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FOR IMMEDIATE RELEASE

**OGDCL UN-AUDITED FINANCIAL RESULTS FOR THE NINE MONTHS ENDED
31ST MARCH 2015**

Oil and Gas Development Company Limited (OGDCL), (Ticker: OGDC), today announces its financial results for the Nine Months ended 31st March 2015. Financial Statements have been prepared in accordance with International Financial Reporting Standards.

Highlights of the Nine Months ended 31st March 2015 include:

- OGDCL's net sales registered Rs 162.693 billion compared to Rs 190.362 billion in the corresponding period last year
- Net profit before taxation registered to Rs 103.105 billion compared to Rs 130.188 billion in the corresponding period last year
- Net Profit after Taxation came to Rs 68.006 billion as against Rs 90.938 billion in the preceding period translating into Earnings per Share of Rs 15.81
- The Board of Directors declared third interim cash dividend for the year at Rs 1.75 per share.
- Operating profit margin and net profit margin were 54% and 42%, respectively.
- Average net realized price of crude oil sold was US\$ 66.59/bbl as against US\$ 87.45/bbl during corresponding period last year
- Average net realized price for natural gas sold was Rs 273.09/Mcf as against Rs 283.34/Mcf during corresponding period last year
- 3,858 Line Kms of 2D and 1,125 Sq. Kms of 3D seismic acquisition completed
- Fifteen (15) new wells including seven (7) exploratory/appraisal wells and eight (8) development wells were spudded during the nine months ended 31st March 2015
- Company's exploratory efforts yielded four (4) new oil and gas discoveries namely Soghri-1 & Jand-1 in district Attock, Punjab province and Jarwar-1 & Palli Deep-1 in district Tando Allah Yar, Sindh province
- Net crude oil production of 41,094 barrels per day, net gas production of 1,144 MMcf per day, net LPG production 258 M.Tons per day and net Sulphur production of 75 M.Tons per day was witnessed during the period under review

	9 Months 2013-14 (Rs in million)	9 Months 2014-15 (Rs in million)
Net Sales	190,362	162,693
Profit before Taxation	130,188	103,105
Profit after Taxation	90,938	68,006
Earnings per Share - Rs	21.14	15.81

MD & COO's Statement

Mr. Zahid Mir, Managing Director & Chief Operating Officer, while commenting on OGDCL's Nine Months (July 2014 – March 2015) results stated:

"I am pleased to inform that OGDCL is treading a well thought-out chartered course of enhanced exploration activities, efficient and effective utilization of plant and equipment, deployment of enhanced recovery techniques and endeavouring to develop the projects on a fast track basis lies at the core of our hydrocarbon assets growth strategy.

The nine months of the fiscal year 2014-15 witnessed exploration success across the Company's acreage with significant discoveries at Soghri-1 exploratory well in district Attock, Punjab province, Jand-1 exploratory well in district Attock, Punjab province and Jarwar-1 & Palli Deep-1 exploratory wells both in district Tando Allah Yar, Sindh province. These discoveries have further strengthened the reserves base of the Company.

During the period under review, OGDCL recorded further improvement in its oil production volumes, reaching an average daily net crude oil production of 41,094 barrels and its average daily net gas production up to 1,144 MMcf. Apart from drop in oil and gas prices, increased exploration and prospecting expenditure due to enhanced geophysical survey combined with higher operating expenses owing to increase in joint venture expenses, depreciation, amortization of development & production assets, repairs & maintenance and impairment on development & production assets and property, plant & equipment impacted OGDCL's profitability. This led the Company to register Profit after Tax of Rs 68.006 billion translating into Earnings per Share of Rs 15.81.

We are hopeful that despite the current declining oil price environment, enhanced exploration activities along with strong volume growth will play an important factor in maintaining our industry leading performance. We are also fully committed and focused in keeping our operating costs under check and in control to maximize profitability.

