

Islamabad, September 28, 2023

FOR IMMEDIATE RELEASE**OGDCL Audited Financial Results for the Year Ended 30 June 2023**

Oil and Gas Development Company Limited (OGDCL), (Ticker: OGDC), today announces its financial results for the year ended June 30, 2023. Financial Statements have been prepared in accordance with International Financial Reporting Standards.

Highlights of the year include:

- OGDCL registered net sales of Rs 413.594 billion compared to Rs 335.464 billion in the last year.
- Net Profit before Taxation was Rs 383.772 billion compared to Rs 232.521 billion in the last year
- Net Profit after Taxation was Rs 224.618 billion as against Rs 133.784 billion in the last year translating into an Earnings per Share of Rs 52.23
- The Board of Directors declared final cash dividend of Rs 2.75 per share
- Operating Profit Margin and Net Profit Margin were 53% and 54%, respectively
- Average net realized price of crude oil was US\$ 71.78/bbl as against US\$ 75.69/bbl during last year
- Average net realized price for natural gas was Rs 610.92/Mcf as against Rs 436.06/Mcf during last year
- Acquired 1,804 Line km of 2D and 765 sq. km of 3D seismic data compared to 2,003 Line km of 2D and 610 sq. km of 3D seismic data in the last year.
- Spud 10 wells including 5 exploratory/appraisal wells and 4 development wells
- Exploratory efforts yielded 3 oil and gas discoveries; Toot Deep-1 in district Attock, Punjab province and Chak 5 Dim South-3 and Kot Nawab-1 in district Sanghar, Sindh province.
- Average net saleable crude oil, gas and LPG production were 32,478 barrels per day, 764 MMcf per day and 720 Tons per day during the year under review
- A summary of profit and loss indicators is tabulated below:

	Rs in billion	
	FY 2022-23	FY 2021-22
Net Sales	413.594	335.464
Profit before Taxation	383.773	232.521
Profit after Taxation	224.618	133.784
Earnings per Share - Rs	52.23	31.11

MD & CEO's Statement

Mr. Ahmed Hayat Lak, MD/CEO OGDCL, commenting on the financial results of OGDCL's FY 2022-23 said:

I am pleased to report that OGDCL during the year ended June 30, 2023 registered Sales Revenue of Rs 413.594 billion and Profit after Tax of Rs 224.618 billion. Higher profitability is primarily due to favourable exchange rate and price variance partially offset by unfavourable volume variance in the realized prices of crude oil and gas averaging US\$ 71.78/barrel and Rs 610.92/Mcf against US\$ 75.69/barrel and Rs 436.06/Mcf respectively in the last year. During the fiscal year 2022-23, the Company acquired 1,804 Line km of 2D and 765 sq. km of 3D seismic data, which represents 55% and 39% of total 2D and 3D seismic data acquisition respectively in the Country. OGDCL drilled a total of 10 wells and its pursuit to exploration-led growth strategy led the Company to 3 new hydrocarbon discoveries.

OGDCL during the year under review contributed around 46%, 29% and 36% towards Country's total oil, natural gas and LPG production respectively. OGDCL embarked upon the initiative for development of early production facilities (EPF) at Wali-1 so as to bring Bettani field into production. The Company in June 2023 successfully completed the installation of EPF to fast-track monetization of hydrocarbons. The field is operational and producing around 850 barrels per day of crude oil and 12.5 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.

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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 36% of gas and 42% of oil, respectively, as at June 30, 2023. During the year under review, it contributed around 46%, 29% and 36% 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 37% of the total awarded acreage as of June 30, 2023. 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, 2023 registered a Profit after Tax of Rs 224.618 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 2023.

Financial Results

OGDCL during the year ended 30 June 2023 registered improved Sales Revenue of Rs 413.594 billion (FY 2021-22: Rs 335.464 billion). Higher sales are primarily attributable to favorable exchange rate and price variance partially offset by unfavorable volume variance. Average realized prices of crude oil, gas and LPG were US\$ 71.78/barrel (FY 2021-22: US\$ 75.69/barrel), Rs 610.92/Mcf (FY 2021-22:Rs 436.06/Mcf) and Rs 148,723/Ton (FY 2021-22: Rs 123,653/Ton) respectively. Average exchange rate recorded was Rs 248.18/US\$ against Rs 178.24/US\$ in the preceding year.

