REPORT ON PAYMENTS TO GOVERNMENTS FOR THE YEAR ENDED 30 JUNE 2023

INTRODUCTION

Oil and Gas Development Company Limited (OGDCL) has prepared the following report on payments to governments ('Report') for the year ended 30 June 2023 in accordance with the Reports on Payments to Governments Regulations 2014 (2014/3209), as amended by the Reports on Payments to Governments (Amendment) Regulations 2015 (2015/1928), (the 'Regulations'). The Report also addresses OGDCL reporting obligations under DTR 4.3A of the Financial Conduct Authority Disclosure Guidance and Transparency Rules. The 'Basis of Preparation' section below contains information about the content of the Report, the types of payments included and the principles that have been applied in preparing the Report.

BASIS FOR PREPARATION

Activities

Payments made by OGDCL to governments arising from activities involving the exploration, prospection, discovery, development, and extraction of minerals, oil and natural gas deposits (extractive) activities are disclosed in this Report.

Government

The term "government" refers to any national, regional or local authority of a country, and includes a department, agency or entity that is a subsidiary of a government.

Project

Payments are reported at project level except that payments that are not attributable to a specific project are reported at entity level. Project is defined as operational activities which are governed by a single contract, license, lease, concession or similar legal agreement, and form the basis for payment of liabilities with a government.

Payments

The information is reported under the following payment types :

Production entitlements

Under Production - sharing agreements (PSAs), the production is shared between the government and other parties to the PSA. For the year ended 30 June 2023, there were no reportable production entitlement payments to a government.

Taxes

These are taxes paid by OGDCL on its income, profits or production. Payments are reported net of refunds. Consumption taxes, personal income taxes, sales taxes, Gas Infrastructure Development Cess, Petroleum Levy, Federal Excise Duty, procurements (Contractors withholding taxes), taxes withheld by other parties, custom duties and related penalties are excluded.

Royalties

These are payments for the rights to extract oil and gas resources, typically at set percentage of revenue less any deductions that may be taken. Any adjustment related to prior year are reported as negative amounts in the Report.

Dividends

These are dividend payments other than dividends paid to a government as an ordinary shareholder of an entity unless paid in lieu of production entitlements or royalties. For the year ended 30 June 2023, there were no reportable dividend payments to a government.

Bonuses

These are payments for Bonuses. These are usually paid upon signing an agreement or a contract, or when a commercial discovery is declared, or production has commenced or reached a milestone. For the year ended 30 June 2023, there were no reportable bonus payments to a government.

License fees, rental fees, entry fees and other considerations for licenses and/or concessions

In preparing this report OGDCL has included license fees, rental fees and all other payments that are paid in consideration for new and existing license and / or concessions. Fees paid to Governments for administration services are excluded. Payments made in return for services provided by a government are also excluded.

Infrastructure improvements

Payments related to infrastructure improvements, for example building of roads, school or hospital etc. including contribution made in respect of social welfare obligation under licenses and / or concessions are included. Payments which are of social investment in nature other than infrastructure improvements (i.e. scholarships or donations etc. for education and health etc.) & contribution made to OGDCL CSR Trust are excluded.

Operatorship

When OGDCL makes a payment directly to a government arising from a project, regardless of whether OGDCL is the operator or not, the full amount paid is disclosed even where OGDCL is proportionally reimbursed by its operating/non-operating venture partners through a partner billing process (cash-call).

Cash and in-kind payments

Payments are reported on cash basis. Refunds are also reported in the period they are received by OGDCL and are shown as negative amounts in the Report. For the year ended 30 June 2023, there were no reportable in-kind payments to a government.

Materiality Level

The Regulations require that payments made as a single payment exceeding £86,000 or as part of a series of related payments within a financial year exceeding £86,000 be included in this Report. Payments below the above stated threshold are also included in this Report.

Currency

All payments have been reported in Pakistani Rupees (PKR).

General

The Payments shown in this report are rounded to the nearest thousand (PKR).

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The table below shows the relevant payments to government made by OGDCL for the year ended 30 June 2023 shown by country and department type.

Of the seven payment types required by the regulations, OGDCL did not pay any relevant production entitlements, dividends and bonuses and therefore these categories are not shown.

