

Islamabad, September 28, 2021

**FOR IMMEDIATE RELEASE****OGDCL Audited Financial Results for the Year Ended 30 June 2021**

Oil and Gas Development Company Limited (OGDCL), (Ticker: OGDC), today announces its financial results for the year ended June 30, 2021. Financial Statements have been prepared in accordance with International Financial Reporting Standards.

**Highlights of the year include:**

- OGDCL registered net sales of Rs 239.104 billion compared to Rs 232.925 billion in the last year
- Net Profit before Taxation was Rs 128.986 billion compared to Rs 144.362 billion in the last year
- Net Profit after Taxation was Rs 91.534 billion as against Rs 100.938 billion in the last year translating into an Earnings per Share of Rs 21.28
- The Board of Directors declared final cash dividend of Rs 1.50 per share
- Operating Profit Margin and Net Profit Margin were 45% and 38%, respectively
- Average net realized price of crude oil was US\$ 46.67/bbl as against US\$ 46.76/bbl during last year
- Average net realized price for natural gas was Rs 383.88/Mcf as against Rs 356.82/Mcf during last year
- Acquired 2,539 Line km of 2D and 600 sq. km of 3D seismic data compared to 3,407 Line km of 2D seismic data in the last year
- Spud twenty (20) wells including ten (10) exploratory/appraisal wells, eight (8) development wells, one (1) re-entry well and one (1) side track well
- Exploratory efforts yielded six (6) oil and gas discoveries; Togh Bala-1, Siab-1 (Samanasuk) and Siab-1 (Lumshiwai/Hangu) in district Kohat, KP province, Lakhi Rud X-1 in district Musa Khel and Jandran X-4 in district Barkhan, Balochistan province and Sial-1 in district Hyderabad, Sindh province
- Average net saleable crude oil, gas and LPG production were 36,892 barrels per day, 870 MMcf per day and 803 Tons per day during the year under review
- A summary of profit and loss indicators is tabulated below:

	<b>Rs in billion</b>	
	<b>FY 2020-21</b>	<b>FY 2019-20</b>
Net Sales	239.104	232.925
Profit before Taxation	128.986	144.362
Profit after Taxation	91.534	100.938
Earnings per Share - Rs	21.28	23.47

## **MD & CEO's Statement**

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

I am pleased to report that OGDCL during the year ended June 30, 2021 registered Sales Revenue of Rs 239.104 billion and Profit after Tax of Rs 91.534 billion. Profitability was maintained despite the uncertainty in crude oil prices and demand owing to prevalence of COVID-19 pandemic. During the fiscal year 2020-21, the Company acquired 2,539 Line km of 2D and 600 sq. km of 3D seismic data, which represents 79% and 69% of total 2D and 3D seismic data acquisition respectively in the Country. OGDCL drilled a total of twenty (20) wells and its pursuit to exploration-led growth strategy led the Company to discover six (6) new hydrocarbon finds during the year under review.

OGDCL during the year contributed around 48%, 29% and 37% 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, Dakhni 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 36% of gas and 43% of oil, respectively, as at June 30, 2021. During the year under review, it contributed around 48%, 29% and 37% 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 43% of the total awarded acreage as of June 30, 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, 2021 registered a net Profit after Tax of Rs 91.534 billion.

## SUMMARY RESULTS

### Financial Results

Despite the adverse impact of COVID-19 pandemic on the oil and gas sector, OGDCL during the year ended 30 June 2021 posted improved Sales Revenue of Rs 239.104 billion (FY 2019-20: Rs 232.925 billion). Higher sales are primarily attributable to increase in average realized prices of gas and LPG to Rs 383.88/Mcf (FY 2019-20: Rs 356.82/Mcf) and Rs 66,345/Ton (FY 2019-20: Rs 63,997/Ton) respectively. Moreover, enhancement in crude oil and LPG production coupled with rise in average exchange rate to Rs 160.60/US\$ (FY 2019-20: Rs 158.32/US\$) lent strength to financials. However, lower average crude oil realized price of US\$ 46.67/BBL (FY 2019-20: US\$ 46.76/barrel) negatively influenced the financials.

