

Islamabad, February 24, 2021

FOR IMMEDIATE RELEASE

OGDCL Un-Audited Financial Results for the Half Year Ended 31 December 2020

Oil and Gas Development Company Limited (OGDCL), (Ticker: OGDC), today announces its financial results for the Half Year ended December 2020. Financial Statements have been prepared in accordance with International Financial Reporting Standards.

Highlights of the Half Year include:

- OGDCL registered net sales of Rs 110.980 billion compared to Rs 127.452 billion in the corresponding period last year
- Net profit before taxation was Rs 62.069 billion compared to Rs 78.741 billion in the corresponding period last year
- Net Profit after Taxation was Rs 42.225 billion as against Rs 53.111 billion in the corresponding period last year translating into Earnings per Share of Rs 9.82
- The Board of Directors declared second interim cash dividend of Rs1.6 per share
- Operating profit margin and net profit margin were 47% & 38%, respectively.
- Average net realized price of crude oil was US\$ 38.81/ bbl as against US\$ 54.39/ bbl during corresponding period last year
- Average net realized price for natural gas was Rs 377.93/Mcf as against Rs 360.24/Mcf during corresponding period last year
- Acquired 1,715 Line km of 2D and 156 sq. km of 3D seismic data compared to 1,503 Line km of 2D seismic data in the corresponding period last year
- Spud nine (9) wells including six (6) exploratory/ appraisal wells, one (1) development well, one (1) re-entry well and one (1) side track well
- Exploratory efforts yielded four (4) new oil and gas discoveries; Togh Bala-1, Siab-1 (Samanasuk) and Siab-1 (Lumshiwai/Hangu) in district Kohat, KPK province and Lakhri Rud X-1 district Musa Khel, Balochistan province
- Average net saleable crude oil, gas and LPG production were 36,423 barrels per day, 856 MMcf per day and 778 Tons per day during the period under review

	1H FY 2020-21 Rs (in billions)	1H FY 2019-20 Rs (in billions)
Net Sales	110.980	127.452
Profit before Taxation	62.069	78.741
Profit after Taxation	42.225	53.111
Earnings per Share - Rs	9.82	12.35

MD & CEO's Statement

Mr. Shahid Salim Khan, MD/CEO OGDCL, commenting on the financial results of OGDCL's first half FY2020-21, said:

"I am pleased to report that OGDCL is continuously striving to enhance oil and gas reserves and production from our hydrocarbon assets. OGDCL during the half year ended 31 December 2020 registered Sales Revenue of Rs 110.980 billion and profit after tax of Rs 42.225 billion. Profitability was maintained despite pressure on International Crude oil prices and production. During the first half of fiscal year 2020-21, the Company acquired 1,715 Line km of 2D and 156 sq. km of 3D seismic data, which represents 82% and 54% of total 2D and 3D seismic data acquisition respectively in the Country (source: PPIS). OGDCL drilled nine (9) wells and its pursuit to exploration-led growth strategy led the Company to discover four (4) new hydrocarbon finds during the period under review.

OGDCL during the half year contributed around 47%, 28% and 36% towards Country's total oil, natural gas and LPG production respectively. I am also pleased to inform you that Nashpa Compression project has been completed and compression project is underway for Qadirpur field. Compression projects will help in optimizing hydrocarbon recovery and to maintain production plateaus.

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 also acknowledge the resilience shown by Company's human resource, especially during the times of COVID-19, while looking forward to carry on the track record of delivering industry leading E&P performance, safely and responsibly.

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

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 37% of gas and 44% of oil, respectively, as at June 30, 2020. It contributed around 47%, 28% and 36% towards Country's total oil, natural gas and LPG production respectively.

With a portfolio of 43 exploration licences, OGDCL has the largest exploration acreage in Pakistan, covering 38% of the total awarded acreage as of December 31, 2020. Currently, all production volumes are being realized from onshore areas of Pakistan, however, the Company also possesses working interests in Pakistan's offshore exploration blocks.

OGDCL for the year ended June 30, 2020 registered a net Profit after Tax of Rs 100.082 billion.

SUMMARY RESULTS

Financial Results

OGDCL during the half year ended 31 December 2020 registered Sales Revenue of Rs 110.980 billion (1H 2019-20: Rs 127.452 billion). During the six months period, basket price of crude oil remained lower due to ongoing COVID-19 pandemic averaging US\$ 43.29/barrel (1H 2019-20: US\$ 61.93/barrel) and leading to lower realized price of US\$ 38.81/BBL (1H 2019-20: US\$ 54.39/barrel). Likewise, Company's Sales were also affected by decline in average realized price of LPG to Rs 62,826/Ton (1H 2019-20: Rs 63,174/Ton). Whereas, increase in average realized price of gas to Rs 377.93/Mcf (1H 2019-20: Rs 360.24/Mcf) accompanied with rise in average exchange rate to Rs 164.22/US\$ (1H 2019-20: Rs 156.99/US\$) lent strength to financials.

In addition to the above, OGDCL's profitability got impacted by higher operating expenses mainly on account of salaries, wages and benefits and amortization of development and production assets. While, reduction in cost of dry and abandoned wells combined with increase in share of profit in associate positively influenced the financial performance. Overall, the Company recorded Profit after Tax of Rs 42.225 billion (1H 2019-20: Rs 53.111 billion) translating into an EPS of Rs 9.82 (1H 2019-20: Rs 12.35).

