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FOR IMMEDIATE RELEASE

**OGDCL UN-AUDITED FINANCIAL RESULTS FOR THE FIRST QUARTER ENDED
30THSEPTEMBER2018**

Oil and Gas Development Company Limited (OGDCL), (Ticker: OGDC), today announced its financial results for the first quarter ended 30th September 2018. Financial Statements were prepared in accordance with International Financial Reporting Standards;

Highlights of First Quarter(ended 30thSeptember 2018) Results include:

- OGDCL's net sales registered at Rs 61.799 billion
- Net Profit before Taxation during the period was Rs 39.363 billion
- Net Profit after Taxation during the period was Rs 26.735 billion translating into Earnings per Share of Rs 6.22.
- The Board of Directors declared first interim cash dividend of Rs 2.75 per share
- Average net realized price of crude oil sold was US\$ 64.30/bbl as against US\$ 45.13/bbl during corresponding period last year. Average net realized price of natural gas sold was Rs 285.44/Mcf as against Rs 252.16/Mcf during corresponding period last year
- 256L. Kms of 2D and 251Sq. Kms of 3D seismic data acquisition completed
- Company's exploratory efforts yielded two (2) new oil and gas discoveries namely Chanda-1 and Mela-5 in district Kohat, KPK province.
- Average net crude oil production of 40,729barrels per day, net gas production of 1,044MMcf per day and net LPG production of 771M. Tons per day was achieved during the period under review

	1Q 2018-19 Rs (in billions)	1Q 2017-18 Rs (in billions)
Net Sales	61.799	43.962
Profit before Taxation	39.363	24.389
Profit after Taxation	26.735	17.010
Earnings per Share - Rs	6.22	3.95

MD / CEO's Statement

MD/CEO of OGDCL, Mr. Zahid Mir, commenting on the Company's first quarter financial results FY2018-19, stated:

"I am pleased to report on our successful first quarter (July – September 2018) results. During the period under review, OGDCL continued to show strong financial results exhibiting a growth of 41% and 61% in Company's Sales Revenue and Profit after Taxation, respectively which led to Earnings per Share of Rs 6.22 compared with Rs 3.95 during the corresponding period last year.

In line with its strategic objective to enhance hydrocarbon production, the Company is making all out efforts to explore new fields, develop already discovered fields on fast track basis. I am pleased to inform you that Company's 2D and 3D seismic data acquisition represents 40% and 60%, respectively of the total seismic data acquired in the Country. Furthermore, Company's production during the period contributed around 48% and 30%, respectively of the Country's total oil and natural gas production. A huge 31% surge in LPG production was also seen from commencement of production from Nashpa field in conjunction with increase in production from KPD-TAY and Sinjhoru fields. In addition, OGDCL's exploratory endeavours during the three months resulted in two (2) oil and gas discoveries namely Chanda-1 and Mela-5 in district Kohat, KPK province.

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 and dedicated efforts in pursuit of achievement of Company goals. 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, was listed on all three stock exchanges of the country 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 55% of oil and 32% of gas, respectively, as at 30th June 2018. It contributed 29% of the country's total natural gas production and 47% of its total oil production during the month of August 2018.

With a portfolio of 61 exploration licences, the Company has the largest exploration acreage in Pakistan, covering 26% of the total awarded acreage as of September 30, 2018. 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 78.736 billion for the year ended 30th June 2018.

SUMMARY RESULTS

Financial Summary:

Persistent increase in international oil prices led OGDCL to register yet another improved financial performance for the period ended 30 September 2018. This is evident by the fact that Sales Revenue and Profit before Tax climbed to 61.799 billion and Rs 39.363 billion showing growth of 41% and 61% respectively. Average basket price of crude oil during the three months stood at US\$ 73.91/barrel against US\$ 49.60/barrel in the comparative period leading to higher average realized price of US\$ 64.30/barrel against US\$ 45.13/barrel in the last period.

In addition to the above, OGDCL's financial results were supported by improvement in the realized price for gas and LPG averaging Rs 285.44/Mcf and Rs 71,516/ton compared with Rs 252.16/Mcf and Rs 45,337/ton respectively in the preceding period. Moreover, increase in gas and LPG production complemented by positive exchange rate variance, higher share of profit in associate and interest income on investment and bank deposits lent further strength to business financials.

