

OIL AND GAS DEVELOPMENT COMPANY LIMITED
DRAFT MINUTES OF 12TH EXTRA ORDINARY GENERAL
MEETING OF THE MEMBERS OF THE COMPANY HELD ON
JULY 19, 2021 AT 0930 HOURS AT OGDCL HEAD OFFICE, ISLAMABAD

PRESENT

As per list attached as Annex-A.

COMMENCEMENT OF THE MEETING

With the permission of the Chair, the Company Secretary welcomed the members to the 12th Extra Ordinary General Meeting of the Company and invited Hafiz Zakir Ul Haq for recitation from the Holy Quran.

12.2 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 the proxies received were in order representing 87% of the total shareholding of the Company and confirmed that quorum was present for the meeting. List of Proxies is attached as Annex B. The Secretary then read out the notice and agenda of the 12th Extra Ordinary General Meeting, being the Thirty Sixth (36th) meeting of the members of the Company.

The Chairman informed the house about the special agenda to be transacted during the extraordinary session. Members were informed that necessary disclosures and dissemination of information regarding the proposed transaction was made in accordance with the applicable regulatory regime. Chairman informed the Members that the transaction includes a consortium of four companies i.e. OGDCL, MPCL, GHPL with PPL as the operator. Members were also apprised about the nature of intended investment and the due diligence conducted in this regard. It was brought to the notice of the shareholders that participation in the bidding round in Abu Dhabi was undertaken with the approval of the Federal Government. Chairman invited the Members to share their views / comments on the business under consideration.

Mr. Najamul Kamal Hyder, a shareholder of the Company under CDS ID/AC #00364-22739 raised a point regarding the ownership of the proposal especially Management's input. MD/CEO clarified that the proposal was placed before the Board by the Management and he takes full responsibility for all actions on behalf of the Management and agrees with the investment proposal. Mr. Najam remarked that it would have been better if all the details of the proposed joint venture were communicated to the shareholders earlier instead of sharing them at this meeting so that they were able to analyze the prospects in greater detail. As per contents of the proposed NewCo the overall commitment is USD 400 million and the responsibility is joint and several. When such situations occur, it is a normal practice to carry out due diligence of other partners and inquired whether OGDCL undertook this process. Safeguard of Public Investment Act, 1960 was relevant, Mr. Najam opined. He also questioned the selection of PPL as operator in the light of its earlier experience in Iraq and Yeman ventures. Mr. Najamul



Kamal Hyder stated that those ventures were unsuccessful and the Company lost huge amount of money. This was followed by the purchase of an E&P company at a very high price. PPL was not able to defend its position in the Supreme Court and matter was referred to NAB. The current situation is that most of the present as well as past management of PPL are facing NAB references against them and are on bail. With these facts, did the management and board of OGDCL feel confident to accept PPL as operator in the proposed NewCo., Mr. Najam inquired. Chairman asked the management to respond to the question of due diligence of each partner and NAB references against PPL. CFO informed the forum that in terms of due diligence of other consortium partners, it is to be noted that collectively they have recorded a total net revenue of over a half trillion rupees and net profit of over Rs 200 billion. Majority of the ownership of OGDCL and PPL stands with the Government whereas GHPL is fully owned by the Government. Similarly, Government and OGDCL hold 20% shares each of MPCL. OGDCL, PPL and MPCL are listed on the Pakistan Stock Exchange. CFO confirmed that each Consortium company is known very well to OGDCL. CFO added that financial position is solid and between the four companies cash position is close to Rs 200 billion so there is no reason to show concern that any of these companies would fall short of funds. With specific reference to PPL, it recorded a net profit after tax of over Rs 50 billion in the year 2019-20.

Regarding technical, commercial and financial due diligence, CFO stated that the matter was examined in-house to evaluate the opportunity from all aspects. On the basis of various scenarios and sensitivities it has been concluded that the project will yield positive Internal Rate of Return (IRR). CFO further stated that a maximum amount of USD 100 million will be spent over a period of five years. The block expected to be awarded to the Consortium has five discoveries which will have to be monetized through appraisal and development plans. Due diligence was undertaken on the basis of exploration potential, commercial terms, project production profile, cash flow profile for the next 5 – 10 years and cumulative project net cash flow. Technical aspects and prospectivity of the block were thoroughly analyzed as per standard practice. Selection of offshore Block # 5 was made once relevant professionals of all Consortium partners were satisfied about its potential and prospectivity. The Consortium would be entitled to receive its entire share of crude oil and for natural gas, ADNOC would pay transportation charges. The ownership of natural gas would vest in ADNOC, CFO informed.

