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FOR IMMEDIATE RELEASE

**OGDCL UN-AUDITED FINANCIAL RESULTS FOR THE FIRST QUARTER ENDED
30TH SEPTEMBER 2020**

Oil and Gas Development Company Limited (OGDCL), (Ticker: OGDC), today announced its financial results for the first quarter ended 30th September 2020. Financial Statements were prepared in accordance with International Financial Reporting Standards;

Highlights of First Quarter (ended 30th September 2020) Results include:

- OGDCL registered net sales of Rs 59.528 billion
- Net Profit before Taxation during the period was Rs 34.020 billion
- Net Profit after Taxation during the period was Rs 23.427 billion translating into Earnings per Share of Rs 5.45.
- The Board of Directors declared first interim cash dividend of Rs 2/- per share
- Average net realized price of crude oil sold was US\$ 38.75/bbl as against US\$ 52.69/bbl during corresponding period last year. Average net realized price of natural gas sold was Rs 411.16/Mcf as against Rs 386.60/Mcf during corresponding period last year.
- 975 L. Kms of 2D seismic data acquisition completed.
- Four (4) new wells including three (3) exploratory / appraisal well namely Juna-1, Sheen Dund-1 and Nangpir-1 and one (1) development well namely Qadirpur-62 were spud during the period under review.
- OGDCL's exploratory endeavours to locate hydrocarbon reserves yielded two (2) oil and gas discoveries namely Siab-1 and Togh Bala-1 in district Kohat, KPK province.
- Average net crude oil production of 36,221 barrels per day, net saleable gas production of 904 MMcf per day and net LPG production of 714 M. Tons per day was achieved during the period under review.

	1Q 2020-21 Rs (in billions)	1Q 2019-20 Rs (in billions)
Net Sales	59.528	66.204
Profit before Taxation	34.020	39.688
Profit after Taxation	23.427	27.316
Earnings per Share - Rs	5.45	6.35

MD / CEO's Statement

MD/CEO of OGDCL, Mr. Shahid Salim Khan, commenting on the Company's first quarter financial results FY 2020-21, stated:

"I am pleased to report that OGDCL, despite ongoing COVID-19 pandemic, exhibited stable performance for the quarter ended September 30, 2020. The Company registered Sales Revenue and Profit after Taxation of Rs 59.528 billion and Rs 23.427 billion respectively translating into an Earnings per Share of Rs 5.45 compared with Rs 6.35 in the same period last year. On the operational front, Company's exploratory efforts yielded two (2) oil and gas discoveries. Moreover, the Company spud four (4) wells including three (3) exploratory/appraisal wells and one (1) development well, while total drilling recorded during the period was 17,620 meters.

However, prevalence of lower international oil price attributable to ongoing COVID-19 pandemic coupled with decline in crude oil and gas production impacted financial performance. Whereas, increase in average realized price of gas and LPG coupled with rise in exchange rate, other income and share of profit in associate lent strength to the financials. Moving forward, OGDCL is focused on exploration, development and production activities and timely completion of on-going projects with the objective of value maximization for the shareholders by augmenting oil and gas output.

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 putting relentless efforts particularly during the COVID-19. I hope to continue to seek trust and confidence of all our shareholders for driving forward Company's operational and financial 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, 44% of oil and 37% of gas, respectively, as at 30th June 2020. It contributed 29% of the Country's total natural gas production and 47% of its total oil production during the three months period.

With a portfolio of 43 exploration licences, the Company has the largest exploration acreage in Pakistan, covering 37% of the total awarded acreage as of September 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 100.082 billion for the year ended 30th June 2020.

SUMMARY RESULTS

Financial Summary:

Despite prevalence of lower international oil price attributable to ongoing pandemic COVID-19, OGDCL during the period ended 30 September 2020 registered Sales Revenue of Rs 59.528 billion (1Q 2019-20: Rs 66.204 billion). Average basket price of crude oil during the reporting period plunged to US\$ 42.95/barrel (1Q 2019-20: US\$ 61.64/barrel) leading to lower realized price of US\$ 38.75/BBL (1Q 2019-20: US\$ 52.69/barrel). On the other hand, increase in average realized price of gas and LPG to Rs 411.16/Mcf (1Q 2019-20: Rs 386.60/Mcf) and Rs 58,951/Ton (1Q 2019-20: Rs 57,032/Ton) respectively coupled with rise in the average exchange rate to Rs 167.24/US\$ (1Q 2019-20: Rs 158.28/US\$) lent strength to the financials.

