

FOR IMMEDIATE RELEASE

**OGDCL UN-AUDITED FINANCIAL RESULTS FOR THE FIRST HALF ENDED
31ST DECEMBER 2023**

Oil and Gas Development Company Limited (OGDCL), (Ticker: OGDC), today announced its financial results for the first half ended 31st December 2023. Financial Statements were prepared in accordance with International Financial Reporting Standards;

Highlights of First Half (ended 31st December 2023) Results include:

- OGDCL registered net sales of Rs 235.375 billion
- Profit before Taxation during the period was Rs 158.315 billion
- Net Profit after Taxation during the period was Rs 123.296 billion translating into Earnings per Share of Rs 28.67.
- The Board of Directors declared second interim cash dividend of Rs 2.50 per share.
- Average realized prices of crude oil, gas and LPG were US\$ 69.78/barrel (1H 2022-23: US\$ 78.60/barrel), Rs 711.87/Mcf (1H 2022-23: Rs 570.00/Mcf) and Rs 155,703/Ton (1H 2022-23: Rs 139,661/Ton) respectively.
- 652 Line km of 2D seismic data and 262 Sq. km of 3D seismic data acquisition completed.
- 5 wells including 2 exploratory wells; Kharo-1 & Bettani Deep-1 and 3 development wells; Togh-2, Sono-9 & Kunnar West-3 were spud during the period under review.
- Average net crude oil production of 32,984 barrels per day, net saleable gas production of 716 MMcf per day and net LPG production of 724 M. Tons per day was achieved during the period under review.

	1H 2023-24 (Rs in billion)	1H 2022-23 (Rs in billion)
Net Sales	235.375	203.236
Profit before Taxation	158.315	152.848
Profit after Taxation	123.296	95.012
Earnings per Share - Rs	28.67	22.09

MD / CEO's Statement

MD/CEO of OGDCL, Mr. Ahmed Hayat Lak, commenting on the Company's first half financial results FY 2023-24, stated:

"I am pleased to report that despite geopolitical tensions, continued oil supply cuts by OPEC+ group and volatility in international crude oil prices, the Company registered a growth of 16% and 30% in its top and bottom line financials respectively during the reporting period. The Company registered Sales Revenue and Profit after Tax of Rs 235.375 billion and Rs 123.296 billion respectively translating into an Earnings per Share of Rs 28.67 compared with Rs 22.09 in the same period last year. On the operational front, OGDCL spud 5 wells (1H 2022-23: 4 wells) including 2 exploratory wells; Kharo-1 & Bettani Deep-1 and 3 development wells; Togh-2, Sono-9 & Kunnar West-3. Moreover, drilling and testing of 4 wells pertaining to previous fiscal year was also completed. Total drilling recorded during the six months was 18,649 meters (1H 2022-23: 17,249 meters). OGDCL's production during the period under review contributed around 46%, 28% and 37% towards Country's total oil, natural gas and LPG production respectively (source: PPIS). Its average daily net saleable crude oil, gas and LPG production clocked in at 32,984 barrels, 716 MMcf and 724 tons in comparison to 33,061 barrels, 772 MMcf and 730 Tons in the comparative period respectively. As regards development projects, OGDCL has successfully brought Khewari field into production after laying of gas pipeline and installation of plant/gathering facilities while installation of compression units is underway at Dhakhni, KPD-TAY and Uch Fields. Bettani field is currently operational and producing around 850 barrels per day of crude oil and 12 MMcf per day of gas. At present, further field development is being undertaken at Bettani field to enhance oil and gas production, whereby drilling activities are underway at Bettani-2 and Bettani Deep-1 wells. During the period 04 operated wells were injected in the production gathering system viz., Nim East-1, Nashpa-11 and Suleiman-1 & 2 which cumulatively yielded crude oil and gas production of 130,097 barrels and 597 MMcf gas respectively. Further, production optimization efforts have started to bear fruit as incremental production of 207,920 barrels of crude oil and 368 MMcf of gas were recorded at various operated wells.

Lastly, it gives me immense pleasure to acknowledge and express my sincere thanks to the Management and employees of the Company for their relentless efforts and hard work. Moving forward, I will continue to bank on the trust and support of all our stakeholders so as to ensure that OGDCL continues to spearhead the Country's E&P sector, safely and responsibly."

For further information:

Investor Relations Contacts:

Wasim Ahmad

Investor Relations Officer

Telephone: +92 51 920024071

Fax: +92 51 9209708

Email: wasim_ahmad@ogdcl.com

Notes to Editors

OGDCL, the largest petroleum Exploration and Production (E&P) Company in Pakistan, was listed on Pakistan Stock Exchange (PSX) in November 2003 and its Global Depository Shares (GDS) were issued on London Stock Exchange in December 2006. It holds the largest portfolio of recoverable hydrocarbon reserves of Pakistan, at 42% of gas and 36% of oil, respectively, as at 30th June 2023. It contributed around 46%, 28% and 37% of the Country's total oil, natural gas and LPG production respectively during the during the six months period.

