

Islamabad, September 28, 2020

FOR IMMEDIATE RELEASE

OGDCL Audited Financial Results for the Full Year Ended 30 June 2020

Oil and Gas Development Company Limited (OGDCL), (Ticker: OGDC), today announces its financial results for the Full Year ended 30 June 2020. Financial Statements have been prepared in accordance with International Financial Reporting Standards.

Highlights of the Full Year include:

- OGDCL's net sales climbed Rs 244.857 billion compared to Rs 261.481 billion in the corresponding period last year
- Net profit before taxation registered Rs 143.065 billion compared to Rs 176.599 billion in the corresponding period last year
- Net Profit after Taxation came to Rs 100.082 billion as against Rs 118.386 billion in the preceding period translating into Earnings per Share of Rs 23.27
- The Board of Directors declared final cash dividend of Rs 2.50 per share
- Operating profit margin and net profit margin were 47% and 41%, respectively.
- Average net realized price of crude oil sold was US\$ 46.76 / bbl as against US \$ 58.74/ bbl during corresponding period last year
- Average net realized price for natural gas sold was Rs 393.32/Mcf as against Rs 337.66/Mcf during corresponding period last year.
- 3,407 Line Kms of 2D seismic acquisition completed
- Twenty-Five (25) wells were spud, comprising of Fifteen (15) exploratory/appraisal, Five (5) development and Five (5) re-entry/side track wells
- Company's exploratory efforts yielded Five (5) new oil and gas discoveries namely; Chanda-5, Togh-1 (Lumshiwal), Togh-1 (Hangu) in district Kohat, KPK province, Pandhi-1 in district Sanghar and Metlo-1 in district Khairpur, Sindh province.
- Net crude oil production of 36,073 barrels per day, net gas production of 893 MMcf per day and net LPG production of 739 Metric Tons per day was witnessed during the period under review.

MD & CEO's Statement

Mr. Shahid Salim Khan, MD & CEO, while commenting on OGDCL's full year FY2020 results stated:

"I am pleased to note that OGDCL continued to deliver consistent financial results coupled with steady operational performance while successfully maintaining its position as the leading performer in E&P sector in Pakistan. This was achieved despite the unprecedented challenges due to COVID-19 pandemic in the shape of plunge in crude oil demand and price across the globe. OGDCL stood resilient and devised a timely and effective pandemic response plan, thus ensuring business continuity during the prevailing circumstances and beyond.

OGDCL, during the year under review, acquired 3,407 Line km of 2D seismic data in comparison to 1,324 Line km of 2D in the last year. The acquired seismic data represents 79% of total 2D seismic data acquisition in the Country. OGDCL in line with its production strategy to maintain and optimize production mix during the year under review contributed around 46%, 29% and 34% towards Country's total oil, natural gas and LPG production, respectively. The synergetic effect of cost effective measures and utilization of new technology resulted in boosting our exploration-led growth as the Company made five new oil and gas discoveries during the period under review.

Let me conclude by saying that, with the full support and devotion of all OGDCL employees, the Company has been successful in converting the Covid-19 challenge into an opportunity through re-aligning its business growth strategy. OGDCL, by undertaking fast track exploration activities, augmented commercialization of its reserves along with prudent investment selections and effective cost controls, has managed to successfully lay a strong foundation for continued growth. This bodes well for all our shareholders and helps us maximize shareholder's value."

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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 29% of the country's total natural gas production and 46% of its total oil production from July 2019 to June 2020.

With a portfolio of 44 exploration licences, the Company has the largest exploration acreage in Pakistan, covering 37% of the total awarded acreage as of June 30, 2020. 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 118.386 billion for the year ended June 30, 2019.

SUMMARY RESULTS

Financial Results

Against the backdrop of plunge in international oil price as well as reduction in demand attributable to COVID-19, OGDCL during the year ended 30 June 2020 registered Sales Revenue of Rs 244.857 billion (FY 2018-19: Rs 261.481 billion). Average basket price of crude oil during the reporting period plunged to US\$ 52.14/barrel (FY 2018-19: US\$ 68.95/barrel) leading to lower realized price of US\$ 46.76/BBL (FY 2018-19: US\$ 58.74/barrel). Likewise, Company's financial results were also affected due to lower realized price of LPG averaging Rs 63,997/Ton (FY 2018-19: Rs 65,512/Ton). On the other hand, increase in average realized price of gas to Rs 393.32/Mcf (FY 2018-19: Rs 337.66/Mcf) and rise in average exchange rate to Rs 158.32/US\$ (FY 2018-19: Rs 136.56/US\$) lent strength to the business financials.

In addition to the above, OGDCL's profitability during the year under review was impacted by higher operating expenses mainly on account of salaries, wages & benefits and depreciation of property, plant and equipment. Moreover, increase in prospecting expenditures, cost of dry and abandoned wells [eight (8) wells declared as dry and abandoned against two (2) wells in the last year] and reduced exchange gain recorded on revaluation of FC investment contributed towards lower financial results. Whereas, increase in share of profit in associate positively influenced the financial performance. Nevertheless, the Company recorded Profit after Tax of Rs 100.082 billion (FY 2018-19: Rs 118.386 billion) translating into an Earnings per Share of Rs 23.27 (FY 2018-19: Rs 27.53).

Key Performance Indicators

Financial KPIs	UOM	2019-20	2018-19
Net Sales	Rs in Million	244,857	261,481
Profit after Tax	Rs in Million	100,082	118,386
Gross Profit Margin	%	61	64
Net Profit Margin	%	41	45
Current Ratio	Times	5.90	7.02

Dividend

The Board of Directors has recommended the final cash dividend of Rs 2.50 per share (25%) in addition to three (3) cumulative interim cash dividends of Rs 4.25 per share already

declared and paid during the year under review. This makes a total dividend of Rs 6.75 per share (67.50%) for the year ended 30 June 2020.