However, OGDCL's financial performance during the reporting period is slightly influenced by increase in operating expenditures mainly on account of joint operations expenses and workover charges coupled with higher cost of dry and abandoned wells and taxation in the current period. Nonetheless, Company recorded Profit after Tax of Rs 26.735 billion translating into Earnings per Share of Rs 6.22.

Dividend

The Board of Directors has announced first interim cash dividend of Rs 2.75per share (27.50%) for the year ending 30 June 2019.

Exploration and Development Activities

OGDCL being the market leader in E&P sector of Pakistan holds the largest exploration acreage in the Country which as of 30 September 2018 stood at 88,933 sq. km representing 26% of the Country's total area under exploration. Business exploration assets spread across all four provinces and currently comprise forty seven (47) owned and operated joint venture exploration licenses. Additionally, the Company possesses working interest in four (4) blocks operated by other E&P companies.

With an aim to unlock value in the operated assets, OGDDCL during the period under review acquired 256 Line km of 2D and 251 sq. km of 3D seismic data. Aforementioned 2D and 3D

seismic data acquisition represents 40% and 60% of total seismic data acquired in the Country respectively. Moreover, 1,144 Line km of 2D seismic data has also been processed/reprocessed using in-house resources.

In addition to the above, OGDCL during the reporting period carried on with its drilling activities whereby drilling and testing of five (5) wells out of eleven (11) ongoing wells from previous fiscal years have been completed. Total drilling recorded in three months was 13,688 meters.

Discoveries

OGDCL's exploratory endeavours during the three months resulted in two (2) oil and gas discoveries namely Chanda-1 and Mela-5 in district Kohat, KPK province. Expected cumulative daily production potential is 795 barrels of oil and 2.45 MMcf of gas while preliminary reserves estimate is 89.80 billion cubic feet of gas and 9.33 million barrels of oil combined 25.62 million barrels of oil equivalent.

Development Projects

OGDCL during the reporting period continued the development work on Nashpa compression project under which installation of front end raw gas compression facilities will be carried out to exploit maximum production potential from Nashpa field. Nashpa compression project is expected to be completed in March 2020. Likewise, up-gradation of plant facilities at Mela field coupled with laying of gas pipeline to Nashpa plant for LPG and NGL extraction are underway and anticipated to be completed in June 2019.

Production

OGDCL being a state owned enterprise is making all efforts to maintain and optimize oil and gas production in the Country. In this respect, Company's production during July-August 2018 contributed around 48% and 30% of the Country's total oil and natural gas production respectively. During the period under review, four (4) new operated wells; Khirun-1, Nandpur-1, Kunnar-12 and Qadirpur-59 were injected in the production gathering system which cumulatively yielded gross crude oil and gas production of 32,197 barrels and 555 MMcf respectively. Moreover, rig and rigless workover jobs remained part and parcel of production operations to sustain production from mature wells.

During the period under review, OGDCL on overall basis produced 18.25 MMBOEs (1Q 2017-18: 17.57 MMBOEs) showing an increase of 4%. Despite natural decline in mature fields and lower share in production from NJV fields, Company's average daily net saleable gas production

clocked at 1,044 MMcf per day portraying an increase of 6% in comparison to the preceding period. Higher gas production is primarily observed at Uch-II, KPD-TAY and Sinjhoru fields coupled with start-up of production at Chutto field. Likewise, 31% surge in LPG production is mainly due to commencement of production from Nashpa field in conjunction with increase in production from KPD-TAY and Sinjhoru fields.

OGDCL's average daily net saleable crude production during the period under review clocked at 40,729 barrels per day which in comparison to the preceding period is lower by 4% largely on account of natural decline at Kal, Palli Deep, Qadirpur and Nashpa fields. Additionally, jet pump mechanical issues at various wells of Kunnar, Lashari Centre and Tando Alam fields coupled with shut-in/ production cease at certain wells of Rajian field contributed towards lower oil production. During the period under review, 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	1st Quarter 2018-19	1st Quarter 2017-18
Crude oil	Barrels per day	40,729	42,529
Gas	MMcf per day	1,044	987
LPG	Tons per day	771	590

Going forward, OGDCL based on vigorous exploratory endeavours accompanied with the focus on completion of ongoing development projects is confident to maintain and enhance oil and gas output while continuing to play a pivotal role in meeting oil and gas demands of the Country in the coming years.