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FOR IMMEDIATE RELEASE

**OGDCL UN-AUDITED FINANCIAL RESULTS FOR THE NINE MONTHS ENDED
31ST MARCH 2016**

Oil and Gas Development Company Limited (OGDCL), (Ticker: OGDC), today announces its financial results for the Nine Months ended 31st March 2016. Financial Statements have been prepared in accordance with International Financial Reporting Standards.

Highlights of the Nine Months ended 31st March 2016 include:

- OGDCL's net sales registered Rs 122.711 billion compared to Rs 162.693 billion in the corresponding period last year
- Net profit before taxation registered to Rs 61.924 billion compared to Rs 103.105 billion in the corresponding period last year
- Net Profit after Taxation came to Rs 43.500 billion as against Rs 68.006 billion in the preceding period translating into Earnings per Share of Rs10.11
- The Board of Directors declared third interim cash dividend for the year at Rs 0.5 per share.
- Operating profit margin and net profit margin were 40% and 54%, respectively.
- Average net realized price of crude oil sold was US\$ 38.83/bbl as against US\$ 66.59/bbl during corresponding period last year
- Average net realized price for natural gas sold was Rs 256.23/Mcf as against Rs 273.09/Mcf during corresponding period last year
- 4,288 Line Kms of 2D and 2,384 Sq. Kms of 3D seismic acquisition completed
- Sixteen(16) new wells including five (5) exploratory / appraisal wells and eleven (11) development wells were spud during the nine months ended 31st March 2016
- Company's exploratory efforts yielded four (4) oil and gas discoveries namely Nashpa X-5, Thal East-1, Chak Naurang South-1 and Aradin-1
- Net crude oil production of 40,443 barrels per day, net gas production of 1,061 MMcf per day, net LPG production 336 M.Tons per day and net Sulphur production of 33 M.Tons per day was witnessed during the period under review

	9 Months 2014-15 (Rs in million)	9 Months 2015-16 (Rs in million)
Net Sales	162,693	122,711
Profit before Taxation	103,105	61,924
Profit after Taxation	68,006	43,500
Earnings per Share - Rs	15.81	10.11

MD & CEO's Statement

Mr. Zahid Mir, MD & CEO, while commenting on OGDCL's Nine Months (July 2015 – March 2016) results stated:

“Despite significant dip in the oil prices, OGDCL has been successful in implementing its business plan based on accelerated exploratory efforts and fast track completion of development projects. In order to mitigate the effects of low oil price regime, prioritization of capital allocation and deploying effective cost control mechanisms with the aim to meet current and future business challenges was ensured. In this regard, OGDCL during July 2015 – March 2016 acquired 4,288 line kms of 2D and 2,384 sq. kms of 3D seismic data. I am also happy to report that OGDCL is fully focused to augment Company's hydrocarbon reserves base and enhance oil and gas production from our existing hydrocarbon assets.

I am pleased to inform you that the nine months of the fiscal year 2015-16 witnessed exploration success across the Company's acreage with significant discoveries at Chak Naurang South-1 in district Chakwal, Punjab province, Aradin-1 in district Khairpur, Sindh province, Thal East-1 in district Sukkur, Sindh province and Nashpa X-5 in district Karak, Khyber Pakhtunkhwa province. These discoveries have an average daily production potential of 29 MMscf of gas and 1,212 barrels of oil.

Let me assure you that OGDCL's focus is firmly based on building a balanced resource portfolio that includes a diversified mix of high-impact exploration, near-term development projects and material production growth.

Last but not the least, I am very proud of our human capital and commend and appreciate their unrelenting support and unwavering commitment to ensure that the Company is well aligned on the strategic path set by the management in order to achieve and exceed the targets and goals set for them.”

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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 36% of gas and 59% of oil, respectively, as at June 30, 2015. It contributed 28% of the country's total natural gas production and 48% of its total oil production from July 2015 to February 2016.

With a portfolio of 61 exploration licences, the Company has the largest exploration acreage in Pakistan, covering 31% of the total awarded acreage as of 31st March 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 87.249 billion for the year ended 30th June 2015.

SUMMARY RESULTS

Financial Results

Prevailing low oil price environment existent due to fall in international oil prices continues to impact OGDCL's financial performance. This is reflected in the shape of average basket price which during the period under review slump to US\$ 42.34/barrel against US\$ 78.88/barrel in the corresponding period last year. Resultantly, the Company's average realized prices recorded for crude oil and gas were US\$ 38.83/barrel and Rs 256.23/Mcf compared with US\$ 66.59/barrel and Rs 273.09/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\$ 104.45 from Rs/US\$ 101.98 during the last period leading the business to register Sales Revenue of Rs 122.711 billion (9M 2014-15: Rs 162.693 billion).

Apart from the above, reduced other income mainly due to decline in interest income on investment and bank deposits coupled with increased exploration and prospecting expenditure owing to enhanced geophysical survey and operating expenses on account of increase in depreciation on property, plant & equipment, amortization and impairment of development and production assets impacted OGDCL's profitability. This has led the Company to report Profit after Tax of Rs 43.500 billion translating into Earnings per Share of Rs 10.11.

Against the backdrop of plunge in international oil prices, OGDCL has reset the business strategy and is endeavoring to maintain a conservative financial framework and concentrate on a rigorous approach regarding capital allocation and cost control with the aim to carry out exploration, development and production operations competitively and thus meet future business challenges ahead.

Dividend

The Board has announced third interim cash dividend of Rs 0.5 per share (5%) for the year ending 30 June 2016. This is in addition to the first and second interim cumulative cash dividend of Rs 2.70 per share (27%) already declared during the year.

