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FOR IMMEDIATE RELEASE

OGDCL Audited Financial Results for the Full Year Ended 30 June, 2011

Oil and Gas Development Company Limited (OGDCL), (Ticker: OGDC), today announces its financial results for the Full Year ended 30 June 2011. Financial Statements have been prepared in accordance with International Financial Reporting Standards.

Highlights of the Full Year include:

- OGDCL's net sales increased to Rs. 155.631 billion compared to Rs. 142.572 billion in the corresponding period last year.
- Net profit before taxation increased to Rs. 90.982 billion compared to Rs. 88.553 billion in the corresponding period last year.
- Net profit after taxation (NPAT) increased to Rs 63.527 billion compared to Rs. 59.177 billion in the corresponding period of preceding year translating into an Earnings per Share of Rs 14.77
- Payable final dividend of Rs. 2.50 per share.
- Operating profit margin and net profit margin were 56% and 41% respectively.
- Average net realized price of crude oil sold was US\$ 72.05/bbl as against US\$ 61.37/bbl during corresponding period last year.
- Average net realized price for natural gas sold was Rs. 214.03/Mcf as against Rs. 186.47/Mcf during corresponding period last year.
- 1500 L. Kms of 2D and 660 Sq. Kms of 3D seismic acquisition completed.
- 21 new wells including ten (10) exploratory / appraisal wells and eleven (11) development wells were spudded during the year ended 30 June 2011.
- Company's exploratory efforts yielded two (2) new gas / condensate discoveries namely Gopang-1 (Nim E.L) and Sheikhan-1 (Kohat E.L).
- Net crude production of 37,370 Bpd, net gas production of 1,013 MMcfd, net LPG production of 195 MTD and net Sulphur production of 73 MTD was witnessed during the period under review.

	FY 2009-10 Rupees '000	FY 2010-11 Rupees '000	% Change
Net Sales	142,571,863	155,631,290	9.2
Profit before Taxation	88,552,753	90,982,204	2.7
Profit after Taxation	59,177,125	63,527,270	7.4
Earnings per Share - Rs	13.76	14.77	7.3
Net Cash from Operating activities	61,506,185	67,924,141	10.4

MD and CEO's Statement

Mr. Basharat A. Mirza, (MD and CEO of OGDCL), commenting on the financial results of OGDCL's full year FY2010-11, said:

"I am excited to report on another successful period for the Company. The year under review saw an increase in our sales revenue of 9.2% along with an increase in profit after tax of 7.4% when compared to the corresponding period last year. We remain focused on our well thought out strategic and business plan which provides us the necessary guidance to achieve and exceed our targets.

Enhancement of our reserves and production base lies at the core of our Strategic plan. We were able to spud 21 wells and made two hydrocarbon discoveries during the year under review. The Company acquired 1,500 L. kms of 2-D and 660 Sq. kms of 3-D seismic data in various concessions / blocks during the year. Our gas production saw a rising trend with net increase in gas production of 3.85%, however, on the crude oil / condensate front, the net crude oil production saw a slight decline of 3.22% mainly on account of decrease in production from Mela and Chanda fields and natural depletion in the Southern fields. The management of the Company is fully cognizant of the slight decline in oil volumes and have chalked out a production enhancing strategy to arrest this trend.

In light of the prevailing industry cost pressures, the Company is continuously working towards ensuring that our operating and general and administrative expenses are restricted to the optimal required levels for efficient operations.

It gives me immense pleasure to express my sincere appreciation to the management and employees of the Company who have individually and collectively, through excellent teamwork, contributed towards the results achieved during the past financial year and look forward for their continued dedication and hard work for further success of the Company.

Lastly, I am happy to report that the progress we have made to date and that which we have aligned ourselves to achieve bodes well for the future of the Company and for all our stakeholders. I am confident we will continue this pattern of growth together."

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Notes to Editors

OGDCL, the largest petroleum Exploration and Production (E&P) Company in Pakistan, is listed on all three stock exchanges of the country and on London Stock Exchange since December 2006. It holds the largest portfolio of the recoverable hydrocarbon reserves of Pakistan, at 37% of gas and 48% of oil, respectively, as at December 31, 2010. It contributed 22% of the country's total natural gas production and 56% of its total oil production as at June 30, 2011.

With a portfolio of 34 exploration licences, the Company has the largest exploration acreage in Pakistan, covering 22% of the total awarded acreage as of June 30, 2011. While its primary activities are focused at onshore exploration, the Company has also begun conducting offshore exploration activities.

OGDCL had a net profit after tax of Rs 63.527 billion for the year ended June 30, 2011.