In addition to the above, OGDCL's profitability during the year under review was impacted by reduction in other income on account of exchange loss and decline in interest income. Moreover, higher operating expenses on account of increase in salaries, wages and benefits, workover charges, repair and maintenance and amortization of development and production assets adversely affected the financial performance. Nevertheless, the Company recorded Profit after Tax of Rs 91.534 billion (FY 2019-20: Rs 100.938 billion) translating into an Earnings per Share of Rs 21.28 (FY 2019-20: Rs 23.47).

### Dividend

The Board has announced final cash dividend of Rs per share 15% for the year ended 30 June 2021. This is in addition to the first, second and third interim cash dividend of Rs 5.40 per share (54%) 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 30 June 2021 stood at 91,795 sq. km representing 43% of Country's total area under exploration (source: PPIS). The Company's exploration portfolio currently comprises fifty (50) owned and operated joint venture exploration licenses. Additionally, the Company possesses working interest in eight (8) exploration blocks operated by other E&P companies.

In order to enhance oil and gas reserves, OGDCL during the year under review acquired 2,539 Line km of 2D and 600 sq. km of 3D seismic data in comparison to 3,407 Line km of 2D seismic data in the last year. Acquired seismic data represents 79% and 69% of total 2D and 3D seismic data acquisition in the Country respectively. Moreover, the Company using in-house resources processed/reprocessed 5,365 Line km of 2D and 2,946 sq. km of 3D seismic data. Furthermore, 432 Line km of geological field work was carried out in Orakzai/Tirah and Khuzdar North blocks.

On the drilling front, OGDCL spud twenty (20) wells (FY 2019-20: 25 wells) including ten (10) exploratory/appraisal wells [Juna-1, Sheen Dund-1, Nangpir-1, Sial-1, Toot Deep-1, Jandran X-4, Kambir-1, Jandran West X-1, Lashari X-1 & Sunda Thal-1], eight (8) development wells [Qadirpur-62, Pasakhi WIW-1, Moolan-2, Mangrio-2, Tando Alam-21, Pasakhi-12, Togh Bala-2 & Mela-8] and two (2) re-entry/side track wells [KUC-1 & Nashpa X-5]. Moreover,

drilling and testing of eleven (11) wells pertaining to previous fiscal year were also completed. Total drilling recorded during the twelve months was 62,567 meters (FY 2019-20: 60,753 meters).

In line with its vision to expand business internationally, OGDCL along with consortium members; PPL (operator), MPCL and GHPL participated in the second competitive exploration bid round held by ADNOC and on 31 August 2021 consortium was awarded offshore block-5 in Abu Dhabi. The award of concession is the first opportunity for Pakistani E&P companies to explore, appraise and develop oil and gas resources in Abu Dhabi along with establishing strategic partnership with ADNOC.

## Discoveries

OGDCL's exploratory efforts to locate new reserves yielded six (6) oil and gas discoveries (FY 2019-20: 5 discoveries) having expected cumulative daily production potential of 26 MMcf of gas and 850 barrels of oil. Aforementioned discoveries include Togh Bala-1, Siab-1 (Samanasuk) and Siab-1 (Lumshiwai/Hangu) in district Kohat, KPK province, Lakhi Rud X-1 in district Musa Khel and Jandran X-4 in district Barkhan, Balochistan province and Sial-1 in district Hyderabad, Sindh province. Subsequently during July and September 2021, discoveries; Wali-1 (Kawagarh) and Wali-1 (Hangu) were reported in district FR Lakki, KP province respectively having a cumulative daily production potential of 23 MMcf of gas and 1,840 barrels of oil.

