Company: Oil and Gas Development Company Limited

Conference Title: OGDCL Half Year 2010 Results Announcement

Presenters: Mr. Asif S. Sindhu, Mr. Aftab Ahmad

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Operator: Good day, ladies and gentlemen, and welcome to today's OGDCL Half Year 2010 conference call. For your information, this conference is being recorded. At this time I would like to turn the call over to your hosts today, Mr. Aftab Ahmad & Mr. Asif Sindhu. Please go ahead, sir.

Mr. Aftab Ahmad: I welcome you all, ladies and gentlemen, to OGDCL's Half Year 2010 Results Announcement conference call. Let's move on to slide 2 of the presentation which has been emailed to you. This slide states forward-looking statements. While I don't propose to read the Forward Looking Statements out, however, I would ask you all to please take time to read the legal disclaimer on this page.

Let's move on to the next slide, which is slide 3. I am pleased to inform you that in spite of issues such as inter-corporate debt, development projects under litigation and law and order in some of the Company's operational areas, net sales for this half year rose by 1.0% to Rs 72.633 billion when compared with same period in financial year 2009. This increase in sales revenues is primarily due to positive financial impact of Rs 8.684 billion in gas sales revenue on account of revision in Qadirpur wellhead gas price with effect from January 1 2008. The Company's operating profit margin and net profit margin were 61% and 39% respectively. EPS for the period under review registered at Rs 6.62. OGDCL also announced a payable second interim dividend of Rs 1.50 per share. Average net realised crude oil price stood at US$59.72/bbl and average net realised gas price stood at Rs 177.09/Mcf.

During this period, OGDCL spudded eight wells. OGDCL's exploratory endeavors yielded four new oil, condensate and gas discoveries, including a significant one in Nashpa E.L. As of date, OGDCL has spudded twelve wells and the number of discoveries has gone from four to six.

I will now request our CFO, Mr. Asif Sindhu, to take you through the next few slides.

Mr. Asif Saeed Sindhu: Thank you, Aftab. Hello everyone. We are now on slide 4. As already mentioned, during the first half of the current fiscal year, OGDCL spudded eight wells, including four exploratory, one appraisal and three development wells. As of today this number has gone up to twelve.

In order to achieve our aggressive exploration and prospecting targets, the Company added four new exploration blocks, namely Channi Pull, Mari East, Jandran West and Lakhi Rud, which were provisionally awarded to the Company during the first half of the year. The Company's committed efforts yielded four new oil, condensate and gas discoveries, including a significant one in Nashpa in the North-West Frontier Province; another two in Guddu and Sinjhoro in Sindh Province and one at Dakhni in Punjab Province. On the basis of preliminary in-house reserves estimates, these discoveries have added 11.86 million barrels of oil and 86.76 billion cubic feet of gas to the Company's reserves base.

OGDCL achieved 1,141 linear kilometres of 2D seismic and 192 square kilometres of 3D seismic survey during the period under review. As part of our regular annual plant maintenance activities, OGDCL completed Annual Turn Arounds at Dakhni, Bobi, Uch and Kunnar fields.

Moving now to slide 5, during the first half of the financial year 2010, OGDCL net crude oil production saw a decline of 6.7% due to natural depletion when compared with the same period last year. We had already factored in this slight decline trend in production growth for the current fiscal year; however, we expect that this decline will reverse its trend by the end of the current fiscal year with the expected additions of hydrocarbons from Nashpa and Mela fields.

During the first half the Company's gas production remained stable against that of the corresponding period last year. Gas production from our operated fields decreased by 2.4%

compared with the same period last year. However, share of gas production from non-operated JVs increased by 6.7%, resulting into a normal decrease of 4 MMcfd. LPG net production decreased by 12.8% during the period when compared to the corresponding period last year.

KPD-TAY and Sinjhoro projects – as you might be aware that our development plans for the KPD-Tando Allah Yar and Sinjhoro fields were put on hold due to a contractual dispute. The matter is still sub judice at Sindh High Court. However, the next date of hearing is March 16 2010. After the final decision, OGDCL will be able to put the field on production within 24 month approximately. Maximum efforts are being utilised to resolve the issue as soon as possible and we will inform all our stakeholders accordingly.