Regarding operatorship of PPL, CFO stated that the opportunity was first identified by PPL and participating interest was offered to OGDCL, MPCL and GHPL. As part of pre-bid arrangement it was agreed that PPL would be the operator. This was also in line with the policy of the Company to identify and evaluate opportunities within and outside Pakistan as part of internationalization and diversification strategy. For internationalization, it was a better proposition for the Company to initially take a smaller share in a venture as a non-operator and after gaining experience, portfolio may be enhanced.

Regarding the financial and commercial due diligence, CFO apprised the forum that the project has been evaluated on the basis of IRR, taxation regime and commercial terms. Various risks and risk management options were also considered. For legal due



diligence the Consortium had engaged local and foreign law firms.

Mr. Najam inquired from the Company Secretary that while carrying out due diligence of PPL, has OGDCL taken into consideration the PPL case in NAB/Supreme Court or otherwise. Company Secretary informed that it was a common practice that holders of public offices at times face inquiries and it was not limited to PPL but OGDCL officials and officials of other public sector companies have been associated with similar actions.

Chairman, however agreed with the observations that considering OGDCL's standing, the Company may take a lead role in future.

Mr. Najam also sought assurance of declaring contingent liabilities and whether requirements of IAS 37 are being met considering the fact that OGDCL is also listed on the London Stock Exchange. CFO confirmed that the disclosure requirements would be fully complied with and detailed notes to the financial statements including the relevant sections in the Annual Report would definitely contain this information once the transaction materializes.

Dr. Arshad Mahmood, Director (Secretary Petroleum Division) also appreciated the issues raised by Mr. Najam and complemented him for becoming the voice of minority shareholders. He informed that foreign currency cover and other issues have been thoroughly deliberated and matter was also taken up at ECC level. It augments well that all the four companies are jointly stepping ahead and becoming source of strength for each other to achieve better results, he commented. Dr. Arshad Mahmood observed that the companies deserve some credit for identifying an opportunity and proceeding ahead in a competitive environment. Mr. Najam stated that he was the biggest advocate of OGDCL and the E&P sector and that he fully understands the intricacies of this business. He also raised the issue of blocking vote given to PPL being the operator. Mr. Najam drew attention to vacant positions in the Company. Chairman assured that the board was in the process of filling the positions at senior management level.

Brig® Abdul Hadi, one of the shareholders of the Company under CDS ID/AC#03228-5935 praised the Company for taking part in the Consortium as partner and wished all the best for its new venture. He stressed upon the need for the E&P companies to look for diversification and internationalization to sustain and expand their businesses.

Chairman asked the Company Secretary to proceed further and read out the special business to be transacted.

12.1.2. **SPECIAL BUSINESS:**

1. To consider, and if thought fit, to approve and authorize the investment by way of equity in a proposed associated company to be incorporated for the purposes of exploration and production of petroleum in one of the blocks offered in Abu Dhabi bid round 2019, in respect of which the Consortium of Oil and Gas Development Company Limited (OGDCL), Pakistan Petroleum Limited (PPL), Mari Petroleum Company Limited (MPCL) and Government Holdings (Private) Limited



(GHPL) submitted the bid, pass the following resolution as and by way of a Special Resolution, namely, in accordance with section 199 of the Companies Act 2017:

RESOLVED THAT the Company be and is hereby authorized to establish a company ("**NewCo**") together with Pakistan Petroleum Limited, Mari Petroleum Company Limited and Government Holdings (Private) Limited, in Abu Dhabi Global Market or in Pakistan, for the purposes of exploration and production of petroleum in one of the blocks offered in Abu Dhabi Bid Round 2019, and that the Company be and is hereby authorized to enter into and subscribe to the memorandum and articles of association (as applicable) of the proposed NewCo to the extent of 25 percent of the shareholding of the proposed NewCo.

2. To consider, and if thought fit, to approve and authorize the investment by way of equity in the shares of the proposed NewCo, pass the following resolution as and by way of a Special Resolution, namely, in accordance with section 199 of the Companies Act 2017:

RESOLVED THAT upon the incorporation of the proposed NewCo and award of the block, in respect of which the bid was submitted by the Consortium in the Abu Dhabi Bid Round 2019, approval of the members of the Company be and is hereby accorded in terms of Section 199 of the Companies Act, 2017 read with the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 for equity investment of USD 100 million in the shares of the proposed NewCo, in aggregate amounting to USD 400 million to be injected cumulatively by the members of the Consortium, in relation to the exploration and production of petroleum, as per the terms and conditions disclosed to the shareholders.

