



OGDCL Full-Year Results FY2008

(July 2007 – June 2008)



20 August 2008



Forward Looking Statements

During the course of this conference call we may make forward-looking statements regarding future events or the future performance of the company. By their very nature, forward looking statements involve inherent risks and uncertainties, both general and specific and risks exist that the predictions, forecasts, projections and other forward looking statements will not be achieved. You should be aware that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements.

When relying on forward looking statements you should carefully consider the political, economic, social and legal environment in which OGDCL operates. Such forward looking statements speak only as of the time of this call today. Accordingly OGDCL does not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise, other than that as required by applicable laws, the listing rules or prospectus rules of the United Kingdom listing authority, the Pakistani Capital Market's authority or the Karachi Stock Exchange. The documents filed from time to time with these authorities may identify important factors that could cause actual results to differ materially from those contained in any forward-looking statements.

Group Overview

Location of Major OGDCL Operations



As of 30th June 2008 (or as indicated);

- Largest exploration and production company in Pakistan's oil and gas sector
- Largest exploration acreage in Pakistan, covering 32% of the total acreage awarded
- Largest portfolio of net hydrocarbon reserves in Pakistan
 - 46% of oil (as of Dec 2007)
 - 34% of gas (as of Dec 2007)
- OGDCL contributes 25% of Pakistan's total natural gas production, and 62% of its oil production (on net basis)
- Reserves as at 31 Dec 2006 (D&M Certified):
 - 800 MMboe on 1P basis (Oil 96 and Gas 704)
 - 1,233 MMboe on 2P basis (Oil 156 and Gas 1,077)
- 103 OGDCL fields – 100% Owned & Operated (73) and Non-Operated fields (30)
- 41 OGDCL Operated fields in production
- Presence in and knowledge of all 4 provinces
- 44 development and production leases in 100% Owned and Operated concessions
- Offshore Well, Anne -1X, drilled by Shell in Offshore Indus E block came up dry. OGDCL has a 30% working interest in the Block.
- OGDCL has signed a cross assignment agreement with BP in other offshore Blocks in **February 2008**

Full Year FY07/08 Audited Results Highlights

- Consolidated



- Net sales up 25% to Rs 125.908 billion
- Operating profit margin and net profit margin stood at 59% and 35% respectively
- Earnings per share of Rs 10.31 against Rs 10.52
- Net crude oil production of 43,434 barrels per day, net gas production was 976 MMcf per day, net LPG production 339 tons per day and net sulphur production was 72 tons per day.
- Payable second interim dividend of Rs 3.50 per share
- Oil - average net realized price of US\$ 71.29 / bbl
- Gas - average net realized price of Rs 140.88 / Mcf
- 31 wells spudded and 5 new discoveries made.

Full Year FY07/08 Audited Results Highlights - OGDCL Only



- Net sales up 25.1 % to Rs 125.446 billion
- Operating profit margin and net profit margin stood at 60% and 40% respectively
- Earnings per share of Rs 11.54 against Rs 10.61
- Net crude oil production of 43,434 barrels per day, net gas production was 958 MMcf per day, net LPG production 339 tons per day and net sulphur production was 72 tons per day.
- Payable final dividend of Rs 3.50 per share
- Oil - average net realized price of US\$ 71.29 /bbl
- Gas - average net realized price of Rs 142.13 / Mcf
- 31 wells spudded and 5 new discoveries made.



Operational Update

- During the FY2008, crude oil production increased by 1,931 barrels per day compared to FY2007. Crude oil production increased by 4.7% mainly due to production from Mela-2, Chanda-2, Pasakhi East-1, Moolan North-1 and Chak-66 NE-1.
- Gas production from fields including production from subsidiary company increased by 3.1%.
- LPG net production also decreased by 12% during the period compared to same period last year.
- Delays expected in the development of Tando Allah Yar and Sinjhoru fields are being offset by oil and gas production from Mela and Pasakhi NE fields.
- Joint development of Kunnar Deep & Pasakhi Deep discoveries on a fast track basis is expected to add 250 MMscfd of sales gas, 250 M. tons of LPG and 3,200 bpd of condensate by end 2009.
- Unexpected water break through has affected the production at our Dhodak field, remedial jobs on producing wells has been carried out to reduce the water production which has been successful. Moreover, Dhodak Deep is recently drilled and currently under testing which upon completion will improve production.

