

OIL AND GAS DEVELOPMENT COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS [UNAUDITED]
FOR THE QUARTER ENDED 30 SEPTEMBER 2025

1 LEGAL STATUS AND OPERATIONS

Oil and Gas Development Company Limited (OGDCL), 'the Company', was incorporated on 23 October 1997 under the Companies Ordinance, 1984 (now the Companies Act, 2017). The Company was established to undertake exploration and development of oil and gas resources, including production and sale of oil and gas and related activities formerly carried on by Oil and Gas Development Corporation, which was established in 1961. The registered office of the Company is located at OGDCL House, Plot No.3, F-6/G-6, Blue Area, Islamabad, Pakistan. The shares of the Company are quoted on Pakistan Stock Exchange Limited. The Global Depository Shares (IGDS = 10 ordinary shares of the Company) of the Company are listed on the London Stock Exchange.

Government of Pakistan (GoP) holds 74.97% (30 June 2025: 74.97%) paid up capital of the Company. In 2022, the Honorable Supreme Court of Pakistan declared the Benazir Employees' Stock Option Scheme ultra vires. Accordingly, the shares currently held by OGDCL Employees' Empowerment Trust (OEET) 10.05% (30 June 2025: 10.05%) will be transferred back to the GoP and the GoP holding will be increased. During the year ended 30 June 2024, the Pakistan Sovereign Wealth Fund Act, 2023 became effective. Under the said Act, the GoP's shareholding in the Company including shares held by OEET stands transferred to the Pakistan Sovereign Wealth Fund (PSWF). Accordingly, the GoP is in the process of taking necessary actions required to record the transfer of the shares to PSWF.

2 BASIS OF PREPARATION

These condensed interim financial statements (here in after referred to as the "interim financial statements") are the separate interim financial statements of the Company and have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

The disclosures in these interim financial statements do not include those reported for full annual audited financial statements and should therefore be read in conjunction with the annual audited financial statements for the year ended 30 June 2025. Comparative statement of financial position is extracted from the annual audited financial statements as of 30 June 2025, whereas comparative statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows are stated from unaudited interim financial statements for the quarter ended 30 September 2024.

These interim financial statements are unaudited and are being submitted to the members as required under Section 237 of Companies Act, 2017. These interim financial statements are the separate interim financial statements of the Company in which investment in subsidiary is accounted for at cost. Consolidated interim financial statements are prepared separately.

3 ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

The accounting policies, significant judgments made in the application of accounting policies, key sources of estimations, the methods of computation adopted in preparation of these interim financial statements and financial risk management policies are the same as those applied in preparation of annual audited financial statements for the year ended 30 June 2025. The management also believes that standards, amendments to published standards and interpretations that are effective for the Company from accounting periods beginning on or after 01 July 2025 do not have any significant effect on these interim financial statements or are not relevant to the Company.

Furthermore, because of reasons as disclosed in note 2.1.2 to the annual audited financial statements for the year ended 30 June 2025, the Securities and Exchange Commission of Pakistan (SECP) has notified that the requirements contained in IFRS 9 with respect to application of Expected Credit Loss (ECL) method shall not be applicable till the financial year ending on or before 31 December 2025 in respect of companies holding financial assets due from the Government of Pakistan (GoP), including those that are directly due from GoP and that are ultimately due from GoP in consequence of the circular debt issue. Such companies shall follow relevant requirements of IAS 39 'Financial Instruments: Recognition and Measurement' in respect of above referred financial assets during the exemption period. The Company has requested SECP vide its letter dated 08 August 2025 that deferment/ exemption from application of ECL method under IFRS 9 in respect of financial assets due directly or ultimately from GoP may kindly be extended till such date the circular debt issue is resolved. The SECP vide letter dated 23 September 2025 has intimated that the application is in process.

OIL AND GAS DEVELOPMENT COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS [UNAUDITED]
FOR THE QUARTER ENDED 30 SEPTEMBER 2025

		Unaudited 30 September 2025	Audited 30 June 2025
	Note	------(Rupees '000)-----	
4 RESERVES			
Capital reserves:			
Capital reserve	4.1	836,000	836,000
Self insurance reserve	4.2	21,112,500	20,750,000
Self insurance reserve- associate	4.3	920,000	920,000
		<u>22,868,500</u>	<u>22,506,000</u>
Other reserves:			
Foreign currency translation reserve	4.4	1,918,431	2,093,734
Foreign currency translation reserve- associates (net)	4.5	8,895,286	9,309,662
		<u>10,813,717</u>	<u>11,403,396</u>
		<u>33,682,217</u>	<u>33,909,396</u>

4.1 This represents bonus shares issued by former wholly owned subsidiary- Pirkoh Gas Company (Private) Limited (PGCL) prior to merger. Accordingly, this reserve is not available for distribution to shareholders.

4.2 The Company has set aside a specific capital reserve for self insurance of rigs, buildings, wells, plants, pipelines, workmen compensation, inventory, terrorism, vehicle repair and losses for petroleum products in transit. Refer note 16.1 for investment against this reserve. Accordingly, this reserve is not available for distribution to shareholders.

4.3 This represents a specific capital reserve set aside by an associate for self insurance of its assets which have not been insured, for uninsured risks and for deductibles against insurance claims.

4.4 This represents accumulated balance of translation effect of a foreign operation in Rupees as per the Company's accounting policy.

4.5 This represents accumulated balance of a translation effect of foreign operations in Rupees of associates.

5 PROVISION FOR DECOMMISSIONING COST

	Unaudited 30 September 2025	Audited 30 June 2025
	------(Rupees '000)-----	
Balance at beginning of the quarter/ year	61,594,813	59,600,474
Provision during the quarter/ year	100,478	1,722,273
Decommissioning cost incurred during the quarter/ year	(48,708)	(143,416)
	<u>61,646,583</u>	<u>61,179,331</u>
Revision due to change in estimates	-	(5,255,809)
Unwinding of discount on provision for decommissioning cost	1,134,943	5,671,291
Balance at end of the quarter/ year	<u>62,781,526</u>	<u>61,594,813</u>

6 LONG TERM LEASE LIABILITY

During the year ended 30 June 2025, the Company has recognized a lease liability and right of use asset of Early Production Facilities (facilities) under the Gas Processing Contract, executed by operator, Mari Energies Limited (MEL), a related party, for Waziristan block joint operation for a lease term of two years and considering the option to purchase the asset upon expiry of the lease term. The Company has recognized its share of the right-of-use asset under property, plan and equipment and lease liability towards operator has been recognized separately to the extent of the Company's share.

	Unaudited 30 September 2025	Audited 30 June 2025
	------(Rupees '000)-----	
Lease liability	2,783,676	3,039,610
Less: Current portion of net liability in lease	(1,031,130)	(983,551)
	<u>1,752,546</u>	<u>2,056,059</u>

OIL AND GAS DEVELOPMENT COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS [UNAUDITED]
FOR THE QUARTER ENDED 30 SEPTEMBER 2025

		Unaudited 30 September 2025	Audited 30 June 2025
	Note	------(Rupees '000)-----	
Balance at beginning of the quarter/ year		3,039,610	-
Additions during the quarter/ year		-	3,468,690
Unwinding of lease liabilities		82,967	95,663
Payments made during the quarter/ year		(312,471)	(565,295)
Exchange (gain)/ loss		(26,430)	40,552
Balance at the end of quarter/ year		2,783,676	3,039,610
Less: current portion of long term lease liabilities shown under current liabilities		(1,031,130)	(983,551)
		<u>1,752,546</u>	<u>2,056,059</u>
7	TRADE AND OTHER PAYABLES		
Creditors		1,581,710	1,215,105
Accrued liabilities		16,176,117	20,662,174
Payable to partners of joint operations		8,008,831	10,605,676
Retention money payable		12,544,635	7,431,297
Royalty payable to the Government of Pakistan		7,846,856	11,778,726
Excise duty payable		154,876	101,030
General sales tax payable		-	1,585,703
Petroleum levy payable		130,989	171,418
Withholding tax payable		2,682,148	500,908
Trade and other deposits		3,666,896	3,765,588
Workers' profit participation fund		2,963,004	14,700,782
Employees' pension trust		21,050,235	19,816,723
Gratuity fund		925,254	739,295
Liability for staff compensated absences -current portion		3,449,588	5,617,526
Advances from customers- unsecured		2,598,783	2,552,944
Other payables	7.1	22,593,449	22,515,718
		<u>106,373,371</u>	<u>123,760,613</u>

7.1 This includes an amount of Rs 21,891 million (30 June 2025: Rs 21,891 million) received from customers on account of additional revenue due to enhanced gas price incentive as explained in note 17.1.

7.2 Gas Infrastructure Development Cess (GIDC) amounting to Rs 2,255 million (30 June 2025: Rs 2,255 million) is recoverable from customers and payable to the GoP. These interim financial statements do not reflect the said amount since under the provisions of the GIDC laws and regulations, the Company is required to pay the said amount as and when the same is collected from customers. The GIDC is presented as payable to the extent that it is received from customers but not deposited with the GoP. As at year end, no such amount was received which was not deposited with the GoP. On 13 August 2020, the Supreme Court of Pakistan has decided the matter of GIDC by restraining from charging GIDC from 01 August 2020 onward and ordered gas consumers to pay GIDC arrears due upto 31 July 2020 in instalments. The fertilizer companies have obtained stay against recovery from the Sindh High Court, where the matter is subjudice.

OIL AND GAS DEVELOPMENT COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS [UNAUDITED]
FOR THE QUARTER ENDED 30 SEPTEMBER 2025

8 CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

8.1.1 There are no significant changes in the status of the contingencies as disclosed in the annual audited financial statements for the year ended 30 June 2025.

8.2 Commitments

8.2.1 Commitments outstanding at end of the quarter amounted to Rs 78,431 million (30 June 2025: Rs 81,413 million). These include amounts aggregating to Rs 41,862 million (30 June 2025: Rs 42,210 million) representing the Company's share in the minimum work commitments under Petroleum Concession Agreements (PCAs). The Company and its associate has given corporate guarantees to GoP under various PCAs for the performance of obligations.

8.2.2 Letters of credit issued by various banks on behalf of the Company in ordinary course of the business, outstanding at end of the quarter amounted to Rs 40,047 million (30 June 2025: Rs 49,957 million).

8.2.3 The Company's share of associate commitments as per latest available financial statements of the associates are as follows:

	Unaudited 30 September 2025	Audited 30 June 2025
	----- (Rupees '000) -----	
Commitment for capital expenditure	<u>32,385,203</u>	<u>32,385,203</u>
Outstanding minimum work commitments under various PCAs	<u>4,868,520</u>	<u>4,868,520</u>

8.2.4 As part of the Shareholders Agreement with the consortium partners in PIOL, associate, the Company has committed to invest upto US\$ 100 million in PIOL during the next five years from 31 August 2021, out of which US\$ 85 million has been invested till 30 September 2025 (30 June 2025: US\$ 85 million). The remaining amount of US\$ 15 million; Rs 4,224 million (30 June 2025: US\$ 15 million; Rs 4,262 million) will be invested in subsequent years. The Company's share of associate commitment in this respect amounts to US\$ 3 million; Rs 845 million (30 June 2025: US\$ 3 million; Rs 852 million).

