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FOR IMMEDIATE RELEASE

OGDCL Audited Financial Results for the Full Year Ended 30 June 2019

Oil and Gas Development Company Limited (OGDCL), (Ticker: OGDC), today announces its financial results for the Full Year ended 30 June 2019. Financial Statements have been prepared in accordance with International Financial Reporting Standards.

Highlights of the Full Year include:

- OGDCL's net sales climbed Rs 261.481 billion compared to Rs 205.335 billion in the corresponding period last year
- Net profit before taxation registered Rs 176.599 billion compared to Rs 112.627 billion in the corresponding period last year
- Net Profit after Taxation came to Rs 118.386 billion as against Rs 78.736 billion in the preceding period translating into Earnings per Share of Rs 27.53
- The Board of Directors declared final cash dividend of Rs 2.50 per share
- Operating profit margin and net profit margin were 53% and 45%, respectively.
- Average net realized price of crude oil sold was US\$ 54.56 / bbl as against US \$ 58.74/ bbl during corresponding period last year
- Average net realized price for natural gas sold was Rs 258.93/Mcf as against Rs 336.62/Mcf during corresponding period last year.
- 1,324 Line Kms of 2D and 620 Sq. Kms of 3D seismic acquisition completed
- Sixteen (16) new wells including Nine (9) exploratory/appraisal wells and Seven (7) development wells were spud during the year ended June 30, 2019
- Company's exploratory efforts yielded three (3) new oil and gas discoveries namely Chanda-1 and Mela-5 in district Kohat, KPK province and Mangrio-1 in district Tando Muhammad Khan, Sindh province.
- Net crude oil production of 40,810 barrels per day, net gas production of 1,014 MMcf per day and net LPG production of 802 Metric Tons per day was witnessed during the period under review

MD & CEO's Statement

Dr. Naseem Ahmad, MD & CEO, while commenting on OGDCL's full year FY2019 results stated:

"It gives me great pleasure to report that OGDCL again delivered robust financial performance for the year ended 30 June, 2019. The Company's Sales Revenue and Profit before Tax climbed to Rs 261.481 billion and Rs 176.599 billion, evincing a growth of 27% and 57%, respectively. This resulted in Company registering substantial increase in Profit after Tax of Rs 118.386 billion, an increase of 50% translating into an Earnings per Share of Rs 27.53.

OGDCL during the year under review acquired 1,324 line km of 2D seismic data and 620 sq. km of 3D seismic data, which represented 63% and 41%, respectively of total seismic data acquisition in the Country. Similarly, OGDCL's production during the reporting period contributed around 45% and 29% towards the Country's total oil and natural gas production, respectively. The synergetic effect of cost effective measures put in place and utilization of new technology resulted in boosting of our exploration-led growth as the Company made three new oil and gas discoveries during the period under review.

Let me here also underscore the importance of our most valuable asset, i.e., a dedicated workforce which is second to none, which has been the catalyst for the consistent growth that the Company has seen for the last many years. I am pleased to inform you all that with such a optimal portfolio of hydrocarbon assets as well as its human resources, OGDCL is well set on a path of consistent progress and continued success for years to come."

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Notes to Editors

OGDCL, the largest petroleum Exploration and Production (E&P) Company in Pakistan, is a listed Company on Pakistan Stock Exchange 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 38% of gas and 47% of oil, respectively, as at December 31, 2018. It contributed 29% of the country's total natural gas production and 45% of its total oil production from July 2018 to June 2019.

With a portfolio of 43 exploration licences, the Company has the largest exploration acreage in Pakistan, covering 24% of the total awarded acreage as of June 30, 2019. Currently, all production volumes are being realized from onshore areas of Pakistan, however, the Company also has working interests in Pakistan's offshore exploration blocks.

OGDCL had a net Profit after Tax of Rs 78.736 billion for the year ended June 30, 2018.