I greatly value our work force and thank this exceptional pool of human resource on embarking on achieving the challenging goals that we have set for ourselves to achieve by sheer and unrelenting dedication, commitment and zeal. I firmly believe that the Company 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 42% of gas and 57% of oil, respectively, as at December 31, 2014. OGDCL contributed 27% of the country's total natural gas production and 44% of its total oil production as of February 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 31st March 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 123.915 billion for the year ended 30 June 2014.

SUMMARY RESULTS

Financial Results

During the period under review, fall in international oil prices adversely affected OGDCL's financial results. The same is evident by the fact that average basket price of crude oil during July 2014–March 2015 plunged to US\$ 78.88/barrel from US\$ 106.64/barrel in the corresponding period last year. Resultantly, the Company's average realized prices recorded for crude oil and gas were US\$ 66.59/barrel and 273.09/Mcf compared with US\$ 87.45/barrel and 283.34/Mcf respectively in the last period. The aforesaid decline in prices was partially offset by increase in the sales volume of crude oil, gas and LPG leading the Company to register Sales Revenue of Rs 162.693 billion (9M 2013-14: Rs 190.362 billion).

Apart from drop in oil and gas prices, increased exploration and prospecting expenditure on account of enhanced geophysical survey combined with higher operating expenses mainly owing to increase in joint venture expenses, depreciation, amortization of development & production assets, repairs & maintenance and impairment on development & production assets and property, plant & equipment impacted OGDCL's profitability. Moreover, higher tax on prior period assessments contributed to reduced profitability. This has led the Company to register Profit after Tax of Rs 68.006 billion translating into Earnings per Share of Rs 15.81.

Moving forward, OGDCL based on its aggressive exploration strategy comprising fast track seismic data acquisition, data processing/interpretation and active drilling campaigns and near term completion of ongoing development projects namely: Kunnar Pasahki Deep-Tando Allah Yar (KPD-TAY), Sinjhoru, Uch-II, Jhal Magsi, Mela and Nashpa alongside financial strength to undertake new development activities is confident to not only maintain and enhance oil and gas production but in parallel return significant value to the shareholders in the years to come.

Dividend

The Board has announced third interim cash dividend of Rs 1.75 per share (17.5%) for the year ending 30 June 2015. This is in addition to the first and second interim cash dividend of Rs 4.50 per share (45%) already declared during the year.

Exploration and Development Activities

OGDCL holds the largest exploration acreage in the Country which as of 31 March 2015 stood at 115,037 sq. km. The Company's concession portfolio currently constitutes sixty three (63) owned and operated joint venture (JV) exploration licenses besides holding working interest in six (6) blocks operated by other Exploration & Production companies.

In order to enhance reserves and embark upon new growth opportunities, OGDCL continued to carry on the intensified exploratory efforts during July 2014 to March 2015 witnessed by the fact that record 2D and 3D seismic data of 3,858 Line km (9M 2013-14: 1,242 Line km) and 1,125 sq. km (9M 2013-14: 673 sq. km) respectively has been acquired in various exploratory blocks. The Company also carried out 195 Line km of geological field work in Warnali exploration license. Moreover, 6,701 Line km of 2D and 1,135 sq. km of 3D seismic data of various blocks were processed using in-house resources.

During the period under review, OGDCL marked thirty eight (38) well locations on the ground out of which fifteen (15) wells were spud. These spud wells include seven (7) exploratory/appraisal wells viz., Nashpa-X5, Jarwar-1, Kup-1, Loti Deep-1, Surqamar-1, Sinjhor West-1 & Zin Pab-2 and eight (8) development wells viz., Kunnar-9, Pasakhi Deep-5, Dakhni Deep-5, Nashpa-6, Chak 5 Dim-3, Pasahki-10, Loti-19 & Reti-2. Furthermore, drilling and testing of one (1) well spud in the previous fiscal year also continued during the reporting period.

