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FOR IMMEDIATE RELEASE

**OGDCL UN-AUDITED FINANCIAL RESULTS FOR THE FIRST QUARTER ENDED
30TH SEPTEMBER 2016**

Oil and Gas Development Company Limited (OGDCL), (Ticker: OGDC), today announced its financial results for the first quarter ended 30th September 2016. Financial Statements were prepared in accordance with International Financial Reporting Standards;

Highlights of First Quarter (ended 30th September 2016) Results include:

- OGDCL's net sales registered at Rs 39.566 billion
- Net Profit before Taxation during the period was Rs 20.835 billion
- Net Profit after Taxation during the period was Rs 14.632 billion translating into Earnings per Share of Rs 3.40.
- The Board of Directors declared first interim cash dividend of Rs 1.50 per share
- Average net realized price of crude oil sold was US\$ 44.37/bbl as against US\$ 52.46/bbl during corresponding period last year. Average net realized price of natural gas sold was Rs 242.17/Mcf as against Rs 264.20/Mcf during corresponding period last year
- 658 L. Kms of 2D and 771 Sq. Kms of 3D seismic data acquisition completed
- Two (2) new wells including one (1) exploratory / appraisal well namely Gudanwari-1 and one (1) development well namely Mela-5 were spud during the period under review
- Average net crude oil production of 40,230 barrels per day, net gas production of 1,050 MMcf per day and net LPG production of 342 M. Tons per day was achieved during the period under review

	1Q 2016-17 Rs (in billions)	1Q 2015-16 Rs (in billions)
Net Sales	39.566	44.513
Profit before Taxation	20.835	26.228
Profit after Taxation	14.632	18.260
Earnings per Share - Rs	3.40	4.25

MD / CEO's Statement

Mr. Zahid Mir, commenting on the Company's first quarter financial results FY2016-17, stated:

"I am pleased to report that despite the prevalent suppressed international oil price environment owing to crude supply glut in the market, OGDCL has managed to deliver good results. The decrease in saleable gas production was compensated by increase in crude oil, LPG saleable production and rise in exchange rate to Rs 104.87 per US\$ from Rs 103.19 per US\$ in the comparative period leading the business to register Sales Revenue of Rs 39.566 billion and Profit after Tax of Rs 14.632 billion translating into Earnings per Share of Rs 3.40 for the quarter ended 30 September 2016.

In line with its exploration-led growth strategy to enhance oil and gas reserves and embark upon new growth opportunities, the Company's 2D and 3D seismic data acquisition of 658 Line km and 771 sq. km is 71% and 58%, respectively which makes for a major chunk of the total seismic data acquired in the Country during the reporting period. OGDCL is also fully focused and is making all out efforts to enhance oil and gas production from its owned and operated joint venture fields, as well as fast track completion of ongoing development projects. In this respect, upon completion of KPD-TAY phase-II in November 2016, production volumes of the company will augment by an average daily production of 4,000 barrels of oil, 125 MMcf of gas and 400 tons of LPG.

In the end, I would like to underscore and commend the unrelenting dedication, zeal and continued focus of OGDCL employees towards achieving Company's operational and financial goals even in the current low price challenging environment. And I am confident that with such a combination of quality human and material assets that the Company currently has, a bright future is in store for us which bodes well for all our shareholders."

For further information:

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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 61% of oil and 36% of gas, respectively, as at 30th June 2016. It contributed 28% of the country's total natural gas production and 47% of its total oil production during the month of August 2016.

With a portfolio of 61 exploration licences, the Company has the largest exploration acreage in Pakistan, covering 33% of the total awarded acreage as of 30th June 2016. 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 59.971 billion for the year ended 30th June 2016.

SUMMARY RESULTS

Financial Summary:

Prevalence of suppressed international oil prices owing to crude supply glut in the market continues to impact OGDCL's financial performance. Average basket price of crude oil during the period under review plunged to US\$ 44.37/barrel from US\$ 52.46/barrel in the corresponding period. The aforesaid slump in the oil price led the Company to report lower realized prices for crude oil and gas averaging US\$ 39.49/barrel and Rs 242.17/Mcf compared with US\$ 46.57/barrel and Rs 264.20/Mcf respectively in the preceding period. In addition, the Company's Sales affected by decrease in saleable gas production were partially offset by increase in crude oil and LPG saleable production and rise in exchange rate to Rs 104.87 per US\$ from Rs 103.19 per US\$ in the comparative period leading the business to register Sales Revenue of Rs 39.566 billion (1Q 2015-16: Rs 44.513 billion).

During July - September 2016, declaration of two (2) wells namely Dhodak Rubbly X-1 and Shawa-1 as dry and abandoned against none in the same period last year coupled with higher prospecting expenditure on account of greater outsourced seismic acquisition contributed to increased exploration and prospecting expenditure which is slightly compensated by enhanced other income. This has enabled the Company to register Profit after Tax of Rs 14.632 billion translating into Earnings per Share of Rs 3.40 for the quarter ended 30 September 2016.

Dividend

The Board of Directors has announced first interim cash dividend of Rs 1.50 per share (15%) for the year ending 30 June 2017.