SUMMARY RESULTS

During the year under review, OGDCL maintained its position as the leading player in the Exploration and Production (E&P) Sector in terms of oil and gas reserves, production and exploration acreage. The Company continued to show consistent increase in profitability and satisfactory operating results for the year ended 30 June 2011. During 2010-11, the Company's sales revenue and Profit After Taxation (PAT) depicted a growth of 9.2% and 7.4% to Rs. 155.631 billion and Rs. 63.527 billion respectively, translating into Earnings per Share (EPS) of Rs. 14.77 compared to Rs. 13.76 during the preceding year. The profitability and EPS could have been even higher had there been no impediments faced in the form of adverse financial impact of Rs. 15.239 billion on Company's sales revenue in respect of revision of Kunnar crude oil price with effect from 01 January 2007 and increase in amortization of development and production assets due to reclassification in 1P and 2P reserves evaluation study by M/s. Tracs International, UK. OGDCL completed the year with cash and short term investments of Rs. 52.287 billion with no debt obligation as on 30 June 2011. These results are primarily attributable to higher realized prices of crude oil, gas & LPG which averaged at US\$ 72.05/BBL, Rs. 214.03 / Mcf and Rs. 65,443 / M.Ton compared to US \$ 61.37/BBL, Rs. 186.47 / Mcf and Rs. 54,415 / M.Ton respectively during the last year.

On the operational front, the Company is striving to give further boost to its exploration and development activities in order to enhance oil & gas reserves and production, with a focus in meeting the ever increasing energy demands of the Country. For this purpose, the Company is maintaining a balanced concession portfolio, pursuing aggressive program of seismic acquisition, exploratory / appraisal / development drilling and focusing on development of projects like Sinjhor, Kunnar Pasahki Deep – Tando Allah Yar (KPD-TAY), Uch-II, Dakhni Expansion and Jhal Magsi. Company's exploratory efforts during the year, resulted in finding two (2) new oil / gas condensate discoveries namely Sheikhan well-1 (Kohat E.L) in District Kohat of Khyber Pukhtoonkhawa Province and Gopang well-1 (Nim E.L) in District Hyderabad of Sindh province leading to addition of 0.14 million barrels of oil / condensate and 59 billion cubic feet gas to the Company's Reserve base as per Company's own estimates.

During the year under review, the seismic crew of the Company was able to acquire 1,500 L. kms of 2-D and 660 Sq. kms of 3-D seismic data in various concessions / blocks. The Company marked twenty nine (29) well locations and spudded in twenty one (21) wells including ten (10) exploratory/appraisal and eleven (11) development wells. In addition, work-over jobs on nine (9) wells were also carried out during the year.

The success and development achieved by the Company on operational and financial grounds rest upon the shoulders of the committed workforce, able guidance of the Board of Directors, the

direction-setting by the management, and support of regulators particularly the Government of Pakistan (GoP) and the Ministry of Petroleum and Natural Resources (MP&NR).

FINAL DIVIDEND

The Board of Directors has recommended a final cash dividend @ 25% (Rs. 2.50 per share). This is in addition to two interim cash dividends @ 30% (Rs. 3.00 per share) already declared and paid during the year. This makes a total of 55% (Rs. 5.50 per share) for the year ended 30 June 2011.

AWARDS CONFERRED

KSE Top Twenty Five Companies Award

OGDCL has been ranked amongst the "Top 25 Companies" on the Karachi Stock Exchange (KSE) for the sixth consecutive year (2004-2009). The selection for the award reflects OGDCL's dedication and commitment to the best practices of the Corporate Governance in addition to meeting the pre-requisites laid down by the KSE Board for the listed companies.

Best Corporate Report Award

OGDCL Annual Report for the year 2009 has won the Best Corporate Report Award for the fourth consecutive year (2006-2009) evaluated by the Joint Committee of the Institute of Chartered Accountants of Pakistan (ICAP) and Institute of Cost and Management Accountants of Pakistan (ICMAP). Dr. Ishrat Hussain Dean and Director, IBA, Karachi awarded the shields and certificates to the winners in a ceremony held on 23 October 2010 at a local hotel in Karachi. OGDCL won the third prize in fuel and energy sector and the award was received by the then Executive Director (Finance) / CFO, Mr Asif S. Sindhu on behalf of OGDCL.

Environment Excellence Award 2011

OGDCL accomplished the 8th National Forum for Environment and Health (NFEH) Annual Environment Excellence Award (AEEA) 2011 on account of excellent environmental initiatives and successful implementation of environmental management system at major OGDCL sites. The result was announced by Chairman Dr. Kaiser Waheed and President NFEH M. Naeem Qureshi during the final meeting of jury held at a local hotel.

