

Islamabad, April 26, 2021

FOR IMMEDIATE RELEASE**OGDCL Un-Audited Financial Results for the Nine Months Ended 31 March 2021**

Oil and Gas Development Company Limited (OGDCL), (Ticker: OGDC), today announces its financial results for the Nine Months ended March 31, 2021. Financial Statements have been prepared in accordance with International Financial Reporting Standards.

Highlights of the Nine Months include:

- OGDCL registered net sales of Rs 176.382 billion compared to Rs 189.447 billion in the corresponding period last year
- Net Profit before Taxation was Rs 96.892 billion compared to Rs 122.547 billion in the corresponding period last year
- Net Profit after Taxation was Rs 66.346 billion as against Rs 83.122 billion in the corresponding period last year translating into an Earnings per Share of Rs 15.43
- The Board of Directors declared third interim cash dividend of Rs. 1.8/- per share
- Operating Profit Margin and Net Profit Margin were 48% and 38%, respectively
- Average net realized price of crude oil was US\$ 43.28/bbl as against US\$ 53.03/bbl during corresponding period last year
- Average net realized price for natural gas was Rs 383.48/Mcf as against Rs 356.89/Mcf during corresponding period last year
- Acquired 2,192 Line km of 2D and 387 sq. km of 3D seismic data compared to 2,461 Line km of 2D seismic data in the corresponding period last year
- Spud thirteen (13) wells including seven (7) exploratory/appraisal wells, four (4) development wells, one (1) re-entry well and one (1) side track well
- Exploratory efforts yielded five (5) new oil and gas discoveries; Togh Bala-1, Siab-1 (Samanasuk) and Siab-1 (Lumshiwal/Hangu) in district Kohat, KPK province, Lakhi Rud X-1 in district Musa Khel, Balochistan province and Sial-1 in district Hyderabad, Sindh province
- Average net saleable crude oil, gas and LPG production were 36,836 barrels per day, 865 MMcf per day and 802 Tons per day during the period under review

Rs in billion

	9M FY 2020-21	9M FY 2019-20
Net Sales	176.382	189.447
Profit before Taxation	96.892	122.547
Profit after Taxation	66.346	83.122
Earnings per Share - Rs	15.43	19.33

MD & CEO's Statement

Mr. Shahid Salim Khan, MD/CEO OGDCL, commenting on the financial results of OGDCL's nine months FY2020-21 said:

"I am pleased to report that OGDCL is continuously striving to enhance oil and gas reserves and production from our hydrocarbon assets. OGDCL during the nine months ended March 31, 2021 registered Sales Revenue of Rs 176.382 billion and Profit after Tax of Rs 66.346 billion. Profitability was maintained despite the fact that oil prices and demand remained fragile owing to COVID-19 resurgence coupled with renewed lock downs in key oil consumer regions. During the nine months of fiscal year 2020-21, the Company acquired 2,192 Line km of 2D and 387 sq. km of 3D seismic data, which represents 83% and 75% of total 2D and 3D seismic data acquisition respectively in the Country (source: PPIS). OGDCL drilled a total of thirteen (13) wells and its pursuit to exploration-led growth strategy led the Company to discover five (5) new hydrocarbon finds during the period under review.

OGDCL during the nine months contributed around 47%, 29% and 36% towards Country's total oil, natural gas and LPG production respectively. I am also pleased to inform you that Nashpa Compression project has been successfully completed on 17 November 2020 and compressors are in operations while compression projects are underway at Qadirpur, Maru-Reti and Uch fields. Aforesaid, compression projects will help in optimizing hydrocarbon recovery and to maintain production plateaus.

Finally, I would like to commend the continued support extended by all our stakeholders which has always proved fruitful in the pursuit to achieve organizational goals and objectives and maximizing shareholders value. I also acknowledge the resilience shown by Company's human resource, especially during the times of COVID-19, while looking forward to carry on the track record of delivering industry leading E&P performance, safely and responsibly.

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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. During the period under review, it contributed around 47%, 29% and 36% towards Country's total oil, natural gas and LPG production respectively.

With a portfolio of 50 exploration licences, OGDCL has the largest exploration acreage in Pakistan, covering 45% of the total awarded acreage as of March 31, 2021. Currently, all production volumes are being realized from onshore areas of Pakistan, however, the Company also possesses working interest in Pakistan's offshore exploration block; Indus-G.

OGDCL for the year ended June 30, 2020 registered a net Profit after Tax of Rs 100.082 billion.

SUMMARY RESULTS

Financial Results

During the nine months period ended 31 March 2021, OGDCL registered Sales Revenue of Rs 176.382 billion (9M 2019-20: Rs 189.447 billion). During the reporting period, basket price of crude oil remained suppressed due to ongoing COVID-19 pandemic averaging US\$ 48.34/barrel (9M 2019-20: US\$ 60.00/barrel) which led to lower realized price of US\$ 43.28/BBL (9M 2019-20: US\$ 53.03/barrel). Likewise, Company's Sales were also affected by decline in average realized price of LPG to Rs 67,838/Ton (9M 2019-20: Rs 69,218/Ton). Whereas, increase in average realized price of gas to Rs 383.48/Mcf (9M 2019-20: Rs 356.89/Mcf) accompanied with rise in average exchange rate to Rs 162.44/US\$ (9M 2019-20: Rs 156.59/US\$) lent strength to financial results.