OGDCL holds the largest exploration acreage which as of 31 December 2023 stood at 91,782 sq. km representing 38% of the Country's total area under exploration (source: PPIS). The Company's exploration portfolio currently comprises 50 owned and operated joint venture exploration licenses. Additionally, the Company possesses working interest in 11 exploration blocks operated by other E&P companies.

OGDCL registered a net Profit after Tax of Rs 224.618 billion for the year ended 30th June 2023.

Financial Summary

OGDCL during the half year ended 31 December 2023 registered improved Sales Revenue of Rs 235.375 billion (1H 2022-23: Rs 203.236 billion). Higher sales are primarily attributable to favorable exchange rate variance partially offset by unfavourable crude price variance. Average realized prices of crude oil, gas and LPG were US\$ 69.78/barrel (1H 2022-23: US\$ 78.60/barrel), Rs 711.87/Mcf (1H 2022-23: Rs 570.00/Mcf) and Rs 155,703/Ton (1H 2022-23: Rs 139,661/Ton) respectively. Average exchange rate recorded was Rs 287.52/US\$ (1H 2022-23: 223.85/US\$).

However, Company's profitability was affected by higher operating expenses on account of rent, fee and taxes (additional 15% of wellhead value on renewal of leases beyond 30 years mainly Pasahki, Pasahki North and Qadirpur combined with salaries, wages and benefits and amortization of development and production assets. Moreover, increase in unallocated expenses of technical services coupled with finance cost also impacted the business financials. While increase in share of profit in associate and reversal of provision for depletion allowance pertaining to prior periods in light of Supreme Court judgment dated 8 January 2024 positively influenced the bottom-line financials. Overall, the Company recorded Profit after Tax of Rs 123.296 billion (1H 2022-23: Rs 95.012 billion) translating into Earnings per Share of Rs 28.67 (1H 2022-23: Rs 22.09).

Key Financial Indicators

Financial KPIs	UOM	1H 2023-24	1H 2022-23
Net Sales	Rs in Million	235,375	203,236
Profit after Tax	Rs in Million	123,296	95,012
Gross Profit Margin	%	62	69
Net Profit Margin	%	52	47
Current Ratio	Times	6.79	6.19

Dividend

The Board has announced second interim cash dividend of Rs 2.50 per share (25%) for the year ending 30 June 2024. This is in addition to the first interim cash dividend of Rs 1.60 per share (16%) already declared and paid during the fiscal year.

Exploration and Development Activities

OGDCL holds the largest exploration acreage which as of 31 December 2023 stood at 91,782 sq. km representing 38% of the Country's total area under exploration (source: PPIS). The Company's exploration portfolio currently comprises 50 owned and operated joint venture exploration licenses. Additionally, the Company possesses working interest in 11 exploration blocks operated by other E&P companies.

In line with its exploration-led growth strategy, OGDCL during the period under review acquired 652 Line km of 2D (1H 2022-23: 626 Line km) and 262 sq. km of 3D seismic data (1H 2022-23: 221 sq. km). The acquired seismic data represents 45% and 88% of total 2D and 3D seismic data acquisition in the Country

respectively. Moreover, the Company using in-house resources processed/reprocessed 3,809 Line km of 2D seismic data. However, 3D seismic activities during the period were affected by non-availability of imported ground electronics owing to LC issues and heavy rainfall.

On the drilling front, OGDCL spud 5 wells (1H 2022-23: 4 wells) including 2 exploratory wells; Kharo X-1 & Bettani Deep-1 and 3 development wells; Togh-2, Sono-9 & Kunnar West-3. Moreover, drilling and testing of 4 wells pertaining to previous fiscal year was also completed. Total drilling recorded during the six months was 18,649 meters (1H 2022-23: 17,249 meters). However, drilling activities were impacted by non-availability of spare parts for TDS and other critical items; drilling line, bridal line and downhole equipment on account of LC issues leading to stacking of rig N-1.

Discoveries

OGDCL's exploratory efforts to locate new reserves during the period under review yielded 2 gas condensate discoveries viz., Chak 214-1 in district Rahim Yar Khan, Punjab province and Dars West-2 in district Tando Allah Yar, Sindh province (1H 2022-23: 3 discoveries). The expected combined daily production potential of these discoveries is 360 barrels of oil and 11 MMcf of gas.

Development Projects

Following is the status of development projects undertaken by the Company:

Name of Project	Location of Project	Working Interest Owners	Completion Date	Current Status
Khewari	Khairpur, Sindh	OGDCL 77.50% GHPL 22.50%	October 2023	Laying of gas pipeline and installation of plant/gathering facilities are completed and field is on production.
Jhal Magsi	Jhal Magsi, Balochistan	OGDCL 56% POL 24% GHPL 20%	July 2024	Hiring of PCC contractor completed and project is in execution phase.
Dakhni Compression	Attock, Punjab	OGDCL 100%	March 2025	The contract has been awarded to the EPCC contractor and project is in design and engineering phase.
KPD-TAY Compression	Hyderabad, Sindh	KPD: OGDCL 100% TAY: OGDCL 77.50% GHPL 22.50%	June 2025	The contract has been awarded to the EPCC contractor and project is in design and engineering phase.
Uch Compression	Dera Bugti, Balochistan	OGDCL 100%	September 2025	The contract has been awarded to the EPCC contractor and project is in design and engineering phase.

