



Pakistan Petroleum Limited

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Your reference:

Date: 1st January 2018

Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

Attention: Mr. Muhammad Ghufuran
Deputy General Manager

Dear Sirs,

Re: *Tight Gas Discovery from Well Naushahro Feroze X1, Naushahro Feroz Block*

Pakistan Petroleum Limited (PPL), one of the key players in Pakistan's Exploration and Production sector is playing its due role in the development of unconventional reservoirs in the country. In order to explore tight gas potential in the lower Indus basin, PPL drilled a well in the Naushehro Feroze exploration lease area. Tight gas potential was confirmed through successful drilling and testing of the first well Naushahro Feroze X1 (NF X-1). Due to the tight nature of the reservoir this discovery initially did not appear commercially viable. After detailed post well analysis and numerous sub-seismic geological and reservoir modellings, PPL re-drilled the well horizontally to a total length of 4940m and completed it with state of the art multistage frack technology. Where the Chiltan Limestone reservoir was successfully drilled in a horizontal section with a total lateral length of more than 1.3 kilometers. The well was completed with ten stage open hole packers and fracking sleeves.

This well made history in the drilling industry of Pakistan by becoming one of the deepest and longest horizontal wells in Tight carbonate reservoirs. Later all ten stages were stimulated (frac/Acid) and successfully tested at 4.5 MMscfd with 1850 psi flowing wellhead pressure with 9 fold increase in production.

PPL plans to work on two additional tight gas discoveries to establish commercial viability. The company's effort in tapping unconventional reservoirs has the potential to add substantial reserves to Pakistan's hydrocarbon base.

NF X-1 is in Naushahro Feroz block, Sindh, with PPL as operator holding 90 percent working interest, the remaining 10 percent is held by Asia Resources Oil Limited.

Yours truly,

Shahana Ahmed Ali
Company Secretary

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