8.2.5 With respect to PMPL (note 12.4), the Company had earlier entered into a Joint Venture Agreement with the stakeholders, under which the Company had committed to invest a total amount of up to USD 398 million, to be adjusted for inflation, for funding its proportionate share during Phase-I of the Reko Diq project. During the quarter, the shareholders of the Company has approved to increase the investment amount to USD 715 million to be adjusted for actual inflation and financing costs. However, after accounting for the expected project financing to be obtained by RDMC, the proportionate shareholder contributions by the Company will be reduced to USD 391 million to be adjusted for actual inflation and financing costs. In addition, the Company has committed to contribute, in the form of equity, up to USD 1 million per year towards its proportionate share in the administrative expenses of PMPL. Furthermore, the Company has provided a several corporate guarantee to fund the obligations of the Company under the Definitive Agreements.

RDMC is in the final stages of concluding project financing arrangements for Phase 1 of the Reko Diq project, with financial close expected in 2025. During the quarter, as part of the financing terms, the SOEs have agreed to provide joint and several Completion Guarantees for their pro rata contributory share (which is equal to 27.7778%) of RDMC's secured debt obligations. This guarantee will remain effective until the project achieves financial completion, i.e., the date when specific criteria are met to demonstrate the required level of commercial operations.

Furthermore, the Company has also committed to enter into a Transfers Restriction Agreement required by the project lenders. This agreement mainly requires the SOEs, in aggregate, to maintain their existing shareholding percentage of 25% in RDMC until the project achieves financial completion. Post financial completion, the requirements are relaxed to maintain 10% shareholding in RDMC, until the project debt has been fully repaid.

OIL AND GAS DEVELOPMENT COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS [UNAUDITED]
FOR THE QUARTER ENDED 30 SEPTEMBER 2025

		Unaudited 30 September 2025	Audited 30 June 2025
	Note	----- (Rupees '000) -----	
9	PROPERTY, PLANT AND EQUIPMENT		
Carrying amount at beginning of the quarter/ year		97,861,516	86,837,819
Additions/adjustments during the quarter/ year	9.1	17,087,183	23,602,381
Book value of disposals		(12,548)	(51,276)
Depreciation charge for the quarter/ year		(3,182,727)	(11,568,974)
Revision in estimate of decommissioning cost during the quarter/ year		-	(958,434)
Carrying amount at end of the quarter/ year	9.2	<u>111,753,424</u>	<u>97,861,516</u>
9.1	Additions/adjustments during the quarter/ year		
Freehold land		67,454	-
Buildings, offices and roads on freehold land		3,154	244,668
Buildings, offices and roads on leasehold land		70,560	685,192
Plant and machinery		1,411,189	10,556,041
Rigs		121,061	112,055
Pipelines		127,314	294,832
Office and domestic equipment		142,569	207,270
Office and technical data computers		61,578	272,843
Furniture and fixture		51	2,420
Vehicles		151,127	931,154
Right of use of Asset		-	3,468,690
Decommissioning cost		-	881,617
Capital work in progress (net movement)		14,439,543	3,918,979
Stores held for capital expenditure (net movement)		491,583	2,026,620
		<u>17,087,183</u>	<u>23,602,381</u>
9.2	Property, plant and equipment comprises:		
Operating fixed assets		78,687,207	79,726,425
Capital work in progress		24,574,023	10,134,480
Stores held for capital expenditure		8,492,194	8,000,611
		<u>111,753,424</u>	<u>97,861,516</u>
10	DEVELOPMENT AND PRODUCTION ASSETS		
Carrying amount at beginning of the quarter/ year		139,011,750	120,435,679
Additions during the quarter/ year		3,805,892	10,444,594
Transferred from exploration and evaluation assets during the quarter/ year		1,241,940	24,470,927
Stores held for development and production activities (net movement)		1,523,433	10,237,513
Amortization charge for the quarter/ year		(4,416,749)	(23,058,571)
Revision in estimates of decommissioning cost during the quarter/ year		-	(3,518,392)
Carrying amount at end of the quarter/ year		<u>141,166,266</u>	<u>139,011,750</u>
11	EXPLORATION AND EVALUATION ASSETS		
Balance at beginning of the quarter/ year		23,674,238	18,552,999
Additions during the quarter/ year		7,999,617	33,825,293
		<u>31,673,855</u>	<u>52,378,292</u>
Cost of dry and abandoned wells during the quarter/ year		(100,123)	(4,233,127)
Cost of wells transferred to development and production assets during the quarter/ year		(1,241,940)	(24,470,927)
		<u>(1,342,063)</u>	<u>(28,704,054)</u>
		30,331,792	23,674,238
Stores held for exploration and evaluation activities		4,777,173	5,265,580
Balance at end of the quarter/ year		<u>35,108,965</u>	<u>28,939,818</u>

OIL AND GAS DEVELOPMENT COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS [UNAUDITED]
FOR THE QUARTER ENDED 30 SEPTEMBER 2025

		Unaudited 30 September 2025	Audited 30 June 2025
	Note	------(Rupees '000)-----	
12 LONG TERM INVESTMENTS			
Investment in subsidiary:			
OGDC Renewable Energy (Private) Limited (formerly, Pakistan Energy Development (Private) Limited), unquoted	12.1	100	100
Investment in associates:			
Mari Energies Limited (formerly, Mari Petroleum Company Limited), quoted	12.2	52,626,669	54,525,502
Pakistan International Oil Limited, unquoted	12.3	19,739,738	19,929,016
Pakistan Minerals (Private) Limited, unquoted	12.4	68,719,716	63,185,617
Investments at amortized cost			
Pakistan Investment Bonds (PIBs)	12.5	21,361,203	20,701,527
Term Finance Certificates (TFCs)	12.6	64,556,388	84,104,789
		85,917,591	104,806,316
Less: Current portion shown under current assets		(65,631,946)	(84,520,671)
		20,285,645	20,285,645
		161,371,868	157,925,880

12.1 During the year ended 30 June 2024, the Company incorporated a wholly owned subsidiary in Pakistan, Pakistan Energy Development (Private) Limited (PEDL), under the Companies Act, 2017. During the year ended 30 June 2025, the name of the PEDL has been changed to OGDC Renewable Energy (Private) Limited (OREL). The principal line of business of OREL is to engage in exploration, exploitation and development of renewable energy resources in Pakistan and has not yet commenced commercial operations. The total subscribed capital of OREL is Rs 100 thousand divided into 10,000 ordinary shares of Rs 10 each, paid by the Company.

12.2 Mari Energies Limited (formerly, Mari Petroleum Company Limited) (MEL) is a listed company incorporated in Pakistan and is principally engaged in exploration, production and sale of hydrocarbons in Pakistan. The Company has 20% (30 June 2025: 20%) holding in the associate. The market value of the investment in associate as at quarter end is Rs 177,942 million (30 June 2024: Rs 150,532 million).

During the year ended 30 June 2025, MEL has issued 213,444,000 bonus shares to the Company in the ratio of eight shares for every one share held after collection of tax under the Income Tax Ordinance, 2001 from the Company amounting to Rs 9,498 million, equal to ten- percent of the market value of the bonus shares to be issued to the Company, which was charged as taxation expense during the quarter ended 30 September 2024. As the quarter end, 2,001,042 bonus shares (30 June 2025: 2,001,042 bonus shares) have been withheld by MEL due to pending resolution of issue relating to withholding tax on issuance of bonus shares.

12.3 Pakistan International Oil Limited (PIOL) is a company engaged in the business of extraction of oil and natural gas and is registered as a limited liability company in the Emirate of Abu Dhabi and incorporated in Abu Dhabi Global Market. Each consortium company (investors) which includes OGDCL, MEL, Pakistan Petroleum Company Limited (PPL) and Government Holdings (Private) Limited (GHPL) have a 25% equity stake in PIOL. The concession agreement between PIOL and Abu Dhabi National Oil Company (ADNOC) was signed on 31 August 2021 and the Offshore Block 5 was awarded to PIOL. Till 30 September 2025, the Company has subscribed 8.5 million ordinary shares of PIOL (30 June 2025: 8.5 million ordinary shares) by paying USD 85 million; Rs 20,426 million (30 June 2025: USD 85 million; Rs 20,426 million).

On 11 June 2025, the Supreme Council for financial and Economic Affairs (SCFEA) awarded the Production Concession Agreement to ADNOC and PIOL in respect of Offshore Block 5 with PIOL holding 40% participating interest in the concession.

12.4 The Company has invested in the project company, i.e. Reko Diq Mining Company (Private) Limited (RDMC) through Pakistan Minerals (Private) Limited (PMPL), an entity incorporated and operating in Pakistan with collective representation of the Company, PPL and GHPL, together called the State-Owned Enterprises (SOEs). RDMC is engaged in the mineral exploration activities in Pakistan. PMPL holds an indirect working interest of 25% (8.33% of each SOE) in the RDMC through offshore holding companies namely Reko Diq Holdings Limited and Reko Diq Investments Limited (hereinafter referred to as "Holdcos"). RDMC is incorporated in Pakistan and Holdcos are incorporated in Bailiwick of Jersey. The Company's equity interest in PMPL is 33.33% with an effective interest of 8.33% in RDMC. The SOEs have representation on the Boards of Holdcos and RDMC through PMPL.

OIL AND GAS DEVELOPMENT COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS [UNAUDITED]
FOR THE QUARTER ENDED 30 SEPTEMBER 2025

PMPL through resolution dated 14 May 2025 has increased the paid-up capital of the company by the issue of a further 1,549,250,040 ordinary shares of face value of PKR 10 each at a subscription price of Rs 100 each, through rights issue by offering the shares to existing members of PMPL, in proportion to their existing shareholding. Accordingly, the Company has subscribed 516,416,680 ordinary shares of face value PKR 10 along with the premium. The total shares subscribed by the Company in PMPL now stands at 516,420,680.

During the quarter, the Company has made further equity contribution amounting to Rs 6,032.775 million in PMPL.

- 12.5** This represents PIBs received from Uch Power Private Limited against partial settlement of overdue trade receivables on 27 June 2023 and 04 July 2023. Face value and fair value of the PIBs on the date of initial recognition amounted to Rs 21,866 million (30 June 2025: Rs 21,866 million) and Rs 20,286 million (30 June 2025: Rs 20,286 million) respectively and are carried at floating interest rate of 11.97% per annum (30 June 2025: 11.97% per annum).
- 12.6** This represents investment in privately placed TFCs amounting to Rs 82,000 million. In 2013, the Government of Pakistan (GoP), for partial resolution of circular debt issue prevailing in the energy sector, approved issuance of TFCs amounting to Rs 82,000 million by Power Holding Limited (PHL), which is a government owned entity and a related party. These TFCs were subscribed by the Company in order to settle its overdue receivables from oil refineries and gas companies.