3. To consider, and if thought fit, to approve and authorize the issuance of Corporate Guarantees, on a joint and several basis, in favour of Abu Dhabi National Oil Company ("**ADNOC**") and Supreme Council for Financial and Economic Affairs ("**SCFEA**") for the exploration and production phase by the Company, pass the following resolution as and by way of a Special Resolution, namely, in accordance with section 199 of the Companies Act 2017:

RESOLVED THAT upon incorporation of the proposed NewCo and award of the Block, approval of the members of the Company be and is hereby accorded in terms of Section 199 of the Companies Act, 2017 read with the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 for issuance of Corporate Guarantees, on a joint and several basis, in favour of ADNOC and SCFEA in respect of the obligations of the proposed NewCo under the Concession Documents, with



the following features and as per the terms and conditions disclosed to the shareholders:

Salient Features of the corporate guarantees:

- *The corporate guarantees are to be issued by the Company in favor of SCFEA and ADNOC (Beneficiaries).*
 - *Under the terms, the Company shall guarantee all the exploration and production obligations of the NewCo in the Concession Area, under any agreement signed by the NewCo, as a principal obligor, to the Beneficiaries.*
 - *Two corporate guarantees, one each in respect of the exploration and the production obligations respectively, are to be issued by the Company in favor of the Beneficiaries.*
 - *In case NewCo fails to meet its payment obligations under the Concession Documentation, Company shall guarantee to pay the amount as principal obligor within five (05) business days of demand by the Beneficiaries.*
 - *The corporate guarantees shall be of a continuing nature and shall remain in force till all obligations of the NewCo are satisfied.*
 - *The remaining consortium members shall also be issuing corporate guarantees to the Beneficiaries, separately, on a joint and several basis, with the same features mentioned above.*
4. To consider, and if thought fit, to approve and authorize the issuance of a Shareholders' Protection Guarantee in favour of NewCo, PPL, MPCL and GHPL for the exploration and production phase by the Company, pass the following resolution as and by way of a Special Resolution, namely, in accordance with section 199 of the Companies Act 2017:

RESOLVED THAT upon incorporation of the proposed NewCo and award of the Block, approval of the member of the Company be and is hereby accorded in terms of Section 199 of the Companies Act, 2017 for issuance of Shareholders' Protection Guarantee in favour of NewCo, PPL, MPCL and GHPL in proportionate share of investment in the proposed NewCo in respect of all the obligations of the proposed NewCo or the shareholders under the Concession Documents, with the following features and as per the terms and conditions disclosed to the shareholders:

Salient Features of the shareholders' protection guarantee

- *Each shareholder of the proposed NewCo shall provide a shareholders' protection guarantee for the benefit of*



the proposed NewCo and other shareholders in the proposed NewCo

- *The shareholders' protection guarantee will be in relation to all monies and liabilities owing or incurred with respect to the Concession Documents by any shareholder of the proposed NewCo*
- *The shareholders' protection guarantee will be executed to ensure due and proper performance and observance of all obligations by each shareholder and the proposed NewCo under the Concession Documents, under or in connection with any agreement or arrangement from time to time between any shareholders or the proposed NewCo and ADNOC/SCFEA when they become performable in accordance with the terms of such agreements or arrangements.*

5. To consider, and if thought fit, to approve and authorize the direct disbursement of Company's proportionate share of Signature Fee to ADNOC, in case the proposed NewCo is unable to open a bank account or faces difficulty or delay in meeting the deadline under the Concession Documents for making such payment, pass the following resolution as and by way of a Special Resolution, namely, in accordance with section 199 of the Companies Act 2017:

RESOLVED THAT upon incorporation of the proposed NewCo and award of the Block, approval of the member of the Company be and is hereby accorded in terms of Section 199 of the Companies Act, 2017 for direct disbursement of Company's proportionate share of Signature Fee to ADNOC, in case the proposed NewCo is unable to open a bank account or faces difficulty or delay in meeting the deadline under the Concession Documents for making such payment. Provided, however, that the amount of such direct disbursement of the Company's proportionate share of the Signature Fee to ADNOC shall stand reduced from the Company's proportional equity investment amount.

