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FOR IMMEDIATE RELEASE

**OGDCL UN-AUDITED FINANCIAL RESULTS FOR THE NINE MONTHS  
ENDED 31<sup>ST</sup> MARCH 2019**

**Highlights of the Nine Months ended 31<sup>st</sup> March 2019 include:**

- OGDCL's net sales increased to Rs 192.047 billion compared to Rs 147.712 billion in the corresponding period last year.
- Net profit before taxation registered at Rs 127.994 billion compared to Rs 80.165 billion in the corresponding period last year.
- Net Profit after Taxation came to Rs 85.312 billion as against Rs 56.821 billion in the preceding period translating into Earnings per Share of Rs 19.84 as compared to Rs 13.21 in the preceding period last year.
- The Board of Directors declared third interim cash dividend for the year at Rs 2.75 per share.
- Operating profit margin and net profit margin were 56% and 44%, respectively.
- Average net realized price of crude oil sold was US\$ 59.07/bbl as against US\$ 51.63/bbl during corresponding period last year
- Average net realized price for natural gas sold was Rs 326.59/Mcf as against Rs 254.76/Mcf during corresponding period last year
- 707 Line Kms of 2D and 620 Sq. Kms of 3D seismic acquisition completed
- Eleven (11) new wells including six (6) exploratory / appraisal wells and five (5) development wells were spud during the nine months ended 31<sup>st</sup> March 2019
- Company's exploratory efforts yielded two (2) oil and gas discoveries namely; Chanda-1 and Mela-5 both in district Kohat, KPK province.
- Net crude oil production of 40,952 barrels per day, net gas production of 1,010 MMcf per day, net LPG production of 819 M.Tons per day and net Sulphur production of 63 M.Tons per day was witnessed during the period under review

	<b>9 Months 2018-19 (Rs in million)</b>	<b>9 Months 2017-18 (Rs in million)</b>
<b>Net Sales</b>	192,047	147,712
<b>Profit before Taxation</b>	127,994	80,165
<b>Profit after Taxation</b>	85,312	56,821
<b>Earnings per Share - Rs</b>	19.84	13.21

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

Mr. Zahid Mir, MD & CEO, while commenting on OGDCL's Nine Months (July 2018 – March 2019) results stated:

"I am delighted to report on our successful nine months FY2019 results. During the period, OGDCL witnessed a whopping 30% growth in net sales to the tune of Rs 192.047 billion over the corresponding period of last year. This increase in sales revenue was basically due to rupee devaluation along with higher realized prices of crude oil and gas coupled with enhanced LPG production when compared to the same period last year. Also, the Company recorded profit after taxation of Rs 85.312 billion which is appreciably higher than Rs 56.821 billion during corresponding period of last year.

OGDCL's exploratory endeavor to discover new hydrocarbon reserves during the period under review yielded two (2) oil and gas discoveries namely Chanda-1 and Mela-5 in district Kohat, KPK province. The Company during the period under review acquired 707 Line kms of 2D and 620 sq. kms of 3D seismic data. It is pertinent to highlight here that OGDCL during the nine months period contributed around 45% and 29% of Country's total oil and gas production, respectively. Based on the current situation, we anticipate Company's overall performance to be in line with our expectations during the remaining part of the current financial year.

I greatly value our work force and thank this exceptional pool of human resource on achieving the challenging goals that we have set ourselves to achieve by sheer and unrelenting dedication, commitment and zeal. I am sure that this bodes well for our Company and all our stake holders."

## **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, 2018 it held the largest portfolio of recoverable hydrocarbon reserves of Pakistan, i.e., 32% of gas and 55% of oil, respectively. It contributed 29% of the country's total natural gas production and 45% of its total oil production from July 2018 to February 2019.

With a portfolio of 42 exploration licences, the Company has the largest exploration acreage in Pakistan, covering 23% of the total awarded acreage as of March 31, 2019. 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 78.736 billion for the year ended June 30, 2018.

## **SUMMARY RESULTS**

### **Financial Results**

OGDCL continued to deliver robust financial results for the nine months ended 31 March 2019 as its Sales Revenue and Profit before Tax climbed to Rs 192.047 billion (9M 2017-18: Rs 147.712 billion) and Rs 127.994 billion (9M 2017-18: Rs 80.165 billion) showing growth of 30% and 60% respectively. Improved financials are primarily supported by increase in average basket price of crude oil which, during the nine months stood at US\$ 69.23/barrel against US\$ 57.73/barrel in the comparative period leading to higher average realized price of US\$ 59.07/barrel against US\$ 51.63/barrel in the relative period.

In addition to the above, OGDCL recorded increase in the realized price for gas and LPG averaging Rs 326.59/Mcf and Rs 67,142/ton against Rs 254.76/Mcf and Rs 54,922/ton in the comparative period, respectively. Moreover, financial results were also leveraged by higher LPG production and steep rise in average exchange rate to Rs 133.05/US\$ from Rs 107.83/US\$ in the corresponding period accompanied with increase in income from financial assets and share of profit in associate. Furthermore, decline in exploration and prospecting expenditures also contributed towards improved financial performance.

