

OIL AND GAS DEVELOPMENT COMPANY LIMITED

DRAFT MINUTES OF 25th ANNUAL GENERAL MEETING, BEING THE THIRTY EIGHTH MEETING OF THE MEMBERS OF THE COMPANY HELD AT OGDCL HEAD OFFICE, ISLAMABAD ON TUESDAY, OCTOBER 25, 2022 AT 09:00 HOURS

PRESENT

As per list attached as Annexure-A.

COMMENCEMENT OF THE MEETING

With the permission of the Chair, the Company Secretary welcomed the members to the 25th Annual General Meeting (AGM) of the Company and invited Hafiz Zakir-ul-Haq for recitation from the Holy Quran.

DOCUMENTS TABLED

25.1 Following documents were tabled:

25.1.1 Minutes

Draft minutes of the 24th Annual General Meeting held on October 28, 2021.

25.1.2 Annual Report

Auditors' and Directors' reports together with the audited accounts of the Company for the year ended June 30, 2022.

25.1.3 Details of Proxies are placed as Annexure-B.

25.2 **QUORUM, NOTICE AND AGENDA OF THE MEETING**

The Chairman asked the Company Secretary to confirm the quorum and read out notice and agenda of the meeting. The Secretary informed that proxies received were in order representing 88% of the total shareholding of the Company and confirmed the quorum.

Company Secretary requested the Chairman to address the shareholders on the performance of the Company.

25.3 **Chairman's Address**

On behalf of the Board of Directors, Chairman welcomed the members to the 25th Annual General Meeting of the Company.

Chairman stated that OGDCL during fiscal year 2021-22 registered robust financial performance as its top and bottom line financials exhibited a growth of 40% and 46% respectively.

Chairman shared highlights of the operational activities during the year and informed that stable performance coupled with market leadership status was maintained in terms of highest share in exploration acreage, 2D seismic data acquisition, oil and gas reserves and production.



He further informed that development of early production facilities at Wali in line with the field development plan was underway. Chairman added that Wali-1 discovery significantly contributed in recording healthy Reserves Replacement Ratio (RRR) of 114% for the fiscal year 2021-22.

Shareholders were also apprised about the development Projects; Qadirpur and Maru Reti compression projects have been completed in July 2022 and September 2022 respectively resulting in incremental daily production of 18 MMcf of gas. In order to maintain and optimize oil and gas production, installation and commissioning of compression units were underway at Dakhni, Uch and KPD-TAY fields. Likewise, development work was also underway at Daru-Mangrio Central Facility to extract LPG production.

On the Financial Front, Chairman informed that the Company posted Sales Revenue of Rs 335 billion and Profit after Tax of Rs 134 billion translating into an Earning per Share of Rs 31.11. Total cumulative dividend for the year ended June 30, 2022 was Rs 7.25 per share. Further a sum of Rs 207 billion was contributed to National Exchequer on account of corporate tax, dividend, royalty and government levies. Presence of strong HSE culture and strict compliance of Health, Safety and Environmental regulations led the Company to report zero fatality during the year, while HSE performance indicators continued to meet the benchmark criteria.

Chairman stated that OGDCL being a responsible corporate citizen continued to discharge its social welfare obligations through investment in the areas of education, health, water supply, sports, infrastructure development and donations. Under its CSR program, the Company earmarked Rs 205 million for extending relief to people affected by the recent floods/heavy rains; the amount is being utilized for provision of medicines, ration bags and tents to the flood victims. In addition, OGDCL's Management under the guidance of the Board finalized 26th Memorandum of Settlement (MOS) with the Collective Bargaining Agent (CBA) to provide market based compensation to the employees in order to keep them motivated as well as improve business productivity.

