

FOR IMMEDIATE RELEASE

**OGDCL UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED  
SEPTEMBER 30, 2024**

Oil and Gas Development Company Limited (OGDCL), (Ticker: OGDC), today announced its financial results for the quarter ended 30<sup>th</sup> September 2024. Financial Statements were prepared in accordance with International Financial Reporting Standards;

**Highlights of first quarter (ended 30<sup>st</sup> September 2024) Results include:**

- OGDCL registered net sales of Rs 106.010 billion
- Profit before Taxation during the period was Rs 83.117 billion
- Net Profit after Taxation during the period was Rs 41.019 billion translating into Earnings per Share of Rs 9.54.
- The Board of Directors declared first interim cash dividend of Rs 3.00 per share.
- The Company's Sales declined due to reduction in average basket price of crude oil owing to confluence of weakened demand from China, strategic geopolitical maneuvers and sluggish economic activity in major economies, which led to lower realized price of US\$ 64.31/barrel (1Q 2023-24: US\$ 69.41/barrel). Likewise, Sales were also affected by decline in average realized price of gas to Rs 706.30/Mcf (1Q 2023-24: Rs 710.89/Mcf) accompanied with appreciation of Pak Rupee against US Dollar to Rs 278.79/US\$ (1Q 2023-24: Rs 291.58/US\$). Whereas, increase in average realized price of LPG to Rs 162,452/Ton (1Q 2023-24: Rs 134,346/Ton) lent partial relief to business revenue.
- The Company using in-house resources processed/ reprocessed 488 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 security constraints and partial operation in Suleiman and Killa Saifullah blocks.
- On the drilling front, total drilling recorded was 10,678 meters (1Q 2023-24: 7,052 meters). Moreover, drilling and testing work of 2 wells pertaining to previous fiscal year was also completed.
- average daily net saleable crude oil, gas and LPG production clocked in at 31,768 barrels, 699 MMcf and 618 tons in comparison to 32,835 barrels, 762 MMcf and 713 Tons in the comparative period.

<b>Financial KPIs</b>	<b>UOM</b>	<b>1Q 2024-25</b>	<b>1Q 2023-24</b>
Net Sales	Rs in Million	106,011	120,141
Profit after Tax	Rs in Million	41,020	49,038
Gross Profit Margin	%	62	65
Net Profit Margin	%	39	41
Current Ratio	Times	8.16	6.77

## **MD / CEO's Statement**

MD/CEO of OGDCL, Mr. Ahmed Hayat Lak, commenting on the Company's first quarter financial results FY 2024-25, stated:

"I am pleased to report that despite forced production curtailment by SNGPL and UPL coupled with downturn in international crude oil price, OGDCL during the period under review remained resilient and delivered stable performance on operational and financial fronts. In pursuance to production optimization plan, incremental cumulative daily production rate recorded was 564 barrels of crude oil, 10 MMcf of gas and 16 Tons of LPG.

The Company registered Sales Revenue and Profit after Tax of Rs 106.011 billion and Rs 41.020 billion respectively translating into an Earnings per Share of Rs 9.54 compared with Rs 11.40 in the same period last year. Unfavorable exchange rate variance combined with lower crude oil basket price averaging US\$ 79.28/barrel against US\$ 84.32/ barrel in the corresponding period last year impacted business financials.

On the operational front, total drilling recorded was 10,678 meters (1Q 2023-24: 7,052 meters). Moreover, drilling and testing work of 2 wells pertaining to previous fiscal year was also completed. OGDCL's production during the period under review contributed around 47%, 28% and 37% towards Country's total oil, natural gas and LPG production respectively.

OGDCL's average daily net saleable crude oil, gas and LPG production clocked in at 31,768 barrels, 699 MMcf and 618 tons in comparison to 32,835 barrels, 762 MMcf and 713 Tons in the comparative period. The less gas intake by SNGPL from Qadirpur, Nashpa, Chanda, Dhok Hussain, Mela, Pirkoh, Togh and Loti 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 397 barrels of crude oil, 46 MMcf of gas and 22 tons of LPG. Average daily net saleable production of crude oil, gas and LPG in the absence of forced curtailment would have clocked in at 32,284 barrels, 749 MMcf and 645 tons respectively. The Company's production was also impacted due to natural decline at mature producing fields coupled with plant optimization issues at Mela field. Moreover, natural decline and forced production curtailment observed at NJV fields also contributed toward reduced production output.