The award has been granted to recognize and promote the organizations which make an outstanding contribution to sustainable development. The award aims to highlight policies, practices, processes and products from all sectors of business in the Country, which help achieve economic and social development without harming the environment and natural resources.

FINANCIAL RESULTS

During the year under review, OGDCL sales revenue and Profit After Taxation (PAT) depicted a growth of 9.2% and 7.4% to Rs. 155.631 billion and Rs. 63.527 billion respectively translating into Earnings per Share (EPS) of Rs. 14.77 compared to Rs. 13.76 during the preceding year. These results are primarily attributable to increased gas production and higher realized prices of crude oil, gas & LPG averaged at US\$ 72.05/BBL, Rs. 214.03 / Mcf and Rs. 65,443 / M.Ton compared to US \$ 61.37/BBL, Rs. 186.47 / Mcf and Rs. 54,415 / M.Ton respectively during the last year, favourable financial impact of Rs. 2.786 billion in respect of Bobi field gas price revision with effect from 01 January 2007. The profitability and earnings per share could have been even higher had there been no impediments faced in the form of adverse financial impact of Rs. 15.239 billion on Company's sales revenue in respect of revision of Kunnar crude oil price with effect from 01 January 2007 and increase of Rs. 5.625 billion in amortization of development and production assets due to capitalization of new wells and reclassification in 1P and 2P reserves evaluation study by M/s Tracs International, UK. Moreover, the Company's financial and operational performance has also been affected by the hurdles in shape of prevailing inter-corporate circular debt, heavy floods in the Country in the beginning of the year 2010-11, lack of security clearance / cover in some of the Company's operational areas and slight decline in the crude oil and LPG production. It is also worth mentioning that despite the said hurdles OGDCL still has been able to deliver stable operating performance along with improved profitability during the year under review.

Cash flow from operations for the period after working capital changes and payment of income tax of Rs. 29.403 billion and royalty of Rs. 29.863 billion was Rs. 67.924 billion, showing an increase of Rs. 6.418 billion over the last year. After investment and financing activities of Rs. 37.147 billion (cash outflow) and Rs. 2.527 billion (cash inflow) respectively, the Company's cash and cash equivalent increased by Rs. 33.305 billion with the ending balance of Rs. 52.142 billion as on 30 June 2011.

The year under review ended with improved liquidity position on account of receipt of over Rs. 75 billion against trade debts from oil refineries and gas companies in the last quarter of the year. OGDCL's trade debts as of 30 June 2011 were Rs. 77.911 billion out of which Rs. 45.072 billion were overdue. The Management is vigorously following up for the recovery of overdue receivables and settlement of the issue of inter-corporate debt. Delays in settlement of the outstanding receivables can adversely affect the cash resources of the Company and may trigger the need for borrowing in order to implement planned exploration and development activities / projects along with timely discharge of statutory obligations including payment of royalty, duties/taxes and dividend etc.

Financial results for the year ended 30 June 2011 are summarized below:

	(Rs. in billion)	
Profit before taxation		90.982
Taxation		(27.455)
Profit for the year		63.527
Unappropriated profit brought forward		110.524
Profit available for appropriations		174.051
Appropriations		
Transfer to capital reserves		(0.200)
Distribution through Dividends		
Final Dividend 2009-10 @ Rs. 1.50 per share (15.00%)	(6.451)	
First Interim Dividend 2010-11 @ Rs. 1.50 per share (15.00%)	(6.451)	
Second Interim Dividend 2010-11 @ Rs. 1.50 per share (15.00%)	(6.451)	(19.354)
Unappropriated profit carried forward		154.497

CONTRIBUTION TO NATIONAL EXCHEQUER

Being a leading exploration and production company in Pakistan, OGDCL is contributing a significant amount towards the national exchequer on account of corporate tax, royalty, general sales tax, excise duty, development surcharge and dividend. During the year 2010-11, OGDCL contributed around Rs. 76.84 billion to the national exchequer. In addition the Company's oil and gas production is contributing considerably towards foreign exchange savings as import substitution.