In terms of the Qadirpur reciprocating compressor project, all of the required fourteen compressors have arrived at Qadirpur plant site. Installation of these compressors is in process, and compressors needed to maintain the compression by June 2010 will be ready to be hooked by that time. The remaining four compressors will be installed by September 2010.

Uch-II development project – work on drilling is carrying on and OGDCL has already drilled two wells and the third is under drilling. The Gas Sales Agreement with the buyer is under negotiations. Bids have been received for the EPC contract and the same are under technical evaluation. The expected completion of this project is by March 2012.

We remain on target to achieve 7%-8% compounded annual growth rate for both oil and gas for the next three years.

Now moving on to slide 6, our net sales have slightly improved during the period under review. The Company's sales revenue and profit after taxation during the period was Rs 72.6 billion and Rs 28.4 billion respectively, resulting into earnings per share of Rs 6.62 for the half year. In a very inflationary environment, OGDCL has successfully managed to keep its operating expenses to a bare minimum, which have only increased slightly. In line with our aggressive exploration programme to enhance reserves, the Company continues to incur higher costs relating to exploration and prospecting activity, which were expected. We expect our consistent and targeted spending in exploration and prospecting will bear fruit in terms of addition of hydrocarbon assets and reserves in the near future. Net profit after tax saw a slight decline when compared with the same period last year and is primarily due to decrease in other income and higher exploration and prospecting expenditure.

I am now moving on to slide 7. This slide shows you a healthy financial snapshot for the Company at a glance. Indicators show a slight decrease when compared with the same period last year, primarily due to higher exploratory and prospecting expenditure and lower realisation of other income.

I'll now pass the mike to Mr. Aftab Ahmad, our Executive Director (Strategic Business Planning).

Mr. Aftab Ahmad: Well, ladies and gentlemen, in summary, our key business strategy remains fully grounded by ensuring the delivery of sustained production growth whilst keeping a check on our costs. This is based on a well-thought-out production enhancement strategy consisting of utilising seamless development of newly discovered fields, carrying out workovers for enhancing secondary recovery where production has already started, focusing to bring Nashpa online in the shortest possible time. Currently, OGDCL is Operator in three Offshore blocks and joint venture partner in four other Offshore blocks. We are currently prospecting 2D seismic data from our two operated Offshore blocks, that is Eastern Offshore A and Offshore Block R. Farm-out process for Indus Offshore G is in process with ENI as Operator, BP and PPL with working interest ownerships of 25% each and we will retain the remaining 25% participating interest.

We are redeveloping our overseas strategy, part of which will include developing strategic alliances internationally. We will continue to evaluate opportunities based strictly on the economic fundamentals, ensuring maximisation of return. Finally, we are committed to the implementation of international best practices across all of our operations, including sticking to international standards of corporate governance and minimising our operational impact on the environment.

That basically concludes our presentation for today and I thank you all for joining in. I would now like the moderator to switch on to the question and answer session and we'll be available to answer any questions.

Operator: Thank you very much. Ladies and gentlemen, the question and answer session will be conducted electronically. If you would like to ask a question, please press *1 on your telephone keypad. Please ensure that the mute function on your telephone is switched off to allow your signal to reach our equipment. If you find that your question has been answered, you may remove yourself by pressing *2. Again, if you would like to ask a question please press *1 on your telephone keypad. We will pause for just a moment to allow everyone to signal for questions, and we will now take our first question from Naveed Vakil from AKD Securities. Please go ahead.

Naveed Vakil: Hello. Firstly I'd like to thank you for this presentation. I have one question regarding your Khawaja exploratory well. I was wondering if you've seen any promising oil and gas flows from this well so far. I mean, the well was initially planned for one year; it's moved on to about two years now. Can you explain why the delay has been so long and whether you've seen any promising oil and gas flow so far?

Mr. Aftab Ahmad: We have got our GM I/c Exploration, Mr. Tariq Majeed Jaswal, who will answer this question for you.