OGDCL with an aim to maintain and optimize production successfully installed electrical submersible pump at Kunnar-9. The Company in an effort to arrest natural decline and sustain production from mature wells carried out 16 work-over jobs comprising 4 with rig and 12 rig-less. Moreover, to induce improvement in the current well flow parameters, pressure build-up survey jobs were completed at various wells of Bettani, Missakeswal and Sinjhoru fields. An aggressive short-term plan to enhance production is currently being executed to address production decline curve. During the period under review, peak daily net production recorded for crude oil, gas and LPG was 35,086 barrels, 792 MMcf and 712 tons respectively.

In an effort to determine shale gas potential, drilling of KUC-1 (horizontal) is planned through 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 the 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, which is currently producing around 1.5 MMcf per day of gas.

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.

At offshore block-5, planned exploration and evaluation activities are underway, whereby drilling of appraisal wells; BuDana-003 and Al Bateen-002 were completed in June and August 2024 respectively.

Lastly, it gives me immense pleasure to acknowledge and express my sincere thanks to the Management and employees of the Company for their relentless efforts and hard work. Moving forward, I will continue to bank on the trust and support of all our stakeholders so as to ensure that OGDCL continues to spearhead the Country's E&P sector, safely and responsibly."

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**Notes to Editors**

OGDCL, the largest petroleum Exploration and Production (E&P) Company in Pakistan, was listed on Pakistan Stock Exchange (PSX) in November 2003 and its Global Depository Shares (GDS) were issued on London Stock Exchange in December 2006. The company contributed around 47%, 28% and 37% of the Country's total oil, natural gas and LPG production respectively.

OGDCL holds the largest exploration acreage which as of 30 June 2024 at 99,268 sq. km representing 39% of the Country's total area under exploration. The Company's exploration portfolio currently comprises 54 100%-owned as well as operated joint venture exploration licenses. Additionally, the Company possesses working interest in 14 exploration blocks operated by other E&P companies.

OGDCL registered a net Profit after Tax of Rs 41.020 billion for the period ended 30<sup>st</sup> September 2024.

## Financial Summary

During the quarter ended 30 September 2024, OGDCL registered Sales Revenue of Rs 106.011 billion (1Q 2023-24: Rs 120.141 billion). The Company's Sales declined due to reduction in average basket price of crude oil owing to confluence of weakened demand from China, strategic geopolitical maneuvers and sluggish economic activity in major economies, which led to lower realized price of US\$ 64.31/barrel (1Q 2023-24: US\$ 69.41/barrel). Likewise, Sales were also affected by decline in average realized price of gas to Rs 706.30/Mcf (1Q 2023-24: Rs 710.89/Mcf) accompanied with appreciation of Pak Rupee against US Dollar to Rs 278.79/US\$ (1Q 2023-24: Rs 291.58/US\$). Whereas, increase in average realized price of LPG to Rs 162,452/Ton (1Q 2023-24: Rs 134,346/Ton) lent partial relief to business revenue.

In addition to the above, OGDCL's financials got impacted by higher exploration and prospecting expenditure due to one well (TAY NE-1) declared as dry and abandoned against nil in the comparative period coupled with increase in the cost of seismic parties. While, reduction in operating expenses combined with higher finance and other income as well as share of profit in associates positively influenced the financial performance. However, final tax payment on bonus shares issued by MPCL led to lower profitability. Overall, Profit after Tax was Rs 41.020 billion (1Q 2023-24: Rs 49.038 billion) translating into an EPS of Rs 9.54 (1Q 2023-24: Rs 11.40). It is worth mentioning that receivables build-up trend reversed as receivables collection rate improved reaching 121% during the quarter.

The statutory auditors of OGDCL are registered with FRC as Third Country Auditors and are subject to audit quality reviews of FRC. The FRC's Audit Quality Review team reviewed statutory audit of Company's financial statements for the year ended 30 June 2023 as part of their routine inspection of audit firms. In September 2024, Audit Committee reviewed the final report received from the FRC and was pleased with the overall assessment, which is consistent with its own view on the quality and effectiveness of the audit.

## Key Financial Indicators

Financial KPIs	UOM	1Q 2024-25	1Q 2023-24
Net Sales	Rs in Million	106,011	120,141
Profit after Tax	Rs in Million	41,020	49,038
Gross Profit Margin	%	62	65
Net Profit Margin	%	39	41
Current Ratio	Times	8.16	6.77

## Dividend

The Board has announced first interim cash dividend of Rs 3.00 per share (30%) for the year ending 30 June 2025.

## 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). Currently, Company's exploration portfolio comprises 54 100%-owned and operated JV exploration licenses. Additionally, the Company also possesses working interest in 14 exploration blocks operated by other E&P companies.