As per original terms of investor agreement between the Company and PHL, TFCs were for a period of seven (7) years including grace period of three (3) years carrying interest rate of KIBOR + 1%, payable semi-annually. The principal portion of these TFCs was to be paid in eight (8) equal instalments starting from 42nd month of date of transaction. National Bank of Pakistan executed the transaction on 10 September 2012 as Trustee. These TFCs are secured by Sovereign Guarantee of the GoP, covering the principal, mark-up, and/ or any other amount becoming due for payment in respect of investment in TFCs.

During last year, an addendum to the agreement was signed with PHL on 26 June 2024 for the settlement of TFCs. As per the terms of the addendum, the overdue principal amount of Rs 82,000 million was received on 27 June 2024 and the interest accrued up to that date of Rs 92,718 million was to be received in twelve (12) equal monthly installments commencing from July 2025 and the unrecognized liquidated damages were waived off. There will be no interest on unpaid interest. Considering the significant modification of the terms of TFCs, the carrying amount of the existing financial asset of Rs 174,718 million was derecognized and a new financial asset of Rs 151,610 million was recognized resulting in a loss on modification in terms of TFCs of Rs 23,108 million in the financial statements for the year ended 30 June 2024. During the quarter, an effective interest income representing unwinding of discounted cash flows as per modified terms of TFCs amounting to Rs 3,628 million (30 June 2025: Rs 14,495 million) has been recognised in the profit or loss. During the quarter, an amount of Rs 23,176 million has been received from PHL in respect of the aforementioned interest.

13 LEASE RECEIVABLES

Net investment in lease has been recognized on Gas Sale Agreements (GSAs) with power companies i.e. Uch Power (Private) Limited (UPL) and Uch-II Power (Private) Limited (Uch-II) as follows:

		Unaudited 30 September 2025	Audited 30 June 2025
	Note	------(Rupees '000)-----	
Net investment in lease		127,241,919	140,894,502
Less: Current portion of net investment in lease	13.1	(40,011,655)	(48,696,323)
		<u>87,230,264</u>	<u>92,198,179</u>

- 13.1** Current portion of net investment in lease includes amounts billed to customers of Rs 24,430 million (30 June 2025: Rs 33,654 million) out of which Rs 20,945 million (30 June 2025: Rs 30,226 million) is overdue on account of inter-corporate circular debt. As disclosed in note 3, SECP has deferred the applicability of ECL model till financial year ending on or before 31 December 2025 on debts due directly or ultimately from the GoP in consequence of the circular debt. The amount is considered to be fully recoverable as the GoP is committed, hence continuously pursuing for satisfactory settlement of inter-corporate circular debt issue. The Company has contractual right and is entitled to charge interest if lease payments are delayed beyond agreed payment terms, however, the same is recognized when received by the Company. During the year ended 30 June 2025, the Board of Directors of the Company has approved the waiver of unrecognised late payment surcharge as granted by Federal Cabinet on 19 March 2025, upto 31 December 2024 to expedite the settlement of circular debt balance.

OIL AND GAS DEVELOPMENT COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS [UNAUDITED]
FOR THE QUARTER ENDED 30 SEPTEMBER 2025

	Unaudited 30 September 2025	Audited 30 June 2025
	----- (Rupees '000) -----	
14 TRADE DEBTS		
Un-secured- considered good	612,777,849	613,660,983
Un-secured- considered doubtful	64,941	78,527
	<u>612,842,790</u>	<u>613,739,510</u>
Provision for doubtful trade debts	(64,941)	(78,527)
	<u>612,777,849</u>	<u>613,660,983</u>

- 14.1** Trade debts include overdue amount of Rs 550,839 million (30 June 2025: Rs 549,976 million) on account of inter-corporate circular debt, receivable from oil refineries, gas companies and power producers out of which Rs 263,943 million (30 June 2025: Rs 264,208 million) and Rs 237,012 million (30 June 2025: Rs 231,980 million) are overdue from related parties, Sui Northern Gas Pipeline Limited and Sui Southern Gas Company Limited respectively. The Government of Pakistan (GoP) is committed, hence continuously pursuing for satisfactory settlement of inter-corporate circular debt issue, however, the progress is slower than expected resulting in accumulation of Company's trade debts. The Company considers this amount to be fully recoverable because the Government of Pakistan has been assuming the responsibility to settle the inter-corporate circular debt in the energy sector. The Company recognizes interest/ surcharge, if any, on delayed payments from customers when the interest/ surcharge on delayed payments is received by the Company, also refer note 13.1 related to waiver of late payment surcharge from UPL and Uch-II. As disclosed in note 3, SECP has deferred the applicability of ECL model till financial year ending on or before 31 December 2025 on financial assets due directly or ultimately from the GoP in consequence of the circular debt.

	Unaudited 30 September 2025	Audited 30 June 2025
	----- (Rupees '000) -----	
15 INCOME TAX- ADVANCE		
Income tax -advance at beginning of the quarter/ year	114,026,596	54,019,658
Income tax paid during the quarter/ year	37,374,534	154,678,576
Provision for current taxation- profit or loss	19 (22,593,207)	(106,995,830)
Tax credit related to remeasurement gain on employee retirement benefit plans - other comprehensive income	-	12,324,192
Income tax- advance at end of the quarter/ year	<u>128,807,923</u>	<u>114,026,596</u>

16 OTHER FINANCIAL ASSETS

Investment in Term Deposit Receipts (TDRs) -at amortized cost	16.1	167,534,527	152,109,459
Investment at fair value through profit or loss- Mutual funds		41,500,000	-
Investment at fair value through profit or loss- NIT units	16.2	760,136	600,772
		<u>209,794,663</u>	<u>152,710,231</u>

- 16.1** This includes foreign currency TDRs amounting to USD 470.136 million; Rs 132,155 million (30 June 2025: USD 473.625 million; Rs 134,320 million), and accrued interest amounting to USD 7.181 million; Rs 2,022 million (30 June 2025: USD 2.155 million; Rs 611 million), carrying interest rate ranging from 5.85% to 7.40% (30 June 2025: 5.85% to 7.40%) per annum, having maturities up to six months (30 June 2025: six months). This also includes investments in local currency TDRs amounting to Rs 32,260 million (30 June 2025: Rs 16,760) and foreign currency TDRs amounting to USD 34 million ; Rs 9,557 million (30 June 2025: USD 34 million ; Rs 9,753). These investments are earmarked against self insurance reserve as explained in note 4.2 to these interim financial statements.

- 16.2** Fair value has been determined using quoted repurchase prices, being net asset value of units as at quarter end.

OIL AND GAS DEVELOPMENT COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS [UNAUDITED]
FOR THE QUARTER ENDED 30 SEPTEMBER 2025

		Quarter ended 30 September	
		2025	2024
		------(Rupees '000)-----	
17	SALES- NET		
	Gross sales		
	Crude oil	45,277,057	51,278,105
	Gas	52,172,589	56,782,433
	Liquefied petroleum gas	10,396,121	11,213,224
	Sulphur	-	64,546
		<u>107,845,767</u>	<u>119,338,308</u>
	Government levies		
	General sales tax	(10,926,687)	(12,554,566)
	Petroleum levy	(270,526)	(265,351)
	Excise duty	(456,586)	(507,396)
		<u>(11,653,799)</u>	<u>(13,327,313)</u>
		<u>96,191,968</u>	<u>106,010,995</u>

- 17.1** In respect of six of its operated concessions, namely, Gurgalot, Sinjhor, Bitrisim, Khewari, Nim and TAY Blocks and one non-operated Tal Block, Petroleum Concession Agreements (PCAs) were executed under the framework of Petroleum Policies 1994 and 1997. Later on, in pursuance to the option available under Petroleum Policy (PP) 2012, the Tal Block working interest owners wherein the Company's working interest is 27.7632% signed the Supplemental Agreement (SA) dated 28 August 2015 with the GoP for conversion of eligible existing and future discoveries under Tal PCA to the PP 2012. Further, for aforementioned operated concessions, the Company also signed the SAs for conversion to PP 2012. Under the said arrangement, price regimes prevailing in PP 2007, PP 2009 and PP 2012 in terms of PP 2012 shall be applicable, correlated with the spud dates of the wells in the respective policies starting from 27 November 2007. The conversion package as defined in the SAs included windfall levy on natural gas only.

Oil and Gas Regulatory Authority (OGRA) has been notifying the revised wellhead prices in accordance with the relevant Supplemental Agreements for the period from the commencement of production of the respective discoveries. Accordingly, the financial impacts of the price revision were duly accounted for in the financial statements for the years ended 30 June 2016, 30 June 2017 and 30 June 2018 on completion of the process laid down in the law and in line with the Company's accounting policy.

On 27 December 2017, the Ministry of Energy (Petroleum Division) (MoE) notified amendments in PP 2012 after approval from the Council of Common Interests (CCI) dated 24 November 2017. These amendments include imposition of Windfall Levy on Oil/Condensate (WLO). Under the said Notification, the Supplemental Agreements already executed for conversion from Petroleum policies of 1994 and 1997 shall be amended within 90 days, failing which the working interest owners will not remain eligible for gas price incentive. On 03 January 2018, the Directorate General Petroleum Concessions (DGPC) has required all exploration and production companies to submit supplemental agreements to incorporate the aforementioned amendments in PCAs signed under 1994 and 1997 policies, for execution within the stipulated time as specified above.

Based on a legal advice, the Company is of the view that terms of the existing PCAs as amended to-date through the supplemental agreements already executed cannot unilaterally be amended by the GoP through introduction of amendment nor can the GoP lawfully require and direct that such amendments be made to include imposition of WLO retrospectively and nor the GoP unilaterally hold and direct that the gas price incentive to which the Company is presently entitled to and receiving under the conversion package as enshrined under the supplemental agreement stands withdrawn or the Company ceases to be eligible for such incentive in case of failure to adopt the unilateral amendments in the existing PCAs. Accordingly, the aforementioned amendments as well as the subsequent letters requiring implementation of the amendments are not enforceable or binding upon the Company.

The Company along with other joint operation partners has challenged the applicability of WLO against the backdrop of supplemental agreements already executed pursuant to PP 2012 in the Honorable Islamabad High Court which has granted stay order till next date of hearing against the CCI decision dated 24 November 2017 on imposition of WLO. As mentioned above, the Company on the advice of its legal counsel is confident that it has sound grounds to defend the aforesaid issue in the Court and that the issue will be decided in favour of the Company.

The cumulative past benefit accrued and recorded in the financial statements by the Company upto 23 November 2017 in the form of revenue and profit after tax is Rs 8,550 million and Rs 4,426 million respectively. However, without prejudice to the Company's stance in the Court case, revenue of Rs 46,246 million (30 June 2025: Rs 44,899 million) related to gas price incentive against the supplemental agreements has been set aside on a point forward basis effective 24 November 2017 (the date of decision of CCI).

OIL AND GAS DEVELOPMENT COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS [UNAUDITED]
FOR THE QUARTER ENDED 30 SEPTEMBER 2025

17.2 Gas Sale Agreement (GSA) in respect of Kunnar Pasakhi Deep (KPD) fields between the Company and Sui Southern Gas Company Limited has been finalized between the parties on 12 July 2024 and the final approval of the MoE is pending. Adjustments on finalisation of GSA have been incorporated in these financial statements.

