**

### **Investor Relations Contacts:**

#### **Wasim Ahmad**

Investor Relations Officer

Telephone: +92 51 262 3158

Fax: +92 51 924 4104

Email: [wasim\\_ahmad@ogdcl.com](mailto:wasim_ahmad@ogdcl.com)

### **Notes to Editors**

OGDCL, the largest petroleum Exploration and Production Company in Pakistan, is a listed Company on Pakistan Stock Exchange and its Global Depository Shares 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 51% of oil, respectively, as at June 30, 2024. During the year under review, it contributed around 46%, 28% and 37% towards Country's total oil, natural gas and LPG production respectively

With a portfolio of 54 exploration licences, OGDCL has the largest exploration acreage in Pakistan, covering 39% of the total awarded acreage as of June 30, 2024. OGDCL is making all viable endeavours to maintain and optimize hydrocarbon production by expediting connectivity of new exploratory, appraisal and development wells in the production gathering system coupled with employing latest production techniques and innovative technologies to minimize natural decline in the mature fields.

OGDCL for the year ended June 30, 2024 registered a Profit after Tax of Rs 208.976 billion.

## SUMMARY RESULTS

Management is pleased to present a concise review of OGDCL's operational and financial performance accompanied with audited financial information for the year ended 30 June 2024.

### Financial Results

OGDCL during the year ended on 30 June 2024 registered improved Sales Revenue of Rs 463.698 billion (FY 2022-23: Rs 413.594 billion). Higher sales are primarily attributable to favorable exchange rate variance and volume variance partially offset by unfavorable crude oil price variance. Average realized prices of crude oil, gas and LPG were US\$ 68.67/barrel (FY 2022-23: US\$ 71.78/barrel), Rs 712.88/Mcf (FY 2022-23: Rs 610.92/Mcf) and Rs 161,224/Ton (FY 2022-23: Rs 148,723/Ton) respectively. The average exchange rate recorded was Rs 283.48/US\$ (FY 2022-23: Rs 248.18/US\$).

However, Company's profitability was affected by higher operating expenses on account of rent, fee and taxes (15% of wellhead value payment on renewal of leases beyond 30 years mainly Pasakhi and Pasakhi North) combined with salaries, wages and benefits and amortization of development and production assets. Moreover, reduction in finance and other income owing to loss on impairment of interest receivable on TFC's and exchange loss coupled with gain on modification of finance lease (Uch lease) booked in the preceding year against nil in the reporting period negatively impacted profitability. Whilst, increase in share of profit in associate and reversal of provision for depletion allowance pertaining to prior periods in light of Supreme Court judgment dated 8 January 2024 partially offset decline in the bottom line financials. Overall, the Company recorded Profit after Tax of Rs 208.976 billion (FY 2022-23: Rs 224.618 billion) translating into Earnings per Share of Rs 48.59 (FY 2022-23: Rs 52.23).

### Key Financial Indicators

Financial KPIs	UOM	2023-24	2022-23
Net Sales	Rs in Million	463,698	413,594
Profit after Tax	Rs in Million	208,976	224,618
Gross Profit Margin	%	61	65
Net Profit Margin	%	45	54
Current Ratio	Times	5.86	5.96

### Dividend

The Board has announced final dividend of Rs 4.00 per share (40%) for the year ending 30 June 2024. This is in addition to the interim dividends already paid @ Rs 6.1 per share i.e 61% during the fiscal year.

## **Exploration and Development Activities**

Being the market leader in E&P sector of Pakistan, OGDCL holds the largest exploration acreage which as of 30 June 2024 stood at 99,268 sq. km representing 39% of the Country's total area under exploration (source: PPIS). During the year under review, 6 operated and 4 non-operated exploration blocks were awarded to the Company. Currently, Company's exploration portfolio comprises 54 100%-owned as well as operated JV exploration licenses. Additionally, the Company possesses working interest in 13 exploration blocks operated by other E&P companies.

In line with its exploration-led growth strategy, OGDCL during the year under review acquired 1,236 Line km of 2D (FY 2022-23: 1,804 Line km) and 1,201 sq. km of 3D seismic data (FY 2022-23: 765 sq. km). The acquired seismic data represents 45% and 89% of total 2D and 3D seismic data acquisition in the Country respectively (source: PPIS). Moreover, the Company using in-house resources processed/reprocessed 6,573 Line km of 2D seismic data. Furthermore, geological fieldwork of 386 Line km was carried out in Nowshera block. However, seismic activities were affected by non-availability of imported ground electronics owing to LC issues, non-commencement of Torah/Orakzai project due to security issues and heavy rainfall.