In addition to the above, OGDCL's profitability during the period under review was impacted by higher operating expenses mainly on account of salaries, wages and benefits, joint operations expenses and amortization of development and production assets. Whereas, reduction in cost of dry and abandoned wells combined with higher other income and share of profit in associate positively influenced the financial performance. Nevertheless, OGDCL recorded Profit after Tax of Rs 23.427 billion (1Q 2019-20: Rs 27.316 billion) translating into an EPS of Rs 5.45 (1Q 2019-20: Rs 6.35).

Dividend

Board announced 1st interim cash dividend of Rs 2/- per share (20%) for the year ending 30 June 2021.

Exploration and Development Activities

OGDCL being the market leader in E&P sector of Pakistan holds the largest exploration acreage which as of 30 September 2020 stood at 77,591 sq. km representing 37% of Country's total area under exploration (source: PPIS). The Company's exploration portfolio currently comprises forty three (43) 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 its efforts to augment oil and gas reserves, OGDCL during the period under review acquired 975 Line km of 2D seismic data in comparison to 556 Line km in the corresponding period last year. The acquired seismic data represents 80% of total 2D seismic data acquisition in the Country (source: PPIS). Moreover, 1,271 Line km of 2D seismic data and 1,800 sq. km of 3D seismic data were also processed/reprocessed using in-house resources.

During the reporting period, OGDCL spud four (4) wells in comparison to two (2) wells in the same period last year. Drilled wells include three (3) exploratory/appraisal wells [Juna-1, Sheen Dund-1 and Nangpir-1] and one (1) development well [Qadirpur-62]. Moreover, drilling and testing of seven (7) wells pertaining to previous fiscal year was also completed, whereas total drilling recorded during the three months was 17,620 meters (1Q 2019-20: 12,813 meters).

Discoveries

OGDCL's exploratory efforts to locate new reserves yielded two (2) oil and gas discoveries having expected cumulative daily production potential of 11 MMcf of gas and 137 barrels of oil. Aforementioned discoveries include Siab-1 and Togh Bala-1 in district Kohat, KPK province. Preliminary reserve estimates attributable to these discoveries are 36.95 billion cubic feet of gas and 0.41 million barrels of oil, combined 7.25 million barrels of oil equivalent.

Development Projects

Name of Project	Location of Project	Working Interest Owners	Completion Date	Current Status
Nashpa Compression	Karak, KPK	OGDCL 56.45% PPL 28.55% GHPL 15.00%	November 2020	Commissioning activities are underway.
Qadirpur Compression	Ghotki, Sindh	OGDCL 75.00% PPL 7.00% KUFPEC 8.50% PKPEL 4.75% PKPEL2 4.75%	November 2021	The contract for procurement of compressors has been awarded while the contract for hiring of PC contractor is at approval stage.
Uch Compression	Dera Bugti, Balochistan	OGDCL 100%	December 2022	Technical evaluation of bids received on 4 August 2020 is underway.

Production

OGDCL during the period under review contributed around 47%, 29% and 36% towards Country's total oil, natural gas and LPG production respectively (source: PPIS). However, oil and gas output was impacted by natural decline at Dakhni, Kal, Pasakhi and Tando Alam fields coupled with non-revival/ partial revival of wells; Kunnar-2, 3, 9 & 10 post COVID-19 forced shut-in and annual turn around at Dakhni, Nashpa and Sinjhor fields during 21-30 August 2020, 3-9 September 2020 and 16-26 September 2020 respectively. Moreover, no gas intake from Qadirpur field by M/s Engro Powergen (23 days) and less gas intake from Uch field by M/s UPL-I & II (less demand by WAPDA) resulted in lower gas production.

Aforementioned decline in production was partially mitigated by injection of two (2) operated wells in the production gathering system viz., Mela-7 and Pasakhi-11 which cumulatively yielded gross crude oil and gas production of 65,233 barrels and 368 MMcf respectively. The Company in order to arrest natural decline and sustain production from mature fields carried out twenty seven (27) work-over jobs (2 with rig and 25 rig-less). OGDCL'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 2020-21	1Q 2019-20
Crude oil	Barrels per day	36,221	37,560
Gas	MMcf per day	904	960
LPG	Tons per day	714	702
Sulphur	Tons per day	45	54