Chairman further stated that in line with its strategic objective to diversify, the Company has entered into a framework agreement with the Federal Government, Government of Balochistan, GHPL, PPL and Barrick Gold Corporation for extraction of copper and gold reserves from Reko Diq. Reko Diq has one of the world's largest undeveloped copper-gold deposits and the mining field has a life of over 40 years. Moreover, to establish footprints abroad, consortium comprising OGDCL, PPL, MPCL and GHPL was awarded offshore block-5 by ADNOC in Abu Dhabi on August 31, 2021. The award of the block is a valuable opportunity to explore, appraise and develop oil and gas resources in Abu Dhabi along with establishing strategic partnership with ADNOC to share technical know-how and expertise. Offshore block-5 is located in a highly prospective basin and planned exploration and evaluation activities were underway in the block to sustain business production in the future.

Before concluding the address Chairman specifically acknowledged the support and guidance of Government of Pakistan, Ministry of Energy (Petroleum Division), DGPC, Board of Directors, shareholders, JV partners and employees, which have always played an instrumental role in improving business competitive position as well as carrying on the track record of delivering industry leading performance, safely and responsibly.

25.4 CONFIRMATION OF MINUTES OF THE 24TH ANNUAL GENERAL MEETING HELD ON OCTOBER 28, 2021.

The Company Secretary informed that final draft of the minutes of 24TH Annual General Meeting of the Company held on October 28, 2021 remained available for inspection at the registered office of



the Company and were also provided to the members on request. Minutes were also made available to the members before the commencement of the meeting and were laid on the table. Company Secretary requested that the minutes be taken as read.

Company Secretary invited comments from the members. Since there were no comments on the draft minutes, on the proposal of Mr. Abdul Jawad Khan (CDS ID/AC #14837-1960), seconded by Mr. Abdul Tayyab Khan (CDS ID/AC # 14837-1721), the members unanimously resolved as follows:

- RESOLVED that minutes of Annual General Meeting of Oil & Gas Development Company Limited held on October 28, 2021 be and are hereby approved.
- Further resolved that the Chairman is authorized to sign the minutes on behalf of the members.

25.5 TO RECEIVE AND CONSIDER THE AUDITED ANNUAL ACCOUNTS OF THE COMPANY FOR THE YEAR 2021-22 TOGETHER WITH AUDITORS' AND DIRECTORS' REPORTS THEREON

Company Secretary informed that the annual audited accounts of the Company for the year 2021-22 together with Auditors' and Directors' reports thereon duly recommended by the Board of Directors in its 250th meeting held on September 22, 2022 were circulated to all the members and also laid on the table. Company Secretary requested that the audited accounts together with the Auditors' and Directors' reports be taken as read.

The Company Secretary then invited the members for discussion on the audited accounts, Auditors' and Directors' review thereon. Since there were no comments on the audited accounts together with Auditors and Directors reports, on the proposal of Mr. Hassan Azam (CDS ID/AC #14837-1978) seconded by Mr. Abdul Jawad Khan (CDS ID/AC # 14837-1960) the members unanimously resolved as follows:

RESOLVED that the Directors' and Auditors' Reports and Company's accounts for the year ended June 30, 2022 be and are hereby approved and adopted.

25.6 APPROVAL OF FINAL CASH DIVIDEND

The Company Secretary informed that during the year, Company had declared and paid three interim cash dividends totaling 47.5% i.e. Rs 4.75 per ordinary share of Rs 10/- each. The Directors had further recommended a final cash dividend @ 25% of the par value of shares i.e. Rs 2.5 per ordinary share of Rs 10 each for the year ended June 30, 2022.

On the proposal of Mr. Hassan Azam (CDS ID/AC #14837-1978) seconded by Mr. Abdul Tayyab Khan (CDS ID/AC #14837-1721), it was unanimously RESOLVED that a final cash dividend of 25% of the par value of the shares i.e. Rs 2.5/- per ordinary share of Rs 10 each recommended by the Board of Directors (in addition to the three interim dividends already paid during the year) be and is hereby approved for the year ended June 30, 2022.

25.7 APPOINTMENT OF AUDITORS

The Company Secretary informed that the present auditors i.e. M/s KPMG Taseer Hadi & Co., Chartered Accountants and M/s A.F. Ferguson, Chartered Accountants would stand retired by the close of the Annual General Meeting. Shareholders were apprised that both the auditors being eligible have offered themselves for re-appointment as joint statutory auditors for the year 2022-23.