In addition to the above, OGDCL's profitability got impacted by higher operating expenses mainly on account of salaries, wages and benefits and workover charges. Moreover, decline in interest income on investment and bank deposits along with exchange loss recorded on revaluation of FC investments and Uch finance lease receivable negatively affected the financials. While, reduction in cost of dry and abandoned wells combined with increase in share of profit in associate positively influenced the financial performance. Overall, the Company recorded Profit after Tax of Rs 66.346 billion (9M 2019-20: Rs 83.122 billion) translating into an EPS of Rs 15.43 (9M 2019-20: Rs 19.33).

Dividend

The Board has announced third interim cash dividend of Rs 1.8/- per share (18%) for the year ending 30 June 2021. This is in addition to the first and second interim cash dividend of Rs 3.60 per share (36.0%) already declared during the fiscal year.

Exploration and Development Activities

OGDCL being the market leader in E&P sector of Pakistan holds the largest exploration acreage which as of 31 March 2021 stood at 91,795 sq. km representing 45% of the Country's total area under exploration (source: PPIS). Business exploration portfolio currently comprises fifty (50) owned and operated joint venture exploration licenses. Additionally, the Company possesses working interest in eight (8) blocks operated by other E&P companies.

In order to enhance oil and gas reserves, OGDCL during the period under review acquired 2,192 Line km of 2D and 387 sq. km of 3D seismic data compared to 2,461 Line km of 2D seismic data in the same period last year. Acquired seismic data represents 83% and 75% of total 2D and 3D seismic data acquisition respectively in the Country (source: PPIS). Moreover, the Company using its in-house resources processed/reprocessed 2,884 Line km of 2D and 2,184 sq. km of 3D seismic data. Furthermore, 277 Line km of geological field work was also carried out in Orakzai and Tirah blocks.

On the drilling front, OGDCL spud thirteen (13) wells in comparison to sixteen (16) wells in the same period last year. Drilled wells include seven (7) exploratory/appraisal wells [Juna-1, Sheen Dund-1, Nangpir-1, Sial-1, Jandran X-4, Toot Deep-1 & Kambir-1], four (4) development wells [Qadirpur-62, Pasakhi WIW-1, Moolan-2 & Mangrio-2], one (1) re-entry

well [KUC-1] and one (1) side track well [Nashpa X-5]. Moreover, drilling and testing of ten (10) wells pertaining to previous fiscal year were also completed, while total drilling recorded during nine months was 45,672 meters (9M 2019-20: 48,274 meters).

Discoveries

OGDCL's exploratory efforts to locate new reserves during the reporting period yielded five (5) oil and gas discoveries having expected cumulative daily production potential of 18 MMcf of gas and 849 barrels of oil. Aforementioned discoveries include Togh Bala-1, Siab-1 (Samanasuk) and Siab-1 (Lumshiwal/Hangu) in district Kohat, KPK province, Lakhi Rud X-1 district Musa Khel, Balochistan province and Sial-1 district Hyderabad, Sindh province. Preliminary reserves estimates attributable to aforesaid discoveries are 53.03 billion cubic feet of gas and 0.84 million barrels of oil, combined 10.32 million barrels of oil equivalent.

Development Projects

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% PKPEL 4.75% PKPEL2 4.75%	November 2021	Contracts pertaining to procurement of compressors and hiring of PC contractor have been awarded and PC contractor is mobilized at site.
Maru-Reti Compression	Ghotki, Sindh	OGDCL 57.76% SPEL 10.66% IPRTOC 9.08% GHPL 22.50%	March 2022	Contract pertaining to procurement of compressors has been awarded, whereas hiring of PC contractor is underway.
Uch Compression	Dera Bugti, Balochistan	OGDCL 100%	September 2023	Preparation of tender documents for hiring of EPCC contractor is in progress.

Production

During the period under review, OGDCL's oil and gas production was impacted primarily by natural decline at Kunnar, KPD-TAY, Dakhni, Sinjhoru and Nashpa fields. Moreover, lower production was recorded on account of non-revival/partial revival of forced shut-in wells; Kunnar-2, 3, 9 & 10 during COVID-19 coupled with annual turn around at production fields; Dakhni (21-30 August 2020), Nashpa (3-9 September 2020), Sinjhoru (16-26 September 2020), Uch-I (18-30 October 2020) and Uch-II (18-31 March 2021). Likewise, decline in production share from NJV fields combined with less gas intake from Qadirpur and Uch fields by M/s Engro Powergen and M/s UPL-I & II respectively, contributed towards lower output.

Aforementioned decline in production was partially mitigated by injection of twelve (12) operated wells in the production gathering system viz., Mela-7, Pasakhi-11, TAY South West-1, Saand-1 & 2, Umair-1, Mangrio-1, Togh Bala-1, Nashpa-10, Pasakhi Deep-6, Pasakhi West Deep-2 and Qadirpur-62 which cumulatively yielded gross crude oil and gas production of 371,918 barrels and 6,769 MMcf respectively. In order to arrest natural decline and sustain production from mature fields, eighty four (84) work-over jobs were carried out comprising 11 with rig and 73 rig-less. Overall, the Company contributed around 47%, 29% and 36% towards Country's total oil, natural gas and LPG production respectively (source: PPIS).

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	9M 2020-21	9M 2019-20
Crude oil	Barrels per day	36,836	38,125
Gas	MMcf per day	865	916
LPG	Tons per day	802	771
Sulphur	Tons per day	53	54