Country and name of departments	Taxes	Royalties	Fees	Infrastructure Improvements	Total
	(PKR '000)				
Pakistan					
Federal Board of Revenue (FBR)	114,216,182	-	-	-	114,216,182
Oil and Gas Regulatory Authority (OGRA)	-	-	140,792	-	140,792
Directorate General Petroleum Concessions (DGPC)	-	38,311,992	1,171,397	301,851	39,785,240
Total	**114,216,182**	**38,311,992**	**1,312,189**	**301,851**	**154,142,214**

Project wise details are included in the annexure to this report

GM Accounts

Manager Accounts

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Name of Project	Taxes	Royalties	Fees	Infrastructure Improvements	Total
	(PKR '000)				
Head Office	114,216,182	-	487	-	114,216,669
Kunnar	-	1,505,048	26	-	1,505,075
Pasakhi	-	2,851,826	-	-	2,851,826
Pasakhi Deep	-	-	200	-	200
Pasakhi North	-	99,832	-	-	99,832
Kunnar Deep	-	440,461	200	-	440,661
Bobi	-	156,613	300	-	156,912
Tando Alam	-	76,216	30	-	76,246
Thora	-	154,866	-	-	154,866
Palli	-	59,082	128	-	59,211
Lashari Center	-	19,963	80,732	-	100,695
Jandran - Lease	-	-	1,913	-	1,913
Sari/Sari Sung - Lease	-	-	100	-	100
Sari Hundi	-	2,206	-	-	2,206
Hundi	-	-	382	-	382
Daru	-	963	2,074	-	3,037
Sono	-	868,396	1,042,223	-	1,910,618
Buzdar	-	-	51	-	51
Uch	-	2,528,965	134,138	-	2,663,103
Uch-II	-	1,456,920	100	-	1,457,020
Pirkoh - Lease	-	-	351	-	351
Loti	-	1,476	200	-	1,676
Dhodak	-	41,359	448	-	41,807
Fimkassar	-	76,225	-	-	76,225
Kal	-	143,321	328	-	143,649
Bhal Syedan	-	3,483	292	-	3,775
Sadqal	-	26,911	309	-	27,220
Fatehjang	-	-	4,642	-	4,642
Missakeswal	-	28,596	366	-	28,962
Rajian	-	642,479	305	-	642,784
Toot	-	131,393	131	-	131,525
Dakhni	-	525,826	615	-	526,441
Thal	-	-	-	8,663	8,663
Thal East	-	-	304	-	304
Thal West	-	9,950	319	-	10,269
Bhambhra	-	-	494	-	494
Soghri (Block-3371-8)	-	-	-	11,550	11,550
Soghri	-	468,061	950	-	469,011
Wali (Block3270-6)-Lease	-	-	100	6,930	7,030
Shakarganj West-Lease	-	-	1,983	4,012	5,995
Mari East - Lease	-	-	-	15,180	15,180
Khuzdar North-Lease	-	-	-	1,500	1,500
Kharan-3 - Lease	-	-	987	3,437	4,423
Bostan-Lease	-	-	1,870	8,199	10,069
Zhob-Lease	-	-	-	932	932
Cholistan-Lease	-	-	1,983	716	2,699
Jandaran West - Lease	-	-	-	3,437	3,437
Jhelum-Lease	-	-	1,220	1,631	2,851
Lilla-Lease	-	-	-	6,930	6,930
Sujawal South-Lease	-	-	-	6,930	6,930
Khewari East-Lease	-	-	1,161	6,930	8,091
Vehari-Lease	-	-	1,990	6,930	8,920