With an aim to exploit unconventional oil and gas resources, OGDCL during the reporting period entered into contract with Weatherford Oil Tools Middle East, Pakistan for study of shale gas, shale oil and tight gas. In this regard, data comprising wire line logs, end of well reports, regional geological reports, maps and available geochemical data of one hundred twenty four (124) wells has been delivered to Weatherford. Responding to the aforesaid delivered data, Weatherford has furnished preliminary Shale Reservoir Petrophysics (SRP) interpretation of forty four (44) wells showing reservoir and completion quality on the basis of which possible hydraulic fracking candidate zones will be finalized. Moreover, contract for well site geosciences services has also been awarded to Weatherford under which flush cuttings and core samples will be analyzed for evaluation of shale gas potential on well site during the drilling phase.

Discoveries

The first nine months of the fiscal year 2014-15 witnessed exploration success across the Company's acreage with significant discoveries at Soghri-1 & Jand-1 exploratory wells both in district Attock, Punjab province and Jarwar-1 & Palli Deep-1 exploratory wells both in district Tando Allah Yar, Sindh province having combined daily production of 28 MMcf of gas and 1,396 barrels of oil. The preliminary reserves estimates accredited to these discoveries are 245.69 billion cubic feet of gas and 3.70 million barrels of oil combined 43.69 million barrels of oil equivalent.

Production

OGDCL during July 2014-March 2015 is able to maintain its average daily net crude oil production at 41,094 barrels showing an increase of 0.6% in comparison with the corresponding period of last year. The increase is primarily attributable to enhancement in production from Nashpa, Rajian, Lashari Centre & Jakhro fields coupled with start-up of production from Nim, Soghri & Jarwar fields and surge in production share from non-operated JV fields. Average daily net gas production of 1,144 Mmcf is reported albeit decrease in gas production from some of the mature gas producing fields in conjunction with fall in the share of non-operated JV fields partially offset by increase in production from Uch & Nashpa fields and commencement of production from Nim, Soghri & Gopang fields.

The aforesaid oil and gas production has been achieved against the backdrop of natural decline in some of the mature producing fields namely Qadirpur, Chanda, Dakhni, Sono and Bobi coupled with heavy floods at Bahu gas field and less gas intake from Uch-II by Uch Power Limited due to shut-in of its both turbines. The average daily net production of crude oil and gas during the period under review, including share in both operated and non-operated JV fields is as under:

Products	Unit of Measurement	Nine Months 2014-15	Nine Months 2013-14
Crude oil	Barrels per day	41,094	40,838
Gas	MMcf per day	1,144	1,152

During the period under review, OGDCL successfully completed wells namely Pasahki Deep-4, Kunnar Deep-5 & Zin Pab-2 and injected wells; Soghri-1, Pasahki-10, Nim-1, Chak 66 NE-1, Chak 63-4, Kunnar-9, Qadirpur-53 & Hakeem Daho-1 & 2 into the system resulting in enhancement of oil and gas production. Moreover, interim arrangement of early

production facilities at Pali Deep-1 has been completed while crude oil allocation and transportation arrangements are in hand.

In addition to the above, OGDCL during July 2014-March 2015 carried out workover jobs with rig at Pasahki-7, Lashari Center-3, Chak 66 NE-1, Kunnar-8, Sono-4, Kunnar-4, Pasahki North-1, Tando Alam-4, Chak Naurang South-1 & Chak Naurang 5-A and stimulation jobs at Nashpa-1, Mela-4, Qadirpur-22 & 30 & Rajjan 2 & 8 increasing oil and gas production. In order to update reservoir study and induce improvement in the current well flow parameters, the Company carried out pressure surveys at different wells of Bobi, Dakhni, Rajjan, Sinjhoru and Nashpa fields. Furthermore, as part of preventive maintenance plan Annual Turn Around of plants were carried out at Qadirpur, Uch, Chanda, Sinjhoru, Dakhni and Bobi fields.