Company Secretary stated that on the proposal of the Audit Committee, the Board has recommended the re-appointment of the retiring auditors M/s KPMG Taseer Hadi & Co., Chartered Accountants and M/s A.F. Ferguson, Chartered Accountants with an increase of 15% in Annual Audit Fee, half yearly review and concession Audit Fee on the following terms and conditions: -

a.	Annual audit fee	Rs Rs 4,416,000/- per Auditor
b.	Fee for Half yearly review	Rs 1,656,000/- per Auditor
	Total	Rs 6,072,000/- per Auditor
	Plus out of pocket expenses at actual, maximum up to 10% of fee.	
c.	100% Concession Audit Fee will remain unchanged for each firm.	

Syed Athar Hussain Zaidi (CDC ID/AC# 03459-47609) and Mr. Hassan Azam (CDS ID/AC #14837-1978) suggested to rotate audit firms instead of partner's rotation in order to make the auditing process more transparent and reliable.

Mr. Muhammad Anas Farook, CFO replied that the company is fully compliant with the Companies Act, 2017 and Public Sector Companies (Corporate Governance) Rules, 2013 for appointment of statutory auditors. CFO stated that present joint auditors (KPMG and AF Ferguson & Co. Chartered Accountants) recommended by the board for appointment are amongst best four audit firms.

Resolution

On proposal of Mr. Najamul Kamal Hyder (CDC Account #10629-300718) seconded by Mr. Abdul Jawad Khan (CDS ID/AC #14837-1960), RESOLVED that appointment of M/s KPMG Taseer Hadi & Co., Chartered Accountants and M/s A.F. Ferguson, Chartered Accountants as the Statutory Auditors of the Company for the year 2022-23 at the fee as recommended by the Board, be and is hereby approved.

Shareholders' questions and their answers

Mr. Najamul Kamal Hyder (CDC Account #00364-22739) commented that improvement in financial numbers was due to increase in oil prices and exchange rate gain. He also pointed out that decline in other key factors like production was attributable to management and delay in the appointment of MD/CEO.

Chairman replied that the responsibility to appoint MD/CEO rests with the Board and the Government, and as per procedure names of candidates were communicated to the Government and concurrence is awaited. Chairman added that company's overall operational performance remained satisfactory, targets were achieved, Reserves Replacement Ratio improved significantly and various HR policies were revamped.

Chairman informed that decline in production was primarily due to the natural depletion phenomenon, however due to mitigation measures, the impact of decline was curtailed to a greater extent.

Mr. Liaqat Hussain (CDS A/c No.10629-313935), shareholder expressed concern over the share price of OGDCL in the stock market which had dropped despite recent improvement in market index and share price of other Oil and Gas sector companies. Mr. Hussain also emphasized better dividend payout and resolution of circular debt. Mr. Hassan Azam (CDS ID/AC #14837-1978) shareholder endorsed the same issues and stressed resolution of circular debt issue.

The Chairman informed the house that OGDCL has given better dividend than the previous year, secondly, decline in the share price involves certain market driven factors and overall industry issues.



It was noted that circular debt has kept the share value under pressure and any positive development on that front would improve share value.

MD/CEO stated that different proposals are under consideration with the Government for the settlement of circular debt and the Government is seriously contemplating a mechanism to resolve the issue.

Mr. Liaqat Hussain (CDS A/c No.10629-313935), shareholder reiterated expeditious resolution of circular debt issue. Mr. Umar Ashfaq (Representing Mr. Fayaz Mustafa CDS Account No. 06684-264641) suggested to constitute a committee for early settlement of circular debt issue. CFO responded that a committee is already actively pursuing the matter.

Mr. Muhammad Saad (representing various funds of Al-Meezan Group as per detail mentioned in the list of proxies) inquired regarding upcoming significant revenue streams which Company is expecting in the next financial year. CFO responded that Wali block production is expected in early 2023, besides commencement of Bannu West production is expected in the next financial year.

