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FOR IMMEDIATE RELEASE

**OGDCL UN-AUDITED FINANCIAL RESULTS FOR THE FIRST QUARTER ENDED
30TH SEPTEMBER 2015**

Oil and Gas Development Company Limited (OGDCL), (Ticker: OGDC), today announced its financial results for the first quarter ended 30th September 2015. Financial Statements were prepared in accordance with International Financial Reporting Standards;

Highlights of First Quarter (ended 30th September 2015) Results include:

- OGDCL's net sales registered at Rs 44.513 billion
- Net Profit before Taxation during the period was Rs 26.228 billion
- Net Profit after Taxation during the period was Rs 18.260 billion translating into Earnings per Share of Rs 4.25.
- 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\$ 46.57/bbl as against US\$ 86.41/bbl during corresponding period last year. Average net realized price of natural gas sold was Rs 264.20/Mcf as against Rs 282.93/Mcf during corresponding period last year
- 1,458 L. Kms of 2D and 767 Sq. Kms of 3D seismic data acquisition completed
- Four (4) new wells including two (2) exploratory / appraisal wells namely Bachani-1 & Bitrism West-1 and two (2) development wells namely Qadirpur-55 & Buzdar North-2 were spud during the period under review
- Company's exploratory efforts to discover new hydrocarbon reserves yielded two (2) new oil and gas discovery at Chak Naurang South-1 well in district Chakwal, Punjab province and Aradin-1 well in district Khairpur, Sindh province.
- Average net crude oil production of 39,154 barrels per day, net gas production of 1,130 MMcf per day and net LPG production of 267 M. Tons per day was achieved during the period under review

| | 1Q 2015-16 Rs (in billions) | 1Q 2014-15 Rs (in billions) |
|-------------------------|--|--|
| Net Sales | 44.513 | 64.396 |
| Profit before Taxation | 26.228 | 41.580 |
| Profit after Taxation | 18.260 | 28.310 |
| Earnings per Share - Rs | 4.25 | 6.58 |

MD / CEO's Statement

Mr. Zahid Mir, commenting on the Company's first quarter financial results FY2015-16, stated:

"I am pleased to report that the Company has embarked upon exploration led growth strategy to enhance reserves and during July – September 2015 period OGDCL acquired 2D seismic data of 1,458 line kms (1Q 2014-15: 1,013 line kms) and 3D seismic data of 767 sq. kms (1Q 2014-15: 301 sq. kms) respectively in various exploratory blocks. Against the backdrop of depressed international oil prices, OGDCL has maintained a rigorous approach to capital allocation and focused on efficiency and competitiveness in carrying out exploration, development and production activities. The Company's Sales, affected by decrease in oil and gas production, were partially offset by increase in average exchange rate to Rs/US\$ 103.19 from Rs/US\$ 101.38 during the last period leading the business to register Sales Revenue of Rs 44.513 billion. Furthermore, Company reported Profit after Tax of Rs 18.260 billion translating into Earnings per Share of Rs 4.25.

In its endeavor to enhance oil and gas production from owned and operated joint venture fields, OGDCL during July-September 2015 added 1,650 barrels per day of crude oil and 12 MMcf per day of gas through addition of new wells; Loti-19, Chak 63-3, Chak 2-3 and Noorai Jagir-1 in the existing gathering system.

Lastly, I am proud to state that our workforce has shown full dedication and commitment which is behind the consistent performance of the Company. I thank all employees of the Company for making it happen. I am also very pleased to inform all our stakeholders that the Company with all its resources, both material and human, is well on its path of progress and the future looks very bright."

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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 59% of oil and 36% of gas, respectively, as at 30th June 2015. It contributed 28% of the country's total natural gas production and 49% of its total oil production during the month of August 2015.

With a portfolio of 63 exploration licences, the Company has the largest exploration acreage in Pakistan, covering 32% of the total awarded acreage as of 30th June 2015. 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 87.249 billion for the year ended 30th June 2015.

SUMMARY RESULTS

Financial Summary:

Prevalence of lower international oil prices primarily affected OGDCL's financial results for the quarter ended 30 September 2015. The same is evident by the fact that average basket price of crude oil during July – September 2015 was US\$ 52.46/barrel against US\$ 103.80/barrel in the corresponding quarter. Resultantly, the Company's average realized prices recorded for crude oil and gas were US\$ 46.57/barrel and Rs 264.20/Mcf compared with US\$ 86.41/barrel and Rs 282.93/Mcf respectively in the comparative period. In addition, the Company's Sales affected by decrease in oil and gas production were partially offset by increase in average exchange rate to Rs/US\$ 103.19 from Rs/US\$ 101.38 during the last period leading the business to register Sales Revenue of Rs 44.513 billion (1Q 2014-15: Rs 64.396 billion).

Apart from the above, reduced other income mainly on account of decline in interest income on investment and bank deposits and exchange gain impacted OGDCL's profitability. This has led the Company to report Profit after Tax of Rs 18.260 billion translating into Earnings per Share of Rs 4.25.