17.3 In prior year, MoE has approved formula for wellhead price of gas sale from Nur-Bagla field and the Company has applied, on 19 July 2024 by paying wellhead gas price application fee, to OGRA for notification of price of gas. Thereafter, OGRA vide letter dated 13 November 2024 appraised that the Authority is empowered to determine the well-head gas prices for the producers of natural gas in accordance with the relevant agreements or contracts to notify the same in the official gazette. Therefore, the Company filed a draft Gas Pricing Agreement (GPA) of Nur-Bagla on 3 December, 2024 before the MoE for approval. After the approval by MoE, the same shall be submitted to OGRA for the notification of well-head gas price of Nur-Bagla. Currently the sales revenue is being recognised as per price applicable according to the formula approved by the MoE. The management expects that there will be no material differences in the gas price to be notified by OGRA.

		Quarter ended 30 September	
		2025	2024
	Note	------(Rupees '000)-----	
18	FINANCE AND OTHER INCOME		
	Income from financial assets		
	Interest income on:		
	Investments and bank deposits	4,588,304	11,405,604
	Finance income- lease	4,564,085	5,047,616
	Delayed payments surcharge from customers	-	5,943,653
	Unwinding of Loss on modification in terms of TFCs	12.6	3,627,968
	Un-realized gain on investments at fair value through profit or loss		159,364
	Exchange loss -net		(1,137,932)
	Signature bonus/ contract renewal fee	18.1	249,556
	Income on account of liquidated damages		108,351
	Others		24,999
		<u>12,184,695</u>	<u>25,726,888</u>

18.1 This represents income recognized on account of signature bonus/ contract renewal fee in respect of allocation of LPG quota.

		Quarter ended 30 September	
		2025	2024
		------(Rupees '000)-----	
19	TAXATION		
	Current tax- charge	22,593,207	33,048,621
	Deferred tax- charge/ (credit)	<u>1,084,167</u>	<u>(448,387)</u>
		<u>23,677,374</u>	<u>32,600,234</u>

		Quarter ended 30 September	
		2025	2024
20	EARNINGS PER SHARE- BASIC AND DILUTED		
	Profit for the quarter (Rupees '000)	<u>38,304,846</u>	<u>41,019,911</u>
	Average number of shares outstanding during the quarter ('000)	<u>4,300,928</u>	<u>4,300,928</u>
	Earnings per share- basic (Rupees)	<u>8.91</u>	<u>9.54</u>

There is no dilutive effect on the earnings per share of the Company.

OIL AND GAS DEVELOPMENT COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS [UNAUDITED]
FOR THE QUARTER ENDED 30 SEPTEMBER 2025

21 FAIR VALUE HIERARCHY

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3
	----- (Rupees '000) -----		
Financial assets measured at fair value			
Other financial assets- NIT units			
30 September 2025	760,136	-	-
30 June 2025	600,772	-	-
		Quarter ended 30 September	
		2025	2024
		----- (Rupees '000) -----	

22 CASH AND CASH EQUIVALENTS

Cash and bank balances	12,513,411	137,261,690
Short term highly liquid investments	167,534,527	127,171,938
	<u>180,047,938</u>	<u>264,433,628</u>

23 RELATED PARTIES TRANSACTIONS

Government of Pakistan owns 74.97% (30 June 2025: 74.97%) shares of the Company. In 2022, the Honorable Supreme Court of Pakistan declared the Benazir Employees' Stock Option Scheme ultra vires. Accordingly, the shares currently held by OGDCL Employees' Empowerment Trust (OEET) 10.05% (30 June 2025: 10.05%) will be transferred back to the GoP, and GoP holding will be increased. Therefore, all entities owned and controlled by the Government of Pakistan are related parties of the Company. Other related parties comprise associates, major shareholders, directors, companies with common directorship, key management personnel, OGDCL employees empowerment trust, employees pension trust and gratuity fund. The Company in normal course of business pays for airfare, electricity, telephone, gas, yield analysis required under Petroleum Concession Agreements and make regulatory payments to entities controlled by the GoP which are not material, hence not disclosed in these interim financial statements. Transactions with related parties other than disclosed below are disclosed in relevant notes to these interim financial statements. Transactions of the Company with related parties and balances outstanding at quarter end are as follows:

	Quarter ended 30 September	
	2025	2024
	----- (Rupees '000) -----	
OREL- Subsidiary company- 100% shareholding of the Company and common directorship		
Cost of investment	100	100
Payment made for subscribed shares	100	-
Payable as at 30 September	-	100
MEL- Associated company- 20% shareholding of the Company and common directorship		
Share of profit in associate	3,268,447	3,864,403
Dividend received	5,167,279	3,545,394
Tax paid on issuance of bonus shares	-	9,497,633
Expenditure charged by joint operations partner- net	(501,095)	(1,399,340)
Cash calls paid/ (received) to joint operations partner- net	371,689	(798,111)
Share (various fields) payable as at 30 September	1,080,926	2,067,250
Share (various fields) receivable as at 30 September	584,012	49,452

OIL AND GAS DEVELOPMENT COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS [UNAUDITED]
FOR THE QUARTER ENDED 30 SEPTEMBER 2025

	Quarter ended 30 September	
	2025	2024
	----- (Rupees '000) -----	
RELATED PARTIES TRANSACTIONS- continued		
PIOL- Associated company- 25% shareholding of the Company and common directorship		
Share of (loss) in associate	(13,975)	(49,939)
Share of other comprehensive (loss)	(175,303)	(26,321)
PMPL- Associated company- 33.33% shareholding of the Company and common directorship		
Cost of investment made during the quarter	6,030,107	1,649,333
Share of loss in associate	(81,631)	(567,527)
Share of other comprehensive income/ (loss)	(414,376)	(87,989)
Major shareholders		
OGDCL Employees' Empowerment Trust (10.05% share holding)		
Dividend paid to GoP on behalf of OEET	-	20,000,000
Dividend withheld	-	20,870,881
Related parties by virtue of the GoP holdings and/ or common directorship		
Sui Northern Gas Pipelines Limited		
Sale of natural gas	20,934,967	26,620,358
Trade debts as at 30 September	277,931,740	261,509,710
Pakistan State Oil Company Limited		
Sale of liquefied petroleum gas	315,583	174,726
Purchase of petroleum, oil and lubricants	2,513,016	2,272,035
Payable as at 30 September	656,411	246,542
Advance against sale of LPG as at 30 September	51,018	213,059
Pakistan Petroleum Limited		
Expenditure charged to/ (by) joint operations partner- net	1,028,562	(494,090)
Cash calls received joint operations partner- net	(723,930)	(1,107,201)
Share (various fields) receivable as at 30 September	2,028,022	2,516,885
Share (various fields) payable as at 30 September	1,920,581	2,101,448
Pak Arab Refinery Company Limited		
Sale of crude oil	1,924,276	4,323,274
Trade debts as at 30 September	1,762,084	2,805,440
PARCO Pearl Gas (Private) Limited		
Sale of liquefied petroleum gas	161,600	150,691
Advance against sale of LPG as at 30 September	53,836	51,457
Pakistan Refinery Limited		
Sale of crude oil	3,157,387	3,927,504
Trade debts as at 30 September	5,213,717	6,766,688
Khyber Pakhtunkhwa Oil & Gas Company (KPOGCL)		
Expenditure charged to joint operations partner	17,131	15,503
Cash calls received from joint operations partner	-	538,847
Share (various fields) receivable as at 30 September	32,059	387,113

OIL AND GAS DEVELOPMENT COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS [UNAUDITED]
FOR THE QUARTER ENDED 30 SEPTEMBER 2025

	Quarter ended 30 September	
	2025	2024
	----- (Rupees '000) -----	
RELATED PARTIES TRANSACTIONS- continued		
Sindh Energy Holding Company Limited (SEHCL)		
Expenditure charged to joint operations partner	380	13
SEHCL share (various fields) payable as at 30 September	-	2,196
SEHCL share (various fields) receivable as at 30 September	2,819	-
Sui Southern Gas Company Limited		
Sale of natural gas	12,461,682	12,112,572
Sale of liquefied petroleum gas	261,517	215,622
Trade debts as at 30 September	245,262,359	247,362,293
Advance against sale of LPG as at 30 September	94,333	93,624
Sui Southern Gas Company LPG (Pvt) Limited		
Advance against sale of LPG as at 30 September	19,704	35,905
Government Holdings (Private) Limited (GHPL)		
Expenditure charged to joint operations partner	1,170,094	1,265,667
Cash calls (paid to)/ received from joint operations partner	(1,404,738)	760,430
GHPL share (various fields) receivable as at 30 September	3,243,681	4,291,582
GHPL share (various fields) payable as at 30 September	11,616	1,849,573
National Investment Trust		
Investment as at 30 September	760,136	409,081
National Bank of Pakistan		
Balance at bank as at 30 September	1,586,762	17,255,437
Balance of investment in TDRs as at 30 September	106,735,285	95,132,102
Interest earned	2,080,958	3,618,235
Power Holding Limited (PHL)		
Balance of mark-up receivable on TFCs as at 30 September	64,556,388	73,120,775
National Insurance Company Limited		
Insurance premium paid	32,741	1,216,982
Payable as at 30 June	-	4,291
National Logistic Cell		
Crude transportation charges paid	171,054	454,045
Payable as at 30 September	650,808	644,350
Enar Petrotech Services Limited		
Consultancy services	2,984	20,868
Payable as at 30 September	635	2,780
Enar Petroleum Refining Facility		
Sale of crude oil	10,081,122	8,201,124
Payable as at 30 September	6,818,224	4,766,265
Other related parties		
Contribution to pension fund	-	9,485,702
Remuneration including benefits and perquisites of key management personnel	508,540	437,864

OIL AND GAS DEVELOPMENT COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS [UNAUDITED]
FOR THE QUARTER ENDED 30 SEPTEMBER 2025

24 RISK MANAGEMENT

Financial risk management objectives and policies are consistent with that disclosed in the annual audited financial statements for the year ended 30 June 2025.

25 NON ADJUSTING EVENT AFTER REPORTING DATE

25.1 The Board of Directors recommended final cash dividend for the year ended 30 June 2025 at the rate of Rs 5.00 per share amounting to Rs 21,505 million in its meeting held on 23 September 2025.

25.2 The Board of Directors approved interim cash dividend at the rate of 3.50 per share amounting to 15,053 million in its meeting held on 29 October 2025.

26 GENERAL

Figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.

27 DATE OF AUTHORIZATION FOR ISSUE

These interim financial statements were authorized for issue on 29 October 2025 by the Board of Directors of the Company.