Exploration and Development Activities

OGDCL being the market leader in E&P sector of Pakistan holds the largest exploration acreage which as of 30 June 2020 stood at 79,994 sq. km representing 37% of Country's total area under exploration. The Company's exploration portfolio currently comprises forty-four (44) owned and operated joint venture exploration licenses. Additionally, the Company possesses working interest in seven (7) exploration blocks operated by other E&P companies.

In line with its exploration-led growth strategy to boost oil and gas reserves, OGDCL during the year under review acquired 3,407 Line km of 2D seismic data in comparison to 1,324 Line km of 2D and 620 sq. km of 3D seismic data in the last year. The acquired seismic data represents 79% of total 2D seismic data acquisition in the Country. Moreover, 5,582 Line km of 2D and 4,977 sq. km of 3D seismic data was also processed/reprocessed using in-house resources.

During the fiscal year 2019 - 20, OGDCL spud twenty-five (25) wells in comparison to sixteen (16) wells last year. Drilled wells include fifteen (15) exploratory/appraisal wells [Rangunwari-1, Dhok Hussain North-1, Wali-1, Metlo-1, Katiar-1, KUC-1, Jatoi-1, Qadirpur Deep X-1A, Lakhi Rud X-1, Bobi Deep-1, Togh Bala-1, Umair NW-1, Seni Gumbat-1, Washuk-1 & Zin SML-4H], five (5) development wells [Thora Deep-3, Rajian-11, Nashpa-10, Qadirpur HRL-15 & Pasahki-11] and five (5) re-entry/side track wells [Siab-1, Qadirpur-14, Rajian-10, Thal East-1 & Thora Deep-3]. Moreover, drilling and testing of fourteen (14) wells pertaining to previous fiscal year was also completed, whereas total meterage drilled during the twelve months was 60,753 meters.

Discoveries

OGDCL's exploratory efforts to locate new reserves during the year under review yielded five (5) oil and gas discoveries having expected cumulative daily production potential of 28 MMcf of gas and 892 barrels of oil. Aforementioned discoveries include Chanda-5, Togh-1 (Lumshiwal), Togh-1 (Hangu) in district Kohat, KPK province, Pandhi-1 in district Sanghar and Metlo-1 in district Khairpur, Sindh province. Preliminary reserve estimates are 49 billion cubic feet of gas and 1.5 million barrels of oil, combined 10 million barrels of oil equivalent. Subsequently, in the current fiscal year, two (2) discoveries were reported viz., Siab-1 and Togh Bala-1 in district Kohat, KPK province having a cumulative daily production potential of 11 MMcf of gas and 137 barrels of oil.

Development Projects

Name of Project	Location of Project	Working Interest Owners	Completion Date	Current Status
Mela	Kohat, KPK	OGDCL 56.45% PPL 28.55% GHPL 15.00%	June 2020	Facilities up-gradation work at Mela field and laying of gas pipeline to Nashpa plant for LPG extraction have been completed.
Nashpa Compression	Karak, KPK	OGDCL 56.45% PPL 28.55% GHPL 15.00%	November 2020	Design review and HAZOP study have been completed while pre-commissioning activities by the EPCC contractor is underway.
Qadirpur Compression	Ghotki, Sindh	OGDCL 75.00% PPL 7.00% KUFPEC 8.50% PKPEL 4.75% PKPEL2 4.75%	November 2021	Turbine up-gradation work has started; procurement of compressors is at final stage; and hiring of PC contractor is at approval stage.
Uch Compression	Dera Bugti, Balochistan	OGDCL 100%	December 2022	The case has been press tendered and bid opening date was 4 August 2020.

Production

OGDCL in line with its production strategy to maintain and optimize production mix during the year under review contributed around 46%, 29% and 34% towards Country's total oil, natural gas and LPG production respectively (source: PPIS). However, outbreak of COVID-19 and shutdown/partial shutdown of refineries during 18 March 2020 to 14 June 2020 reduced the lifting of crude oil/condensate from OGDCL fields; Nashpa, TOC, Kunnar, KPD-TAY, Sinjhorro and Qadirpur fields. Moreover, natural decline at Rajian, Nashpa, Sinjhorro, TAY, Lashari Centre, Tando Alam and Qadirpur fields coupled with mechanical problems at Nashpa, and KPD-TAY fields impacted production output.

Adverse impact of COVID-19 and natural decline was partially mitigated by injection of fourteen (14) operated wells in the production gathering system viz., Qadirpur-14 & 61, Pasakhi Deep-4 & 5, Nashpa-9, Chanda-5, Qadirpur Deep X-1, TAY North-1, Uch-17A, Qadirpur HRL-15, Thal East-1, Dhok Hussain-1, Bhambhra-1 and Togh-1 which cumulatively yielded gross crude oil and gas production of 251,642 barrels and 6,709 MMcf, respectively. Moreover, installation of Electrical Submersible Pump (ESP) at Pasakhi-5 produced a positive impact of 500 barrels per day. Average daily net saleable crude oil, gas, LPG and sulphur production including share in both operated and non-operated JV fields is as follows:

Products	Unit of Measurement	FY 2018-19	FY 2018-19
Crude oil	Barrels per day	36,073	40,810
Gas	MMcf per day	893	1,014
LPG	Tons per day	739	802
Sulphur	Tons per day	54	55

Moving on, OGDCL remains steadfast in its resolve to carry on vigorous exploratory endeavors, expedite completion of ongoing development projects and exercise financial discipline while undertaking new development activities to maintain and improve business operational performance alongside creating material value for the shareholders in the years to come.