EXPLORATION

OGDCL's exploration strategies include maintaining balance portfolio of exploration concessions in order to hedge risk, accelerating exploration activities in offshore, extending exploratory efforts to unexplored frontier areas and maintaining acceptable success ratio for reserves addition. In this connection, activities like identifying and obtaining prospective areas in open acreage from Directorate General of Petroleum Concessions (DGPC), planning geological field work, acquisition, processing and interpretation of geological & geophysical data and drilling of exploratory, appraisal & development wells continued during the year under review. Overseas exploration evaluation is in progress to obtain exploration blocks. Efforts are continuing towards formulation of Joint Venture with leading E&P Companies (State Oil of Norway, KUFPEC, MOL and ENI) both within the country and abroad. Areas under evaluation for overseas exploration include Gabon (Block E2, F2, F3, F7), Algeria (Kerzaz Block) and Mali (Block-4).

As of 30 June 2011, OGDCL holds largest exploration acreage which stands at 34 owned and operated Joint Venture (JV) exploration licenses (22 blocks with 100% shares including an offshore block and 12 blocks as operated JVs including two offshore blocks) covering an area of 61,084 Sq. Kms. The Company during the year could not start its exploration activities in ten (10) blocks

covering an area of 18,487.89 Sq. Kms due to lack of security clearance / cover from the concerned agencies. After seeking security clearance/cover it is expected that the Company will be able to start exploration efforts in these blocks. The efforts are in progress to start exploration activities, as OGDCL is in close liaison with Government of Baluchistan, in this regard. The Company is also in consistent interaction with the Ministry of Petroleum & Natural Resources (MP&NR) for the resumption of exploration activities in Baluchistan.

During the year 2010-11, the seismic crew of the Company was able to acquire 1,500 L. Kms of 2-D and 660 Sq. Kms of 3-D seismic data in various concessions / blocks. Additionally, 1,058 L. Kms of 2-D seismic data processing and 674 L. Kms of 2-D seismic data reprocessing was carried out using in-house facilities to expedite the prospect generation work. Furthermore, 6,663 L. Kms of 2-D and 806 Sq. Kms of 3-D seismic data were also processed through outsourcing. OGDCL's Geological survey crew carried out 316 L. Kms traverse in Rajdhani Block and 180 L. Kms traverses in Soghari EL during the year including geological mapping of 2,335.10 Sq. Kms & 588.09 Sq. Kms respectively and collected 310 samples from all over the project area for reservoir / source studies.

During the year, twenty nine (29) well locations were marked on the ground out of which twenty one (21) wells were spudded in. The spudded wells include ten (10) exploratory / appraisal wells namely Sehar-1, Naspha-2, Maru-2, Naspha-3, Zin X-1, Jabbi-1, Gulsher-1, Suleman-1, Ajuwala-1 and Maru South-1 and eleven (11) development wells namely Qadirpur-41, Thora-8, Uch-23, Uch-24, Uch-28, Uch-29, Uch-30, Uch-31, Uch-33, Pasakhi-7 and Qadirpur-42 Extended Reach Well (ERW). Furthermore, civil work on Qadirpur-43 (ERW) is completed while civil work on three (3) wells namely Dhachrapur-2, Uch-19 and Qadirpur-44 (ERW) is underway. In addition, work-over jobs on nine (9) wells were also carried out during the year under review. Subsequently, in July 2011, the Company also spudded in two (2) new wells namely Rajian-6 and Qadirpur-32A.

OGDCL's macro policy strategy for reducing the Country's demand and supply gap is focusing on early and expeditious development of dormant fields for production enhancement, utilization of cutting edge technology pertaining to exploration, drilling, production and reservoir management to optimize production from new and existing fields.

The Company is also making efforts for formation of Joint Ventures with leading E&P Companies inside and outside the country in order to embark upon mega onshore and offshore projects as well as seeks opportunities abroad both as operator and in partnership with other oil companies wherever technically and financially viable opportunity exists.

PRODUCTION

The Company continues to pursue best practices to maintain and enhance production and keep natural decline to minimum with the application of rig-less techniques and through planned rig work-over jobs.

During the year, the discovery of Nashpa enabled the Company to put the exploratory well on regular production giving 6,000 barrels of oil per day (bopd) and 20 MMcfd gas. In order to give further boost to oil / gas production and to fully appraise the reservoir, the Company has two (2) wells under drilling at Nashpa out of which one well after testing will soon be put on production. In addition, OGDCL brought Bahu gas field on production using its own resources supplying 21 MMcfd gas with effect from January 2011. Another new well Sheikhan-1 was also put on production which initially produced 15 MMcfd gas.

During the year under review, the Company successfully installed gas compressors at Qadirpur gas field and three (3) extended reach wells are being drilled to increase the gas production and to meet the pressure requirement of SNGPL. Out of these wells, the drilling on one well has already completed and 32 MMcfd gas is being produced from it while the other two (2) wells will be drilled soon. The Company anticipates to add 18-20 MMcfd gas from Qadirpur after commissioning of two (2) new permeate compressors in August 2011.