Chief Financial Officer

Chief Executive

Director

OIL AND GAS DEVELOPMENT COMPANY LIMITED
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS [UNAUDITED]
FOR THE QUARTER ENDED 30 SEPTEMBER 2025

1 LEGAL STATUS AND OPERATIONS

Oil and Gas Development Company Limited (OGDCL) (the Group) comprises of Oil and Gas Development Company Limited (OGDCL) (OGDCL or the Parent Company) and its wholly owned subsidiary, OGDC Renewable Energy (Private) Limited (OREL). Oil and Gas Development Company Limited (OGDCL), 'OGDCL', was incorporated on 23 October 1997 under the Companies Ordinance, 1984 (now the Companies Act, 2017). OGDCL was established to undertake exploration and development of oil and gas resources, including production and sale of oil and gas and related activities formerly carried on by Oil and Gas Development Corporation, which was established in 1961. The shares of OGDCL are quoted on Pakistan Stock Exchange Limited. The Global Depository Shares (1GDS = 10 ordinary shares of OGDCL) of OGDCL are listed on the London Stock Exchange. The registered office of OGDCL and its subsidiary is located at OGDCL House, Plot No. 3, F-6/G-6, Blue Area, Islamabad, Pakistan.

OGDC Renewable Energy (Private) Limited (OREL) is a private limited company incorporated in Pakistan on 07 June 2024 under the Companies Act, 2017. OREL principal line of business is exploration, exploitation and development of renewable energy resources including solar, wind, hydro, geothermal energy. Presently, OREL is in the process of carrying out the pre commencement activities and has not yet commenced its operations.

For the purpose of these consolidated financial statements, OGDCL and its consolidated subsidiary – OREL are referred as the Group.

In consideration for all the properties, rights, assets, obligations and liabilities of Oil and Gas Development Corporation vested in the Parent Company, 1,075,232,100 ordinary fully paid shares of Rs 10 each were issued to the Government of Pakistan (GoP) on 23 October 1997. Currently, the GoP holds 74.97% (30 June 2025: 74.97%) paid up capital of the Parent Company. In 2022, the Honorable Supreme Court of Pakistan declared the Benazir Employees' Stock Option Scheme ultra vires. Accordingly, the shares currently held by OGDCL Employees' Empowerment Trust (OEET) 10.05% (30 June 2025: 10.05%) will be transferred back to the GoP and accordingly, the GoP holding will be increased. During the year ended 30 June 2024, the Pakistan Sovereign Wealth Fund Act, 2023 became effective. Under the said Act, the GoP's shareholding in the Parent Company including shares held by OEET stands transferred to the Pakistan Sovereign Wealth Fund (PSWF). Accordingly, the GoP is in the process of taking necessary actions required to record the transfer of the shares to PSWF.

2 BASIS OF PREPARATION

These condensed interim consolidated financial statements (here in after referred to as the "interim consolidated financial statements") are the separate interim consolidated financial statements of the Group and have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim consolidated financial reporting. The accounting and reporting standards as applicable in Pakistan for interim consolidated financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

The disclosures in these interim consolidated financial statements do not include those reported for full annual audited consolidated financial statements and should therefore be read in conjunction with the annual audited consolidated financial statements for the year ended 30 June 2025. Comparative statement of consolidated financial position is extracted from the annual audited consolidated financial statements as of 30 June 2025, whereas comparative consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows are stated from unaudited interim consolidated financial statements of the Parent Company and its subsidiary for the quarter ended 30 September 2024.

These interim consolidated financial statements are unaudited and are being submitted to the members as required under Section 237 of Companies Act, 2017.

3 ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

The accounting policies, significant judgments made in the application of accounting policies, key sources of estimations, the methods of computation adopted in preparation of these interim consolidated financial statements and financial risk management policies are the same as those applied in preparation of annual audited consolidated financial statements for the year ended 30 June 2025. The management also believes that standards, amendments to published standards and interpretations that are effective for the Group from accounting periods beginning on or after 01 July 2025 do not have any significant effect on these interim consolidated financial statements or are not relevant to the Group.

OIL AND GAS DEVELOPMENT COMPANY LIMITED
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS [UNAUDITED]
FOR THE QUARTER ENDED 30 SEPTEMBER 2025

Furthermore, because of reasons as disclosed in note 2.1.2 to the annual audited consolidated financial statements for the year ended 30 June 2025, the Securities and Exchange Commission of Pakistan (SECP) has notified that the requirements contained in IFRS 9 with respect to application of Expected Credit Loss (ECL) method shall not be applicable till the financial year ending on or before 31 December 2025 in respect of companies holding financial assets due from the Government of Pakistan (GoP), including those that are directly due from GoP and that are ultimately due from GoP in consequence of the circular debt issue. Such companies shall follow relevant requirements of IAS 39 'Financial Instruments: Recognition and Measurement' in respect of above referred financial assets during the exemption period. The Parent Company has requested SECP vide its letter dated 08 August 2025 that deferment/ exemption from application of ECL method under IFRS 9 in respect of financial assets due directly or ultimately from GoP may kindly be extended till such date the circular debt issue is resolved. The SECP vide letter dated 23 September 2025 has intimated that the application is in process.

		Unaudited 30 September 2025	Audited 30 June 2025
	Note	------(Rupees '000)-----	
4 RESERVES			
Capital reserves:			
Capital reserve	4.1	836,000	836,000
Self insurance reserve	4.2	21,112,500	20,750,000
Self insurance reserve- associate	4.3	920,000	920,000
		<u>22,868,500</u>	<u>22,506,000</u>
Other reserves:			
Foreign currency translation reserve	4.4	1,918,431	2,093,734
Foreign currency translation reserve- associates (net)	4.5	8,895,286	9,309,662
		<u>10,813,717</u>	<u>11,403,396</u>
		<u>33,682,217</u>	<u>33,909,396</u>

4.1 This represents bonus shares issued by former wholly owned subsidiary- Pirkoh Gas Company (Private) Limited (PGCL) prior to merger. Accordingly, this reserve is not available for distribution to shareholders.

4.2 The Group has set aside a specific capital reserve for self insurance of rigs, buildings, wells, plants, pipelines, workmen compensation, inventory, terrorism, vehicle repair and losses for petroleum products in transit. Refer note 16.1 for investment against this reserve. Accordingly, this reserve is not available for distribution to shareholders.

4.3 This represents a specific capital reserve set aside by an associate for self insurance of its assets which have not been insured, for uninsured risks and for deductibles against insurance claims.

4.4 This represents accumulated balance of translation effect of a foreign operation in Rupees as per the Company's accounting policy.

4.5 This represents accumulated balance of a translation effect of foreign operations in Rupees of associates.

5 PROVISION FOR DECOMMISSIONING COST

	Unaudited 30 September 2025	Audited 30 June 2025
	------(Rupees '000)-----	
Balance at beginning of the quarter/ year	61,594,813	59,600,474
Provision during the quarter/ year	100,478	1,722,273
Decommissioning cost incurred during the quarter/ year	(48,708)	(143,416)
	<u>61,646,583</u>	<u>61,179,331</u>
Revision due to change in estimates	-	(5,255,809)
Unwinding of discount on provision for decommissioning cost	1,134,943	5,671,291
Balance at end of the quarter/ year	<u>62,781,526</u>	<u>61,594,813</u>

OIL AND GAS DEVELOPMENT COMPANY LIMITED
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS [UNAUDITED]
FOR THE QUARTER ENDED 30 SEPTEMBER 2025

6 LONG TERM LEASE LIABILITY

During the year ended 30 June 2025, the Group has recognized a lease liability and right of use asset of Early Production Facilities (facilities) under the Gas Processing Contract, executed by operator, Mari Energies Limited (MEL), a related party, for Waziristan block joint operation for a lease term of two years and considering the option to purchase the asset upon expiry of the lease term. The Group has recognized its share of the right-of-use asset under property, plan and equipment and lease liability towards operator has been recognized separately to the extent of the Company's share.

	Unaudited 30 September 2025	Audited 30 June 2025
	------(Rupees '000)-----	
Lease liability	2,783,676	3,039,610
Less: Current portion of net liability in lease	(1,031,130)	(983,551)
	<u>1,752,546</u>	<u>2,056,059</u>
Balance at beginning of the quarter/ year	3,039,610	-
Additions during the quarter/ year	-	3,468,690
Unwinding of lease liabilities	82,967	95,663
Payments made during the quarter/ year	(312,471)	(565,295)
Exchange (gain)/ loss	(26,430)	40,552
Balance at the end of quarter/ year	2,783,676	3,039,610
Less: current portion of long term lease liabilities shown under current liabilities	(1,031,130)	(983,551)
	<u>1,752,546</u>	<u>2,056,059</u>

7 TRADE AND OTHER PAYABLES

Creditors	1,581,710	1,215,105
Accrued liabilities	16,177,217	20,663,274
Payable to partners of joint operations	8,008,831	10,605,676
Retention money payable	12,544,635	7,431,297
Royalty payable to the Government of Pakistan	7,846,856	11,778,726
Excise duty payable	154,876	101,030
General sales tax payable	-	1,585,703
Petroleum levy payable	130,989	171,418
Withholding tax payable	2,682,148	500,908
Trade and other deposits	3,666,896	3,765,588
Workers' profit participation fund	2,963,004	14,700,782
Employees' pension trust	21,050,235	19,816,723
Gratuity fund	925,254	739,295
Liability for staff compensated absences -current portion	3,449,588	5,617,526
Advances from customers- unsecured	2,598,783	2,552,944
Other payables	7.1 22,593,449	22,515,618
	<u>106,374,471</u>	<u>123,761,613</u>

7.1 This includes an amount of Rs 21,891 million (30 June 2025: Rs 21,891 million) received from customers on account of additional revenue due to enhanced gas price incentive as explained in note 17.1.

7.2 Gas Infrastructure Development Cess (GIDC) amounting to Rs 2,255 million (30 June 2025: Rs 2,255 million) is recoverable from customers and payable to the GoP. These interim consolidated financial statements do not reflect the said amount since under the provisions of the GIDC laws and regulations, the Group is required to pay the said amount as and when the same is collected from customers. The GIDC is presented as payable to the extent that it is received from customers but not deposited with the GoP. As at year end, no such amount was received which was not deposited with the GoP. On 13 August 2020, the Supreme Court of Pakistan has decided the matter of GIDC by restraining from charging GIDC from 01 August 2020 onward and ordered gas consumers to pay GIDC arrears due upto 31 July 2020 in instalments. The fertilizer companies have obtained stay against recovery from the Sindh High Court, where the matter is subjudice.

OIL AND GAS DEVELOPMENT COMPANY LIMITED
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS [UNAUDITED]
FOR THE QUARTER ENDED 30 SEPTEMBER 2025

8 CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

- 8.1.1** There are no significant changes in the status of the contingencies as disclosed in the annual audited consolidated financial statements of the Group for the year ended 30 June 2025.

8.2 Commitments

- 8.2.1** Commitments outstanding at end of the quarter amounted to Rs 78,431 million (30 June 2025: Rs 81,413 million). These include amounts aggregating to Rs 41,862 million (30 June 2025: Rs 42,210 million) representing the Group's share in the minimum work commitments under Petroleum Concession Agreements (PCAs). The Group and its associate has given corporate guarantees to GoP under various PCAs for the performance of obligations.

- 8.2.2** Letters of credit issued by various banks on behalf of the Group in ordinary course of the business, outstanding at end of the quarter amounted to Rs 40,047 million (30 June 2025: Rs 49,957 million).