During the period under review, OGDCL's profitability was partially impacted by increase in operating expenses mainly on account of amortization of D&P assets combined with higher taxation for the current period. Overall, the Company recorded Profit after Tax of Rs 85.312 billion (9M 2017-18: Rs 56.821 billion) translating into Earnings per Share of Rs 19.84 (9M 2017-18: Rs 13.21).

### **Dividend**

The Board has announced third interim cash dividend of Rs 2.75 per share (27.50%) for the year ending 30 June 2019. This is in addition to the first and second interim cash dividends totalling Rs 5.75 per share (57.50%) already declared during the 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 March 2019 stood at 75,133 sq. kms representing 23% of the Country's total area under exploration. Business exploration portfolio currently comprises

forty two (42) owned and operated JV exploration licenses. Additionally, the Company possesses working interest in five (5) exploration blocks operated by other E&P companies.

With an aim to unlock value in the operated assets and optimize production, OGDCL during the period under review acquired 707 Line kms of 2D (9M 2017-18: 1,582 Line kms) and 620 sq. kms of 3D (9M 2017-18: 461 sq. kms) seismic data. Aforementioned, 2D and 3D seismic data acquisition represents 55% and 47% of total seismic data acquired in the Country respectively (source: PPIS). Moreover, 5,088 Line kms of 2D seismic data has also been processed/reprocessed using in-house resources.

In addition to the above, OGDCL during the reporting period spud eleven (11) wells comprising six (6) exploratory/appraisal wells namely Siab-1, Qadirpur Deep X-1, Garhi X-2, Mangrio-1, Pandhi-1 and Togh-1 and five (5) development wells namely Pasakhi NE-2, Chanda-5, Pasakhi West Deep-2, Qadirpur-60 & 61. Furthermore, drilling and testing of seven (7) wells pertaining to previous fiscal years have also been completed during the nine months.

### **Discoveries**

OGDCL's exploratory endeavors to discover new hydrocarbon reserves during the period under review yielded two (2) oil and gas discoveries namely Chanda-1 and Mela-5 in district Kohat, KPK province. Expected cumulative daily production potential attributable to aforesaid discoveries is 795 barrels of oil and 2.45 MMcf of gas whereas preliminary reserves estimate is 89.80 billion cubic feet of gas and 9.33 million barrels of oil; combined 25.62 million barrels of oil equivalent.

### **Development Projects**

During the period under review, technical and financial evaluation for hiring of EPCC contractor for Nashpa compression project has been completed and expected completion date of project is June 2020. Regarding Dhok Hussain development project, installation work with respect to gas processing facilities has been completed and supply of gas is subject to laying of gas pipeline by SNGPL. Likewise, up-gradation of plant facilities at Mela field and laying of gas pipeline to Nashpa plant for LPG and NGL extraction are in progress and Mela project is anticipated to be completed in December 2019.

## Production

OGDCL's production strategy is aimed at intensifying field development activities, completion of ongoing development projects and utilization of latest production techniques to maintain and optimize oil and gas output. In this respect, the Company during nine months contributed around 45% and 29% of Country's total oil and gas production respectively. Moreover, eight (8) new operated wells; Khirun-1, Nandpur-1, Kunnar-12, Nim-1, Loti-5, Pasakhi NE-2 and Qadirpur-59 & 60 were injected in the production system which cumulatively yielded gross oil and gas production of 226,862 barrels and 3,288 MMcf respectively.

Despite natural decline and short lifting of crude oil by refineries at Kunnar, KPD-TAY, Nashpa and TOC fields owing to pile-up of furnace oil stock, OGDCL's average net saleable crude oil production clocked at 40,952 barrels per day. Stable oil production is primarily due to increase in production from Pasakhi, Bobi, Chanda and Mela fields coupled with higher share in production from NJV fields and start-up of production at Chutto-1. Likewise, Company's average net saleable gas production remained steady at 1,010 MMcf per day against the backdrop of less gas intake at Uch-I field due to extended ATA of UPL-I w.e.f. 16 October 2018 to 8 December 2018, tripping of turbines at LPL, Engro Power and FKPCL and lower share in production from NJV fields. Steady saleable gas production is mainly attributable to increase in production from Uch-II and KPD fields coupled with start-up of production at Chutto-1.

Regarding LPG, OGDCL witnessed 20% surge in production owing to increase in production from Nashpa, Kunnar and KPD fields. Average daily net saleable production including share in NJV fields during the period under review is as follows:

<b>Products</b>	<b>Unit of Measurement</b>	<b>9M 2018-19</b>	<b>9M 2017-18</b>
Crude oil	Barrels per day	40,952	41,509
Gas	MMcf per day	1,010	1,020
LPG	Tons per day	819	682
Sulphur	Tons per day	63	56
BOEs	MMBOE	51.20	52.60