In Northern fields, two successful work-overs were carried out which added 1,100 bopd and 2.5 MMcfd gas. Annual turnaround (ATA) of processing plants at Qadirpur, Uch, Dakhni, Kunnar, Bobi, and Chanda was also carried out to increase operational efficiency of these plants. It is also worth mentioning that compressors at Qadirpur field were commissioned during the ATA of the plant. Moreover, in-line inspection for Mechanical Integrity Assessment (MIA) of the most important critical line segments was carried out first time in OGDCL without any shutdown, production losses or operational hindrance. Additionally, the Company also carried out MIA of critical equipments of some fields and processing plants using conventional and advanced Non Destructive Testing (NDT) techniques along with application of Risk-Based Inspections.

OGDCL is presently operating a total of forty five (45) Development and Production leases (D&PL's) including both own and operated JVs. During the year, the Company's average daily net production including its share in operated and non-operated JV fields is as follows:

Products	100 % Owned Fields	Share in Operated JVs	Share in Non- Operated JVs	Total
Crude Oil (Bopd)	21,312	9,687	6,371	37,370
Gas (MMcfd)	333	390	290	1,013
LPG (M.Tons/day)	106	11	78	195
Sulphur (M. Tons / day)	73	-	-	73

Crude Oil Production:

Compared with last year, crude oil production from the Company's 100% own and operated JV fields (gross production) scaled up by 1.34% (486 barrels per day) mainly from Kal, Missakeswal, Toot, Nashpa and Baloch fields. However, the Company's net own and operated JVs crude oil production decreased by 3.22% mainly on account of decreased in production from Mela and Chanda fields and natural depletion of southern fields like Kunnar, Pasahki, Bobi, Tando Alam, Thora, Lashari Centre, Fimkassar, Dakhni, Dhodak, Moolan North and Noorai Jagir fields. This decline in production is partially offset by the increase in the crude oil production from non-operated JV fields mainly from Adhi, Manzalai and Makori by 5.39% which resulted in net decrease in crude oil production of the Company by 1.85%.

Gas Production:

The Company's gas production from 100% own and operated JV fields (gross production) inched up by 0.15% mainly from Bobi, Pakhro and Mela fields and startup of production from Bahu, Sheikhan and Nashpa fields. However, the Company's net own and operated JVs gas production is marginally lowered by 0.52% due to decline in production from Dhodak, Nandpur / Punjpir, Pirkoh, Noorai Jagir and Gopang fields. This decline in production is offset by the increase in the gas production from non-operated JV fields such as Kadanwari, Ratana, Badhra, Mazalai, Makori, Mamikhel and Maramzai by 16.59% resulting in net increase in gas production by 3.85%.

LPG Production:

Net own and operated JVs LPG production increased by 1.55% due to increase in production from Dakhni and Bobi fields. However, the Company's share from non-operated JV fields namely Pindori and Adhi declined by 9.96% resulting in net decrease in LPG production by 3.41%.

OIL & GAS RESERVES

During the year, there were three in-house upward reserves revisions in Pasahki NE (0.13 MMSTB), Rajian (+1Bscf) and Lashari Center (+3.986 mmstb). Besides these, probable oil reserves of Rajian, Naspha (oil & gas) and Sadqal (gas) are shifted to proven category due to their current producing behavior. There is no downward revision in the reserves during the same period. OGDCL's remaining recoverable reserves as of 30 June 2011 stood at 133.7 mmstb oil and 9,651 bcf. However, revision / certification of total OGDCL reserves may be changed after the finalization of TRACS-2010 reserves evaluation study.

DEVELOPMENT PROJECTS

OGDCL is currently working on five (5) mega development projects having a combined estimated production capacity of approximately 500 MMcfd of gas, 8,500 bopd of crude oil and 525 M. Tons

per day of LPG. The Company is actively working on the completion of these projects in order to meet the Country's energy demand in the long run.

KPD-TAY Integrated Development Project

The Kunnar Pasahki Deep - Tando Allah Yar (KPD-TAY) integrated development project is located adjacent to existing Kunnar LPG plant in district Hyderabad of Sindh province. The project consists of setting up new stand alone facilities comprising of wellhead facilities dehydration, amine, LPG plant, sales gas & wellhead compression and 30 kilometer long trunk line connected with gas processing plant. There are twenty seven (27) wells to be connected to the gas gathering system and gas processing plant will treat approximately 315 MMcfd of raw gas.