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Name of Project	Taxes	Royalties	Fees	Infrastructure Improvements	Total
	(PKR '000)				
Sutlej-Lease	-	-	1,850	6,893	8,743
Hazro-Lease	-	-	523	7,215	7,738
Nowshera-Lease	-	-	1,369	10,451	11,820
Qadirpur	-	1,511,582	200	-	1,511,782
Tando Allah Yar	-	56,342	400	34,650	91,392
Tando Allah Yar South West	-	14,325	12	-	14,338
Dars	-	(155)	100	-	(55)
Dars West	-	293,219	241	-	293,460
Unhar	-	130,264	215	-	130,479
Chandio	-	451	100	-	551
Pasakhi East -1 (Ta. all. yar)	-	-	100	-	100
Kunnar South - 1(Ta.all.yar)	-	73,033	-	-	73,033
Shah	-	136,540	219	-	136,758
Dars Deep	-	28,637	258	-	28,895
Chak Naurang	-	233,754	1	-	233,755
Jakhro	-	10,527	100	4,620	15,247
Bitrism - Lease	-	109,678	200	9,240	119,118
Bitrisim West	-	296,384	55	-	296,439
Gundanwari	-	-	72	-	72
Pandhi	-	3,685	200	-	3,885
Chanda	-	2,118,046	300	1,610	2,119,956
Chak 43	-	-	100	-	100
Chak 63 South East	-	-	100	-	100
Chak 2	-	-	340	-	340
Hakim Dahu	-	-	383	-	383
Lala Jamali	-	-	306	-	306
Sinjhoro	-	936,228	-	-	936,228
Nashpa Lease (Block 3370-10)	-	-	-	34,195	34,195
Mela	-	574,357	806	-	575,163
Nashpa	-	7,573,129	1,530	-	7,574,659
Khewari - Lease	-	-	-	4,620	4,620
Chabaro	-	26,464	271	-	26,735
Nim	-	1,798	1,193	-	2,991
Saand (Old Gulsher)	-	219,298	213	-	219,511
Chhutto	-	151,039	200	-	151,239
Mangrio	-	109,059	188	-	109,246
Kalchas (Block # 2969-7) Lease	-	-	3,361	-	3,361
Guddu Block 2869-9 Lease	-	-	-	3,996	3,996
Maru	-	-	172	4,666	4,838
Maru-Reti	-	180,545	-	-	180,545
Kohat (Block 3371-10) Lease	-	-	-	23,100	23,100
Togh	-	912,960	276	-	913,236
Palantak-Lease	-	-	980	3,456	4,436
Orakzai-Lease	-	-	683	4,538	5,221
Baratai-Lease	-	-	-	3,800	3,800
Dhok Hussain	-	663,984	273	7,750	672,006
Tirah-Lease	-	-	778	4,993	5,772
Gawadar-Lease	-	-	-	1,500	1,500
Pasni West-Lease	-	-	1,835	4,405	6,239
Ranipur-Lease	-	-	2,855	9,664	12,520
Suleiman-Lease	-	-	1,738	6,930	8,668
Killa Saifullah-Lease	-	-	-	6,930	6,930
Zorgarh-Lease	-	-	-	4,102	4,102

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Name of Project	Taxes	Royalties	Fees	Infrastructure Improvements	Total
	(PKR '000)				
Buzdar South	-	29,223	-	-	29,223
Jabo	-	17,563	-	-	17,563
Meyun Ismail	-	1,953	-	-	1,953
Paniro	-	8,449	-	-	8,449
Zaur (Well) old - 705000	-	111,533	-	-	111,533
Jagir	-	4,650	-	-	4,650
Muban	-	19,589	-	-	19,589
Dhurnal	-	16,569	-	-	16,569
Adhi	-	307,278	-	-	307,278
Adhi Sakesar	-	2,150,484	-	-	2,150,484
Bhangali	-	473	-	-	473
Kadanwari	-	9,972	-	-	9,972
Makori Deep (Tal Block 3370-3)	-	11,785	-	-	11,785
Makori East	-	2,345,275	-	-	2,345,275
Mardan Khel	-	47,242	-	-	47,242
Manzalai	-	1,406,842	-	-	1,406,842
Mami Khel	-	(42,179)	-	-	(42,179)
Maramzai	-	195,682	-	-	195,682
Bhit	-	106,163	-	-	106,163
Ratana	-	6,881	-	-	6,881
Pindori	-	197,862	-	-	197,862
Miano	-	204,453	-	-	204,453
Chak 5 Dim	-	969	-	-	969
Lashari	-	47,280	-	-	47,280
Buzdar South Deep	-	12,932	-	-	12,932
Kunnar Pasakhi deep	-	2,018,435	-	-	2,018,435
Nur Bagla	-	12,086	-	-	12,086
Kunnar South	-	143,383	254	-	143,637
Nur	-	-	40	-	40
Tanishpa	-	-	100	-	100
Zindan-II	-	-	100	-	100
Makori	-	12,157	-	-	12,157
Tolang South	-	575	-	-	575
Norai Jagir	-	-	-	4,620	4,620
Badhra	-	155,914	-	-	155,914
Lugai	-	-	100	-	100
Badar	-	61,289	-	-	61,289
Tolanj East	-	3,626	-	-	3,626
Sehwan	-	-	100	-	100
Bagla	-	-	232	-	232
Chah Bali	-	-	1,735	-	1,735
Total	**114,216,182**	**38,311,992**	**1,312,189**	**301,851**	**154,142,214**

GM Accounts

Manager Accounts