Production

OGDCL being a state owned enterprise is making all viable efforts to maintain and optimize hydrocarbon production by expediting connectivity of new exploratory, appraisal and development wells in the

production gathering system coupled with employing latest production techniques and cutting edge technologies to minimize natural decline in the mature fields. In this pursuit, Company's production during the period under review contributed around 46%, 28% and 37% towards Country's total oil, natural gas and LPG production respectively (source: PPIS).

OGDCL's average daily net saleable crude oil, gas and LPG production clocked in at 32,984 barrels, 716 MMcf and 724 tons in comparison to 33,061 barrels, 772 MMcf and 730 Tons in the comparative period of last year. The Company recorded stable crude oil and LPG production primarily on the back of production optimization efforts and production start-up from Bettani field. However, natural decline at mature producing fields coupled with mechanical issues at Tando Alam-21 and Kal-1 well and Annual Turn Around at Chanda, Dakhni, Uch, Qadirpur and KPD-TAY plants impacted production. The less gas intake by SNGPL from Qadirpur field due to SNGPL system constraints and by UPL from Uch field due to less demand from power purchaser resulted in lower gas production. Moreover, reduction in production from NJV fields also contributed towards lower hydrocarbon output.

The decline in production was partially mitigated by injection of 4 operated wells in the production gathering system viz., Nim East-1, Nashpa-11 and Suleiman-1 & 2 which cumulatively yielded gross crude and gas production of 130,097 barrels and 579 MMcf respectively. In an effort to arrest natural decline and sustain production from mature wells, the Company carried out 56 work-over jobs comprising 7 with rig and 49 rig-less. Moreover, to induce improvement in the current well flow parameters, pressure build-up survey jobs were completed at various wells of Dakhni, KPD-TAY, Uch and Qadirpur fields. Additionally, electrical submersible pump was successfully installed at Pasahki-11 resulting in incremental oil production of 1,350 barrels per day. Through in-house arrangement of compression and operational modifications, 6 low pressure wells from KPD field were also reinjected in December 2023 leading to daily production realization of 16 MMcf of gas, 150 barrels of condensate and 18 Tons of LPG. The peak daily net production recorded for crude oil, gas and LPG was 34,984 barrels, 839 MMcf and 788 tons respectively. Average daily net saleable production including share in both operated and non-operated JV fields is as follows:

Fields	Crude Oil – BPD		Natural Gas – MMcfd		LPG – Tons/day	
	1H 2023-24	1H 2022-23	1H 2023-24	1H 2022-23	1H 2023-24	1H 2022-23
Operated fields	32,505	32,512	728	780	763	733
Partners' share in Opert JVs	(6,908)	(7,379)	(111)	(120)	(252)	(232)
Net Production-Opert Fields	25,597	25,133	616	660	511	501
Share in Non-Opert JVs	7,387	7,928	99	112	213	229
Avg. Daily Net Production	32,984	33,061	716	772	724	730
Production Incr. / (Decr.) - %	(0.2%)		(7.2%)		(0.8%)	

Bettani Field Development

OGDCL has successfully brought Bettani field into production by completing development of early production facilities (EPF) at Wali-1 in June 2023. The field is currently operational and producing around 850 barrels per day of crude oil and 12 MMcf per day of gas. At present, further field development is being undertaken to enhance oil and gas production, whereby drilling activities are underway at Bettani-2 and Bettani Deep-1 wells.

Business Diversification

Reko Diq Mining Project

In line with its plan to diversify its business, OGDCL entered into definitive agreements with the Federal Government, Government of Balochistan, GHPL, PPL and Barrick Gold Corporation for extraction of gold and copper reserves from Reko Diq. The state-owned enterprises (SOEs); OGDCL, PPL and GHPL hold 25% of equity in the project, divided equally among these companies. While 50% of the equity is held by the Barrick Gold along with management and operatorship rights and remaining 25% of the equity is held by the Government of Balochistan. In order to manage the equity shareholding of the SOE's, a special purpose vehicle (SPV) namely Pakistan Minerals (Private) Limited (PMPL) has been incorporated. Currently, project feasibility study is in progress and expected to be completed by the end of 2024.

Abu Dhabi Offshore Block-5

At offshore block-5, planned exploration and evaluation activities are underway. In this regard, Assess and Select Study has been completed, while the Concept Design (Pre-FEED) Study is in progress. Non-binding FDP has been submitted to ADNOC on 15 December 2023 and currently under review by the ADNOC technical team. Moreover, 1 shallow exploration well and 3 appraisal wells are expected to be drilled during March to November 2024.