- 8.2.3** The Group's share of associate commitments as per latest available financial statements of the associates are as follows:

	Unaudited 30 September 2025	Audited 30 June 2025
	----- (Rupees '000) -----	
Commitment for capital expenditure	32,385,203	32,385,203
Outstanding minimum work commitments under various PCAs	4,868,520	4,868,520

- 8.2.4** As part of the Shareholders Agreement with the consortium partners in PIOL, associate, the Group has committed to invest upto US\$ 100 million in PIOL during the next five years from 31 August 2021, out of which US\$ 85 million has been invested till 30 September 2025 (30 June 2025: US\$ 85 million). The remaining amount of US\$ 15 million; Rs 4,224 million (30 June 2025: US\$ 15 million; Rs 4,262 million) will be invested in subsequent years. The Group's share of associate commitment in this respect amounts to US\$ 3 million; Rs 845 million (30 June 2025: US\$ 3 million; Rs 852 million).

- 8.2.5** With respect to PMPL (note 12.3), the Group had earlier entered into a Joint Venture Agreement with the stakeholders, under which the Group had committed to invest a total amount of up to USD 398 million, to be adjusted for inflation, for funding its proportionate share during Phase-I of the Reko Diq project. During the quarter, the shareholders of the Group has approved to increase the investment amount to USD 715 million to be adjusted for actual inflation and financing costs. However, after accounting for the expected project financing to be obtained by RDMC, the proportionate shareholder contributions by the Group will be reduced to USD 391 million to be adjusted for actual inflation and financing costs. In addition, the Group has committed to contribute, in the form of equity, up to USD 1 million per year towards its proportionate share in the administrative expenses of PMPL. Furthermore, the Group has provided a several corporate guarantee to fund the obligations of the Group under the Definitive Agreements.

RDMC is in the final stages of concluding project financing arrangements for Phase 1 of the Reko Diq project, with financial close expected in 2025. During the quarter, as part of the financing terms, the SOEs have agreed to provide joint and several Completion Guarantees for their pro rata contributory share (which is equal to 27.7778%) of RDMC's secured debt obligations. This guarantee will remain effective until the project achieves financial completion, i.e., the date when specific criteria are met to demonstrate the required level of commercial operations.

Furthermore, the Group has also committed to enter into a Transfers Restriction Agreement required by the project lenders. This agreement mainly requires the SOEs, in aggregate, to maintain their existing shareholding percentage of 25% in RDMC until the project achieves financial completion. Post financial completion, the requirements are relaxed to maintain 10% shareholding in RDMC, until the project debt has been fully repaid.

OIL AND GAS DEVELOPMENT COMPANY LIMITED
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS [UNAUDITED]
FOR THE QUARTER ENDED 30 SEPTEMBER 2025

		Unaudited 30 September 2025	Audited 30 June 2025
	Note	------(Rupees '000)-----	
9	PROPERTY, PLANT AND EQUIPMENT		
Carrying amount at beginning of the quarter/ year		97,861,516	86,837,819
Additions/adjustments during the quarter/ year	9.1	17,087,183	23,602,381
Book value of disposals		(12,548)	(51,276)
Depreciation charge for the quarter/ year		(3,182,727)	(11,568,974)
Revision in estimate of decommissioning cost during the quarter/ year		-	(958,434)
Carrying amount at end of the quarter/ year	9.2	<u>111,753,424</u>	<u>97,861,516</u>
9.1	Additions/adjustments during the quarter/ year		
Freehold land		67,454	-
Buildings, offices and roads on freehold land		3,154	244,668
Buildings, offices and roads on leasehold land		70,560	685,192
Plant and machinery		1,411,189	10,556,041
Rigs		121,061	112,055
Pipelines		127,314	294,832
Office and domestic equipment		142,569	207,270
Office and technical data computers		61,578	272,843
Furniture and fixture		51	2,420
Vehicles		151,127	931,154
Right of use of Asset		-	3,468,690
Decommissioning cost		-	881,617
Capital work in progress (net movement)		14,439,543	3,918,979
Stores held for capital expenditure (net movement)		491,583	2,026,620
		<u>17,087,183</u>	<u>23,602,381</u>
9.2	Property, plant and equipment comprises:		
Operating fixed assets		78,687,207	79,726,425
Capital work in progress		24,574,023	10,134,480
Stores held for capital expenditure		8,492,194	8,000,611
		<u>111,753,424</u>	<u>97,861,516</u>
10	DEVELOPMENT AND PRODUCTION ASSETS		
Carrying amount at beginning of the quarter/ year		139,011,750	120,435,679
Additions during the quarter/ year		3,805,892	10,444,594
Transferred from exploration and evaluation assets during the quarter/ year		1,241,940	24,470,927
Stores held for development and production activities (net movement)		1,523,433	10,237,513
Amortization charge for the quarter/ year		(4,416,749)	(23,058,571)
Revision in estimates of decommissioning cost during the quarter/ year		-	(3,518,392)
Carrying amount at end of the quarter/ year		<u>141,166,266</u>	<u>139,011,750</u>
11	EXPLORATION AND EVALUATION ASSETS		
Balance at beginning of the quarter/ year		23,674,238	18,552,999
Additions during the quarter/ year		7,999,617	33,825,293
		<u>31,673,855</u>	<u>52,378,292</u>
Cost of dry and abandoned wells during the quarter/ year		(100,123)	(4,233,127)
Cost of wells transferred to development and production assets during the quarter/ year		(1,241,940)	(24,470,927)
		<u>(1,342,063)</u>	<u>(28,704,054)</u>
		30,331,792	23,674,238
Stores held for exploration and evaluation activities		4,777,173	5,265,580
Balance at end of the quarter/ year		<u>35,108,965</u>	<u>28,939,818</u>

OIL AND GAS DEVELOPMENT COMPANY LIMITED
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS [UNAUDITED]
FOR THE QUARTER ENDED 30 SEPTEMBER 2025

		Unaudited 30 September 2025	Audited 30 June 2025
	Note	------(Rupees '000)-----	
12 LONG TERM INVESTMENTS			
Investment in associates:			
Mari Energies Limited (formerly, Mari Petroleum Company Limited), quoted	12.1	52,626,669	54,525,502
Pakistan International Oil Limited, unquoted	12.2	19,739,738	19,929,016
Pakistan Minerals (Private) Limited, unquoted	12.3	68,719,716	63,185,617
Investments at amortized cost			
Pakistan Investment Bonds (PIBs)	12.4	21,361,203	20,701,527
Term Finance Certificates (TFCs)	12.5	64,556,388	84,104,789
		85,917,591	104,806,316
Less: Current portion shown under current assets		(65,631,946)	(84,520,671)
		20,285,645	20,285,645
		161,371,768	157,925,780

- 12.1** Mari Energies Limited (formerly, Mari Petroleum Company Limited) (MEL) is a listed company incorporated in Pakistan and is principally engaged in exploration, production and sale of hydrocarbons in Pakistan. The Group has 20% (30 June 2025: 20%) holding in the associate. The market value of the investment in associate as at quarter end is Rs 177,942 million (30 June 2024: Rs 150,532 million).

During the year ended 30 June 2025, MEL has issued 213,444,000 bonus shares to the Group in the ratio of eight shares for every one share held after collection of tax under the Income Tax Ordinance, 2001 from the Group amounting to Rs 9,498 million, equal to ten- percent of the market value of the bonus shares to be issued to the Group, which was charged as taxation expense during the quarter ended 30 September 2024. As the quarter end, 2,001,042 bonus shares (30 June 2025: 2,001,042 bonus shares) have been withheld by MEL due to pending resolution of issue relating to withholding tax on issuance of bonus shares.

- 12.2** Pakistan International Oil Limited (PIOL) is a company engaged in the business of extraction of oil and natural gas and is registered as a limited liability company in the Emirate of Abu Dhabi and incorporated in Abu Dhabi Global Market. Each consortium company (investors) which includes OGDCL, MEL, Pakistan Petroleum Company Limited (PPL) and Government Holdings (Private) Limited (GHPL) have a 25% equity stake in PIOL. The concession agreement between PIOL and Abu Dhabi National Oil Company (ADNOC) was signed on 31 August 2021 and the Offshore Block 5 was awarded to PIOL. Till 30 September 2025, the Group has subscribed 8.5 million ordinary shares of PIOL (30 June 2025: 8.5 million ordinary shares) by paying USD 85 million; Rs 20,426 million (30 June 2025: USD 85 million; Rs 20,426 million).

On 11 June 2025, the Supreme Council for financial and Economic Affairs (SCFEA) awarded the Production Concession Agreement to ADNOC and PIOL in respect of Offshore Block 5 with PIOL holding 40% participating interest in the concession.

- 12.3** The Group has invested in the project company, i.e. Reko Diq Mining Company (Private) Limited (RDMC) through Pakistan Minerals (Private) Limited (PMPL), an entity incorporated and operating in Pakistan with collective representation of the Group, PPL and GHPL, together called the State-Owned Enterprises (SOEs). RDMC is engaged in the mineral exploration activities in Pakistan. PMPL holds an indirect working interest of 25% (8.33% of each SOE) in the RDMC through offshore holding companies namely Reko Diq Holdings Limited and Reko Diq Investments Limited (hereinafter referred to as "Holdcos"). RDMC is incorporated in Pakistan and Holdcos are incorporated in Bailiwick of Jersey. The Group's equity interest in PMPL is 33.33% with an effective interest of 8.33% in RDMC. The SOEs have representation on the Boards of Holdcos and RDMC through PMPL.

PMPL through resolution dated 14 May 2025 has increased the paid-up capital of the company by the issue of a further 1,549,250,040 ordinary shares of face value of PKR 10 each at a subscription price of Rs 100 each, through rights issue by offering the shares to existing members of PMPL, in proportion to their existing shareholding. Accordingly, the Group has subscribed 516,416,680 ordinary shares of face value PKR 10 along with the premium. The total shares subscribed by the Group in PMPL now stands at 516,420,680.

During the quarter, the Group has made further equity contribution amounting to Rs 6,032.775 million in PMPL.

OIL AND GAS DEVELOPMENT COMPANY LIMITED
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS [UNAUDITED]
FOR THE QUARTER ENDED 30 SEPTEMBER 2025

- 12.4** This represents PIBs received from Uch Power Private Limited against partial settlement of overdue trade receivables on 27 June 2023 and 04 July 2023. Face value and fair value of the PIBs on the date of initial recognition amounted to Rs 21,866 million (30 June 2025: Rs 21,866 million) and Rs 20,286 million (30 June 2025: Rs 20,286 million) respectively and are carried at floating interest rate of 11.97% per annum (30 June 2025: 11.97% per annum).
- 12.5** This represents investment in privately placed TFCs amounting to Rs 82,000 million. In 2013, the Government of Pakistan (GoP), for partial resolution of circular debt issue prevailing in the energy sector, approved issuance of TFCs amounting to Rs 82,000 million by Power Holding Limited (PHL), which is a government owned entity and a related party. These TFCs were subscribed by the Group in order to settle its overdue receivables from oil refineries and gas companies.

