



# OIL & GAS DEVELOPMENT COMPANY LIMITED

No. CS04-07-08-09-10 (KSE/LSE/ISE)

October 02, 2014

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Subject: **LAUNCH OF SECONDARY OFFERING OF OGDCL SHARES IN THE FORM OF SHARES AND GLOBAL DEPOSITORY SHARES (GDSS) BY THE GOVERNMENT OF PAKISTAN**

Dear Sir,

Please find enclosed herewith press release regarding the subject announcement for dissemination amongst your members.

Thanking you.

Yours truly,

  
(Ahmed Hayat Lak)  
Company Secretary

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## **OGDCL Launches Secondary Offering of Shares in the form of Shares and GDSs and Commences International Investor Roadshow**

2 October 2014: Oil and Gas Development Company Limited ("OGDCL"), Pakistan's largest<sup>1</sup> oil and gas exploration and production company, today announced the launch of a secondary offering (the "Offer") of its ordinary shares ("Shares") and Global Depository Shares ("GDSs") representing Shares, and the commencement of an international investor roadshow.

### **About the Offer**

- The Offer will represent up to 10% of the Government of Pakistan's shareholding in OGDCL, comprising up to 322,460,900 Shares, which corresponds to c. 7.5% of the total share capital of OGDCL.

<sup>1</sup> Based on recoverable hydrocarbon reserves, hydrocarbon production and exploration acreage, according to the Pakistan Energy Yearbook 2013.

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- Based on the closing share price of OGDCL shares on the 1 October 2014, the offering would be valued at approximately PKR 80,796 million / US\$788 million.
- The Offer consists of (a) an international institutional offering (the "International Institutional Offer"), in the form of Shares and GDSs, to international institutional investors, including: (i) to Qualified Institutional Buyers in the United States ("US"), as defined in and in reliance on Rule 144A of the U.S Securities Act of 1993, as amended (the "Securities Act"); and (ii) outside the US, to certain persons in offshore transactions under Regulation S of the Securities Act, (b) a domestic institutional offering (the "Domestic Institutional Offer") of Shares to institutional and high net worth individual investors; and (c) a domestic public offering (the "Domestic Public Offer") of Shares to the general public, including a portion reserved for OGDCL employees.
- The Shares are listed and traded on the Karachi Stock Exchange, Lahore Stock Exchange and the Islamabad Stock Exchange under the symbol "OGDC".
- The GDSs are listed on the London Stock Exchange, with each GDS representing 10 Shares under the symbol "OGDC".
- The price for the Shares and GDSs offered will be fixed following the investor roadshow and bookbuilding process. The transaction timetable is as follows:
  - International investor roadshow commences 2 October 2014
  - Bookbuilding commences 9 October 2014
  - Minimum (floor) price announced 13 October 2014 (after market close)
  - Bookbuilding closes on or around the 15 October 2014
  - Price and allocations announced on or around the 16 October 2014
  - First day of unconditional trading for the GDSs on the London Stock Exchange is expected to occur on or around the 21 October 2014
- All of the net proceeds from the Offer will be received by the Islamic Republic of Pakistan, the selling shareholder.
- BofA Merrill Lynch ("BofAML") and Citigroup Global Markets Limited ("Citi") are Joint Global Coordinators and International Bookrunners, and KASB Bank Limited (in conjunction with KASB Securities Limited) ("KASB") are domestic Lead Manager and Bookrunner on the transaction.

**Mr Muhammad Rafi, Managing Director and Chief Executive Officer of OGDCL, said:**

*"Over the next two weeks, we will be visiting international investors around the world, to raise awareness of this Offer in our shares and the opportunity that OGDCL represents as the largest upstream player in Pakistan<sup>2</sup>. In addition to our large reserves base, attractive portfolio of*

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<sup>2</sup>Pakistan Petroleum Information Service data, as of June 30, 2014: PPIS – Upstream Highlights.

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*exploration acreage and stable production profile, we have a proven track record of creating shareholder value."*

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### About OGDCL

OGDCL is Pakistan's largest<sup>3</sup> oil and gas exploration and production ("E&P") company. Its primary focus is on natural gas and it holds the largest portfolio of gross recoverable hydrocarbon reserves in Pakistan, at 41% of gas and 58% of oil reserves respectively, as of December 31, 2013.<sup>4</sup>

As of July 1, 2014, OGDCL had proved net gas reserves of 363.17 MMboe and proved and probable net gas reserves of 736.97 MMboe. In addition, it had proved oil and condensate reserves of 96.84 MMbbl and proved and probable oil and condensate reserves of 202.13 MMbbl.<sup>5</sup>

On a net basis<sup>6</sup>, in FY 2014 OGDCL grew production volumes of natural gas by 6% to 428,249 MMscf, from 404,560 MMscf in FY 2013. Production volume of crude oil grew by 3% to 15,086 Mbbl for FY 2014, compared to 14,637 Mbbl for FY 2013.

Founded in 1961 as a statutory corporation to undertake the exploration and development of oil and gas resources in Pakistan, it was reorganised as a public limited company in 1997. Initially 100% owned by the Government of Pakistan, 5% of OGDCL was divested by way of an IPO on the Pakistan Stock Exchanges in October 2003. This was followed by the sale of approximately 10% of its stake in OGDCL in 2006, the vast majority of which (approximately 95%) was listed on the London Stock Exchange in the form of Global Depository Shares. A further 10% of shares were transferred to the OGDCL Employee Empowerment Trust in August 2009 as required by new government legislation.

### Shareholder structure (approximate)

	Pre-Offer	Proposed Post-Offer
Government of Pakistan	75.0%	67.5%
OGDCL Employee Empowerment Trust	10.0%	10.0%
Free Float	15.0%	22.5%

<sup>3</sup> Based on recoverable hydrocarbon reserves, hydrocarbon production and exploration acreage, according to the Pakistan Energy Yearbook 2013

<sup>4</sup> Pakistan Petroleum Information Service data as of December 31, 2013

<sup>5</sup> Based on approximately 90% of the total reserves of OGDCL

<sup>6</sup> Accounting for 100% owned assets and pro rata ownership in operated and non-operated joint ventures

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