



# Presentation on OGDCL Full-Year Results FY2010 (July 2009 – June 2010)



*Thursday, August 12<sup>th</sup> 2010*



# 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.



# Overview

As at 30<sup>th</sup> June 2010 (or as indicated below);

- Largest exploration and production company in Pakistan's oil and gas sector
- Largest exploration acreage in Pakistan, covering 23% of the total acreage awarded
- Largest portfolio of net hydrocarbon reserves in Pakistan
  - 46% of oil (as at Jan 2009)
  - 35% of gas (as at Jan 2009)
- OGDCL contributes 21% of Pakistan's total natural gas production, and 54% of its oil production
- Remaining Recoverable Reserves on net basis\*\*:
  - 560 MMboe on 1P basis (Oil 45 and Gas 515)
  - 1,000 MMboe on 2P basis (Oil 112 and Gas 888)
- 75 OGDCL fields – 100% Owned & Operated (45) and Non-Operated fields (30)
- Presence in and knowledge of all 4 provinces.

**\*\* The reserves estimates are based on the latest available 3<sup>rd</sup> Party reserves evaluation carried out by DeGolyer & MacNaughton in Dec 2006, minus the production for the period Jan 2007-June 2010. The reserves will be revised after the completion of ongoing 3<sup>rd</sup> Party Reserves Evaluation Study by M/s Tracs Intl of UK by December 2010.**