OGDCL will setup the project in two phases by itself. Under Phase-I, 100 MMcfd of dehydrated gas and 1,000 barrels per day of condensate would be supplied into SSGCL network by end October, 2011. Simultaneously, OGDCL will develop the total facilities during the 2nd phase in parallel to fully process the 312 MMcfd of raw gas including LPG extraction and supply the fully processed gas to SSGCL. The project is expected to be completed by August 2013 (24 months after the award of EPC contract) and the expected production from the project will be 284 MMcfd of gas, 4,400 bopd, 387 M.Tons of LPG per day and 400 barrels of NGL per day.

UCH-II Development Project

The Uch Gas Field is located about 67 Km South East of Dera Bugti in Balochistan Province. OGDCL has already drilled 12 wells out of 15 planned wells. After completion of the project it is expected that Uch field would be able to supply additional 160 MMcfd of gas to Uch Power Limited (UPL). Gas Sale Agreement (GSA) is signed up with UPL and is effective from 30 April 2011.

Sinjhero Development Project

The Sinjhero project is located near Sanghar, Sindh. The Management of the Company has decided to develop the field on its own by relocating Dhodak Plant to Sinjhero along with installation of some new units such as amine unit, feed/sales gas compressors, sales gas metering skid etc.

The project will be completed in two phases. The first phase of the project is expected to be completed by January 2012 and will enhance the production flow by 1,400 bopd, 15 MMcfd of gas and 50 M.Tons of LPG per day. The second phase of the project is expected to be completed by April 2012 and will enhance the cumulative production flow to 3,000-3,500 bopd, 25-30 MMcfd of gas and 120-140 M.Tons per day of LPG.

Dakhni Development Project

The project is located in District Jand, Punjab province. Most of the equipment / packages have been received and installed by OGDCL with its own resources. Dakhni Expansion project is expected to be completed by December 2011. The contractor has been mobilized to the site. The

incremental production after expansion will be 12 MMcfd of gas , 720 barrels of condensate per day, 80 M.Tons of Sulphur per day and 12 M. Tons of LPG per day.

Jhal Magsi Development Project

Jhal Magsi gas field is located in District Jhal Magsi, Balochistan province and is a JV among OGDCL, Government Holding Private Limited (GHPL) & Pakistan Oilfields Limited (POL). Dehydration / Compression / H2S removal plant will be installed at the field for removing high contents of H2S. The project will be undertaken after 3rd party reservoir certification.

Qadirpur Compression Project

OGDCL has successfully installed Fourteen (14) reciprocating gas compressors at Qadirpur Gas field to maintain the production plateau of 550-600 MMcfd of gas. Performance test shall be carried out by end of September 2011. Out of three (3) Extended Reach Wells (ERW) planned to be drilled to increase the gas production in order to meet the pressure requirement of Sui Northern Gas Pipeline Limited (SNGPL), the Company has successfully completed one well while other two (2) wells are presently under drilling. The completed well is producing 32 MMcfd of gas. Further, OGDCL anticipates to add 18-20 MMcfd of gas from Qadirpur after commissioning of two (2) new permeate compressors in August 2011.

NON-OPERATED JOINT VENTURES

Adhi D&PL

Adhi oil field is located in the province of Punjab and operated by Pakistan Petroleum Limited (PPL) wherein OGDCL has a 50% working interest. The average oil/condensate, gas and LPG production from the field is 5,284 barrels per day of oil/condensate, 39 MMcfd of gas and 124 M.Tons of LPG per day as against 4,875/bpd of oil/condensate, 41 MMcfd of gas and 135 M.Tons/day of LPG during 2010. As part of the strategy of enhancing production, the increase in crude oil/condensate production in 2011 is due to fracture jobs carried out at wells Adhi 9, Adhi 12 & Adhi 14 while minor reduction in Gas / LPG is due to slight change in composition of the well feed (Gas Oil Ratio). In addition to work over program of the existing wells, a well is planned to be drilled in 2011-12.

TAL Concession

Tal concession spreads over Karak, Kohat and Bannu area in Khyber Pakhtunkhwa province. MOL Pakistan is the operator of Tal concession and OGDCL holds 27.76% pre-commercial and 30% post commercial working interest in the above concession. During the year under review, Tal JV has successfully drilled two exploratory wells Tolanj X-1 and Makori East -1 which started last year. The JV plans to drill two appraisal wells as part of its work program for the year 2011-12 whereas drilling of one of these wells has started in July 2011. Acquisition of 200 L. kms 2D and 555 sq. kms 3D seismic data is also part of the Tal JV approved work program for the year 2011-12. Presently,

TAL JV's average production is 7,715 barrels of oil and 315 MMcfd of pipeline quality gas from Tal block which is being sold to Attock Refinery Limited (ARL) and SNGPL respectively. The Tal JV production has increased by 1660/bpd of oil/condensate and 30 MMcfd of gas as against the average during the year 2010. Currently 12 wells are on production, out of which 08 wells are from Manzalai field, 02 wells from Makori field and one each from Mamikhel and Maramzai field.

