

Islamabad, February 23, 2022

FOR IMMEDIATE RELEASE**OGDCL's Financial Results for the Half Year Ended 31 December 2021**

Oil and Gas Development Company Limited (OGDCL), (Ticker: OGDC), today announces its financial results for the half year ended December 31, 2021. Financial Statements have been prepared in accordance with International Financial Reporting Standards.

Highlights of the half year include:

- OGDCL registered net sales of Rs 151.163 billion compared to Rs 110.980 billion in the corresponding period last year
- Net Profit before Taxation was Rs 105.172 billion compared to Rs 62.069 billion in the corresponding period last year
- Net Profit after Taxation was Rs 68.883 billion as against Rs 42.225 billion in the corresponding period last year translating into an Earnings per Share of Rs 16.02
- The Board of Directors declared second interim cash dividend of Rs 2.00 per share
- Operating Profit Margin and Net Profit Margin were 55% and 46%, respectively
- Average net realized price of crude oil was US\$ 63.23/bbl as against US\$ 38.81/bbl in the corresponding period last year
- Average net realized price for natural gas was Rs 404.28/Mcf as against Rs 377.93/Mcf in the corresponding period last year
- Acquired 652 Line km of 2D seismic data in comparison to 1,715 Line km of 2D and 156 sq. km of 3D seismic data in the corresponding period last year
- Spud six (6) wells including four (4) exploratory wells and two (2) development wells
- Exploratory efforts yielded four (4) oil and gas discoveries; Wali-1 (Kawagarh), Wali-1 (Hangu) and Wali-1 (Lockhart) in district FR Lakki, KP province and Jandran West-1 in district Kohlu, Balochistan province
- Average net saleable crude oil, gas and LPG production were 36,788 barrels per day, 827 MMcf per day and 814 Tons per day during the period under review
- A summary of profit and loss indicators is tabulated below:

Rs in billion

	1H 2021-22	1H 2020-21
Net Sales	151.163	110.980
Profit before Taxation	105.172	62.069
Profit after Taxation	68.883	42.225
Earnings per Share - Rs	16.02	9.82

MD & CEO's Statement

Syed Khalid Siraj Subhani, MD/CEO OGDCL, commenting on the financial results of OGDCL's first half 2021-22 said:

I am pleased to report that OGDCL during the half year ended December 31, 2021 registered Sales Revenue of Rs 151.163 billion and Profit after Tax of Rs 68.883 billion. Higher profitability has been achieved despite the prevalence of Omicron wave. During July-December 2021, the Company acquired 652 Line km of 2D seismic data which represents 59% of total 2D seismic data acquisition in the Country. OGDCL drilled a total of six (6) wells and its pursuit to exploration-led growth strategy led the Company to discover four (4) new hydrocarbon finds during the period under review.

OGDCL during the period under review contributed around 48%, 29% and 38% towards Country's total oil, natural gas and LPG production respectively. The development project for installation of LPG extraction plant is underway at Daru-Mangrio central facility while compression projects are underway at Maru-Reti, Dakhni, KPD-TAY and Uch fields. Aforesaid compression projects will help in optimizing hydrocarbon recovery and to maintain production plateaus. Moreover, the Company alongwith other consortium members has been awarded Offshore Block 5 in Abu Dhabi's second competitive exploration bid round. The consortium companies have established an independent company, Pakistan International Oil Limited (PIOL) at Abu Dhabi Global Market with each consortium company having a 25% equity stake in PIOL. The exploration concession agreement between PIOL and Abu Dhabi National Oil Company (ADNOC) was signed on 31 August, 2021.

Finally, I would like to commend the continued support extended by all our stakeholders which has always proved fruitful in the pursuit to achieve organizational goals and objectives and maximizing shareholders value. I also acknowledge the resilience shown by the Company's human resource in the face of challenges posed by the COVID-19 pandemic, while carrying on the track record of delivering industry leading performance, safely and responsibly.