Exploration and Development Activities

Being the leading exploration and production Company of Pakistan, OGDCL holds the largest exploration acreage which as of 30th September 2016 stood at 117,885 sq. km, representing 33% of the Country's total area under exploration. Its exploratory assets are spread across all four (4) provinces of the Country and currently constitute sixty one (61) owned and operated joint venture exploration licenses along with holding working interest in five (5) blocks operated by other exploration and production companies.

In line with its exploration-led growth strategy to enhance oil and gas reserves and embark upon new growth opportunities, OGDCL's intensified exploration efforts continued during the period under review. This is testified by the fact that the Company's 2D and 3D seismic data acquisition of 658 Line km (and 771 sq. km is 71% and 58% respectively of the total seismic data gathered in the Country during the reporting period (source: PPIS). The seismic data is acquired in various exploratory blocks including Mari East, Kulachi, Pezu, Ranipur, Khanpur, Dakhni, Nur Bagla, Latamber, Rasmalan, Samandar, Kohat and Baratai. The Company also carried out geological field work of 38 Line km in Zhob exploration license.

Moreover, 2,639 Line km of 2D and 2,232 sq. km of 3D seismic data of various blocks were processed/reprocessed using in-house resources.

OGDCL being the national flagship of Pakistan's E&P sector continued with its drilling campaign to replenish and augment the hydrocarbon reserves and ensure business sustainability. In this pursuit, drilling of fifteen (15) ongoing wells from previous fiscal years continued out of which drilling and testing of four (4) wells have been completed during July-September 2016. In addition to this, the Company spud two (2) wells including exploratory well Gudanwari-1 and development well Mela-5, drilling a total of 20,247 meters during the period under review.

Development Projects

OGDCL in line with its business strategy to augment hydrocarbon production and improve operational cash flows continued to make efforts for completion of its ongoing development projects including Kunnar Pasahki Deep-Tando Allah Yar (KPD-TAY), Uch-II and Nashpa-Mela. In this regard, on startup of utilities, completion of offsite work and commissioning of gas processing units at KPD-TAY phase-II, supply of specification gas to Sui Southern Gas Company Limited has started with effect from 1 September 2016 while LPG production is expected in November 2016. Upon completion of KPD-TAY phase-II, average daily incremental production of 4,000 barrels of oil, 125 MMcf of gas and 400 tons of LPG is anticipated.

Under Nashpa-Mela development project, EPCC contractor has started civil and equipment foundation work at Nashpa field while at Mela field development of procurement packages and design phase of equipment to be installed is completed and tendering phase is under process. Nashpa-Mela development project is expected to be completed by June 2017 leading to a daily incremental production of 1,200 barrels of crude oil, 10 MMcf of gas and 380 Tons of LPG.

Production

OGDCL in pursuance to aggressive short, medium and long term production plans is making all out efforts to enhance oil and gas production from its owned and operated joint venture fields. In this regard, the Company during the period under review added gross production of 2,755 barrels per day of crude oil and 16 MMcf per day of gas through addition of new operated wells viz., Nashpa-7, Qadirpur HRL-11, Palli-2 and Kunnar-11 in the existing gathering system. Subsequently in the month of October 2016, Nashpa-6 has been injected into the system and currently producing around 2,394 barrels per day of crude oil and 9 MMcf of gas. In addition, production testing has been completed at Khamiso-1. Regarding market share in the Country's production during July-August 2016, the Company's oil and gas production output contributed 47% and 28% respectively (source: PPIS).

In order to revive and enhance production from the mature wells, OGDCL during the reporting period carried out workover jobs with rig at Palli Deep-1, Rajian-2, Dhodak-8 & 9 and Sono-1, 6 & 8. Likewise, rig-less workover jobs were carried out at various wells to boost oil and gas production. Moreover to induce improvement in current well flow parameters, pressure build-up survey jobs were completed at various wells of Nashpa, Bobi and Sinjhoru fields. As part of preventive maintenance plan, OGDCL during the period under review carried out Annual Turn Around of plants at Sinjhoru, Chanda, Nashpa, Bobi and Dakhni fields. Apart from this, installation and commissioning of cathodic protection system at Jakhro-1 and chemical injection package at Chak 2-2 and Lala Jamali-1 have also been completed.

Despite natural decline in some of the mature hydrocarbon producing fields, OGDCL's average net crude oil production witnessed an increase of 3% in comparison to the preceding period mainly owing to higher production from Kunnar, Rajian and Sinjhoru fields coupled with increase in the production share from non-operated joint venture fields. The Company's gas production is influenced primarily by less gas intake from Qadirpur field by Engro Powergen Qadirpur Limited and Liberty Power Limited on account of Annual Turn Around and tripping of turbines, respectively. Similarly, Annual Turn Around carried out at Dakhni and Nashpa resulted in lower gas production from these fields. Regarding LPG production, the Company witnessed surge on account of rise in production from Sinjhoru field and share in non-operated joint venture fields.

The average daily net saleable production relating to crude oil, gas and LPG during the period under review, including share in both operated and non-operated joint venture fields is as follows:

Products	Unit of Measurement	1st Quarter 2016-17	1st Quarter 2015-16
Crude oil	Barrels per day	40,230	39,154
Gas	MMcf per day	1,050	1,086
LPG	Tons per day	342	267

Going forward, OGDCL based on vigorous exploratory endeavors 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.