Pindori D&PL

Pindori is located in district Chakwal, Punjab and Pakistan Oilfields Limited (POL) is the operator of Pindori D&PL wherein OGDCL holds 50% stake. Presently, JV is getting production from four wells out of which two are being produced on intermittent flow. The current average production is 785 bpd of condensate, 2.21 MMcfd of gas and 15 M.Tons/day of LPG.

Miano D&PL

Miano gas field is located in Sukkur, Sindh and operated by OMV Pakistan whereas OGDCL is a major stakeholder having 52% working interest in the Miano D&PL. During the year, JV has successfully drilled a development well i.e. Miano-14 which has enhanced the production of the field by 25 MMcfd. The total numbers of producing wells are 6 in Miano D&PL and presently the field is producing 81 MMcfd of gas. The JV has planned to drill another well i.e. Miano 15 in the year 2011-12.

Kadanwari, Bhit & Badhra Fields

Kadanwari gas field is located in Khairpur, Sindh while Bhit & Badhra are located in district Dadu, Sindh. ENI Pakistan is the operator of Kadanwari, Bhit and Badhra fields and OGDCL working interest is 50%, 20% & 20% respectively. During the year under review, 5 wells were and put on production. The objective is to increase recovery from the existing fields by drilling in-fill wells and installation of well head compressors to keep the production at optimum level. Currently, Bhit is producing 253 barrels of condensate per day and 373 MMcfd of raw gas whereas Badhra's production is 25 MMcfd of raw gas only. However, Kadanwari field is producing 27 barrels of condensate per day and 98 MMcfd of raw gas. As a result of current work program the field is producing additional 20 MMcfd of gas as compared to the year 2010. Presently 21 wells are on production in Kadanwari, Bhit and Badhra fields. Besides above, JV has planned to drill 7 additional wells in the year 2012 in Kadanwari, Bhit & Badhra fields.

Dhurnal, Bhangali and Ratana Fields

Dhurnal, Bhangali and Ratana fields are located in district Attock and Gujjar Khan, Punjab. Ocean Petroleum Limited is the operator of Dhurnal, Bhangali & Ratana fields whereas OGDCL working interest is 20%, 50% & 25% respectively. The current production of Dhurnal is 170 barrels of oil/condensate per day and 0.94 MMcfd of gas while Ratana is producing 529 barrels of oil/condensate

per day, 12.54 MMcfd of gas and 17 of M.Tons of LPG. For the year 2011-12, JV has started drilling of new well Ratana # 4 whereas 3D seismic activities are being carried out in Bhangali field with a view to evaluate prospects for drilling of a new well.

Badar Field

Badar gas field is located in Jacobabad, Sindh and operated by Petroleum Exploration (Pvt) Limited (PEL) as an operator in which OGDCL holds 50% working interest. The gas production from the field was commenced on 8 April, 2006 and currently the average production is 14 MMcfd of gas which after processing is being supplied to M/s SNGPL. Based on the results of regular periodic pressure surveys, the Badar JV has planned to drill a development well during the year 2011-12 to enhance the production of the field.

Badin-II, Badin –II Rev. & Badin III Fields

Badin fields are located in district Badin, Sindh and operated by BP Pakistan Exploration & Production Inc. wherein OGDCL holds 49%, 24% & 15% working interest in Badin–II, Badin–II Rev. & Badin–III blocks (collectively referred as 'Badin fields'). Badin fields' average gross production was 1,900 bpd of oil/condensate and 30 MMcfd of gas during the month of June 2011. The JV has drilled 4 wells in the year 2010 and 4 more are planned to be drilled in the year 2011.

Sara & Suri Fields

Tullow Pakistan is the operator of these fields and OGDCL has 40% working interest. Efforts are being made to re-evaluate the possibility of any leftover reserves in existing reservoirs and to evaluate the upside exploratory potential of the fields.

BOARD OF DIRECTORS

The Board of Directors comprises of eleven (11) Directors including the Chairman and Managing Director / Chief Executive Officer (CEO).