Dividend

The Board has announced second interim cash dividend of Rs 1.6 per share (16%) for the year ending 30 June 2021. This is in addition to the first interim cash dividend of Rs 2.00 per share (20%) already declared during this fiscal year.

Exploration and Development Activities

OGDCL being the market leader in E&P sector of Pakistan holds the largest exploration acreage which as of 31 December 2020 stood at 77,591 sq. km representing 38% of the Country's total area under exploration (source: PPIS). Business exploration portfolio currently comprises forty three (43) owned and operated joint venture exploration licenses. Additionally, the Company possesses working interest in seven (7) blocks operated by other E&P companies. Moreover, the Company was provisionally awarded eleven (11) new exploration blocks (10 operated and 1 non-operated) on account of participation in the competitive bidding round for exploration blocks held by the GoP in January 2021.

In order to enhance oil and gas reserves, OGDCL during the reporting period acquired 1,715 Line km of 2D and 156 sq. km of 3D seismic data compared to 1,503 Line km of 2D seismic data in the same period last year. Acquired data represents 82% and 54% of total 2D and 3D seismic data acquisition respectively in the Country (source: PPIS). Moreover, the Company using in-house resources processed/reprocessed 2,618 Line km of 2D and 1,800 sq. km of 3D seismic data. Furthermore, 356 Line km of geological work was carried out in Orakzai, Tirah and Khuzdar North blocks.

On the drilling front, OGDCL spud nine (9) wells in comparison to twelve (12) wells in the same period last year. Drilled wells include six (6) exploratory/ appraisal wells [Juna-1, Sheen

Dund-1, Nangpir-1 Sial-1, Jandran X-4 & Toot Deep-1], one (1) development well [Qadirpur-62] one (1) re-entry well [KUC-1] and one (1) side track well [Nashpa X-5]. Moreover, drilling and testing of nine (9) wells pertaining to previous fiscal year was also completed, while total drilling recorded during six months was 33,644 meters (1H 2019-20: 28,043 meters).

Discoveries

During the reporting period, OGDCL's exploratory efforts to locate new reserves yielded four (4) oil and gas discoveries having expected cumulative daily production potential of 17 MMcf of gas and 169 barrels of oil. Aforementioned discoveries include Togh Bala-1, Siab-1 (Samanasuk) and Siab-1 (Lumshiwai/Hangu) in district Kohat, KPK province and Lakhi Rud X-1 district Musa Khel, Balochistan province. Preliminary reserves estimates attributable to these discoveries are 52.49 billion cubic feet of gas and 0.54 million barrels of oil, combined 9.87 million barrels of oil equivalent. Subsequently, another discovery Sial-1 was reported in district Hyderabad, Sindh province having a daily production potential of 1.15 MMcf of gas and 680 barrels of oil.

Development Projects

Name of Project	Location of Project	Working Interest Owners	Completion Date	Current Status
Nashpa Compression	Karak, KPK	OGDCL 56.45% PPL 28.55% GHPL 15.00%	November 2020	Project completed on 17 November 2020 and compressors are in operation.
Qadirpur Compression	Ghotki, Sindh	OGDCL 75.00% PPL 7.00% KUFPEC 8.50% PKPEL 4.75% PKPEL2 4.75%	November 2021	Contracts pertaining to procurement of compressors and hiring of PC contractor were awarded and PC contractor is mobilized at site.
Uch Compression	Dera Bugti, Balochistan	OGDCL 100%	September 2023	The case is in process of retendering for hiring of EPCC contractor.

Production

During the period under review, OGDCL's oil and gas production was impacted primarily by natural decline at Kunnar, KPD-TAY, Dakhni and Nashpa fields. Moreover, lower production was recorded on account of non-revival/partial revival of forced shut-in wells; Kunnar-2, 3, 9 & 10 during COVID-19 coupled with annual turn around at Dakhni (21-30 August 2020), Nashpa (3-9 September 2020), Sinjhor (16-26 September 2020) and Uch (18-30 October 2020). Likewise, gas production was also affected due to decline in production share from NJV fields combined with less gas intake from Qadirpur and Uch fields by M/s Engro Powergen and M/s UPL-I & II respectively.

Aforementioned decline in production was partially mitigated by injection of ten (10) operated wells in the gathering system viz., Mela-7, Pasakhi-11, TAY South West-1, Saand-1&2, Umair-1, Mangrio-1, Togh Bala-1, Nashpa-10 and Pasakhi Deep-6 which cumulatively yielded gross crude oil and gas production of 163,894 barrels and 2,039 MMcf respectively. In order to arrest natural decline and sustain production from mature fields, fifty seven (57)

work-over jobs were carried out comprising 7 with rig and 50 rig-less. Overall, the Company contributed around 47%, 28% and 36% towards Country's total oil, natural gas and LPG production respectively (source: PPIS). 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	1H 2019-20	1H 2020-21
Crude oil	Barrels per day	38,084	36,423
Gas	MMcf per day	910	856
LPG	Tons per day	747	778
Sulphur	Tons per day	54	52