CHASE SECURITIES

CORPORATE BRIEFING NOTES

6 Nov 2026

RA-07

STOCK SNAPSHOT

Symbol	OGDC
Price	PKR 315.40
Market cap	PKR 1,356.51bn
Shares	4,300.92mn
Free float	645.13mn
52W high	PKR 352.00
52W low	PKR 238.20

SECTOR

Oil & gas exploration

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OGDC PSX · OIL & GAS EXPLORATION

Oil & Gas Development Company Limited

FY26 PAT	FY26 EPS	1QFY27 EPS	FY26 DPS
PKR 242.4bn	PKR 56.35	PKR 13.60	PKR 17.00
▲ 43% YoY	FY25: 39.50	▲ 53% YoY	FY25: 15.05

KEY HIGHLIGHTS

FY26 profit after tax of PKR 242bn; 1QFY27 net profit up 53% YoY

OGDC marked earnings per share of **PKR 56.35** in **FY26** (**FY25**: **PKR 39.50**). Furthermore, in **1QFY27** EPS stood at **PKR 13.60** (**1QFY26**: **PKR 8.91**). OGDC delivered its highest-ever annual profit after tax of **PKR 242.37 billion** in **FY26**, followed by a strong **1QFY27** performance with net profit rising **52.6%** YoY to **PKR 58.51 billion**. Cumulative annual dividend reached **PKR 17.00** per share for **FY26**, complemented by a record **1Q** dividend pay-out of **PKR 5.00** per share.

COST DYNAMICS & EXPENSES

- Operating expenses increased **22.8%** YoY to **PKR 147.69 billion** (vs. **PKR 120.20 billion** in **FY25**), driven by field maintenance, workover activity, and general inflationary pressure.
- Exploration and prospecting expenditure grew **53.3%** YoY to **PKR 28.78 billion** (vs. **PKR 18.77 billion** in **FY25**), reflecting aggressive 2D/3D seismic campaigns and **23** spudded wells.
- Finance and other income decreased **33.5%** YoY to **PKR 54.39 billion** (vs. **PKR 81.82 billion** in **FY25**), primarily due to variations in exchange gains and interest yields on cash balances.

PRODUCTION & RESERVES

- Operational execution yielded a record-high Reserve Replacement Ratio (RRR) of **236%** in **FY26**, expanding OGDC's reserve life horizon from **12** years to past **20** years.
- Average net crude oil daily production grew **13.3%** YoY in **1QFY27** to **35,494** barrels per day, while natural gas output expanded **14.2%** to **732 mmcfd**.
- Production curtailment sales losses decreased by **50%** YoY in **1QFY27** to **PKR 9.7 billion**, reflecting improved evacuation and off-take coordination.

Operating metrics at a glance

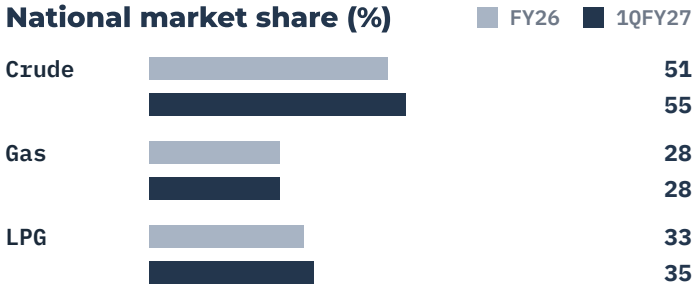
FY26 RRR	RESERVE LIFE	1QFY27 CRUDE	1QFY27 GAS
236%	**20+ yrs**	**35,494 bpd**	**732 mmcfd**
Record high	From 12 yrs historically	+13.3% YoY	+14.2% YoY

FY26 net sales mix (%)



Share of total net sales revenue

National market share (%)



Share of national indigenous supply

Crude oil served as the primary top-line driver, accounting for **49%** of total net sales revenue, followed by natural gas at **42%**, and LPG and refined sulphur combining for the remaining **9%**. OGDCL remains the primary contributor to indigenous hydrocarbon supplies, maintaining dominant shares across all core product segments.

