

FOR IMMEDIATE RELEASE

**OGDCL UN-AUDITED FINANCIAL RESULTS FOR THE FIRST QUARTER ENDED  
30<sup>TH</sup> SEPTEMBER 2022**

Oil and Gas Development Company Limited (OGDCL), (Ticker: OGDC), today announced its financial results for the first quarter ended 30<sup>th</sup> September 2022. Financial Statements were prepared in accordance with International Financial Reporting Standards;

**Highlights of First Quarter (ended 30<sup>th</sup> September 2022) Results include:**

- OGDCL registered net sales of Rs 106.012 billion
- Profit before Taxation during the period was Rs 88.207 billion
- Net Profit after Taxation during the period was Rs 53.303 billion translating into Earnings per Share of Rs 12.39.
- The Board of Directors declared first interim cash dividend of Rs 1.75 per share.
- Average net realized price of crude oil sold was US\$ 83.52/bbl as against US\$ 62.23/bbl during corresponding period last year. Average net realized price of natural gas sold was Rs 564.79/Mcf as against Rs 391.49/Mcf during corresponding period last year.
- 221 Line km of 2D seismic data and 21 Sq. km of 3D seismic data acquisition completed.
- One (1) new exploratory well Shahpurabad-1 was spud during the period under review.
- Average net crude oil production of 33,443 barrels per day, net saleable gas production of 779 MMcf per day and net LPG production of 722 M. Tons per day was achieved during the period under review.

	<b>1Q 2022-23 (Rs in billion)</b>	<b>1Q 2021-22 (Rs in billion)</b>
Net Sales	106.012	71.531
Profit before Taxation	88.207	52.270
Profit after Taxation	53.303	33.629
Earnings per Share - Rs	12.39	7.82

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

MD/CEO of OGDCL, Syed Khalid Siraj Subhani, commenting on the Company's first quarter financial results FY 2022-23, stated:

"I am pleased to report that the Company on the back of favorable oil price environment during the reporting period registered a growth of 48% and 58% in its top and bottom line financials respectively. The Company registered Sales Revenue and Profit after Taxation of Rs 106.012 billion and Rs 53.303 billion respectively translating into an Earnings per Share of Rs 12.39 compared with Rs 7.82 in the same period last year. On the operational front, the Company continued with its exploration, development and production activities and spud one (1) exploratory well Shahpurabad-1, while total drilling recorded during the three months period was 11,392 meters.

The Company's production during the period under review contributed around 46%, 30% and 36% towards Country's total oil, natural gas and LPG production respectively. Its average daily net saleable crude oil, gas and LPG production clocked in at 33,443 barrels, 779 MMcf and 722 tons in comparison to 37,347 barrels, 845 MMcf and 805 Tons in the comparative period respectively. As regards development projects, Qadirpur and Maru Reti compression projects have been completed in July 2022 and September 2022 respectively resulting in incremental daily production of around 18 MMcf of gas. Likewise, installation and commissioning of compression units are underway at Dakhni, Uch and KPD-TAY fields to maintain and enhance production. Moreover, development work is also underway at Daru-Mangrio Central Facility to extract LPG production.

Lastly, it gives me immense pleasure to acknowledge and express my sincere thanks to the Management and employees of the Company at all levels for their relentless efforts and hard work. Moving on, I will continue to bank on the trust and support of all our shareholders so as to ensure that the business continues to deliver industry leading performance, 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. It holds the largest portfolio of recoverable hydrocarbon reserves of Pakistan, at 34% of gas and 33% of oil, respectively, as at 30<sup>th</sup> June 2022. It contributed around 30% of the Country's total natural gas production and 46% of its total oil production during the three months period.

With a portfolio of 48 exploration licences, the Company has the largest exploration acreage in Pakistan, covering 41% of the total awarded acreage as of September 30, 2022. Currently all production volumes are being realized from onshore areas of Pakistan, however, the Company also has working interest in Pakistan's offshore exploration block; Indus-G.

OGDCL had a net Profit after Tax of Rs 133.784 billion for the year ended 30<sup>th</sup> June 2022.

## SUMMARY RESULTS

### Financial Summary

OGDCL during quarter ended 30 September 2022 registered improved Sales Revenue of Rs 106.012 billion (1Q 2021-22: Rs 71.531 billion). Higher sales are primarily attributable to increase in the realized price of crude oil averaging US\$ 83.52/barrel (1Q 2021-22: US\$ 62.23/barrel). Moreover, the Company recorded increase in the realized prices of gas and LPG averaging Rs 564.79/Mcf (1Q 2021-22: Rs 391.49/Mcf) and Rs 142,658/Ton (1Q 2021-22: Rs 97,039/Ton) respectively. Furthermore, rise in average exchange rate from Rs 164.91/US\$ to Rs 224.62/US\$ during the reporting period lent strength to the financials.

In addition to the above, OGDCL's profitability during the period under review was positively impacted by increase in finance and other income mainly on account of exchange gain. However in comparison to corresponding period last year, increase in operating expenses owing to joint operations expenses, work over charges and amortization of development and production assets partially impacted the financial performance. Nevertheless, the Company recorded Profit after Tax of Rs 53.303 billion (1Q 2021-22: Rs 33.629 billion) translating into an Earnings per Share of Rs 12.39 (1Q 2021-22: Rs 7.82).

### Dividend

Board announced 1st interim cash dividend of Rs 1.75 per share (17.5%) for the year ending 30 June 2023.

