

FOR IMMEDIATE RELEASE

**OGDCL UN-AUDITED FINANCIAL RESULTS FOR THE FIRST HALF ENDED  
31<sup>ST</sup> DECEMBER 2022**

Oil and Gas Development Company Limited (OGDCL), (Ticker: OGDC), today announced its financial results for the first half ended 31<sup>st</sup> December 2022. Financial Statements were prepared in accordance with International Financial Reporting Standards;

**Highlights of First Half (ended 31<sup>st</sup> December 2022) Results include:**

- OGDCL registered net sales of Rs 203.236 billion
- Profit before Taxation during the period was Rs 152.848 billion
- Net Profit after Taxation during the period was Rs 95.012 billion translating into Earnings per Share of Rs 22.09.
- The Board of Directors declared second interim cash dividend of Rs 2.25/- per share.
- Average net realized price of crude oil sold was US\$ 78.60/bbl as against US\$ 63.23/bbl during the corresponding period last year. Average net realized price of natural gas sold was Rs 570.00/Mcf as against Rs 404.28/Mcf during the corresponding period last year.
- 626 Line km of 2D seismic data and 221 Sq. km of 3D seismic data acquisition completed.
- 4 wells including 3 exploratory wells; Shahpurabad-1, Chak 20-1 & Gaja Wah-1 and 1 development well; Chanda-7 were spud during the period under review.
- Average net crude oil production of 33,061 barrels per day, net saleable gas production of 772 MMcf per day and net LPG production of 730 M. Tons per day was achieved during the period under review.

	<b>1H 2022-23 (Rs in billion)</b>	<b>1H 2021-22 (Rs in billion)</b>
Net Sales	203.236	151.163
Profit before Taxation	152.848	105.172
Profit after Taxation	95.012	68.883
Earnings per Share - Rs	22.09	16.02

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

MD/CEO of OGDCL, Syed Khalid Siraj Subhani, commenting on the Company's first half 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 34% and 38% in its top and bottom line financials respectively. The Company registered Sales Revenue and Profit after Taxation of Rs 203.236 billion and Rs 95.012 billion respectively translating into an Earnings per Share of Rs 22.09 compared with Rs 16.02 in the same period last year. On the operational front, the Company continued with its exploration, development and production activities though these activities were hampered by floods, security clearance and delay in the opening of LCs for critical spares. On the exploration front, the Company spud 4 wells including 3 exploratory wells; Shahpurabad-1, Chak 20-1 & Gaja Wah-1 and 1 development well; Chanda-7, while total drilling recorded during the six months was 17,249 meters.

OGDCL's production during the period under review contributed around 46%, 29% and 37% 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 33,061 barrels, 772 MMcf and 730 tons in comparison to 36,788 barrels, 827 MMcf and 814 Tons in the comparative period respectively. Production output was impacted due to natural decline coupled with forced production curtailment owing to torrential rains/flood at Palli, Mangrio and KPD-TAY fields. The reduction in production from NJV fields also contributed towards lower hydrocarbon output. As regards ongoing development projects, installation and commissioning of compression units are underway at Dakhni, Uch and KPD-TAY fields to maintain and enhance production.

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. 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 29% of the Country's total natural gas production and 46% of its total oil production during the six months period.

With a portfolio of 49 exploration licences, the Company has the largest exploration acreage in Pakistan, covering 40% of the total awarded acreage as of December 31, 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 half year ended 31 December 2022 registered improved Sales Revenue of Rs 203.236 billion (1H 2021-22: Rs 151.163 billion). Higher sales are primarily attributable to increase in the realized price of crude oil averaging US\$ 78.60/barrel (1H 2021-22: US\$ 63.23/barrel). Moreover, the Company recorded increase in the realized prices of gas and LPG averaging Rs 570.00/Mcf (1H 2021-22: Rs 404.28/Mcf) and Rs 139,661/Ton (1H 2021-22: Rs 113,962/Ton) respectively. Furthermore, rise in average exchange rate from Rs 169.98/US\$ to Rs 223.85/US\$ lent strength to the financials.

In addition to the above, the Company's profitability during the period under review was positively impacted by increase in interest income on investment and bank deposits and share of profit in associates. However in comparison to corresponding period last year, increase in operating expenses owing to inflationary cost trends, workovers at Manzalai-4, Gorwar-1 and Miano-12, repairs and maintenance and change in decommissioning estimates impacted the financial performance. Nevertheless, the Company recorded Profit after Tax of Rs 95.012 billion (1H 2021-22: Rs 68.883 billion) translating into an Earnings per Share of Rs 22.09 (1H 2021-22: Rs 16.02).

### Dividend

The Board has announced second interim cash dividend of Rs 2.25 per share (22.50%) for the year ending 30 June 2023. This is in addition to the first interim cash dividend of Rs 1.75 per share (17.50%) already declared and paid during the fiscal year.