Exploration and Development Activities

As of 31 March 2016, OGDCL's exploratory assets covered an area of 112,601 sq. km which is the largest exploration acreage held by any E&P Company in Pakistan. These exploratory licenses 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 six (6) blocks operated by other exploration and production companies.

In pursuit to its exploration led growth strategy to enhance oil and gas reserves and embark upon new growth opportunities, OGDCL stepped up seismic data acquisition during July 2015 – March 2016. This is evident by the fact that the Company during the nine months period acquired 2D and 3D seismic data of 4,288 Line km and 2,384 sq. km compared to 3,858 Line km and 1,125 sq. km respectively in the same period last year. Moreover, 6,933 Line km of 2D seismic data and 1,063 sq. km of 3D seismic data of various blocks were processed using in-house resources.

During the period under review, OGDCL spud sixteen (16) wells including five (5) exploratory/appraisal wells viz., Bachani-1, Bitrism West-1, Thal West-1, Pirkoh Deep-1 and Jand-2 and eleven (11) development wells viz., Qadirpur-54 & 55, Qadirpur HRL-9 & 10, Buzdar North-2, Pirkoh-54, Pasahki Deep-6, Palli-2, Kunnar Deep-11 and Kunnar-10 & 11. Furthermore, drilling and testing of nine (9) wells spud in the previous fiscal year have been completed during the period.

In order to exploit unconventional oil and gas resources, first phase of the study to evaluate shale gas/oil and tight gas/oil potential carried out by an international consultant in OGDCL's operated blocks is completed while second and third phase of the study are underway. Moreover to measure and evaluate shale gas potential at the well-site during the drilling phase, services including Well-site Geosciences and Cansister Gas Analysis are presently being utilized at Kunnar Deep-10 and Suleiman-2.

Discoveries

OGDCL's aggressive exploratory endeavors to locate new hydrocarbon reserves during the nine months led to oil and gas discoveries at Chak Naurang South-1 in district Chakwal, Punjab province, Aradin-1 in district Khairpur, Sindh province, Thal East-1 in district Sukkur, Sindh province and Nashpa X-5 in district Karak, Khyber Pakhtunkhwa province. These discoveries have an average daily production potential of 29 MMcf of gas and 1,212 barrels of oil.

Development Projects

OGDCL during the period under review continued to make efforts for completion of its ongoing development projects including Kunnar Pasahki Deep-Tando Allah Yar (KPD-TAY), Sinjhoru, Uch-II, Nashpa and Mela. In this regard, phase-II of the Sinjhoru development project upon completion of commissioning activities has been brought into production during the month of July 2015. At present, total production from combined phases; I and II is around 2,870 barrels per day of crude oil, 34 MMcf per day of gas and 133 Tons per day of LPG.

Under KPD-TAY development project, phase-II is expected to be completed during the current fiscal year 2015-16 resulting in average daily incremental production of 4,000 barrels of oil, 125 MMcf of gas and 410 tons of LPG.

Production

OGDCL being the national flagship of the Country's E&P sector is making all out efforts to enhance oil and gas production from owned and operated joint venture fields and continue playing a leading role in meeting the energy demands of the Country. In this regard, the Company during the period July 2015-March 2016 added 4,075 barrels per day of crude oil and 37 MMcf per day of gas through addition of various new wells in the existing gathering system. Moreover, the Company contributed around 48% and 28% of the Country's total oil and natural gas production respectively during July 2015-February 2016.

In order to enhance/revive production from the mature wells, OGDCL during the nine months carried out workover job with rig at Kal-3, Missakeswal-3, Sono-7, Pasahki North-1, Thora Deep-1, Chak 2-2, Kunnar-6 & 8 and Thora 3 & 4. 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 Qadirpur, Sinjhoru, Uch, Bobi, Chanda and Nashpa fields.

During the period July 2015 – March 2016, OGDCL as part of preventive maintenance plan carried out Annual Turn Around of plants at Bobi, Qadirpur, Kunnar, Kunnar Pasahki Deep, Dakhni, Chanda, Uch and Sinjhorro fields. Moreover, production testing has been completed at wells; Suleman-2, Kunnar Deep-11 and Pasakhi Deep-6. The commissioning of cathodic protection system at 24 wells of Kunnar Pasahki Deep and 15 wells of Uch-II project has also been completed.

The first nine months of the fiscal year 2015-16 witnessed natural decline in some of its mature hydrocarbon producing fields which impacted OGDCL’s production, albeit a slight impact in the crude oil production, in comparison to the corresponding period last year. Moreover, the Company’s gas production was influenced by less gas intake from; Uch-I & II fields by Uch-II Power (Private) Limited due to its ATA and tripping of turbines, Qadirpur field by Liberty Power Limited and Engro Powergen Qadirpur Limited since 22 January 2016 and KPD field by Sui Southern Gas Company Limited. Regarding LPG production, the Company witnessed increase mainly owing to startup of production from Sinjhorro and Jakhro fields.

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

Products	Unit of Measurement	Nine Months 2015-16	Nine Months 2014-15
Crude oil	Barrels per day	40,443	41,094
Gas	MMcf per day	1,061	1,112
LPG	Tons per day	336	258

Moving forward, OGDCL is determined to carry on the extensive exploration program including fast track seismic data acquisition, data processing/interpretation and active drilling campaigns coupled with expediting efforts for completion of ongoing development projects with the aim to maintain and optimize oil and gas production and create material value for the shareholders in the years to come.