	FY2007	FY2008
Crude oil (Barrels / day)	41,503	43,434
Gas (MMscf / day)	947	976
LPG (Metric Tons / day)	386	339
Sulphur (Metric Tons / day)	66	72
Daily production has been worked out at 366 days / year. Gas production includes 18 MMcfd from subsidiary company production. (FY 2007: 19 MMcfd)		

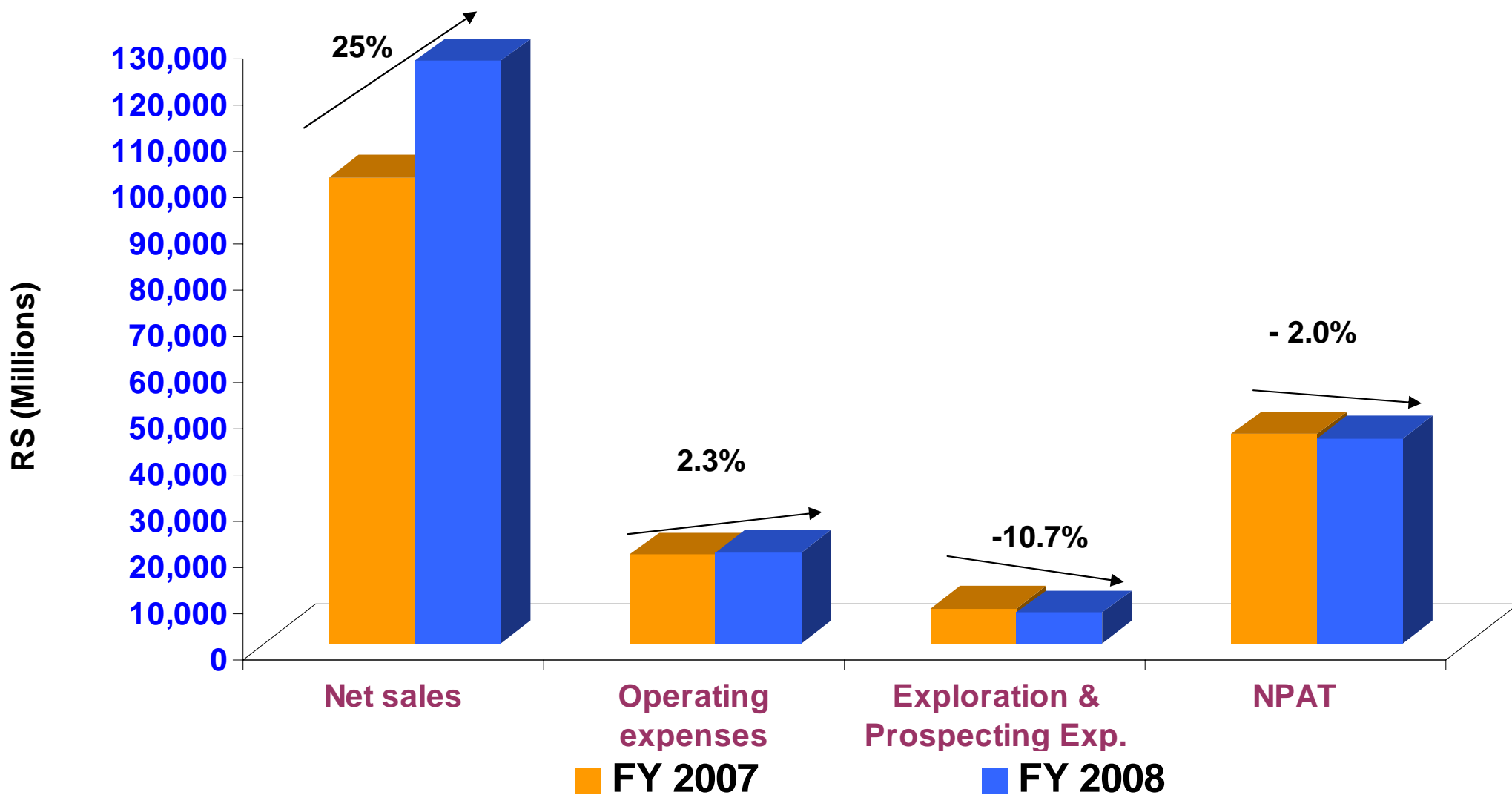
Exploration and Development Activity



- 31 wells spudded, comprising 13 exploratory / appraisal and 18 development wells
- Two new exploration blocks (Eastern Offshore Indus – A and Shaan) were added to OGDCL's existing blocks during FY 2008
- Five new discoveries namely Moolan-1, Moolan N-1, Pasakhi E-1, Pakhro-1 and Dhodak Deep-1 were made in FY2008. In July 2008, another discovery, Kunnar S-1 was made. Initial testing results from these discovery wells produced a cumulative 1,150 bpd of crude oil, 593 bpd of condensate and 46 MMscfd of gas
- 2,889 Linear Kms of 2D seismic survey and 1,067 Sq. Kms of 3D seismic survey completed during FY2008.
- All Eight phases of the OGDCL financed Basin Study have been completed and the phase-wise reports are being finalized. Reports on Phases I, II, and III are complete and we expect that Fugro Robertson will finalize the report on the remaining phases (Phase IV to VIII) by the end of current year 2008.
- Annual Turn Around (ATA) was completed at Qadirpur, Uch, Dakhni, Kunnar, Bobi and Dhodak fields as part of scheduled annual maintenance.