Resolutions Adopted

Proposed by Brig® M. Hadi (CDS ID/AC#03228-5935) and seconded by Mr. Irfan Babur Khan (CDS ID/AC #06916-7439), the shareholders approved and adopted following resolutions:

1. ***RESOLVED THAT*** the Company be and is hereby authorized to establish a company ("**NewCo**") together with Pakistan Petroleum Limited, Mari Petroleum Company Limited and Government Holdings (Private) Limited, in Abu Dhabi Global Market or in Pakistan, for the purposes of exploration and production of petroleum



in one of the blocks offered in Abu Dhabi Bid Round 2019, and that the Company be and is hereby authorized to enter into and subscribe to the memorandum and articles of association (as applicable) of the proposed NewCo to the extent of 25 percent of the shareholding of the proposed NewCo.

2. **RESOLVED THAT** upon the incorporation of the proposed NewCo and award of the block, in respect of which the bid was submitted by the Consortium in the Abu Dhabi Bid Round 2019, approval of the members of the Company be and is hereby accorded in terms of Section 199 of the Companies Act, 2017 read with the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 for equity investment of USD 100 million in the shares of the proposed NewCo, in aggregate amounting to USD 400 million to be injected cumulatively by the members of the Consortium, in relation to the exploration and production of petroleum, as per the terms and conditions disclosed to the shareholders.

3. **RESOLVED THAT** upon incorporation of the proposed NewCo and award of the Block, approval of the members of the Company be and is hereby accorded in terms of Section 199 of the Companies Act, 2017 read with the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 for issuance of Corporate Guarantees, on a joint and several basis, in favour of ADNOC and SCFEA in respect of the obligations of the proposed NewCo under the Concession Documents, with the following features and as per the terms and conditions disclosed to the shareholders:

Salient Features of the corporate guarantees:

- *The corporate guarantees are to be issued by the Company in favor of SCFEA and ADNOC (Beneficiaries).*
- *Under the terms, the Company shall guarantee all the exploration and production obligations of the NewCo in the Concession Area, under any agreement signed by the NewCo, as a principal obligor, to the Beneficiaries.*
- *Two corporate guarantees, one each in respect of the exploration and the production obligations respectively, are to be issued by the Company in favor of the Beneficiaries.*
- *In case NewCo fails to meet its payment obligations under the Concession Documentation, Company shall guarantee to pay the amount as principal obligor within five (05) business days of demand by the Beneficiaries.*
- *The corporate guarantees shall be of a continuing nature and shall remain in force till all obligations of the NewCo are satisfied.*
- *The remaining consortium members shall also be issuing corporate guarantees to the Beneficiaries, separately, on a joint and several basis, with the same features mentioned above.*



4. **RESOLVED THAT** upon incorporation of the proposed NewCo and award of the Block, approval of the member of the Company be and is hereby accorded in terms of Section 199 of the Companies Act, 2017 for issuance of Shareholders' Protection Guarantee in favour of NewCo, PPL, MPCL and GHPL in proportionate share of investment in the proposed NewCo in respect of all the obligations of the proposed NewCo or the shareholders under the Concession Documents, with the following features and as per the terms and conditions disclosed to the shareholders:

Salient Features of the shareholders' protection guarantee

- Each shareholder of the proposed NewCo shall provide a shareholders' protection guarantee for the benefit of the proposed NewCo and other shareholders in the proposed NewCo
 - The shareholders' protection guarantee will be in relation to all monies and liabilities owing or incurred with respect to the Concession Documents by any shareholder of the proposed NewCo
 - The shareholders' protection guarantee will be executed to ensure due and proper performance and observance of all obligations by each shareholder and the proposed NewCo under the Concession Documents, under or in connection with any agreement or arrangement from time to time between any shareholders or the proposed NewCo and ADNOC/SCFEA when they become performable in accordance with the terms of such agreements or arrangements.
5. **RESOLVED THAT** upon incorporation of the proposed NewCo and award of the Block, approval of the member of the Company be and is hereby accorded in terms of Section 199 of the Companies Act, 2017 for direct disbursement of Company's proportionate share of Signature Fee to ADNOC, in case the proposed NewCo is unable to open a bank account or faces difficulty or delay in meeting the deadline under the Concession Documents for making such payment. Provided, however, that the amount of such direct disbursement of the Company's proportionate share of the Signature Fee to ADNOC shall stand reduced from the Company's proportional equity investment amount.

CLSURE OF THE MEETING

There being no other business to transact, Chairman thanked the shareholders for their active participation in the proceedings and assured that the points highlighted have been well taken and would be considered for future implementation.