For further information:

Investor Relations Contacts:

Wasim Ahmad

Investor Relations Officer

Telephone: +92 51 262 3158

Fax: +92 51 924 4104

Email: wasim_ahmad@ogdcl.com

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 36% of gas and 43% of oil, respectively, as at June 30, 2021. During the period under review, it contributed around 48%, 29% and 38% towards Country's total oil, natural gas and LPG production respectively.

With a portfolio of 50 exploration licences, OGDCL has the largest exploration acreage in Pakistan, covering 41% of the total awarded acreage as of December 31, 2021. Currently, all production volumes are being realized from onshore areas of Pakistan, however, the Company also possesses working interest in Pakistan's offshore exploration block; Indus-G.

OGDCL for the year ended June 30, 2021 registered a net Profit after Tax of Rs 91.534 billion.

SUMMARY RESULTS

Financial Results

OGDCL during the half year ended 31 December 2021 registered improved Sales Revenue of Rs 151.163 billion (1H 2020-21: Rs 110.980 billion). Higher Sales Revenue is primarily attributable to increase in average realized price of crude oil to US\$ 63.23/barrel (1H 2020-21: US\$ 38.81/barrel). Moreover, the Company recorded increase in the realized prices of gas and LPG averaging Rs 404.28/Mcf (1H 2020-21: Rs 377.93/Mcf) and Rs 113,962/Ton (1H 2020-21: Rs 62,826/Ton) respectively. Furthermore, rise in average exchange rate to Rs 169.98/US\$ (1H 2020-21: Rs 164.22/US\$) coupled with enhancement in crude oil and LPG production lent strength to the business financials.

In addition, OGDCL's profitability during the period under review was positively impacted due to increase in finance and other income mainly on account of exchange gain. However, contribution towards PIOL coupled with increase in exploration and prospecting expenditure and operating expenses partially impacted the financial performance. Nonetheless, the Company recorded Profit after Tax of Rs 68.883 billion (1H 2020-21: Rs 42.225 billion) translating into an Earnings per Share of Rs 16.02 (1H 2020-21: Rs 9.82).

Dividend

The Board has announced second interim cash dividend of Rs 2.00 per share (20%) for the year ending 30 June 2022. This is in addition to the first interim cash dividend of Rs 1.75 per share (17.50%) already declared and paid during the fiscal year.

Exploration and Development Activities

As of 31 December 2021, OGDCL's exploration acreage stood at 91,795 sq. km representing 41% of Country's total area under exploration (source: PPIS). The Company's exploration portfolio currently comprises fifty (50) owned and operated joint venture exploration licenses. Additionally, the Company possesses working interest in nine (9) exploration blocks operated by other E&P companies.

In order to discover oil and gas reserves, OGDCL during the period under review acquired 652 Line km of 2D and nil sq. km of 3D seismic data in comparison to 1,715 Line km of 2D and 156 sq. km of 3D seismic data during the corresponding period last year. The acquired seismic data represents 59% of total 2D seismic data acquisition in the Country (source: PPIS). Moreover, the Company using in-house resources processed/reprocessed 1,896 Line km of 2D and 905 sq. km of 3D seismic data.

On the drilling front, OGDCL spud six (6) wells (1H 2020-21: 9 wells) including four (4) exploratory wells [Bago Phulphoto-1, Bewato-1, Killi Malik-1 & Kalerishum-1] and two (2) development wells [Hakeem Daho-3 & Qadirpur-63]. Moreover, drilling and testing of nine (9) wells pertaining to previous fiscal year was also completed. Total drilling recorded during the reporting period was 23,913 meters (1H 2020-21: 33,644 meters).

Discoveries

OGDCL's exploratory efforts to locate reserves yielded four (4) oil and gas discoveries having expected cumulative daily production potential of 39 MMcf of gas and 2,850 barrels of oil. Aforementioned discoveries include Wali-1 (Kawagarh), Wali-1 (Hangu) and Wali-1 (Lockhart) in district FR Lakki, KP province and Jandran West-1 in district Kohlu, Balochistan province. Preliminary 2P reserves estimates attributable to these discoveries are 236 billion cubic feet of gas and 13 million barrels of oil, combined 58 million barrels of oil equivalent.