## 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	Nashpa compression project has been completed resulting in incremental daily production of 1,600 barrels of oil/NGL, 6 MMcf of gas and 20 tons of LPG.
Qadirpur Compression	Ghotki, Sindh	OGDCL 75.00% PPL 7.00% KUFPEC 8.50% PKPEL 4.75% PKPEL2 4.75%	November 2021	Compressors have been delivered at project site while installation work is currently underway.
Maru-Reti Compression	Ghotki, Sindh	OGDCL 57.76% GHPL 22.50% SEPL 10.66% IPRTOC 9.08%	March 2022	Compressors has been delivered at project site while hiring of PC contractor for installation is in progress.
Dakhni Compression	Attock, Punjab	OGDCL 100%	March 2023	Conceptual study has been completed while basic/front end engineering design work and preparation of tender documents for hiring of EPCC contractor are in progress.
Uch Compression	Dera Bugti, Balochistan	OGDCL 100%	October 2023	Revised conceptual study, basic/front end engineering design work and preparation of tender documents for hiring of EPCC contractor are in progress.

## Production

In line with its production strategy to boost oil and gas production, OGDCL during the year under review injected twelve (12) operated wells in the production gathering system. These

injected wells include Mela-7, Pasakhi-11, Pasakhi Deep-6, Pasakhi West Deep-2, Saand-1 & 2, TAY South West-1, Umair-1, Mangrio-1, Togh Bala-1, Nashpa-10 and Qadirpur-62 which cumulatively yielded gross crude oil and gas production of 584,808 barrels and 12,092 MMcf respectively. Overall, Company's production during the fiscal year 2020-21 contributed around 48%, 29% and 37% towards Country's total oil, natural gas and LPG production respectively.

In an effort to arrest natural decline and sustain production from mature wells, OGDCL during the reporting period carried out 72 work-over jobs comprising 16 with rig and 56 rig-less. Moreover, to induce improvement in the current well flow parameters, pressure build-up survey jobs were completed at various wells of producing fields; Kunnar, Uch, Dakhni, Qadirpur, Nashpa, TAY, Sinjhor, Chanda and Dakhni fields.

Despite natural decline at various mature producing fields, OGDCL witnessed increase in its crude oil and LPG production in comparison to the last year. The Company's average daily net LPG production clocked in at 803 Tons portraying an increase of 9% largely due to start-up of production from Mela and Saand fields coupled with higher production from Nashpa, KPD-TAY and non-operated JV fields. Likewise, average daily net crude oil production clocked in at 36,892 barrels showing an increase of 2% primarily owing to commencement of production from Togh, Mangrio and Saand fields combined with increase in production from Pasakhi, Rajian, Chanda, Dhok Hussain, Nashpa and non-operated JV fields.

OGDCL's average daily net saleable gas production clocked in at 870 MMcf which compared to preceding year was lower by 3%, mainly attributable to natural decline at KPD-TAY, Dakhni, Sinjhor, Qadirpur, Maru-Reti and Loti fields. Moreover, production decline was recorded on account of annual turn around at production fields; Dakhni (21-30 August 2020), Nashpa (3-9 September 2020), Sinjhor (16-26 September 2020), Uch-I (18-30 October 2020), Uch-II (18-31 March 2021), Chanda (1-8 June 2021) and KPD-TAY (20-30 June 2021). Likewise, decline in production share from NJV fields combined with less gas intake from Qadirpur field by M/s Engro Powergen and M/s Liberty Power Limited and Uch fields by M/s UPL-I & II contributed towards lower gas output.

Average daily net saleable crude oil, gas, LPG and sulphur production including share in both operated and non-operated JV fields is as follows:

<b>Products</b>	<b>Unit of Measurement</b>	<b>FY 2020-21</b>	<b>FY 2019-20</b>
Crude oil	Barrels per day	36,892	36,073
Gas	MMcf per day	870	893
LPG	Tons per day	803	739
Sulphur	Tons per day	52	54