The meeting ended with a vote of thanks to the Chair.



Annex-A

Oil & Gas Development Company Limited Attendance Sheet 12th Extraordinary General Meeting Held on July 19, 2021		
Sr. No.	Name	Folio/CDC ID AC#
1.	Mr. Zafar Masud (Through Video Link)	Chairman Board
2.	Dr. Arshad Mahmood (Through Video Link)	Director Board
3.	Mr. Muhammad Haroon ur Rafique (Through Video Link)	Director Board
4.	Dr. Iftikhar Amjad (Through Video Link)	Director Board
5.	Syed Khalid Siraj Subhani (Through Video Link)	Director Board
6.	Mr. Akbar Ayub Khan (Through Video Link)	Director Board
7.	Mr. Muhammad Riaz Khan	Director Board
8.	Mrs Shamama Tul Amber Arbab (Through Video Link)	Director Board
9.	Mr. Jahanzaib Durrani	Director Board
10.	Mr. Shahid Salim Khan	MD/CEO/Director
11.	M/s A.F Ferguson & Co. Chartered Accountants	External Auditor
12.	M/s KPMG Taseer Hadi & Co. Chartered Accountants	External Auditor
13.	M/s Khokhar Law Chambers (Through Video Link)	Legal Advisor
14.	M/s CDC Share Registrar Services Limited.	Share Registrar
15.	Mr. Irfan Babar	06916-7439
16.	Mr. Abdul Hadi	03228-5935
17.	Mr. Shakir Zamir	30559
18.	Mr. Najamul Kamal Hyder (Through Video Link)	00364-22739
19.	Mr. Abdul Rehman Najam (Through Video Link)	03277-104041
20.	Mr. Khalid Latif (Through Video Link)	03350-106688
21.	Mr. Kaleem Akbar (Through Video Link)	3038-53054
22.	Muhammad Arshad (Through Video Link)	3459-30308
23.	Syed Aziz Hussain Shah (Through Video Link)	03459-14737
24.	Mr. Faid Gul (Through Video Link)	10629-55262
25.	Mr. Asher Yousfani (Through Video Link)	11544-5738
26.	Syed Asif Ali (Through Video Link)	00620-47550
27.	Mr. Muhammad Amir Naeem (Through Video Link)	6700-37654
28.	Mr. Muhammad Shiraz Hasan (Through Video Link)	79093
29.	Mr. Muhammad Amir Qureshi (Through Video Link)	10629-27238



OIL & GAS DEVELOPMENT COMPANY LIMITED

**12th Extraordinary General Meeting
Monday, July 19, 2021 at 09:30 am
OGDCL Head Office, Islamabad (Through Video Link)**

Annexure -B

List of Proxies

S. No.	CDS Account/ Folio	Name Of Shareholder	Name of Appointee	No. of Shares
1	N/A	GOVERNMENT OF PAKISTAN	MR. SHAHID SALIM KHAN/ MR. AHMED HAYAT LAK	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. SHAHID SALIM KHAN/ MR. AHMED HAYAT LAK	322,460,900
4	00695	REPRESENTATION ON BEHALF OF FOREIGN CLIENTS OF STANDARD CHARTERED BANK	MR. HASSAN ZAMAN	40,232,557
5	00521	REPRESENTATION ON BEHALF OF FOREIGN CLIENTS OF DEUTCHE BANK	MR. FAISAL HASHMI / MR. K .HAMMAD IZZ-E-HAMID	18,801,248
6	00547	REPRESENTATION ON BEHALF OF FOREIGN CLIENTS CITI BANK	MR. ATEEQ -UR-REHMAN/ MR. AMEET KUMAR	23,184,579
7	17681-26	CDC - TRUSTEE ATLAS ISLAMIC DEDICATED STOCK FUND	MR. YASIR SALAMAT	290,900
8	09449-25	CDC - TRUSTEE ATLAS ISLAMIC STOCK FUND		2,395,177
9	10603-21	CDC - TRUSTEE APF-EQUITY SUB FUND		286,300
10	10900-25	CDC - TRUSTEE APIF - EQUITY SUB FUND		419,600
11	05959-27	CDC - TRUSTEE ATLAS STOCK MARKET FUND		4,918,100
		Total (Three Billion Seven Hundred Fourty Seven Million Three Hundred Twenty Six Thousand Five Hundred and Eighty One Only)		Percentage of Total Outstanding Shares
		Percentage of Total Outstanding Shares		87%