In addition to the above, higher interest income on investment and bank deposits, exchange gain and gain on modification of Uch-I finance lease due to extension in contract coupled with share of profit in associates contributed positively toward improved profitability. However in comparison to the preceding year, increase in operating expenses on account of inflationary trends, repairs and maintenance, rent, fee and taxes, amortization and impairment of development and production assets impacted the financial performance. Nevertheless, Company recorded highest ever Profit after Tax of Rs 224.618 billion (FY 2021-22: Rs 133.784 billion) translating into Earnings per Share of Rs 52.23 (FY 2021-22: Rs 31.11).

Key Financial Indicators

Financial KPIs	UOM	2022-23	2021-22
Net Sales	Rs in Million	413,594	335,464
Profit after Tax	Rs in Million	224,618	133,784
Gross Profit Margin	%	65	65
Net Profit Margin	%	54	40
Current Ratio	Times	5.96	5.60

Amidst adverse impact of torrential rains/floods, non-opening of LCs and security concerns, OGDCL during the fiscal year 2022-23 remained undeterred in its resolve to sustain E&P activities with an aim to meet growing oil and gas demands of the nation. The Company in June 2023 completed the installation of early production facility at Bettani-1 and its seamless integration into national grid resulting in start-up of oil and gas production of 850 barrels per day and 12.5 MMcf per day respectively. During the year under review, the Company carried on the track record of delivering industry leading performance while registering landmark performance on the financial front with its top and bottom line financials exhibiting growth of 23% and 68% respectively for the year ended 30 June 2023.

Exploration and Development Activities

OGDCL being the market leader in E&P sector of Pakistan holds the largest exploration acreage, which as of 30 June 2023 stood at 87,002 sq. km representing 37% of the Country's total area under exploration (source: PPIS). The Company's exploration portfolio currently comprises 48 owned and operated joint venture exploration licenses. Additionally, the Company possesses working interest in 9 exploration blocks operated by other E&P companies.

In line with its exploration drive to locate oil and gas reserves, OGDCL during the year under review acquired 1,804 Line km of 2D (FY 2021-22: 2,003 Line km) and 765 sq. km of 3D seismic data (FY 2021-22: 610 sq. km). The acquired seismic data represents 55% and 39% of total 2D and 3D seismic data acquisition in the Country respectively. Moreover, the Company using in-house resources processed/reprocessed 3,981 Line km of 2D and 360 sq. km of 3D seismic data. Furthermore, 394 Line km of geological field work was carried out in Hazro and Nowshera blocks. However, seismic activities during the year were affected by torrential rains/flood (306 days out of 1,825 days of seismic operations lost), non-availability/late delivery of imported ground electronics and security concerns.

On the drilling front, OGDCL spud 10 wells (FY 2021-22: 13 wells) including 5 exploratory/appraisal wells [Chak 20-1, Shahpurabad-1, Gaja Wah-1, Chak 2014-1 & Bettani-2], 4 development wells [Chanda-7, Chak 63-2, Dars West-2 & Uch-34] and 1 sidetrack well [Nim West-1]. Moreover, drilling and testing of 12 wells pertaining to previous fiscal year was also completed. Total drilling recorded during the twelve months was 33,192 meters (FY 2021-22: 41,961 meters). However, drilling activities got impacted by torrential rains/flood (310 days out of 2,190 days of drilling operations lost) and non-availability of spare parts for mud pumps and other critical items; drilling line, bridal line and rig engine parts on account of LC issues leading to stacking of 2 owned rigs. Likewise, delays in procurement of LLIs also hampered the drilling activities.

Discoveries

OGDCL's exploratory efforts to locate new reserves during the year under review yielded 3 oil and gas discoveries (FY 2021-22: 7 discoveries) having an expected cumulative daily production potential of 3,007 barrels of oil and 3 MMcf of gas. Aforementioned discoveries include Toot Deep-1 in district Attock, Punjab province and Chak 5 Dim South-3 and Kot Nawab-1 in district Sanghar, Sindh province.