Mr. Tariq Majeed Jaswal: Yes, there are good indications during the drilling and we are expecting that as soon as we will enter into the rock formations of Palaeocene age we will encounter hydrocarbons. There are some drilling problems because of the depth and we also had to sidetrack the hole but now we are moving in smoothly into that well and we are hoping to complete that well soon.

Naveed Vakil: Okay, thank you.

Operator: And we will now take our question from Hamad Aslam from BMA Capital. Please go ahead.

Hamad Aslam: As-Salaam Alaikum. My first question is with regards to dividend payment to Government of Pakistan. Previously OGDC was curtailing some of the dividend payouts to Government with regards to and due to the ongoing circular debt issue. I would like to ask what is the current outstanding amount that the Company has to pay to GOP and whether you plan to pay out this amount to GOP, the one that you just announced. My second question is with regards to Qadirpur gas production where I'd like to know what you are targeting in terms of production numbers to be by June '10 when your ten compressors would be installed and by September 2010 when fourteen of the compressors will be installed.

Mr. Aftab Ahmad: We'll have our CFO answer the first question and then we'll have our production people to answer the next part of the question.

Mr. Asif Saeed Sindhu: As far as the dividend payments are concerned, there are no outstanding dividend payments, as you're aware that in terms of the Securities and Exchange Commission regulations, we are required to pay the dividends within 30 days of declaration. We had some dispensation from the Government because of cash flow issues, and the Government was very kind of give us that dispensation, but as of today nothing is outstanding and the dividend that we declared today we hope to pay on time.

Hamad Aslam: All right, thank you.

Mr. Mansoor Hamayon: With regard to Qadirpur, the sale gas production will be around 550 million cubic feet per day after installation and commissioning of these compressors.

Hamad Aslam: But is this the target for September 2010 then, i.e., 550 MMcfd?

Mr. Aftab Ahmad: Yes, our target is to install these compressors by June 2010. We will be up to an ACQ of 550 MMcfd per day once these compressors are installed.

Hamad Aslam: All right, thank you.

Operator: And we'll now take our next question from Farooq Najam from Global Securities. Please go ahead.

Farooq Najam: Good afternoon, thank you for your presentation. Just want to start off with the Qadirpur pricing. Can you just give clarity on the revenue recognition principle that is applicable on the retrospective repricing of Qadirpur? There were some divergent views, some coming out saying that the incremental revenues from Qadirpur between 2H FY08 and 2H FY09 should be booked directly to equity.

Mr. Aftab Ahmad: We'll have our CFO answer that question.

Mr. Asif Saeed Sindhu: The matter was discussed at length with our external auditors, KPMG and Deloittes, and in accordance with the applicable accounting standards, although the notification for the increased wellhead gas prices was issued in January 2010, since it is related to the prior period, i.e., post-balance sheet events, but it was classified as an adjusting event, and therefore we have booked the entire revenue in the current quarter, that is the quarter ended September 2009 – December 2010.

Farooq Najam: Okay, so when the final audited results are released, we're not going to see any changes?

Mr. Asif Saeed Sindhu: The numbers that we have released today through the Stock Exchange are audited and final.

Farooq Najam: Okay. Moving on to exploration expenses, in 2Q you expensed 2.8 billion under dry wells. Can you give the names of the wells that you expensed during 2Q and if you have the numbers for each well, if you could give that also please?

Mr. Aftab Ahmad: We have noted your question and when we post the detailed transcript you will have the information in there. Total cost of dry/abandoned wells is Rs. 2.824 billion. The wells included Dakhni North-1 (Rs. 1.775 billion), Tando Jam – 1 (Rs 405.5 million), Rind Baluch -1 (Rs. 132.4 million), Rubbly-1 (Rs. 326.5 million), Gul Badeen-1 (Rs. 181.3 million) and Existing wells cost at Rs. 2.99 million.

Farooq Najam: Okay, great. Regarding exploration assets, as of December 30th the total of 4.2 billion is seen under your exploration and evaluation assets. Again I was wondering if you could give a breakup of this amount, possibly in the transcripts.