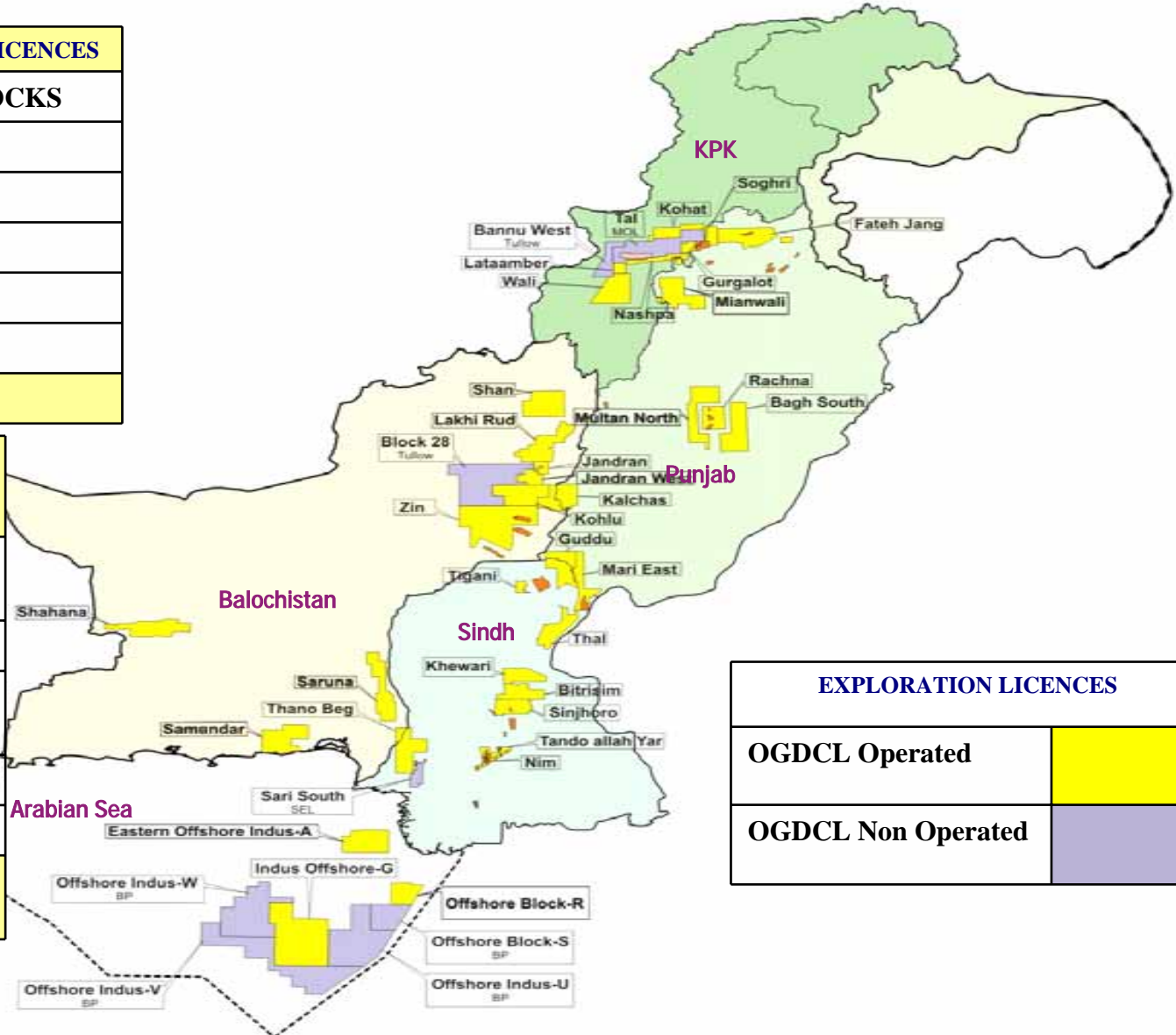
# OGDCL Exploration Licences

## SUMMARY OF EXPLORATION LICENCES

PROVINCE	NO. OF BLOCKS
Punjab	08
Sindh	09
Balochistan	10
KPK	05
Offshore	03
<b>Total</b>	<b>35</b>

## SUMMARY OF NON OPERATED EXPLORATION LICENCES

PROVINCE	NO. OF BLOCKS
Sindh	01
Balochistan	01
KPK	02
Offshore	04
<b>Total</b>	<b>08</b>



## EXPLORATION LICENCES

OGDCL Operated

OGDCL Non Operated



# Full-Year FY09/10 Results Highlights

- Net sales up 9.0% to Rs 142.572 billion.
- Operating profit margin and net profit margin stood at 60% and 42% respectively.
- Earnings per share of Rs 13.76 against Rs 12.91.
- Net crude oil production of 38,075 barrels per day, net gas production was 976 MMcf per day, net LPG production 202 tons per day and net sulphur production was 70 tons per day.
- Payable final dividend of Rs 1.50 per share.
- Oil - average net realized price of US\$ 61.37 /bbl.
- Gas - average net realized price of Rs 186.47 / Mcf.
- 26 wells spudded and 06 new discoveries made.



# Operational Update

- Compared with the preceding year, net crude oil production decreased by 7.2% overall. This decrease was mainly due to natural decline in southern region fields like Kunnar, Pasahki, Bobi, Lashari, Moolan North and Sono. This was partially offset by increase in production from Thora, Dakhni and start of production from Nashpa and Baloch fields.
- Compared with the preceding year, net gas production decreased by 2.6% overall. This decrease was mainly due decrease in production from Uch, Pirkoh, Dhodak, Nandpur and Qadirpur fields.
- LPG production during the year decreased by 7.4% mainly due to water break-through at Dhodak field and operational problems at Bobi Plant.

	<b>FY2008/09</b>	<b>FY2009/10</b>
<b>Crude Oil (Barrels / day)</b>	<b>41,019</b>	<b>38,075</b>
<b>Gas (MMscf / day)</b>	<b>1,001</b>	<b>976</b>
<b>LPG (Metric Tons / day)</b>	<b>218</b>	<b>202</b>
<b>Sulphur (Metric Tons / day)</b>	<b>64</b>	<b>70</b>
<i>Daily production has been worked out at 365 days / year.</i>		



# Operational Update ....

## **SINJHORO DEVELOPMENT PROJECT**

OGDCL Management has decided to develop the field on its own by relocating Dhodak Plant to Sinjhora. The project is expected to be completed by June 2011 adding 3,000-3,500 bopd oil, 25-30 MMcfd of gas and 120-140 M.Tons/day of LPG.