On the drilling front, OGDCL spud 13 wells (FY 2022-23: 10 wells) including 7 exploratory wells; Kharo-1, Bettani Deep-1, Walidad-1, Soghri North-1, Chak 202-1, Kandewaro-1 and TAY North East-1 and 6 development wells; Togh-2, Sono-9, Kunnar West-3, Baloch-2, Uch-35 and Uch-36. Moreover, drilling and testing of 2 wells pertaining to previous fiscal year was also completed. Total drilling recorded during the reporting period was 38,488 meters (FY 2022-23: 33,192 meters). Drilling operations were challenging during the year due to shortage of spares and consumables of rig equipment because of LC establishment issues but exploitation of alternate procurement methods served to ensure that the Company's rigs remained operational. OGDCL with an aim to exhibit operational excellence in the conduct of drilling activities established a Real Time Operation Monitoring Centre for monitoring of wells operations round the clock as well as to achieve drilling efficiency.

## **Discoveries**

OGDCL's exploratory efforts to locate new reserves during the year under review yielded 5 gas condensate discoveries viz., Chak 214-1 in district Rahim Yar Khan, Punjab, Dars West-2 in district Tando Allah Yar, Kharo-1 in district Khairpur and Nur West-1 in district Sujawal, Sindh and Togh-2 in district Kohat, KP (FY 2022-23: 3 discoveries). The expected combined daily production potential of these discoveries is 481 barrels of oil and 28 MMcf of gas. In August 2024, gas condensate discoveries; Chak 202-1 in district Rahim Yar Khan, Punjab and Baloch-2 in district Sanghar, Sindh were reported having a cumulative daily production potential of 13 MMcf of gas and 388 barrels of condensate.

## Development Projects

During the year under review, OGDCL carried on with its efforts for fast track completion of ongoing development projects with an ambition to boost its crude oil, gas and LPG production. Anticipated incremental daily production from completion of ongoing development projects is 2,238 barrels of oil, 140 MMcf of gas, 178 Tons of LPG and 35 Tons of Sulphur. The current status of ongoing development projects is tabulated below:

Name of Project	Location of Project	Working Interest Owners	Completion Date	Current Status
Khewari	Khairpur, Sindh	OGDCL 77.50% GHPL 22.50%	October 2023	Laying of gas pipeline and installation of plant/gathering facilities completed and field is on production.
Jhal Magsi	Jhal Magsi, Balochistan	OGDCL 56% POL 24% GHPL 20%	November 2024	Hiring of PCC contractor completed and project is in execution phase.
Dakhni Compression	Attock, Punjab	OGDCL 100%	August 2025	The contract awarded to the EPCC contractor and project is in design and engineering phase.
KPD-TAY Compression	Hyderabad, Sindh	KPD: OGDCL 100% TAY: OGDCL 77.50% GHPL 22.50%	November 2025	The contract awarded to the EPCC contractor and project is in design and engineering phase.
Uch Compression	Dera Bugti, Balochistan	OGDCL 100%	January 2026	The contract awarded to the EPCC contractor and project is in design and engineering phase.

## Production

OGDCL is making all viable endeavors to maintain and optimize hydrocarbon production by expediting connectivity of new exploratory, appraisal and development wells in the production gathering system coupled with employing latest production techniques and innovative technologies to minimize natural decline in the mature fields. In this pursuit, Company's production during the year under review contributed around 46%, 28% and 37% towards Country's total oil, natural gas and LPG production respectively (source: PPIS).

OGDCL's average daily net saleable crude oil, gas and LPG production clocked in at 33,117 barrels, 717 MMcf and 717 tons in comparison to 32,478 barrels, 764 MMcf and 720 Tons in the preceding year. The less gas intake by SNGPL from Qadirpur, Nashpa, Chanda, Dhok Hussain and Togh fields due to SNGPL system constraints and by UPL from Uch fields due to less demand from power

purchaser adversely impacted daily net production by 378 barrels of crude oil, 54 MMcf of gas and 19 tons of LPG. It is pertinent to mention that Company's average daily net saleable production of crude oil, gas and LPG without forced curtailment by SNGPL and UPL would have clocked in at 33,495 barrels, 771 MMcf and 736 tons respectively. The Company recorded stable crude oil and LPG production primarily on the back of production optimization efforts and production increase from Bettani field. However, natural decline at mature producing fields coupled with ESP mechanical issues at Pasakhi-5 & Sono-7 and Annual Turn Around (ATA) at Chanda, Dakhni, Qadirpur, KPD-TAY, Togh, Maru-Reti and Uch-I & II plants (FY 2022-23: ATA at 5 plants) impacted production. Moreover, reduction in production from NJV fields was also recorded on account of natural decline.