Mr. Aftab Ahmad: Yes, we will do it in the transcript. The exploration and evaluation assets as on December 31, 2009 included Qadirpur Deep Well # 1 (Rs. 963 million), Khawaja Well # 1 (Rs. 904 million), Sahib Gul Well # 1 (Rs. 679 million), Makori West Well # 1 (Rs. 396 million), Maramzai Well # 1 (Rs. 382 million), Shah Well # 1 (Rs. 278 million), Baqir Deep Well # 1 (Rs. 185 million), Bhado Jabel Well # 1 (Rs. 160 million), Maru Well # 1 (Rs. 87 million), Shekhan Well # 1 (Rs. 58 million), Pindori Well # 1 (Rs. 41 million), Kohat Block Well # 1 (Rs. 26 million), Sundrani Well # 1 (Rs. 15 million) and Bakhsh Well # 1 (Rs. 515,000)

Farooq Najam: Okay, and within the cost of develop – cost of wells that were transferred to production, development wells, it appears that you have restated 2Q numbers. September 30th cost of wells transferred to development assets stood at 1.294 billion and that has dropped to 1.22 billion during the first half of fiscal year '10.

Mr. Aftab Ahmad: The cost of wells charged by our Joint Venture Operators in previous periods on accrual basis is reversed in this quarter.

Farooq Najam: Okay. Of the three wildcat discoveries that you highlighted of Nashpa, Reti and Baloch, you mentioned that 11.86 million barrels of oil and 86.76 billion cubic feet of gas will be added to your ORR. Can you give the breakup in terms of Nashpa, Reti and Baloch.

Mr. Mansoor Hamayon: The preliminary reserves estimates for Nashpa are 30.5 bcf of gas and 10.43 million stock tank barrels of oil. For Baloch we have 6.06 bcf of gas and 0.03 MMstb of oil. 0.30 MMstb of oil for Baloch, and then moving on to Reti, this is all a small gas discovery with 13.70 bcf of gas.

Farooq Najam: Okay, and regarding the discovery in Shah-1, which is located in the Tando Allah Yar block, is it safe to assume that this has also gone into the litigation and we're not going to see production from this field until the litigation is resolved?

Mr. Aftab Ahmad: You are more informed than all of us. I think this is news to us. The new discoveries do not automatically fall under litigation as such. However, there is a possibility that the new discovery is made part of the TAY field development project, which is currently under litigation, so its production may be delayed.

Farooq Najam: You mentioned that the Tando Allah Yar block is the block under litigation, if you can just give me guidance on that. I was just wondering if the entire block is under litigation.

Mr. Aftab Ahmad: The block is not under litigation.

Farooq Najam: Okay.

Mr. Aftab Ahmad: The development process of that block has been challenged in the court. Indirectly you are correct that yes, this discovery probably will form part of that total block and eventually be developed along with the other discoveries in that block.

Farooq Najam: Okay, and regarding the discovery in the shallow well of Maru, can you give us guidance on how soon production can be brought online from this well?

Mr. Mansoor Hamayon: It's very near to Qadirpur field and main gas pipeline system so we expect it to be in five to six months.

Farooq Najam: Okay, and regarding the receivables from refineries, it's actually increased from 32.7 billion in first quarter to 42.2 billion in 2Q. Are you still remaining firm on your capex target for the full year of Rs 62 billion rupees or will you be revising that downwards now?

Mr. Aftab Ahmad: We'll have our CFO answer that question.

Mr. Asif Saeed Sindhu: The increase is primarily due to the additional income that we booked due to the revision of the Qadirpur wellhead gas prices. So far we are still on track. This has been flagged as an issue, both with the Board of Directors and the Government. This is an industry-wide issue; it's not specific to OGDC. As far as we are concerned today, we see no change in our capex plans.

Farooq Najam: And can you give the latest amount of trade debts that you have with you right now?

Mr. Asif Saeed Sindhu: The total trade debts are about 77 billion out of which approximately 45 billion are overdue.