## **KPD/TAY PROJECT**

OGDCL Management has decided to go for KPD-TAY integrated development project vide press advertisement on EPC basis approach with LPG extraction plant. The project is expected to be completed by May 2012 and expected gas production will be: 284 MMcfd, oil: 4,400 bopd and LPG: 387 M.Ton / Day.

## **QADIRPUR COMPRESSION PROJECT**

OGDCL Management has undertaken to install 14 reciprocating compressors and later relocation of 3 more compressors from Pirkoh gas field. The installation of 14 compressors is complete and the commissioning is planned to be carried out during the ATA from September 11-21, 2010. After the commissioning of these 14 compressors, it is expected that the field deliverability will achieve the plateau rate.

## **DAKHNI EXPANSION PROJECT**

As part of Dakhni Expansion Project, contract for the supply of Sulphur Recovery Unit (SRU) was signed in May 2008. Complete delivery of the unit has been received at site in February / March 2010. All other equipment / material except Refrigeration Package and Gas Power Turbine have been received / installed at site. Project is expected to be completed by October 2011. The incremental production after expansion will consist of sales gas: 12 MMcfd, condensate: 720 bpd, sulphur: 80 M.T/ day and LPG: 12 M. Tons/day.



# Operational Update ....

## **UCH II DEVELOPMENT PROJECT**

Basic Engineering and tender documents to engage Engineering, Procurement, Construction and Commissioning (EPCC) Contractor has been completed and Gas Sale Agreement (GSA) is being finalized between OGDCL and UPL. Completion period of the project is 18 months after award of the contract. After completion of the project, the sale gas from Uch Gas field will be enhanced from 250 MMcfd to 410 MMcfd.

## **JHAL MAGSI PROJECT**

Jhal Magasi field is located in Dera Murad Jamali and was discovered in 2003. It is a JV between OGDCL, GHPL and POL. Three wells have been drilled out of which two (02) are producers. DGPC has approved the development plan on 25 July 2009. The tender notice was issued in the press on 22 July 2010 for pre-bid meeting on 06 September 2010 and bid submission on 15 September 2010. The project is expected to be completed by March 2012 and will produce 15 MMcfd of gas.