During the year under review the composition of the Board of Directors has changed as follows:

On 15 September 2010 Mr. Imtiaz Kazi joined the Board as Chairman in place of Mr. Kamran Lashari while Mr. Muhammad Ejaz Chaudhry replaced Mr. Imtiaz Kazi as Chairman OGDCL Board w.e.f. 07 May 2011. On retirement of Mr. Shah Mahboob Alam, Managing Director, Mr. Mohammad Naeem Malik was appointed as MD & CEO w.e.f. 13 August 2010 and subsequently on transfer of Mr. Mohammad Naeem Malik as Additional Secretary, Ministry of Petroleum & Natural Resources (MP&NR), Mr. Asif Saeed Sindhu took charge as MD & CEO w.e.f. 27 April 2011. Upon the resignation of Mr. Asif Saeed Sindhu, Mr. Basharat A. Mirza has taken over acting charge of the post of MD & CEO w.e.f 01 August, 2011.

Consequent upon resignation of Mr. Muhammad Ejaz Chaudhry, Director due to his promotion as Federal Secretary and transfer to Privatization Commission, Mr. Zafar Iqbal Qadir, Additional Secretary, MP&NR was appointed as Director on the OGDCL Board w.e.f 13 January 2011. On 22 July, 2011, MP&NR nominated Mr. Raashid Bashir Mazari, Joint Secretary, (Administration), MP&NR as Member of Board in place of Mr. Zafar Iqbal Qadir.

The Board recorded its appreciation for the contribution and services rendered by all the outgoing Chairmen, MDs & CEOs and other members of the Board and welcomed the new members.

The Board presently comprises of the following Directors:

Mr. Muhammad Ejaz Chaudhry	Chairman
Mr. Asif S. Sindhu	Managing Director & CEO (upto 31 July 2011)
Mr. Basharat A. Mirza	Managing Director & CEO
Senator Mir Wali Muhammad Badini	Director
Syed Amir Ali Shah	Director
Mr. Ahmad Bakhsh Lehri	Director
Mr. Raashid Bashir Mazari	Director
Dr. Kaiser Bengali	Director
Mr. Wasim A. Zuberi	Director
Mr. Tariq Faruque	Director
Syed Masieh-ul-Islam	Director
Mr. Fahd Shaikh	Director

CORPORATE GOVERNANCE

The Company is committed to high standards of corporate governance to ensure business integrity and upholding the confidence of all the stakeholders. The Board of Directors is accountable to the shareholders for good corporate governance and the Management of the Company is continuing to comply with the provisions of best practices set out in the code of corporate governance particularly with regard to independence of non-executive directors. The Company remains committed to conduct its business in line with listing regulations of the Stock Exchanges, which clearly defines the role and responsibilities of Board of Directors and the Management. Vision & Mission statements, Core values and Statement of Ethics & Business Practices have been prepared and approved by the Board. Significant policies as required under the Code of Corporate Governance have been framed and are under review of the Board.

AUDITORS

The present auditors M/s KPMG Taseer Hadi & Co., Chartered Accountants and M/s M. Yousuf Adil Saleem & Co., Chartered Accountants have completed their assignment for the year ended 30 June 2011 and shall retire on the conclusion of 14th Annual General Meeting. In accordance with the Code of Corporate Governance, the Audit Committee considered and recommended the re-

appointment of M/s KPMG Taseer Hadi & Co., Chartered Accountants and M/s M. Yousuf Adil Saleem & Co., Chartered Accountants, as joint statutory auditors for the year 2011-12 and the Board of Directors also endorsed the recommendations of the Audit Committee.

FUTURE OUTLOOK

OGDCL has a strong vision and passion to contribute to the development of the Country's E&P sector and to enhance energy security of Pakistan at the same time maximizing shareholders' returns. With a formidable presence in the length and breadth of the country, OGDCL is looking beyond geographical boundaries for E&P opportunities. Efforts are continuing towards formulation of Joint Ventures with leading E&P companies both within the country and abroad.

With technical prowess in onshore exploration and production, the Company has changed focus to a more challenging area i.e. offshore exploration and tight gas reservoirs. The Company plans to optimize its concessions portfolio to support aggressive exploration activities, which in turn will ensure continuous reserves additions. OGDCL is also looking at seamless development of new discoveries in shortest possible time which will add substantially to the production base of the Company.

The Company has in place, strong business processes and internal checks in all operations to ensure transparency and accountability. Continuous review and improvement of internal policies and processes is part of the overall plan, in addition to further enhancing corporate goodwill through focused CSR initiatives for the benefit of the communities that OGDCL interacts with.