As per original terms of investor agreement between the Parent Company and PHL, TFCs were for a period of seven (7) years including grace period of three (3) years carrying interest rate of KIBOR + 1%, payable semi-annually. The principal portion of these TFCs was to be paid in eight (8) equal instalments starting from 42nd month of date of transaction. National Bank of Pakistan executed the transaction on 10 September 2012 as Trustee. These TFCs are secured by Sovereign Guarantee of the GoP, covering the principal, mark-up, and/ or any other amount becoming due for payment in respect of investment in TFCs.

During last year, an addendum to the agreement was signed with PHL on 26 June 2024 for the settlement of TFCs. As per the terms of the addendum, the overdue principal amount of Rs 82,000 million was received on 27 June 2024 and the interest accrued up to that date of Rs 92,718 million was to be received in twelve (12) equal monthly installments commencing from July 2025 and the unrecognized liquidated damages were waived off. There will be no interest on unpaid interest. Considering the significant modification of the terms of TFCs, the carrying amount of the existing financial asset of Rs 174,718 million was derecognized and a new financial asset of Rs 151,610 million was recognized resulting in a loss on modification in terms of TFCs of Rs 23,108 million in the financial statements for the year ended 30 June 2024. During the quarter, an effective interest income representing unwinding of discounted cash flows as per modified terms of TFCs amounting to Rs 3,628 million (30 June 2025: Rs 14,495 million) has been recognised in the profit or loss. During the quarter, an amount of Rs 23,176 million has been received from PHL in respect of the aforementioned interest.

13 LEASE RECEIVABLES

Net investment in lease has been recognized on Gas Sale Agreements (GSAs) with power companies i.e. Uch Power (Private) Limited (UPL) and Uch-II Power (Private) Limited (Uch-II) as follows:

		Unaudited 30 September 2025	Audited 30 June 2025
	Note	------(Rupees '000)-----	
Net investment in lease		127,241,919	140,894,502
Less: Current portion of net investment in lease	13.1	<u>(40,011,655)</u>	<u>(48,696,323)</u>
		<u>87,230,264</u>	<u>92,198,179</u>

- 13.1** Current portion of net investment in lease includes amounts billed to customers of Rs 24,430 million (30 June 2025: Rs 33,654 million) out of which Rs 20,945 million (30 June 2025: Rs 30,226 million) is overdue on account of inter-corporate circular debt. As disclosed in note 3, SECP has deferred the applicability of ECL model till financial year ending on or before 31 December 2025 on debts due directly or ultimately from the GoP in consequence of the circular debt. The amount is considered to be fully recoverable as the GoP is committed, hence continuously pursuing for satisfactory settlement of inter-corporate circular debt issue. The Group has contractual right and is entitled to charge interest if lease payments are delayed beyond agreed payment terms, however, the same is recognized when received by the Group. During the year, the Board of Directors of the Group has approved the waiver of unrecognised late payment surcharge as granted by Federal Cabinet on 19 March 2025, upto 31 December 2024 to expedite the settlement of circular debt balance.

		Unaudited 30 September 2025	Audited 30 June 2025
		------(Rupees '000)-----	
14 TRADE DEBTS			
Un-secured- considered good		612,777,849	613,660,983
Un-secured- considered doubtful		<u>64,941</u>	<u>78,527</u>
		612,842,790	613,739,510
Provision for doubtful trade debts		<u>(64,941)</u>	<u>(78,527)</u>
		<u>612,777,849</u>	<u>613,660,983</u>

OIL AND GAS DEVELOPMENT COMPANY LIMITED
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS [UNAUDITED]
FOR THE QUARTER ENDED 30 SEPTEMBER 2025

- 14.1** Trade debts include overdue amount of Rs 550,839 million (30 June 2025: Rs 549,976 million) on account of inter-corporate circular debt, receivable from oil refineries, gas companies and power producers out of which Rs 263,943 million (30 June 2025: Rs 264,208 million) and Rs 237,012 million (30 June 2025: Rs 231,980 million) are overdue from related parties, Sui Northern Gas Pipeline Limited and Sui Southern Gas Company Limited respectively. The Government of Pakistan (GoP) is committed, hence continuously pursuing for satisfactory settlement of inter-corporate circular debt issue, however, the progress is slower than expected resulting in accumulation of Group's trade debts. The Group considers this amount to be fully recoverable because the Government of Pakistan has been assuming the responsibility to settle the inter-corporate circular debt in the energy sector. The Group recognizes interest/ surcharge, if any, on delayed payments from customers when the interest/ surcharge on delayed payments is received by the Group, also refer note 13.1 related to waiver of late payment surcharge from UPL and Uch-II. As disclosed in note 3, SECP has deferred the applicability of ECL model till financial year ending on or before 31 December 2025 on financial assets due directly or ultimately from the GoP in consequence of the circular debt.

		Unaudited 30 September 2025	Audited 30 June 2025
	Note	----- (Rupees '000) -----	
15	INCOME TAX- ADVANCE		
Income tax -advance at beginning of the quarter/ year		114,026,596	54,019,658
Income tax paid during the quarter/ year		37,374,534	154,678,576
Provision for current taxation- profit or loss	19	(22,593,207)	(106,995,830)
Tax credit related to remeasurement gain on employee retirement benefit plans - other comprehensive income		-	12,324,192
Income tax- advance at end of the quarter/ year		<u>128,807,923</u>	<u>114,026,596</u>
16	OTHER FINANCIAL ASSETS		
Investment in Term Deposit Receipts (TDRs) -at amortized cost	16.1	167,534,527	152,109,459
Investment at fair value through profit or loss- Mutual funds		41,500,000	-
Investment at fair value through profit or loss- NIT units	16.2	760,136	600,772
		<u>209,794,663</u>	<u>152,710,231</u>

- 16.1** This includes foreign currency TDRs amounting to USD 470.136 million; Rs 132,155 million (30 June 2025: USD 473.625 million; Rs 134,320 million), and accrued interest amounting to USD 7.181 million; Rs 2,022 million (30 June 2025: USD 2.155 million; Rs 611 million), carrying interest rate ranging from 5.85% to 7.40% (30 June 2025: 5.85% to 7.40%) per annum, having maturities up to six months (30 June 2025: six months). This also includes investments in local currency TDRs amounting to Rs 32,260 million (30 June 2025: Rs 16,760) and foreign currency TDRs amounting to USD 34 million ; Rs 9,557 million (30 June 2025: USD 34 million ; Rs 9,753). These investments are earmarked against self insurance reserve as explained in note 4.2 to these interim consolidated financial statements.

- 16.2** Fair value has been determined using quoted repurchase prices, being net asset value of units as at quarter end.

OIL AND GAS DEVELOPMENT COMPANY LIMITED
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS [UNAUDITED]
FOR THE QUARTER ENDED 30 SEPTEMBER 2025

		Quarter ended 30 September	
		2025	2024
		------(Rupees '000)-----	
17	SALES- NET		
	Gross sales		
	Crude oil	45,277,057	51,278,105
	Gas	52,172,589	56,782,433
	Liquefied petroleum gas	10,396,121	11,213,224
	Sulphur	-	64,546
		<u>107,845,767</u>	<u>119,338,308</u>
	Government levies		
	General sales tax	(10,926,687)	(12,554,566)
	Petroleum levy	(270,526)	(265,351)
	Excise duty	(456,586)	(507,396)
		<u>(11,653,799)</u>	<u>(13,327,313)</u>
		<u>96,191,968</u>	<u>106,010,995</u>

- 17.1** In respect of six of its operated concessions, namely, Gurgalot, Sinjhor, Bitrisim, Khewari, Nim and TAY Blocks and one non-operated Tal Block, Petroleum Concession Agreements (PCAs) were executed under the framework of Petroleum Policies 1994 and 1997. Later on, in pursuance to the option available under Petroleum Policy (PP) 2012, the Tal Block working interest owners wherein the Parent Company's working interest is 27.7632% signed the Supplemental Agreement (SA) dated 28 August 2015 with the GoP for conversion of eligible existing and future discoveries under Tal PCA to the PP 2012. Further, for aforementioned operated Concessions, the Parent Company also signed the SAs for conversion to PP 2012. Under the said arrangement, price regimes prevailing in PP 2007, PP 2009 and PP 2012 in terms of PP 2012 shall be applicable, correlated with the spud dates of the wells in the respective policies starting from 27 November 2007. The conversion package as defined in the SAs included windfall levy on natural gas only.

Oil and Gas Regulatory Authority (OGRA) has been notifying the revised wellhead prices in accordance with the relevant Supplemental Agreements for the period from the commencement of production of the respective discoveries. Accordingly, the financial impacts of the price revision were duly accounted for in the financial statements for the years ended 30 June 2016, 30 June 2017 and 30 June 2018 on completion of the process laid down in the law and in line with the Parent Company's accounting policy.

On 27 December 2017, the Ministry of Energy (Petroleum Division) (MoE) notified amendments in PP 2012 after approval from the Council of Common Interests (CCI) dated 24 November 2017. These amendments include imposition of Windfall Levy on Oil/Condensate (WLO). Under the said Notification, the Supplemental Agreements already executed for conversion from Petroleum policies of 1994 and 1997 shall be amended within 90 days, failing which the working interest owners will not remain eligible for gas price incentive. On 03 January 2018, the Directorate General Petroleum Concessions (DGPC) has required all exploration and production companies to submit supplemental agreements to incorporate the aforementioned amendments in PCAs signed under 1994 and 1997 policies, for execution within the stipulated time as specified above.

Based on a legal advice, the Parent Company is of the view that terms of the existing PCAs as amended to-date through the supplemental agreements already executed cannot unilaterally be amended by the GoP through introduction of amendment nor can the GoP lawfully require and direct that such amendments be made to include imposition of WLO retrospectively and nor the GoP unilaterally hold and direct that the gas price incentive to which the Parent Company is presently entitled to and receiving under the conversion package as enshrined under the supplemental agreement stands withdrawn or the Parent Company ceases to be eligible for such incentive in case of failure to adopt the unilateral amendments in the existing PCAs. Accordingly, the aforementioned amendments as well as the subsequent letters requiring implementation of the amendments are not enforceable or binding upon the Parent Company.

The Parent Company along with other joint operation partners has challenged the applicability of WLO against the backdrop of supplemental agreements already executed pursuant to PP 2012 in the Honorable Islamabad High Court which has granted stay order till next date of hearing against the CCI decision dated 24 November 2017 on imposition of WLO. As mentioned above, the Parent Company on the advice of its legal counsel is confident that it has sound grounds to defend the aforesaid issue in the Court and that the issue will be decided in favour of the Parent Company.

The cumulative past benefit accrued and recorded in the interim consolidated financial statements by the Parent Company upto 23 November 2017 in the form of revenue and profit after tax is Rs 8,550 million and Rs 4,426 million respectively. However, without prejudice to the Parent Company's stance in the Court case, revenue of Rs 46,246 million (30 June 2025: Rs 44,899 million) related to gas price incentive against the supplemental agreements has been set aside on a point forward basis effective 24 November 2017 (the date of decision of CCI).