Farooq Najam: Okay, and finally can you give guidance on expected completion date on Mela, Dakhni and especially Uch-II development because according to PPI's data, the work on Uch-II development has been halted by locals; if you could give us guidance on that also please?

Mr. Aftab Ahmad: Uch-II has got two sides to it. One is that we will be drilling wells and installing facilities. We have already drilled two wells. Eleven wells have been marked on location, or on site. So, whenever, we are allowed to move the rig, we will be in a position to deploy two rigs and maybe a third one and complete this drilling in next 18 months.

Second part is of course putting up a facility in place to process this gas, and that is linked with UPL putting another facility to take that gas and convert that energy into electrical energy. It's like integrated sort of process and we are in line with the ongoing timeline, both at UPL and at OGDCL.

Farooq Najam: So if you could just reiterate the expected completion date for Uch-II, Dakhni and Mela please?

Mr. Aftab Ahmad: Uch-II would be 24 months from the date of award of contract. The stage where we are at right now is that we have invited bids; they're under evaluation and once it is awarded then from that date on you can start counting to 24 months. UPL more or less needs the same sort of time to install their facilities. They're also in the process of inviting tenders and bids as far as I can recall.

Farooq Najam: Okay, great. Thank you so much for your time.

Operator: And we will now take our next question from Fawad Khan from KASB Securities. Please go ahead.

Fawad Khan: As-Salaam Aleikum and good evening, sir. I would have just two questions, first of all about the litigation process. Is there any development on the out-of-court settlement of the litigation field?

Mr. Aftab Ahmad: Okay, what is the next question?

Fawad Khan: My next question is basically the target on, exploration target for the next second half, any update on this exploration target and if you can really give some colours on the offshore drilling especially.

Mr. Aftab Ahmad: We'll take the second part first. We'll have our GM in charge of exploration, Mr. Tariq Jaswal, answer to that question then we'll have our GM (Projects), Mr. Basharat Mirza, who will answer the first part of your question.

Mr. Tariq Majeed Jaswal: Can you repeat the question on exploration please?

Fawad Khan: What kind of target you are looking for second half and if you have any offshore drilling plans in the year?

Mr. Tariq Majeed Jaswal: Yes, the wells earmarked already for drilling in the second half. We are expecting to spud those wells in the second half. So far we have spudded about twelve wells and we are expecting that we'll be able to drill more than thirty wells in this year, and for this year's plan we don't have any wells planned for Offshore.

Fawad Khan: Okay, and for the next year?

Mr. Tariq Majeed Jaswal: That depends, because the seismic data acquired on our blocks is under processing. As soon as we complete the processing and interpretation then we'll be in a position to decide about the drilling a well or not.

Mr. Aftab Ahmad: On next year we are going through a process of operational plan and once that is in place, only then we can make any comments on the next year, drilling and other targets.

Fawad Khan: Okay, thanks.

Operator: And we will now take our next question from Muhammad Rawjani from Credit Suisse. Please go ahead.

Mohsin Mangi: Hi, this is Mohsin from Credit Suisse. Just taking you back to the Qadirpur pricing issue, initially there were press reports that the vendors' formula will revise the ceiling for the HSFO will be raised to $400 per tonne, but as we see in the provisional pricing that's available right now, the ceiling is around $320 per tonne. So do you think when they've finalised this formula there will be room for further increase in that?

Mr. Aftab Ahmad: Our answer has not changed. Whatever we have stated last year is still a fact. We have given a pricing formula; we've agreed i.e., all the JV partners have agreed on the pricing formula which is with the Government of Pakistan, let them decide and whenever they declare it will be made public and be known to all.

Mohsin Mangi: Okay. Also regarding the circular debt issue, as you mentioned, there is overdue receivables of around 45 billion. Is this amount pending to refineries or can you give us a breakdown how much is refineries, how much is the gas distribution companies?

Mr. Aftab Ahmad: Our CFO will answer that question.

Mr. Asif Saeed Sindhu; Yes, approximately 20 billion of this relates to the two Sui Gas companies and the remaining to the five refineries.