- OGDCL participated in the 4th Bidding Round of Libya



Group's Financial Snapshot





Group's Financials

In Pkr 000,000s	1H FY07	1H FY08	% Change	FY 2007	FY 2008	% Change
Net Sales	49,676	56,822	14.4	100,733	125,908	25
Operating profit margin (%)	59	59	-	56	59	4.9
EBITDA margin (%)	70	69	(1.1)	67	69	3.6
Net profit margin (%)	46	42	(8.1)	45	35	(21.6)
Profit after tax	22,925	24,093	5.1	45,255	44,338	(2.0)
Profit from operating activities	29,236	33,364	14.1	56,724	74,397	31.2
Earnings per share	5.33	5.60	5.1	10.52	10.31	(2.0)
Cumulative dividends per share (Rs.)	3.50	3.75		9.0	6.0 + Final Dividend	



Company's Financials

In Pkr 000,000s	1H FY07	1H FY08	% Change	FY 2007	FY 2008	% Change
Net Sales	49,526	56,568	14.2	100,261	125,446	25.1
Operating profit margin (%)	59	59	-	57	60	4.4
EBITDA margin (%)	70	69	(1.1)	68	70	3.6
Net profit margin (%)	47	42	(9.1)	46	40	(13.1)
Profit after tax	23,113	24,002	3.8	45,630	49,614	8.7
Profit from operating activities	29,462	33,545	13.9	57,443	75,052	30.7
Earnings per share	5.37	5.58	3.8	10.61	11.54	8.7
Cumulative dividends per share (Rs.)	3.50	3.75		9.0	6.0 + Final Dividend	

Summary

- Focus on enhancing production

- Exploit offshore opportunities and develop in-house expertise
 - Cross Assignment Agreement with BP in Pakistan offshore blocks

- Selective international expansion

- Following international best practice