OGDCL with an aim to maintain and optimize production installed electrical submersible pumps at Pasakhi-11, Kunnar-8 & 11 and Sono-2 & 9 wherein cumulative initial flow rates recorded were 4,850 barrels per day. Through in-house arrangement of FEC compression and operational modifications, 6 low pressure wells from KPD field were also reinjected during December 2023 leading to daily production realization of 18 MMcf of gas, 150 barrels of condensate and 20 Tons of LPG. Additionally, the Company injected 11 operated wells in the production gathering system viz., Nim East-1, Dars West-2, Nashpa-11, Sono-9, Chak 63-2, Uch-34, Togh-2, Kunnar West-3, Chanda-7 and Suleiman-1 & 2 which cumulatively yielded gross crude, gas and LPG production of 778,381 barrels, 4,214 MMcf and 10,111 Tons respectively. In an effort to arrest natural decline and sustain production from mature wells, the Company carried out 93 work-over jobs comprising 16 with rig and 77 rig-less. Moreover to induce improvement in the current well flow parameters, pressure build-up survey jobs were completed at various wells of Dakhni, Sinjhoru, Pasakhi, KPD-TAY, Uch, Rajian, Togh, TOC, Maru-Reti, Chanda and Qadirpur fields.,

During the year under review, peak daily net production recorded for crude oil, gas and LPG was 35,857 barrels, 841 MMcf and 818 tons respectively. Average daily net saleable production including share in both operated and non-operated JV fields is as follows:

<b>Products</b>	<b>Unit of Measurement</b>	<b>FY 2023-24</b>	<b>FY 2022-23</b>
Crude oil	Barrels per day	33,117	32,478
Gas	MMcf per day	717	764
LPG	Tons per day	717	720
Sulphur	Tons per day	24	29

### **Bettani Field Development**

OGDCL successfully brought Bettani field into production by completing development of early production facilities (EPF) at Wali-1 in June 2023. The field is operational and producing around 950 barrels per day of crude oil and 14 MMcf per day of gas. Moving on, the Company anticipates daily production enhancement up to 3,000 barrels of crude oil, 35 MMcf of gas and 80 Tons of LPG subject

to successful drilling and completion of Bettani-2 and Bettani Deep-1 wells and execution of field development plan.

### **Waziristan JV**

MPCL is the operator with 55% working interest, whereas OGDCL and OPI are JV partners with 35% and 10% working interest respectively. Three formations have been tested i.e. lockhart, hangu and kawagarh formations and in-place reserves at P-50 are 830 bcf, 135 bcf and 475 bcf from lockhart, hangu and kawagarh formations respectively. An exploratory well; Shewa-1 and an appraisal cum exploratory well; Shewa-2 have been drilled and completed in lockhart formation. Spinwam-1 well (2nd exploratory) is currently under drilling phase. Early processing facility at Shewa successfully installed and ready to deliver 70 MMcfd sale gas. Commissioning and start-up of production is subject to laying of sale gas pipeline by SNGPL, last 3 km section is outstanding.

### **Shale Gas and Tight Gas Activities**

OGDCL in its efforts to determine shale gas potential in operated fields conducted frac job on KUC-1 on 4 February 2024 in the third and last vertical section. Based on the data collected from three stages, the shale gas consultant; M/s Schlumberger has recommended drilling of KUC-1 (horizontal). The well is planned to be drilled by a third party on a turnkey basis. In this regard, TORs have been initiated and after evaluation of EOI, drilling contract will be awarded to successful bidder. The Company has also embarked on a fast track implementation of tight gas exploration program whereby, tight gas discovery at Nur West-1 in district Sujawal, Sindh has been injected in the national grid on 9 August 2024.

### **Reko Diq Mining Project**

In line with its plan to diversify its business, OGDCL entered into definitive agreements with the Federal Government, Government of Balochistan, GHPL, PPL and Barrick Gold Corporation for extraction of gold and copper reserves from Reko Diq. The state-owned enterprises (SOEs); OGDCL, PPL and GHPL hold 25% of equity in the project, divided equally among these companies. Barrick Gold holds 50% of equity in the project along with management and operatorship rights, while remaining 25% of equity pertains to the Government of Balochistan. In order to manage the equity shareholding of the SOE's, a special purpose vehicle (SPV) namely Pakistan Minerals (Private) Limited (PMPL) has been incorporated. Currently, project feasibility study is in progress and expected to be completed by the end of 2024.

### **Abu Dhabi Offshore Block-5**

At offshore block-5, planned exploration and evaluation activities are underway, whereby during the reporting period field development plan has been submitted to ADNOC and concept selection study of surface facilities has been completed, while pre-feed study is in progress. Moreover, drilling of first

appraisal well completed, while drilling of second appraisal well is in progress. Likewise, drilling of another exploratory well is planned in September 2024.

### **Initiatives toward ESG**

During the year under review, OGDCL's Board has constituted a committee on ESG which shall be responsible for setting out ESG objectives and targets as well as guiding the Board in initiating and assessing the Company's ESG policies and strategies. Moreover, ESG committee will ensure robust ESG management framework, oversee stakeholder engagement and approve annual ESG/Sustainability Report. The process of development and implementation of ESG framework has been initiated in the Company in order to ensure adherence to the GRI standards and best global practices. Moreover, the Board of Directors on 27 February 2024 approved the Company's ESG policy, which outlines its stance on environmental, social and governance issues. The Company is targeting to publish its first ESG report in November 2024.