Mohsin Mangi: All right, and so do you plan to charge them for any overdue charges or have these issues been discussed with the management or the Government because of the cash? We see that there is some dent to the cash income for OGDC.

Mr. Asif Saeed Sindhu: We are charging them late payments charge. Whether or not we will get this is a different thing but we are not accruing this as income, so if we get it it will go to income; if we don't get it there'll be no impact on the financial statements.

Mohsin Mangi: All right, thank you.

Operator: And we will now take our next question from Umar Saddique from IGI Securities. Please go ahead.

Umar Saddique: Thank you for your presentation. The liquid investments go from 13 billion to around 18 billion. Where has this improvement come from?

Mr. Asif Saeed Sindhu: You're talking about liquid investments?

Umar Saddique: Yes, the overall investments have increased from around 13 billion to around 18 billion as of 31st December. I just wanted to ask a breakdown of where this additional cash flow has come from.

Mr. Asif Saeed Sindhu: This is generally cash generated from operations. What you are looking at is the position as of 31st December. It could be possible that at 31st December we had some surplus cash which we have invested in short-term government – short-term bank deposits. Usually we place money with reputed banks for short-term periods not exceeding three to six months.

Umar Saddique: Right, sir, as of now would you be in a position to give this cash balance position?

Mr. Aftab Ahmad: We will put that information in the detailed transcript when we post it. As on February 28, 2010 the cash balance position of the company was as follows:

Cash balance in local Currency = Rs. 4.655 Billion

Cash Balance in Foreign Currency = US$ 119.9 Million

Umar Saddique: All right. Sir, my next question is related to your capital expenditure and your dividend payout. If the circular debt issue is not resolved within this fiscal year, so there would be a issueas far as the dividend payout is concerned and the capital expenditure is concerned. So what would be the company policy on that?

Mr. Aftab Ahmad: I think it's very obvious that you would have seen in the last two quarters, in the half year, although our earnings were very robust at Rs 6.62 per share for the half year, we've declared a dividend of Rs 1.00 in the first quarter and Rs 1.50 in the second quarter, so that's Rs

2.50 per share. And if you were to see the recent history of OGDC, these are probably the lowest dividends that we've declared, and this is reflective of the fact that we have cash flow issues.

If this situation were to continue we will need to discuss this internally within the management but what I can tell you that if this issue is not resolved it is very obvious it will have an impact on both future dividends as well as capex investment decisions.

Umar Saddique:Thank you, sir. Sir, my final question is related to legal issues as far as Pasakhi Deep and Sinjhoro block. Has there been any progress made in the last three or four months?

Mr. Aftab Ahmad: We'll have our GM (Projects) answer that question, Mr. Basharat Mirza.

Mr. Basharat A. Mirza: All these cases are clubbed together at Sindh High Court. There was a meeting in November then as well as in December and lately in the January, February also; every month. Now our next date of hearing is March 16th 2010. We hope that there will be some progress and maybe they'll start hearing on day-to-day basis to resolve the issue as early as possible.

Umar Saddique:So finally my question is related to the circular debt issue. Has the Government given any guidelines for the resolution of the issue and are there any further TFCs in the pipeline to clear the backlog?

Mr. Aftab Ahmad: Is this related to the receivables?

Umar Saddique: Yes sir.

Mr. Aftab Ahmad: Raising TFCs is a Government prerogative. We don't have any privy to that information so you know, we cannot really comment on this.

Umar Saddique: Okay, thanks.

Operator: And we will take our next question from Hamad Aslam from BMA Capital. Please go ahead.

Hamad Aslam: My question is with regards to Rs 8.7 billion that you booked as revenues with regards to retrospective adjustment of Qadirpur gas prices. You think this amount will be added to the outstanding circular debt pileup or there is something or some clause in your agreement and discussions with Government of Pakistan that can ensure that the company will actually be able to receive this amount in the coming months or so?

Mr. Aftab Ahmad: I will request our CFO to answer this question. I guess he's already answered this earlier but anyway.