EXPLORATION METRICS & RESERVE REPLACEMENT

OGDC achieved historic exploration milestones during **FY26**, recording a record Reserve Replacement Ratio (RRR) of **236%**. This performance expanded OGDC's reserve life horizon to over **20** years, up from **12** years historically and **17** years in recent evaluations.

- **FY26 exploration activity:** OGDC spudded **23** wells (highest level in **5** years) and completed **58,333** meters of drilling. Operational success yielded **9** oil and gas discoveries. Seismic data acquisition comprised **686** line kilometers of 2D data and **501** square kilometers of 3D data.
- **1QFY27 exploration activity:** OGDC acquired **319** line kilometers of 2D seismic (**80%** of nationwide acquisition) and **213** square kilometers of 3D seismic (**98%** of nationwide acquisition). **Two** wells were spudded: exploratory well Bitrisim NW-1 and Najaf-1 (Nahiyoon-1), representing Pakistan's first pilot horizontal tight/shale gas well.
- **Well injections & workovers: Four** wells were injected into the production network during **1QFY27** (Bobi-11, Sono-10, Maru-3 and Chak 63-5). Furthermore, **26** workovers were completed (**5** rig jobs and **21** rig-less interventions).

MATURE ASSET REVITALISATION

To counter natural field decline (typically **8–10%** per annum across mature fields), OGDC has deployed specialized enhancement contracts and technical partnerships:

- **Baker Hughes mature assets collaboration:** OGDC engaged Baker Hughes on a fast-track mature asset solution. Stage **1** involves technical and economic evaluations of mature fields, moving into Stage **2** execution to unlock secondary and tertiary recovery upside.
- **Kunnar Pasakhi water injection project:** Collaborating with M/s SNF France, OGDC is implementing polymer and water injection systems to enhance overall field recovery by **8% to 10%** and extend the economic life of the Kunnar and Pasakhi fields.
- **Rajian heavy oil project:** Focused on reviving heavy crude oil production (**11° API** crude). OGDC is evaluating specialized processing facilities to handle heavy crude for refinery delivery, targeting **8,000 to 10,000** barrels per day of revived output.

Major development projects

PROJECT	OGDCL WI	TARGET	CAPACITY	STATUS
Uch Compression Project	100.0%	Pkg A & B: Oct 2026 Pkg C: Dec 2026	Sustains GSA commitments to Uch Power Limited	Construction and mechanical works complete; commissioning underway
KPD-TAY Compression Project	KPD 100% TAY 77.5%	Mar 2027	Crude: 1,500 bpd Gas: 100 MMcfd LPG: 170 tpd	Site construction and mechanical installation at an advanced stage
Sinjhoro Development Phase-II	62.5%	Dec 2027	Sale gas: 30 MMcfd LPG: 30 tpd	Re-tendering process initiated for PCC procurement
Produced Water Disposal (TAY & Sono-Lashari)	77.5%	Mar 2028	Addresses rising produced water to maintain production plateau	Technical bid evaluation completed; commercial evaluation underway
Bettani Development Project	100.0%	Ph-I: Dec 2027 Ph-II: Jun 2028	Crude: 3,842 bpd Sale gas: 85 MMcfd LPG: 165 tpd	Technical evaluation of bids underway for hiring EPCC contractor
Kunnar Pasakhi Water Injection	JV	Mar 2027	Enhances field recovery by 8–10% across Kunnar & Pasakhi	With SNF France; engineering completed, civil works underway
Rajian Heavy Oil Revival	100.0%	12 months	Heavy crude: 8,000–10,000 bpd (11° API)	—

WI = working interest. Source: Company briefing, Chase Research

Strategic diversification & new energy

To build long-term operational resilience and support global energy transition objectives, OGDC is advancing strategic initiatives across geothermal energy, critical mineral extraction, offshore exploration, and copper-gold mining.

GEOTHERMAL ENERGY & LITHIUM

During **2026**, OGDC spudded its inaugural geothermal well, Wahid Bukhsh-01 (Bucks-1). Subsequent fluid testing revealed significant concentrations of hybrid lithium in geothermal brines, exceeding international commercial benchmarks.