Against the backdrop of plunge in international oil prices impacting the business financials, OGDCL has maintained a rigorous approach to capital allocation and focused on efficiency and competitiveness in carrying out exploration, development and production activities.

Dividend

The Board of Directors has announced first interim cash dividend of Rs 1.50 per share (15%) for the year ending 30 June 2016.

Exploration and Development Activities

OGDCL's exploratory assets currently constitute sixty three (63) owned and operated joint venture exploration licenses along with holding working interest in six (6) blocks operated by other exploration and production companies. These exploratory licenses are spread across all four (4) provinces of the Country covering an area of 115,037 sq. km as of 30 September 2015, representing the largest exploration acreage held by any E&P Company in Pakistan.

In line with exploration led growth strategy to enhance reserves and embark upon new growth opportunities, OGDCL stepped up seismic data acquisition during July – September 2015. This is witnessed by the fact that 2D and 3D seismic data of 1,458 Line km (1Q 2014-15: 1,013 Line km) and 767 sq. km (1Q 2014-15: 301 sq. km) respectively were acquired by the Company in

various exploratory blocks. Moreover, 2,208 Line km of 2D seismic data of various blocks were processed using in-house resources.

During the period under review, OGDCL spud four (4) wells including two (2) exploratory/appraisal wells viz., Bachani-1 & Bitrism West-1 and two (2) development wells viz., Qadirpur-55 & Buzdar North-2. Furthermore, drilling and testing of thirteen (13) wells spud in the previous fiscal year also continued during the reporting period.

With an aim to exploit unconventional oil and gas resources, OGDCL is carrying out a comprehensive study through an international consultant to evaluate shale gas/oil and tight gas/oil potential in its operated blocks. In this regard, 1st phase of the study has been completed while the 2nd phase of the study is currently underway.

Discoveries

OGDCL's exploratory endeavors to locate new hydrocarbon reserves during the period under review led to discoveries at Chak Naurang South-1 in district Chakwal, Punjab province and Aradin-1 in district Khairpur, Sindh province.

Development Projects

OGDCL efforts for completion of its ongoing development projects including Kunnar Pasahki Deep-Tando Allah Yar (KPD-TAY), Sinjhor, Uch-II, Jhal Magsi, Nashpa and Mela continued during the period under review. In this regard, phase-II of the Sinjhor development project, upon completion of commissioning activities during the month of July 2015, has been brought into production. At present, total production from combined phases; I and II is around 2,700 barrels per day of crude oil, 30 MMcf per day of gas and 120 Tons per day of LPG.

Production

In its endeavor to enhance oil and gas production from owned and operated joint venture fields, OGDCL during July-September 2015 added 1,650 barrels per day of crude oil and 12 MMcf per day of gas through addition of new wells; Loti-19, Chak 63-3, Chak 2-3 and Noorai Jagir-1 in the existing gathering system.

In order to enhance/revive production from the mature wells, OGDCL during the period under review carried out workover job with rig at Kal-3. Likewise, rig-less workover jobs to boost oil and gas production were carried out at various wells; Mithrao-1, Kunnar-6, Pasahki-5, Chanda-1 & 2, Loti-19 & 20, Qadirpur-22 & 27 and TDM-17 & 19. In an effort to induce improvement in

current well flow parameters, pressure build-up survey jobs were completed at various wells; Qadirpur-30, 38, 39, 40, 51 and 52.

As part of preventive maintenance plan, OGDCL during the period under review carried out Annual Turn Around (ATA) of plants at Bobi, Qadirpur, Kunnar and Kunnar Pasahki Deep fields. The commissioning of cathodic protection system at 24 wells of Kunnar Pasahki Deep and 5 wells of Uch-II project has also been completed. Moreover, installation of production testing hookup has been completed at Qadirpur-55, Thal East-1 and Suleman-2.

During the reporting period, OGDCL's net oil and gas production in comparison to the corresponding period last year is impacted mainly due to natural decline in some of its mature hydrocarbon producing fields accompanied with fall in the share of crude oil and gas production from non-operated joint venture fields. Moreover, less gas intake from Uch-II by Uch-II Power (Private) Limited due to ATA and Qadirpur field owing to tripping of turbines at Engro Powergen Qadirpur Limited and Liberty Power Limited influenced the Company's production. Regarding LPG production, the Company witnessed increase owing to startup of production from Sinjhora and Jakhro fields.

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

| Products | Unit of Measurement | 1st Quarter 2015-16 | 1st Quarter 2014-15 |
|-----------------|----------------------------|---------------------------------------|---------------------------------------|
| Crude oil | Barrels per day | 39,154 | 40,868 |
| Gas | MMcf per day | 1,130 | 1,216 |
| LPG | Tons per day | 267 | 231 |

Moving forward, OGDCL is confident that its commitment to carry on aggressive exploration strategy comprising fast track seismic data acquisition, data processing/interpretation and active drilling campaigns accompanied with near term completion of ongoing development projects will lead to enhancement in oil and gas production and creation of material value for the shareholders in the years to come.