OIL AND GAS DEVELOPMENT COMPANY LIMITED
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS [UNAUDITED]
FOR THE QUARTER ENDED 30 SEPTEMBER 2025

17.2 Gas Sale Agreement (GSA) in respect of Kunnar Pasakhi Deep (KPD) fields between the Group and Sui Southern Gas Company Limited has been finalized between the parties on 12 July 2024 and the final approval of the MoE is pending. Adjustments on finalisation of GSA have been incorporated in these interim consolidated financial statements.

17.3 In prior year, MoE has approved formula for wellhead price of gas sale from Nur-Bagla field and the Group has applied, on 19 July 2024 by paying wellhead gas price application fee, to OGRA for notification of price of gas. Thereafter, OGRA vide letter dated 13 November 2024 appraised that the Authority is empowered to determine the well-head gas prices for the producers of natural gas in accordance with the relevant agreements or contracts to notify the same in the official gazette. Therefore, the Group filed a draft Gas Pricing Agreement (GPA) of Nur-Bagla on 3 December, 2024 before the MoE for approval. After the approval by MoE, the same shall be submitted to OGRA for the notification of well-head gas price of Nur-Bagla. Currently the sales revenue is being recognised as per price applicable according to the formula approved by the MoE. The management expects that there will be no material differences in the gas price to be notified by OGRA.

	Note	Quarter ended 30 September	
		2025	2024
		----- (Rupees '000) -----	
18 FINANCE AND OTHER INCOME			
Interest income on:			
Investments and bank deposits		4,588,304	11,405,604
Finance income- lease		4,564,085	5,047,616
Delayed payments surcharge from customers		-	5,943,653
Unwinding of Loss on modification in terms of TFCs	12.5	3,627,968	3,511,365
Un-realized gain on investments at fair value through profit or loss		159,364	21,793
Exchange loss -net		(1,137,932)	(566,588)
Signature bonus/ contract renewal fee	18.1	249,556	261,035
Income on account of liquidated damages		108,351	68,908
Others		24,999	33,502
		<u>12,184,695</u>	<u>25,726,888</u>

18.1 This represents income recognized on account of signature bonus/ contract renewal fee in respect of allocation of LPG quota.

	Quarter ended 30 September	
	2025	2024
	----- (Rupees '000) -----	
19 TAXATION		
Current tax- charge	22,593,207	33,048,621
Deferred tax- charge/ (credit)	1,084,167	(448,387)
	<u>23,677,374</u>	<u>32,600,234</u>

	Quarter ended 30 September	
	2025	2024
20 EARNINGS PER SHARE- BASIC AND DILUTED		
Profit for the quarter (Rupees '000)	38,304,846	41,019,911
Average number of shares outstanding during the quarter ('000)	4,300,928	4,300,928
Earnings per share- basic (Rupees)	<u>8.91</u>	<u>9.54</u>

There is no dilutive effect on the earnings per share of the Parent Company.

OIL AND GAS DEVELOPMENT COMPANY LIMITED
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS [UNAUDITED]
FOR THE QUARTER ENDED 30 SEPTEMBER 2025

21 FAIR VALUE HIERARCHY

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3
	----- (Rupees '000) -----		
Financial assets measured at fair value			
Other financial assets- NIT units			
30 September 2025	760,136	-	-
30 June 2025	600,772	-	-
		Quarter ended 30 September	
		2025	2024
		----- (Rupees '000) -----	

22 CASH AND CASH EQUIVALENTS

Cash and bank balances	12,513,511	137,261,690
Short term highly liquid investments	167,534,527	127,171,938
	<u>180,048,038</u>	<u>264,433,628</u>

23 RELATED PARTIES TRANSACTIONS

Government of Pakistan owns 74.97% (30 June 2025: 74.97%) shares of the Parent Company. In 2022, the Honorable Supreme Court of Pakistan declared the Benazir Employees' Stock Option Scheme ultra vires. Accordingly, the shares currently held by OGDCL Employees' Empowerment Trust (OEET) 10.05% (30 June 2025: 10.05%) will be transferred back to the GoP and accordingly, the GoP holding will be increased. Therefore, all entities owned and controlled by the Government of Pakistan are related parties of the Group. Other related parties comprise associates, major shareholders, directors, companies with common directorship, key management personnel, OGDCL employees empowerment trust, employees pension trust and gratuity fund. The Group in normal course of business pays for airfare, electricity, telephone, gas, yield analysis required under Petroleum Concession Agreements and make regulatory payments to entities controlled by the GoP which are not material, hence not disclosed in these interim consolidated financial statements. Transactions with related parties other than disclosed below are disclosed in relevant notes to these interim consolidated financial statements. Transactions of the Group with related parties and balances outstanding at quarter end are as follows:

	Quarter ended 30 September	
	2025	2024
	----- (Rupees '000) -----	
MEL- Associated company- 20% shareholding of the Parent Company and common directorship		
Share of profit in associate	3,268,447	3,864,403
Dividend received	5,167,279	3,545,394
Tax paid on issuance of bonus shares	-	9,497,633
Expenditure charged by joint operations partner- net	(501,095)	(1,399,340)
Cash calls paid/ (received) to joint operations partner- net	371,689	(798,111)
Share (various fields) payable as at 30 September	1,080,926	2,067,250
Share (various fields) receivable as at 30 September	584,012	49,452
PIOL- Associated company- 25% shareholding of the Parent Company and common directorship		
Share of (loss) in associate	(13,975)	(49,939)
Share of other comprehensive (loss)	(175,303)	(26,321)

OIL AND GAS DEVELOPMENT COMPANY LIMITED
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS [UNAUDITED]
FOR THE QUARTER ENDED 30 SEPTEMBER 2025

	Quarter ended 30 September	
	2025	2024
	----- (Rupees '000) -----	
RELATED PARTIES TRANSACTIONS- continued		
PMPL- Associated company- 33.33% shareholding of the Parent Company and common directorship		
Cost of investment made during the quarter	6,030,107	1,649,333
Share of loss in associate	(81,631)	(567,527)
Share of other comprehensive income/ (loss)	(414,376)	(87,989)
Major shareholders		
OGDCL Employees' Empowerment Trust (10.05% share holding)		
Dividend paid to GoP on behalf of OEET	-	20,000,000
Dividend withheld	-	20,870,881
Related parties by virtue of the GoP holdings and/ or common directorship		
Sui Northern Gas Pipelines Limited		
Sale of natural gas	20,934,967	26,620,358
Trade debts as at 30 September	277,931,740	261,509,710
Pakistan State Oil Company Limited		
Sale of liquefied petroleum gas	315,583	174,726
Purchase of petroleum, oil and lubricants	2,513,016	2,272,035
Payable as at 30 September	656,411	246,542
Advance against sale of LPG as at 30 September	51,018	213,059
Pakistan Petroleum Limited		
Expenditure charged to/ (by) joint operations partner- net	1,028,562	(494,090)
Cash calls received joint operations partner- net	(723,930)	(1,107,201)
Share (various fields) receivable as at 30 September	2,028,022	2,516,885
Share (various fields) payable as at 30 September	1,920,581	2,101,448
Pak Arab Refinery Company Limited		
Sale of crude oil	1,924,276	4,323,274
Trade debts as at 30 September	1,762,084	2,805,440
PARCO Pearl Gas (Private) Limited		
Sale of liquefied petroleum gas	161,600	150,691
Advance against sale of LPG as at 30 September	53,836	51,457
Pakistan Refinery Limited		
Sale of crude oil	3,157,387	3,927,504
Trade debts as at 30 September	5,213,717	6,766,688
Khyber Pakhtunkhwa Oil & Gas Company (KPOGCL)		
Expenditure charged to joint operations partner	17,131	15,503
Cash calls received from joint operations partner	-	538,847
Share (various fields) receivable as at 30 September	32,059	387,113
Sindh Energy Holding Company Limited (SEHCL)		
Expenditure charged to joint operations partner	380	13
SEHCL share (various fields) payable as at 30 September	-	2,196
SEHCL share (various fields) receivable as at 30 September	2,819	-

OIL AND GAS DEVELOPMENT COMPANY LIMITED
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS [UNAUDITED]
FOR THE QUARTER ENDED 30 SEPTEMBER 2025

	Quarter ended 30 September	
	2025	2024
	----- (Rupees '000) -----	
RELATED PARTIES TRANSACTIONS- continued		
Sui Southern Gas Company Limited		
Sale of natural gas	12,461,682	12,112,572
Sale of liquefied petroleum gas	261,517	215,622
Trade debts as at 30 September	245,262,359	247,362,293
Advance against sale of LPG as at 30 September	94,333	93,624
Sui Southern Gas Company LPG (Pvt) Limited		
Advance against sale of LPG as at 30 September	19,704	35,905
Government Holdings (Private) Limited (GHPL)		
Expenditure charged to joint operations partner	1,170,094	1,265,667
Cash calls (paid to)/ received from joint operations partner	(1,404,738)	760,430
GHPL share (various fields) receivable as at 30 September	3,243,681	4,291,582
GHPL share (various fields) payable as at 30 September	11,616	1,849,573
National Investment Trust		
Investment as at 30 September	760,136	409,081
National Bank of Pakistan		
Balance at bank as at 30 September	1,586,762	17,255,437
Balance of investment in TDRs as at 30 September	106,735,285	95,132,102
Interest earned	2,080,958	3,618,235
Power Holding Limited (PHL)		
Balance of mark-up receivable on TFCs as at 30 September	64,556,388	73,120,775
National Insurance Company Limited		
Insurance premium paid	32,741	1,216,982
Payable as at 30 June	-	4,291
National Logistic Cell		
Crude transportation charges paid	171,054	454,045
Payable as at 30 September	650,808	644,350
Enar Petrotech Services Limited		
Consultancy services	2,984	20,868
Payable as at 30 September	635	2,780
Enar Petroleum Refining Facility		
Sale of crude oil	10,081,122	8,201,124
Payable as at 30 September	6,818,224	4,766,265
Other related parties		
Contribution to pension fund	-	9,485,702
Remuneration including benefits and perquisites of key management personnel	508,540	437,864

OIL AND GAS DEVELOPMENT COMPANY LIMITED
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS [UNAUDITED]
FOR THE QUARTER ENDED 30 SEPTEMBER 2025

24 RISK MANAGEMENT

Financial risk management objectives and policies are consistent with that disclosed in the annual audited consolidated financial statements for the year ended 30 June 2025.

25 NON ADJUSTING EVENT AFTER REPORTING DATE

25.1 The Board of Directors of the Parent Company recommended final cash dividend for the year ended 30 June 2025 at the rate of Rs 5.00 per share amounting to Rs 21,505 million in its meeting held on 23 September 2025.

25.2 The Board of Directors of the Parent Company approved interim cash dividend at the rate of 3.50 per share amounting to 15,053 million in its meeting held on 29 October 2025.

26 GENERAL

Figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.

27 DATE OF AUTHORIZATION FOR ISSUE

These interim consolidated financial statements were authorized for issue on 29 October 2025 by the Board of Directors of the Parent Company.

Chief Financial Officer

Chief Executive

Director