SUMMARY RESULTS

Financial Results

OGDCL continues to deliver robust financial performance for the year ended 30 June 2019. This is evident by the fact that the Company's Sales Revenue and Profit before Tax climbed to Rs 261.481 billion (2017-18: Rs 205.335 billion) and Rs 176.599 billion (2017-18: Rs 112.627 billion) showing growth of 27% and 57% respectively. Improved financials are primarily supported by increase in average basket price of crude oil which during the year under review stood at US\$ 68.95/barrel against US\$ 61.21/barrel in the comparative period leading to higher average crude realized price of US\$ 58.74/barrel against US\$ 54.56/barrel in the relative period.

In addition to the above, OGDCL also recorded increase in the realized prices for gas and LPG averaging Rs 336.62/Mcf and Rs 65,512/ton compared to Rs 258.93/Mcf and Rs 55,666/ton in the last year respectively. Moreover, financial results were leveraged by higher LPG production and steep rise in average exchange rate to Rs 136.55/US\$ from Rs 110.09/US\$ in the preceding period. Furthermore, increase in other income and share of profit in associate accompanied with decline in exploration and prospecting expenditures lent further strength to business financials.

However, OGDCL's profitability during the reporting period was partially impacted by increase in operating expenses (5% on YoY basis) mainly on account of amortization of D&P assets combined with higher taxation for the current year. Nonetheless, the Company registered increased Profit after Tax of Rs 118.386 billion (2017-18: Rs 78.736 billion) translating into an Earnings per Share of Rs 27.53 (2017-18: Rs 18.31).

Key Performance Indicators

Indicators	UOM	2018-19	2017-18
Net Sales	Rs in Million	261,481	205,335
Profit after tax	Rs in Million	118,386	78,736
Net Profit Margin	%	45	38
EBITDA Margin	%	69	62
Current Ratio	Times	7.02	7.35

Dividend

The Board of Directors has recommended the final cash dividend of Rs 2.50 per share (25%) in addition to three (3) cumulative interim cash dividends of Rs 8.50 per share already declared and paid during the year under review. This makes a total dividend of Rs 11 per share (110%) for the year ended 30 June 2019.

Exploration and Development Activities

As of 30 June 2019, OGDCL's exploration acreage stood at 77,572 sq. km, representing the largest exploration area held by any E&P company in Pakistan. Exploration portfolio spreads across all four provinces of Pakistan and currently constitutes forty-three (43) owned and operated joint venture exploration licenses. Additionally, the Company possesses working interest in six (6) blocks operated by other E&P companies.

In line with its exploration led growth strategy to augment new oil and gas reserves, OGDCL during the year under review acquired 1,324 Line km of 2D seismic data and 620 sq. km of 3D seismic data, which represents 63% and 41% of total seismic data acquisition in the Country respectively. Moreover, 7,404 Line km of 2D seismic data and 320 sq. km of 3D seismic data of various blocks has also been processed/reprocessed using in-house resources.

In addition to the above, OGDCL spud sixteen (16) wells comprising nine (9) exploratory/appraisal wells namely Garhi X-2, Siab-1, Qadirpur Deep X-1, Mangrio-1, Pandhi-1, Togh-1, Nashpa-5A, Pirano-1 & Dhamach-1 and seven (7) development wells namely Pasahki NE-2, Chanda-5, Pasahki West Deep-2, Mela-7, Uch-17A and Qadirpur-60 & 61. Furthermore, drilling and testing of seven (7) wells from previous fiscal years have also been completed whereas total drilling recorded during the year was 69,022 meters.

Discoveries

During the fiscal year 2018-19, OGDCL marked three (3) oil & gas discoveries namely Chanda-1 and Mela-5 in district Kohat, KPK province and Mangrio-1 in district Tando Muhammad Khan, Sindh province. Aforementioned discoveries have cumulative daily production potential of 12.89 MMcf of gas and 915 barrels of oil. Preliminary reserve estimates are 61 billion cubic feet of gas and 9 million barrels of oil, combined 21 million barrels of oil equivalent. Subsequently, two (2) more discoveries were reported viz., Pandhi-1 in district Sanghar, Sindh province and Togh-1 in district Kohat, KPK province having a cumulative daily production potential of 760 barrels of oil and 22 MMcf of gas.