### Exploration and Development Activities

OGDCL being the flagship of Pakistan's E&P sector holds the largest exploration acreage and portfolio, which remain unchanged since 30 June 2022. The Company's exploration acreage is 87,290 sq. km and represents 41% of Country's total area under exploration (source: PPIS). The exploration portfolio 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 order to discover oil and gas reserves, OGDCL during the period under review acquired 221 Line km of 2D seismic data (1Q 2021-22: 336 Line km) and 21 Sq. km of 3D seismic data (1Q 2021-22: Nil Sq. km) representing 49% of total 2D and 17% of total 3D seismic data acquisition in the Country respectively. Moreover, the Company using in-house resources processed/reprocessed 1,065 Line km of 2D seismic data. Additionally, 135 Line km of geological field work was carried out in Nowshera EL.

On the drilling front, OGDCL spud 1 exploratory well; Shahpurabad-1 (1Q 2021-22: 3 wells). Moreover, drilling and testing of 2 wells pertaining to previous fiscal year was also completed. Total drilling recorded during the three months was 11,392 meters (1Q 2021-22: 11,678 meters).

Exploration activities during the reporting period were severely affected by the torrential rains/flood and security concerns. Planned 3D seismic survey of 210 Sq. km was affected by torrential rains, whereas 2D seismic survey of 84 Line km had to be deferred due to security concerns in Zin and Lillah blocks. However,

the Company is making all out efforts to recover the deferred seismic activities with in the current fiscal year.

## Development Projects

The current status of development projects is tabulated below:

Name of Project	Location of Project	Working Interest Owners	Completion Date	Current Status
Qadirpur Compression	Ghotki, Sindh	OGDCL 75.00% PPL 7.00% KUFPEC 8.50% AHEL 4.75% PKPEL2 4.75%	July 2022	The compressor packages have been commissioned and are operational.
Maru-Reti Compression	Ghotki, Sindh	OGDCL 57.76% GHPL 22.50% SEPL 10.66% IPRTOC 9.08%	September 2022	After carrying out construction and installation, compressor package has been commissioned and is in operation.
Daru-Mangrio Central Facility LPG Extraction	Hyderabad, Sindh	OGDCL 77.50% GHPL 22.50%	April 2023	Technical and financial evaluation of bids for hiring of PCC contractor are completed.
Dakhni Compression	Attock, Punjab	OGDCL 100%	November 2023	Technical and financial evaluation of the bids for hiring of EPCC contractor are completed.
Uch Compression	Dera Bugti, Balochistan	OGDCL 100%	May 2024	Technical and financial evaluation of the bids for hiring of EPCC contractor are completed.
KPD-TAY Compression	Hyderabad, Sindh	KPD: OGDCL 100% TAY: OGDCL 77.50% GHPL 22.50%	March 2024	Technical and financial evaluation of the bids for hiring of EPCC contractor are completed.

## Wali Field Development

In an effort to augment production and mitigate energy crisis in the Country, OGDCL has embarked upon the initiative for development of early production facilities at Wali-1 so as to bring Wali field into production. Wali-1 was a major hydrocarbon find and OGDCL holds 100% working interest in the Wali exploration block. The recoverable 2P reserves are estimated to be around 13 million barrels of oil and 219 billion cubic feet of gas, equivalent 55 million BOEs. The project is expected to be completed in the current fiscal year.

## Production

OGDCL's production during the period under review contributed around 46%, 30% and 36% towards Country's total oil, natural gas and LPG production respectively (source: PPIS). The average daily net saleable crude oil, gas and LPG production clocked in at 33,443 barrels, 779 MMcf and 722 tons in comparison to 37,347 barrels, 845 MMcf and 805 Tons in the comparative period respectively.

The Company recorded decrease in overall hydrocarbon production in comparison to the corresponding period last year as various production sustaining activities planned in the current quarter had to be deferred due to torrential rains/flood in addition to natural decline at Sinjhor, Nashpa, KPD-TAY, Chanda, Mela and

Dhok Hussain fields. Moreover, torrential rains/flood resulted in forced production curtailment at Palli, Mangrio and KPD-TAY fields. Likewise, lower gas production was recorded 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.

In an effort to arrest natural decline and sustain production from mature wells, OGDCL during the period under review carried out 14 work-over jobs comprising 3 with rig and 11 rig-less. Moreover to induce improvement in the current well flow parameters, pressure build-up survey jobs were completed at Umair-1 and Togh Bala-2. Additionally, electrical submersible pump was installed at Pasakhi North-3 in July 2022 in an effort to enhance crude oil production.

The quarter-wise comparison of the Company’s 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	1Q 2022-23	1Q 2021-22
Crude oil	Barrels per day	33,443	37,347
Gas	MMcf per day	779	845
LPG	Tons per day	722	805

During the period under review, a fire incident occurred at a warehouse located at one of the Company’s non-operated JV field; Manzalai/Makori processing facility. No loss of life was reported in the incident, however, a detailed survey of the damaged area and assessment of the loss is being carried out by the operator of the field (MOL). The operator has ensured continuity of production operations in the field.

### **Business Diversification**

As per the business diversification plan, the Company has entered into a framework agreement with the Federal Government, Government of Balochistan, GHPL, PPL and Barrick Gold Corporation for extraction of copper and gold reserves from Reko Diq. The Company’s participation in the mining project is subject to administrative/legislative/regulatory/judicial approvals, execution of definitive agreements and other conditions agreed in the framework agreement.

In line with its vision to expand its core business internationally, OGDCL along with consortium partners; PPL (operator), MPCL and GHPL was awarded offshore block-5 in Abu Dhabi by ADNOC on 31 August 2021. Offshore block-5 is located in a highly prospective basin and planned exploration and evaluation activities are underway in the block.