In an effort to explore new oil and gas reserves, OGDCL during the period under review acquired 131 sq. km of 3D seismic data (1Q 2023-24: 57 sq. km) and 91 Line km of 2D (1Q 2023-24: 295 Line km). Acquired seismic data represents 100% and 27% of total 3D and 2D seismic data acquisition in the Country respectively (source: PPIS). Moreover, the Company using in-house resources processed/ reprocessed 488 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 security constraints and partial operation in Suleiman and Killa Saifullah blocks.

On the drilling front, total drilling recorded was 10,678 meters (1Q 2023-24: 7,052 meters). Moreover, drilling and testing work of 2 wells pertaining to previous fiscal year was also completed. However, spud-in of planned exploratory well was delayed due to land clearance and ongoing civil works.

### Discoveries

OGDCL's exploratory efforts to locate new reserves during the reporting period yielded 2 gas condensate discoveries viz., Chak 202-1 in district Rahim Yar Khan, Punjab and Baloch-2 in district Sanghar, Sindh (1Q 2023-24: 1 discovery). The expected combined daily crude oil and gas production potential of these discoveries is 388 barrels and 13 MMcf, whereas 2P reserves are 0.41 MMSTB and 17.18 bcf respectively.

### Development Projects

During the period 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, 133 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
Jhal Magsi	Jhal Magsi, Balochistan	OGDCL 56% POL 24% GHPL 20%	November 2024	Significant site construction activities completed and plant commissioning started.
Dakhni Compression	Attock, Punjab	OGDCL 100%	November 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%	February 2026	The contract awarded to the EPCC contractor and project is in design and engineering phase.
Uch Compression	Dera Bugti, Balochistan	OGDCL 100%	April 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 leveraging advanced technology, cutting-edge production techniques and improved engineering design and simulation capabilities to minimize natural decline in the mature fields. In this pursuit, Company's production output during the period under review contributed around 47%, 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 31,768 barrels, 699 MMcf and 618 tons in comparison to 32,835 barrels, 762 MMcf and 713 Tons in the comparative period. The less gas intake by SNGPL from Qadirpur, Nashpa, Chanda, Dhok Hussain, Mela, Pirkoh, Togh and Loti 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 397 barrels of crude oil, 46 MMcf of gas and 22 tons of LPG. Average daily net saleable production of crude oil, gas and LPG in the absence of forced curtailment would have clocked in at 32,284 barrels, 749 MMcf and 645 tons respectively. The Company's production was also impacted due to natural decline at mature producing fields coupled with plant optimization issues at Mela field. Moreover, natural decline and forced production curtailment observed at NJV fields also contributed toward reduced production output.

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<b>Products</b>	<b>Unit of Measurement</b>	<b>1Q 2024-25</b>	<b>1Q 2023-24</b>
Crude oil	Barrels per day	31,768	32,835
Gas	MMcf per day	699	762
LPG	Tons per day	618	713

### **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 970 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 FDP.

### **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 MMcf per day of sale gas. Commissioning and start-up of production is subject to laying of sale gas pipeline by SNGPL.

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

In an effort to determine shale gas potential, drilling of KUC-1 (horizontal) is planned through 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 the 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, which is currently producing around 1.5 MMcf per day of gas. Tender has also been press advertised for a regional third party study to identify and validate tight gas potential in 80 wells. Furthermore, Dhamach-1, Wassan-1 and Bewato-1/Urs-1 wells have been short listed for re-entry and frac-jobs to fast track monetization of tight gas potential.

### **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 drilling of appraisal wells; BuDana-003 and Al Bateen-002 were completed in June and August 2024 respectively. Drilling of first exploration well; XF003-1V (Marwah) is underway. The Concept Design (Pre-FEED) Study for appraisal fields (BuDana, Al-Manhal and Al-Bateen) along with Technical and Commercial due diligence in respect of FDP of appraisal fields by ADNOC are also in progress.

### **Initiatives toward ESG**

During the period under review, Board Committee on ESG met to review ESG strategy in light of OGDCL's ESG policy alongside setting ESG objectives and targets. The Company's ESG policy outlined its stance on environmental, social and governance issues. The process of development and implementation of the ESG framework is also underway in the Company in order to ensure adherence to the GRI standards and best global practices. During this process, ESG Committee will ensure robust ESG management framework, oversee stakeholder engagement and approve Annual ESG/Sustainability Report. The Company is targeting to publish its first ESG/ Sustainability Report 2023-24 in November 2024.