Development Projects

Following is the status of development projects undertaken by the Company:

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 6 inch 16 km gas pipeline and installation of plant/gathering facilities are in progress.
Jhal Magsi	Jhal Magsi, Balochistan	OGDCL 56% POL 24% GHPL 20%	March 2024	Press tender for hiring of PC contractor has been published, while laying of gas pipeline by SSGC is underway.
Dakhni Compression	Attock, Punjab	OGDCL 100%	May 2024	Tendering process completed and LOI has been issued to the EPCC contractor.
Uch Compression	Dera Bugti, Balochistan	OGDCL 100%	October 2024	Tendering process completed and LOI has been issued to the EPCC contractor.
KPD-TAY Compression	Hyderabad, Sindh	KPD: OGDCL 100% TAY: OGDCL 77.50% GHPL 22.50%	November 2024	Tendering process completed and approval for hiring of EPCC contractor has been granted by the BOD.

Production

OGDCL being a state owned enterprise is making all viable endeavors to maintain and optimize hydrocarbon production through expediting connectivity of new exploratory, appraisal and development wells in the production gathering system coupled with employing latest production techniques and cutting edge technologies to minimize natural decline in the mature fields. In this pursuit, Company's production during the year under review contributed around 46%, 29% and 36% 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 32,478 barrels, 764 MMcf and 720 tons in comparison to 35,292 barrels, 825 MMcf and 807 Tons in the preceding year. The production was impacted due to natural decline at KPD-TAY, Bobi, Chanda, Mela, TOC, Bitrism, Sinjhor and Nashpa fields combined with forced production curtailment owing to torrential rains/flood at Palli, Mangrio and KPD-TAY fields. Likewise, lower gas production was observed due to less gas intake by UPL from Uch field due to technical issues at Uch power plant as well as on account of rupture incident at the 26" gas pipeline (Uch field to UPL plant). The reduction in production from NJV fields also contributed towards lower hydrocarbon output.

The decline in production was partially mitigated by injection of 7 operated wells in the production gathering system viz., Lala Jamali-2, Chak 5 Dim South-3, Qadirpur-63, Pasakhi Deep-7, Umair South East-1, Wali-1 and Kot Nawab-1, which cumulatively yielded gross crude and gas production of 202,210 barrels and 2,848 MMcf respectively. In an effort to arrest natural decline and sustain production from mature wells, the Company carried out 96 work-over jobs comprising 14 with rig and 82 rig-less. Moreover, to induce improvement in the

current well flow parameters, pressure build-up survey jobs were completed at various wells of Uch, Qadirpur, Maru-Reti, Kunnar, Pasakhi, Mela and Nashpa fields. Additionally, electrical submersible pump was successfully installed at Sono-7 resulting in incremental oil production of 2,000 barrels per day.

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

Fields	Crude oil - BPD		Gas - MMcfd		LPG - Tons/day	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Operated fields	31,641	34,704	771	822	723	800
Partners' share in Opert JVs	(6,894)	(8,004)	(115)	(118)	(228)	(231)
Net Production-Opert Fields	24,747	26,700	656	704	495	569
Share in Non-Opert JVs	7,731	8,592	108	121	225	238
Avg. Daily Net Production	32,478	35,292	764	825	720	807
Production Incr. / (Decr.) - %	(8%)		(7%)		(11%)	

Moving on, OGDCL is focused on cutting edge technologies to narrow down the impact of natural decline and augment oil and gas output. In pursuance to production optimization initiatives, incremental cumulative daily production of 3,030 barrels of crude oil, 30 MMcf of gas and 51 Tons of LPG were recorded subsequent to the year ended 30 June 2023.

Bettani Field Development

During the year under review, OGDCL embarked upon the initiative for development of early production facilities (EPF) at Wali-1 so as to bring Bettani field into production. The Company in June 2023 successfully completed the installation of EPF to fast-track monetization of hydrocarbons. The field is operational and producing around 850 barrels per day of crude oil and 12.5 MMcf per day of gas. At present, further field development is being undertaken to enhance oil and gas production through drilling of new wells.

Reko Diq Mining Project

In line with its plan to diversify its business, OGDCL has 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. While 50% of the equity is held by the Barrick Gold along with management and operatorship rights and remaining 25% of the equity is held by 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 appraisal plan for undeveloped discoveries has been approved by ADNOC. Moreover, 3D seismic processing, static and dynamic reservoir modelling and concept selection study for surface facilities are underway. Technical evaluation for selection of jack-up rig has also been completed and contract has been awarded for drilling of 4 wells.