



OIL & GAS DEVELOPMENT COMPANY LIMITED

No. CS04-08(KSE/LSE/ISE)
August 24, 2009

1.	The General Manager Karachi Stock Exchange (Guarantee) Limited, Stock Exchange Building Stock Exchange Road Karachi Fax No. 021-111-573-329	3.	The Secretary Islamabad Stock Exchange (Guarantee) Limited, 101-E, Fazal-ul-Haq Road Islamabad Fax No. 051-2275044
2.	The Secretary Lahore Stock Exchange (Guarantee) Limited, 19-Khayaban-e-Iqbal Lahore Fax. No. 042-111-441-441	4.	London Stock Exchange Plc. 10 Paternoster Square, London EC4M 7LS Tel: (44) 020 7334 8907

**SUBJECT: OIL & GAS DISCOVERY IN BALOCH WELL # 01 (EXPLORATORY)
- SINJHORO EXPLORATION LICENCE**

Sir,

By the grace of Almighty Allah, Oil and Gas Development Company Limited (OGDCL) on behalf of Sinjhoro Joint Venture has made an Oil and Gas discovery from its Baloch Exploratory Well No. 01. The well is located in Sinjhoro Block in District Sanghar of Sindh province. The Joint Venture Companies of OGDCL, OPI & Government Holdings (Pvt.) Limited having a pre-commercial working interest of 76%, 19% & 05% (carried) respectively.

2. Baloch Well No. 01 was drilled down to its Target Depth of 3463 Meters. Based on electric logs, geological & drilling data the production testing was started on 28th July, 2009. The objective of the test was to evaluate the potential of sand body (Massive Sands) of Lower Goru formation of Cretaceous age.

3. Four zones in Lower Goru (Massive Sands) were selected for testing. Zone-I (in the interval 3425 – 3409 = 16 M), Zone-II (in the interval of 3359 – 3351 = 08 M), Zone-III (in the interval of 3338 – 3337 = 01 & 3335 – 3328 = 07 M,M, Total = 08 M) proved to be water bearing. Where as Zone-IV, in the following intervals proved productive and produced Hydrocarbons:

3312.0 – 3305.5 = 06.5 M
3299.5 – 3287.5 = 12.0 M
3277.0 – 3273.0 = 04.0 M
3268.5 – 3265.5 = 03.0 M
3261.0 – 3254.0 = 07.0 M
Total = 32.5 M

Contd. on P/2...



OIL & GAS DEVELOPMENT COMPANY LIMITED

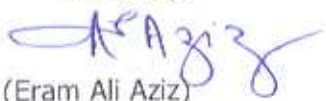
: -2- :

4. The well has produced 780 BBL/D of volatile Oil and Gas 3.5 MMSCF/D of gas on 32/64" choke size at wellhead flowing pressure of 880 Psi. The short duration preliminary testing results are as under:

Choke Size	WHFP (PSI)	Quantity of Oil (BBL/D)	Quantity of Gas (MMSCFD)	Quantity of water (BPD)
32/64"	880	780	3.50	35

3. The above is being provided to you in compliance with the requirements of Clause No. (xxiii) of the Code of Corporate Governance.

Thanking you.

Sincerely,

(Eram Ali Aziz)
Company Secretary