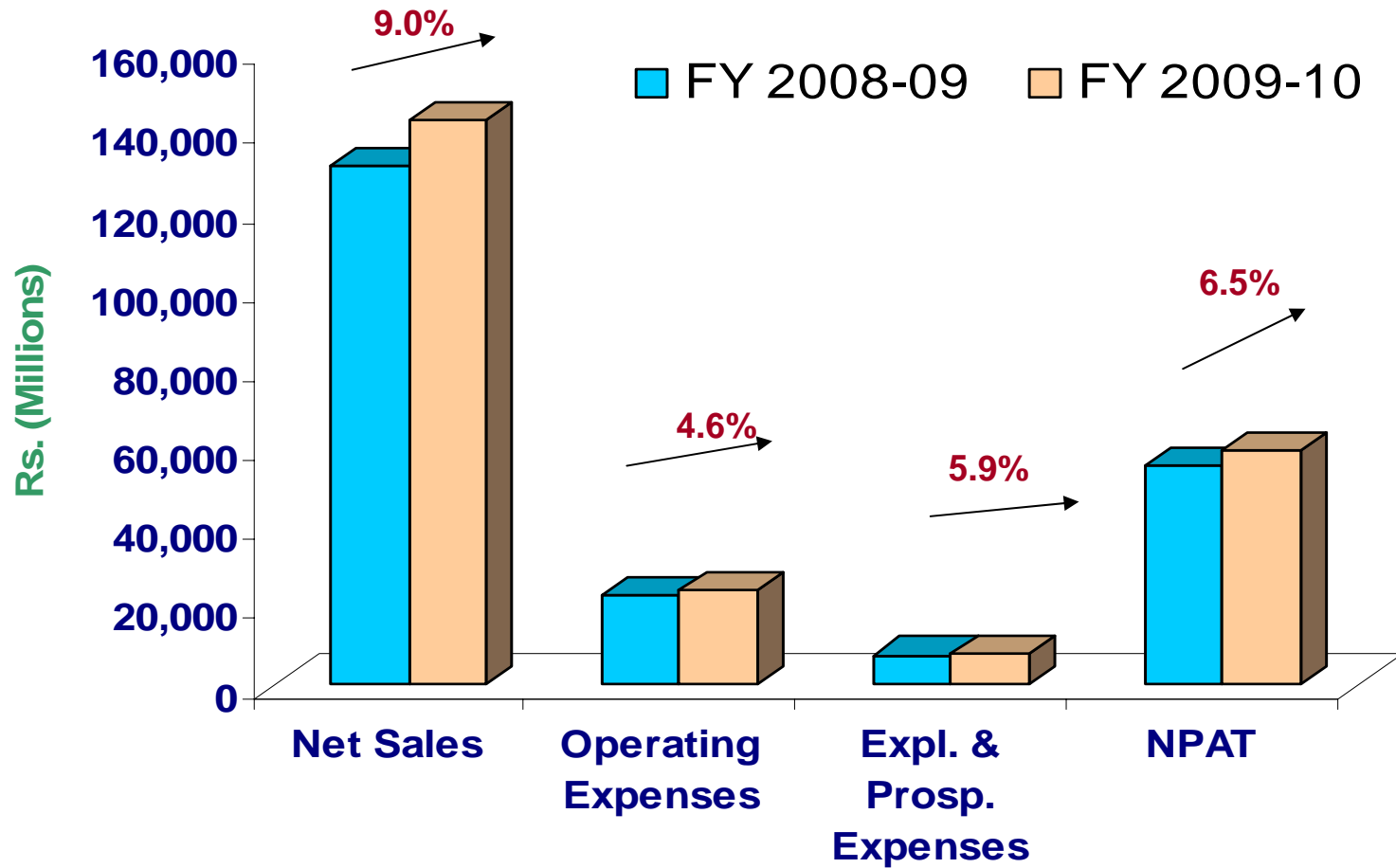


# Exploration and Development Activities



- Total 26 wells spudded, comprising of 13 exploratory, 02 appraisal and 11 development wells
- As at June 30, 2010 OGDCL operated in 35 Exploration Blocks (22 blocks with 100% share and 13 blocks as operated JVs) including 3 Offshore Blocks, covering an area of 63,581.12 Sq. Kms. Exploration blocks relinquished during the year included Thatta, Thatta East, Dhudial and Khiranwala.
- OGDCL's exploratory efforts resulted into the following six (06) gas/condensate discoveries during the year ended June 30, 2010.
- 2,493 Linear Kms of 2D seismic survey and 290 Sq. Kms of 3D seismic survey completed during FY2009/10.
- Recently DGPC has advertised 53 new blocks. OGDCL won 04 blocks namely Lakhi Rud, Jandran West-1, Mari East, Channi Pull.
- The Company is evaluating various opportunities for overseas exploration. Our targeted areas of interest are the North & West Africa and CIS countries.

# Financial Snapshot





# Financials

In Pkr 000,000s	1H FY08/09	1H FY09/10	% Change	FY 2008/09	FY 2009/10	% Change
Net Sales	71,940	72,633	1.0	130,830	142,572	9.0
Operating profit margin (%)	63	61	(3.4)	59	60	0.9
EBITDA margin (%)	73	71	(2.2)	70	71	0.4
Net profit margin (%)	44	39	(11.2)	42	42	-
Profit after tax	31,781	28,493	(10.3)	55,540	59,177	6.5
Profit from operating activities	45,315	44,184	(2.5)	77,500	85,188	9.9
Earnings per share (Rs.)	7.39	6.62	(10.3)	12.91	13.76	6.5
Cumulative dividends per share (Rs.)	3.75	2.50	(33.3)	8.25		

# Summary

- Enhance reserves base & production growth
- Rapid commercialization of discovered fields
- Focused efforts in overseas ventures
- To become the best corporate citizen