Development Projects

Name of Project	Location of Project	Working Interest Owners	Completion Date	Current Status
Nashpa Compression	Karak, KPK	OGDCL 56.45% PPL 28.55% GHPL 15.00%	June 2020	EPCC contract has been awarded and preliminary design work is underway.
Mela	Kohat, KPK	OGDCL 56.45% PPL 28.55% GHPL 15.00%	December 2019	Up-gradation of plant facilities at Mela field and laying of gas pipeline to Nashpa plant for LPG extraction are in progress.
Dhok Hussain	Kohat, KPK	OGDCL 97.5% KPOGCL 2.5%	Subject to laying of gas pipeline by SNGPL	Installation work w.r.t. gas processing facilities has been completed and supply of gas is subject to laying of gas pipeline by SNGPL.
Bitrism, Gundandwari & Chabaro	Sanghar/ Khairpur, Sindh	OGDCL 77.5% GHPL 22.5%	Bitrism wells are connected at Sinjhoru processing plant	Integration of Bitrism wells has been completed and production of condensate, gas and LPG started on 17 May 2019. Flow lines w.r.t. Gundandwari & Chabaro wells will be laid down in due course of time and production will gradually increase as per processing capacity availability at Sinjhoru plant.
Jhal Magsi	Jhal Magsi Balochistan	OGDCL 56% POL 24% GHPL 20%	Subject to finalization of gas buyer	Government has reallocated gas to the Company for sale to the third party via competitive bidding and efforts are underway to find a suitable buyer.

Production

OGDCL being the market leader in E&P sector of Pakistan is making all out efforts to augment oil and gas production from owned and operated joint venture fields via intensifying field development activities, completion of on-going development projects and utilization of latest production techniques. In this pursuit, thirteen (13) operated wells were injected in the production gathering system which cumulatively yielded gross crude oil and gas production of 373,515 barrels and 4,867 MMcf respectively. The Company's production during the reporting period contributed around 45% and 29% towards the Country's total oil and natural gas production respectively.

In an effort to arrest natural decline and sustain production from mature wells, OGDCL during the year under review carried out successful workover jobs with rig at Kunnar-10, Rajjan-8, Bobi-3, Kal-1, Sono-4, Jand-1, Thal West-1, Bhambra-1, Palli Deep-1 and Chak Naurang South-1. Likewise, successful rig-less workover jobs (19 in Nos.) were also carried out to revive/enhance oil and gas production. Moreover to induce improvement in the current well flow parameters, pressure build-up survey campaigns were carried out at various wells.

During the year ended 30 June 2019, OGDCL reported average daily net LPG production of 802 Tons, showing a healthy increase of 16% in comparison to the corresponding period last year mainly due to startup of production from Bitrisim field accompanied with production increase from Nashpa and KPD fields. Amid, natural depletion at mature producing fields and short lifting of crude oil by refineries at Nashpa and TAY fields, average daily net crude oil production remained stable at 40,810 barrels.

Likewise, average daily net saleable gas production during the year under review remained steady at 1,014 MMcf despite natural decline at mature producing fields coupled with less gas intake at Uch-I field owing to extended ATA and tripping of turbines at UPL-I. Average daily net saleable crude oil, gas, LPG and sulphur production including share in both operated and non-operated JV fields during the reporting period is as follows:

Products	Unit of Measurement	FY 2018-19	FY 2017-18
Crude oil	Barrels per day	40,10	41,278
Gas	MMcf per day	1,014	1,022
LPG	Tons per day	802	690
Sulphur	Tons per day	55	58

Moving on, OGDCL remains steadfast in its resolve to carry on vigorous exploratory endeavors, expedite completion of ongoing development projects and exercise financial discipline while undertaking new development activities to maintain and improve business operational performance alongside creating material value for the shareholders in the years to come.