Mr. Hassan Azam (CDS ID/AC #14837-1978) shareholder while highlighting six years' performance and growth of the company as disclosed in the annual report 2022, advised that in order to maximize return to shareholders, performance and growth strategy be aligned with the company's core objectives of exploration and production.

MD/CEO responded that there is an overall industry wide decline in production and OGDCL is not insulated from this phenomenon. Further, company is facing security issues especially in Khyber Pakhtoonkawa and Balochistan which impact exploratory work in the areas. Chairman however, added that through diversification, investment in mining sector and forming JV in ADNOC block UAE will have positive impact on the company's performance going forward.

Mr. Hassan Azam (CDS ID/AC #14837-1978) shareholder inquired about the Reko Diq and ADNOC investments and shareholders' approval for these investments. MD/CEO responded that shareholders' have already approved ADNOC investment in the Extraordinary General meeting held on July 19, 2021 and timeline of exploratory wells as agreed with ADNOC being followed. Pakistan International Oil Company (PIOL) was formed and Pakistan Petroleum Company Limited (PPL) is the operator offshore block in Abu Dhabi.

CFO added that formalities of Reko Diq project are underway. On completion of required formalities, shareholders meeting will be called for approval of investment.

Mr. Hassan Azam (CDS ID/AC #14837-1978) shareholder emphasized to take measures for early recovery of Rs 140 billion of TFCs and also asked about settlement of BESOS dividend of Rs. 33 billion. CFO responded that TFCs are due from PHPL and efforts are being made to settle the TFC amount as part of overall scheme for resolution of circular debt. BESOS dividend amount will be taken into account for circular debt settlement subject to the consent of Government.

Mr. Zain Ullah (CDS ID/AC #1826-180471) suggested that targeted plan needs to be executed and alternative actions may be taken to cater for reserve depletion and also suggested to remove HR related anomalies in advertisement regarding inclusion of B-Tech qualification for engineers. Mr. Zain Ullah also suggested that yearly percentage of pension be increased up to an optimum level.

MD/CEO responded that pension is raised based on survey by actuaries and industry trend. Pension increase by the company is more than the industry average. MD/CEO also assured that qualification related issues in the advertisement are being referred to ED(HR) and will be resolved as per company policy.



CLOSURE OF THE MEETING

There being no other business to transact; Chairman thanked the shareholders for sparing their valuable time to attend the AGM. The meeting ended with a vote of thanks to the Chair, members of the Board and the Management.

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Oil and Gas Development Company Limited		
Attendance Sheet		
25 th Annual General Meeting		
Held on October 25, 2022		
Sr. No.	Name of participant	Folio/CDC ID AC#
1.	Mr. Zafar Masud (Through Video call)	Chairman Board
2.	Mr. Abdul Aziz Uqaili (Through Video call)	Director Board
3.	Mr. Akbar Ayub Khan (Through Video call)	Director Board
4.	Mr. Muhammad Riaz Khan	Director Board
5.	Mrs Shamama Tul Amber Arbab (Through Video call)	Director Board
6.	Mr. Jahanzaib Durrani (Through Video call)	Director Board
7.	Syed Khalid Siraj Subhani	MD/CEO/Director
8.	M/s A.F Ferguson & Co. Chartered Accountants	External Auditor
9.	M/s KPMG Taseer Hadi & Co. Chartered Accountants	External Auditor
10.	M/s Khokhar Law Chambers	Legal Advisor
11.	Mr. Najamul Kamal Hyder	10629-300718
12.	Mr. Muhammad Abid Latif	6452-106808
13.	Mr. Muhammad Ilyas	3350-82558
14.	Mr. Abdul Jawad Khan	14837-1960
15.	Mr. Muhammad Hammad Khan /Shahana Tayyab	1826-78246
16.	Mr. Abdul Tayyab Khan	14837-1721
17.	Mr. Hassan Azam Shibbli	14837-1978
18.	Mr. Liaqat Hussain	10629-313935
19.	Mr. Zain Ullah	1826-180471
20.	Mr. Muhammad Masood Ur Rehman	3459-22719
21.	Syed Athar Hussain Zaidi	3459-47609
22.	Mr. Nawazish Rasool Chaudhry	10629-406929
23.	Mr. Muhammad Hammad Khan	6122-108050
24.	Mr. Abdul Mateen	1826-48512
25.	Ms Maria	307-117956
26.	Ms Fatima Kausar	1826-17012
27.	Mr. Asher Yousfani	11544-5738
28.	Mr. Muhammad Abdur Rehman	5512-107139
29.	Shaikh Aftab Ahmed	6874-9316
30.	Mr. Muhammad Tariq Baig	6122-127183
31.	Mr. Manzar Ali Khan Baqai	10629-35835
32.	Mr. Muhammad Asim Hameed	5264-122684
33.	Mr. Muhammad Naem	1651-18524