### Exploration and Development Activities

OGDCL being the market leader in E&P sector of Pakistan holds the largest exploration acreage and portfolio. During the reporting period, its exploration acreage increased to 89,459 sq. km (30 June 2022: 87,290 sq. km), owing to grant of a new exploration license Chah Bali, representing 40% of Country's total area under exploration (source: PPIS). The exploration portfolio comprises 49 owned and operated joint venture exploration licenses (30 June 2022: 48 exploration licenses). Additionally, the Company possesses working interest in 9 exploration blocks operated by other E&P companies.

In an effort to discover oil and gas reserves, OGDCL acquired 626 Line km of 2D seismic data (1H 2021-22: 652 Line km) and 221 Sq. km of 3D seismic data (1H 2021-22: Nil Sq. km) representing 56% and 31% of total 2D and 3D seismic data acquisition in the Country respectively. Moreover, the Company using in-house resources processed/reprocessed 1,393 Line km of 2D and 360 Sq. km of 3D seismic data. Additionally, 186 Line km of geological field work was carried out in Nowshera EL. Exploration activities during the reporting period were affected by the torrential rains/flood (266 days out of 900 days of seismic operations lost), non-delivery of imported ground electronics and security concerns. However, the Company is making all out efforts to recover most of deferred seismic activities with in current fiscal year.

On the drilling front, OGDCL spud 4 wells (1H 2021-22: 6 wells) including 3 exploratory wells; Shahpurabad-1, Chak 20-1 & Gaja Wah-1 and 1 development well; Chanda-7. Moreover, drilling and testing of 6 wells pertaining to previous fiscal years was also completed. However, 2 planned wells; Bobi-11 and Bobi Deep-1 could not be spud due to gas oozing issue at drilling sites. Total drilling recorded during the six months was 17,249 meters (1H 2021-22: 23,913 meters).

## Development Projects

The current status of ongoing development projects is tabulated below:

Name of Project	Location of Project	Working Interest Owners	Completion Date	Current Status
Dakhni Compression	Attock, Punjab	OGDCL 100%	April 2024	The economic feasibility of the project is under review.
Uch Compression	Dera Bugti, Balochistan	OGDCL 100%	September 2024	LOI has been issued to the EPCC contractor.
KPD-TAY Compression	Hyderabad, Sindh	KPD: OGDCL 100% TAY: OGDCL 77.50% GHPL 22.50%	July 2024	The tendering process for hiring of the EPCC contractor has been completed.

## Discoveries

OGDCL's exploratory efforts to locate new reserves during the period under review yielded 3 oil and gas discoveries having an expected cumulative daily production potential of 3,007 barrels of oil and 2.7 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.

## Wali Field Development

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 early testing is expected to be completed in the current fiscal year and the facility will produce 10 MMscfd gas and 1,000 BPD oil. Further, field development is being undertaken to access the full potential of the field.

## Production

OGDCL's production during the period under review contributed around 46%, 29% and 37% 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 33,061 barrels, 772 MMcf and 730 tons in comparison to 36,788 barrels, 827 MMcf and 814 Tons in the comparative period respectively. The decline in hydrocarbon production was partially mitigated by injection of 2 operated wells in the production

gathering system viz., Lala Jamali-2 and Chak 5 Dim South-3, which cumulatively yielded gross crude and gas production of 49,436 barrels and 791 MMcf respectively.

During the period under review, production output was impacted due to natural decline at KPD-TAY, Bobi, Chanda, Mela, TOC, Bitrism and Nashpa fields combined with forced production curtailment owing to torrential rains/flood at Palli, Mangrio and KPD-TAY fields resulting in daily production loss of 810 barrels of crude oil, 35 MMcf of gas and 22 tons of LPG. 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.

In an effort to arrest natural decline and sustain production from mature wells, OGDCL during the period under review carried out 34 work-over jobs comprising 6 with rig and 28 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 and Kunnar fields. Additionally, electrical submersible pumps were installed at Pasakhi North-3 and Sono-4 & 7 resulting in incremental oil production of 2,000 barrels per day. The period-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	1H 2022-23	1H 2021-22
Crude oil	Barrels per day	33,061	36,788
Gas	MMcf per day	772	827
LPG	Tons per day	730	814

During the reporting period, 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, an initial assessment of the damaged area and loss has been carried out by the operator (MOL) of the field, whereby inventory amounting Rs 3,080 million (OGDCL share Rs 924 million) has been written-off.

## **Business Diversification**

### **Reko Diq Mining Project:**

All the conditions precedent as set out in the Framework Agreement, including but not limited to, the signing of the definitive agreements and judicial validation were completed as on 15 December 2022. The Company has invested in the project company, i.e. Reko Diq Mining Company (Private) Limited (RDML) through Pakistan Minerals (Private) Limited (PMPL), an entity incorporated in Pakistan in accordance with the agreements for collective representation of the Company, PPL and GHPL. RDML is engaged in the mineral exploration activities in Pakistan. The Company's equity interest in PMPL is 33.33% with an effective interest of 8.33% in RDML.

**Offshore Block 5:**

At Offshore block-5, planned exploration and evaluation activities are currently underway, whereby appraisal plan has been approved by ADNOC and contract for long lead items has been placed. Moreover, technical studies for drilling of appraisal wells, assess and select studies for surface facilities and finalization of jack-up rig contract for exploratory and appraisal wells are in progress.