Development Projects

Name of Project	Location of Project	Working Interest Owners	Completion Date	Current Status
Qadirpur Compression	Ghotki, Sindh	OGDCL 75.00% PPL 7.00% KUFPEC 8.50% AHEL 4.75% PKPEL2 4.75%	February 2022	Installation of first compressor has been completed and compressor is in operational mode.
Maru-Reti Compression	Ghotki, Sindh	OGDCL 57.76% GHPL 22.50% SEPL 10.66% IPRTOC 9.08%	August 2022	Compressor has been delivered at project site while hiring of PC contractor for installation is in progress.
Daru-Mangrio Central Facility LPG Extraction	Hyderabad, Sindh	OGDCL 77.50% GHPL 22.50%	November 2022	The case for hiring of contractor for installation of plant will be press tendered shortly.
Dakhni Compression	Attock, Punjab	OGDCL 100%	June 2023	Technical bids for hiring of EPCC contractor have been received and evaluation process is in progress.
KPD-TAY Compression	Hyderabad, Sindh	KPD: OGDCL 100% TAY: OGDCL 77.50% GHPL 22.50%	September 2023	Conceptual study and Front End Engineering Design work have been completed and press tendering is in progress.
Uch Compression	Dera Bugti, Balochistan	OGDCL 100%	December 2023	Tender for hiring of EPCC contractor has been floated in the press.

Production

In line with its production strategy to enhance oil and gas production, OGDCL during the period under review injected seven (7) operated wells in the production gathering system. These injected wells include Tando Alam-21, Sial-1, Pasakhi-12, Mangrio-2, Togh Bala-2, Gundunwari-1 and Pandhi-1 which cumulatively yielded gross crude oil and gas production

of 171,110 barrels and 833 MMcf respectively. Overall, Company's production during the reporting period contributed around 48%, 29% and 38% towards Country's total oil, natural gas and LPG production respectively.

In an effort to arrest natural decline and sustain production from mature wells, OGDCL during the period under review carried out fifty two (52) work-over jobs comprising nine (9) with rig and forty three (43) rig-less. Moreover to induce improvement in the current well flow parameters, pressure build-up survey jobs were completed at various wells of producing fields; Mela, Pasahki, Nashpa, Qadirpur, Maru-Reti, Uch and Kunnar.

Despite natural decline at various mature producing fields, OGDCL witnessed increase in its crude oil and LPG production in comparison to the corresponding period last year. The Company's average daily net LPG production clocked in at 814 Tons (1H 2020-21: 778 Tons) owing to higher production mainly from Mela, Nashpa and TAY fields. Likewise, average daily net crude oil production clocked in at 36,788 barrels (1H 2020-21: 36,423 barrels) on account of increased production predominantly from Pasahki, Kunnar, Mela, Tando Alam and Mangrio fields.

OGDCL's average daily net saleable gas production clocked in at 827 MMcf (1H 2020-21: 856 MMcf). Decrease in production is primarily due to natural decline at KPD-TAY and Qadirpur fields. Moreover, production decline was recorded owing to annual turn around (ATA) at 5 (five) production fields (1H 2020-21: ATA at four (4) production fields); Qadirpur (5-11 August 2021), Mela (22-25 August 2021), Nashpa (22-29 August 2021), Sinjhoru (6-15 October 2021) and Uch (18-29 October 2021 & 10-15 December 2021). Likewise, production share from NJV fields also declined during the reporting period.

Average daily net saleable crude oil, gas and LPG production including share in both operated and non-operated JV fields is as follows:

Products	Unit of Measurement	1H 2021-22	1H 2020-21
Crude oil	Barrels per day	36,788	36,423
Gas	MMcf per day	827	856
LPG	Tons per day	814	778