Mr. Asif Saeed Sindhu: It has already been added to our receivables because when we book it as income, we also book it as receivables. I mean we have billed SNGPL for this amount. We hope they will pay us, but considering the circular debt situation and their own liquidity position, it is likely that this amount will become part of the circular debt situation.

Hamad Aslam: All right, thank you.

Operator: And we will now take our next question from Naveed Vakil from AKD Securities. Please go ahead.

Naveed Vakil: In follow-up to an earlier statement, you mentioned that you have been charging late payment surcharges. Can you tell us hHow much has this amount piled up to?

Mr. Aftab Ahmad: We will have that posted in the transcript as well. As at December 31, 2009, the Late Payment Surcharge (LPS) stood at Rs. 7.04 Billion.

Naveed Vakil: Oh, thank you.

Operator: And we will now take our next question from Umer bin Ayez from JS Global. Please go ahead.

Umer bin Ayez: Hi, I just have a small question about the trade and other payables. In this quarter we have seen that the trade payables have increased to around 29.6 billion, especially the royalty has increased to 12 billion and the GST has also increased by around 1.2-1.3 billion. Is it because the company is now stopping these payments to the Government in order to maintain its cash flow position or is there any other reason for that?

Mr. Aftab Ahmad: Well, you have answered the question yourself. Your first statement, you're correct.

Umer bin Ayez. Okay. All right, thank you very much.

Operator: And our next question comes from Farhan Mahmood from Topline Securities. Please go ahead.

Farhan Mahmood: Yes, going back to the Qadirpur pricing, we know that it's the provisional prices, so when do you expect Government would again notify the provisional prices for second half fiscal year '10? And my second question is: what's your production estimates for Mela and Nashpa? I think it's probably around 4,200 barrels from Nashpa. So would you tell us what the production estimates are?

Mr. Aftab Ahmad: Let's take the production part first and then we'll ask our CFO to answer the first part of the question. We'll let Mr. Yazdani answer to your question please.

Mr. Yazdani: From Mela we are going to add 2,500 barrels…

Operator: This is Premiere Global Services. May I ask you to stand by as the speaker just got disconnected and will be dialling in soon.

[Speakers reconnect to the conference]

Mr. Yazdani: From Mela we will be adding 2,500 barrels a day and from Nashpa we will be adding 4,000 barrels a day.

Operator: If you would like to ask another question, please press *1 on your telephone keypad.

Mr. Aftab Ahmad: There was a first part to that question which was the provisional price in Qadirpur so we'll have our CFO answer that question and then we'll take our last question. We want to close this by say 6.15pm.

Operator: Okay, and we will take our last question now from Muhammad Rawjani from Credit Suisse. Please go ahead.

Muhammad Rawjani: So thinking of future plans, we wanted to see if these litigation fields are not going online during the next 24 months, do you see any volume metric growth coming from OGDC's oil and gas production?

Mr. Aftab Ahmad: Volume metric growth on the gas side or on the oil side?

Muhammad Rawjani: For both but mainly gas.

Mr. Aftab Ahmad: If you look at our projects in hand, considerable gas was supposed to come from this Kunnar/Pasakhi Deep.

Muhammad Rawjani: Exactly.

Mr. Aftab Ahmad: Which is currently under litigation. We have just answered that, you know, from Mela and Nashpa we'll get some volume growth in case of oil.

Muhammad Rawjani: All right, so you're looking at growth in the overall numbers or it's going to just maintain the plateau at the current levels?

Mr. Aftab Ahmad: More or less maintain the same plateau.

Muhammad Rawjani: Okay, all right. Thank you.

Operator: And now I'd like to turn the conference over to your host for any closing remarks. Please go ahead.

Mr. Aftab Ahmad: Well, thank you, ladies and gentlemen, for your participation in this OGDCL conference call for the half year results 2009/10. Any questions that remain, you may direct those to Mr. Usman Bajwa, our Investor Relations Officer. Transcript of this particular conference call will be available by next week and we will ensure that the information that we have promised is in there. Thank you very much once again.

Operator: That will conclude today's conference call. Thank you for your participation, ladies and gentlemen, you may now disconnect.