OIL & GAS DEVELOPMENT COMPANY LIMITED25th Annual General Meeting

Tuesday, 25 October, 2022

List of Proxies

S. No.	CDS Account/ Folio	Name Of Shareholder	Name of Appointee	No. of Shares	
1	N/A	GOVERNMENT OF PAKISTAN	Mr. Zafar Masud/ Syed Khalid Siraj Subhani	2,902,148,181	
2	N/A	OGDCL - EMPLOYEES EMPOWERMENT TRUST	Syed Nadeem Hassan Rizvi/ Mr. Ghulam Murtaza Lashari	432,189,039	
3	04705-35398	PRIVATISATION COMMISSION OF PAK MINISTRY OF PRVT. & INVEST.	Mr. Zafar Masud/ Syed Khalid Siraj Subhani	322,460,900	
4	00695	Representation on behalf of foreign cleints of Standard Chartered Bank	Mr. Fahad Baig	25,641,259	
5	00547	Representation on behalf of foreign cleints of Citi Bank	Mr. Ahmed Majeed/ Mr. Ameet Kumar	37,323,820	
6	00521	Representation on behalf of foreign cleints of Deutsche Bank	Mr. K. Hammad Izz-e-Hamid/ Mr. Faisal Hashimi	7,534,661	
7	16501-27	CDC - TRUSTEE MEEZAN ASSET ALLOCATION FUND	Mr. Muhammad Saad/ Shahmir Kurd	687,650	
8	10397-29	CDC - TRUSTEE MEEZAN TAHAFFUZ PENSION FUND		3,447,500	
9	05991-23	CDC - TRUSTEE MEEZAN BALANCED FUND		1,242,931	
10	13946-28	CDC - TRUSTEE KSE MEEZAN INDEX FUND		2,182,825	
11	17210-22	CDC TRUSTEE - MEEZAN DEDICATED EQUITY FUND		704,295	
12	07062-23	CDC - TRUSTEE AL MEEZAN MUTUAL FUND		3,921,888	
13	16675-28	CDC - TRUSTEE MEEZAN ENERGY FUND		922,016	
14	07070-22	CDC - TRUSTEE MEEZAN ISLAMIC FUND		18,335,999	
15	10603-21	CDC- TRUSTEE APF EQUITY SUB FUND		Mr. Yasir Salamat/ Ch. Mohsin Sarwar	316,800
16	10900-25	CDC- TRUSTEE APIF EQUITY SUB FUND			502,900
17	05959-27	CDC -TRUSTEE ATLAS STOCK MARKET FUND	5,414,845		
18	09449-25	CDC- TRUSTEE ATLAS ISLAMIC STOCK FUND	3,806,177		
19	17681-26	CDC- TRUSTEE ATLAS ISLAMIC DEDICATED STOCK FUND	463,400		
20	06684-264641	Mr. Fayyaz Mustafa	Mr. Umer Ashfaq	7,350	
21	04952-16149	Mr. Muhammad Sadiq	Fahan Mahmood	10,000	
		Total (Three Billion Seven Hundred Sixty Nine Million Two Hundred Sixty Four Thousand Four Hundred Thirty Six Only)		3,769,264,436	
		Percentage of Total Outstanding Shares		88%	