- **Technical mapping & MOL partnership:** Following initial discovery, OGDC initiated a comprehensive **3-month** reservoir mapping exercise to evaluate surrounding wells. OGDC is collaborating with joint venture partner MOL (whose global technical team visited Pakistan) to leverage international expertise in geothermal lithium extraction.
- **Commercialization roadmap:** Upon completion of the mapping phase, OGDC will define pilot extraction facility specifications and determine the required well count for commercial extraction.

OFFSHORE EXPLORATION & PARTNERSHIPS

OGDCL secured **eight** offshore exploration blocks during **FY2025–26**, marking a major strategic entry into deepwater and ultra-deepwater exploration.

- **Turkish collaboration:** OGDC signed strategic MoUs that matured into formal joint operating agreements. Offshore seismic acquisition was temporarily deferred due to regional vessel availability, but joint work with Turkish partners is scheduled to commence within weeks.
- **Abu Dhabi Block 5:** Technical evaluations were completed by Pakistan International Oil Limited (PIOL), and development operatorship was formally handed over to ADNOC.

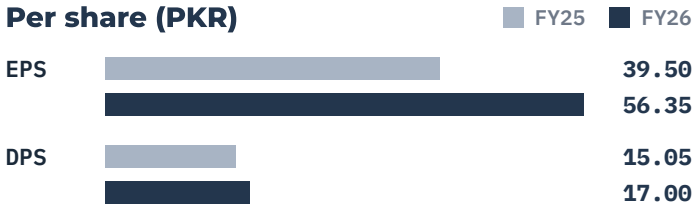
MINERALS & COPPER-GOLD (REKO DIQ)

OGDCL holds a **25%** equity interest in Pakistan Minerals Private Limited (PMPL), which holds a strategic stake in the Reko Diq copper-gold project in Balochistan. Technical and financial project reviews by operator Barrick Gold remain on track.

Profit after tax (PKR bn)



Per share (PKR)



Financial highlights

PKR mn	FY25	FY26	YoY	1QFY26	1QFY27	YoY
Net sales	**401,178**	**449,191**	**12%**	**96,192**	**132,419**	**38%**
Cost of sales	-2,229	-2,114	-5%	-505	-872	73%
Royalty	-47,145	-52,619	12%	-10,598	-15,554	47%
Operating / field costs	-120,197	-147,693	23%	-28,803	-32,921	14%
Gross profit	**231,608**	**246,764**	**7%**	**56,285**	**83,072**	**48%**
Gross margin	*58%*	*55%*		*59%*	*63%*	
Exploration costs	-18,767	-28,781	53%	-3,082	-4,771	55%
Administrative expenses	-7,515	-11,063	47%	-2,095	-2,230	6%
Operating profit	**205,326**	**206,920**	**1%**	**51,108**	**76,071**	**49%**
Depreciation & amortisation	33,755	37,569	11%	7,359	10,165	38%
EBITDA	**239,081**	**244,489**	**2%**	**58,467**	**86,237**	**47%**
Financial charges	-5,806	-5,101	-12%	-1,221	-1,161	-5%
Other income	81,821	54,385	-34%	12,185	13,772	13%
Other charges	-14,701	-13,640	-7%	-3,262	-4,631	42%
Share of associates' profit/(loss)	12,675	16,592	31%	3,173	3,943	24%
Profit before tax	**279,315**	**259,157**	**-7%**	**61,982**	**87,993**	**42%**
Taxation	-109,411	-16,783	-85%	-23,677	-29,480	25%
Profit after tax	**169,904**	**242,374**	**43%**	**38,305**	**58,513**	**53%**
Net margin	*42%*	*54%*		*40%*	*44%*	
EPS (PKR)	**39.50**	**56.35**	**43%**	**8.91**	**13.60**	**53%**
DPS (PKR)	**15.05**	**17.00**	**13%**	**3.50**	**5.00**	**43%**

Source: Company accounts, Chase Research

IMPORTANT DISCLOSURES

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