

INTERIM REPORT AND FINANCIAL INFORMATION

Nine Months Ended 31 March 2009

FUELING THE
FUTURE



Oil & Gas Development Company Limited

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Company Information

Board of Directors

Mr. Farooq Rahmatullah	Chairman
Mr. Zahid Hussain	Managing Director / CEO
Mr. Muhammad Ejaz Chaudhry	Director
Mr. Sikandar Hayat Jamali	Director
Mr. Tariq Iqbal Khan	Director
Mr. Waqar A. Malik	Director
Mr. Rafique Dawood	Director
Mr. Tariq Faruque	Director
Miss Shagufta Jumani	Director
Mr. Iskandar Mohammed Khan	Director
Mr. Wasim A. Zuberi	Director

Company Secretary

Mrs. Eram Ali Aziz

Auditors

M/s KPMG Taseer Hadi & Co., Chartered Accountants
M/s M. Yousuf Adil Saleem & Co., Chartered Accountants

Legal Advisor

M/s Khokhar Law Chambers

Tax Advisors

M/s Khalid Majid Rahman, Chartered Accountants

Registered Office

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Tel: (PABX) (051) 9209811-8
Fax: (051) 9209804-6, 9209708
Email: csec@ogdcl.com
Website: www.ogdcl.com

Registrar Office

Noble Computer Services (Pvt) Limited, 2nd Floor, Sohni Centre, BS 5 & 6, Main Karimabad,
Block 4, Federal B. Area, Karachi-75950
Tel: +92 21 6801880-82 (3 Lines),
Fax: +92 21 6801129

Directors' Interim Review

The Board of Directors is pleased to present a brief review of operations and un-audited financial statements for the third quarter and nine months ended March 31, 2009.

During the period under review, the Company witnessed sustained progress across all key areas of the business. Operational performance to arrest decline together with high realized prices in rupee term led to the delivery of improved financial results which exceeded the results achieved in the corresponding period last year. Going forward considering the results achieved during first nine months, we remain confident of Company's continuing performance during remaining part of the year.

Company's sales revenue and profit after taxation during the period increased by 12.8% and 22.3% to Rs 100.231 billion and Rs 44.408 billion respectively resulting into Earnings Per Share (EPS) of Rs 10.33 compared to Rs 8.44 during the corresponding period last year.

Two Gas/Condensate discoveries at Kunnar South-1 (preliminary reserves estimated at 52.32 Bcf) and Qadirpur Deep-1 were made by the Company during the period under review. Both discoveries are located in Sindh Province.

During the period under review, OGDCL's daily production on working interest basis averaged 41,487 barrels of Crude Oil, 988 MMcf of Gas, 226 M.Tons of LPG and 66 M.Tons of Sulphur. Fourteen (14) new wells namely Dakhni Deep-2, Dhodak Deep-1, Nandpur-10, Qadirpur/HRL-2, Qadirpur-33, Pasahki-5, Thora-7, Kunnar-8, Pasahki-6, Qadirpur-35, Qadirpur-36, Qadirpur/HRL-3, Qadirpur/HRL-4 and Qadirpur/HRL-5 were brought into production.

Company acquired 3,536 L. Kms of 2-D and 751 Sq. Kms of 3-D Seismic data in the various blocks during July-March, 2009 and spudded twenty (20) new wells [eight (8) exploratory / appraisal and twelve (12) development wells]. Workover jobs on thirteen (13) wells were also carried out.

MERGER OF SUBSIDIARY COMPANY

Board of Directors of OGDCL and its subsidiary company, Prikoh Gas Company (Pvt) Limited (PGCL), in their meetings of August 20, 2008 and August 19, 2008 respectively approved merger of PGCL with OGDCL with effect from July 01, 2008. Consequently, on the directions of the Honorable Islamabad High Court, meetings of the members of both the companies were held on December 24, 2008 under the chairmanship of Registrar of Companies to consider and approve the scheme of merger. The members of both the companies approved the scheme of merger which was subject to sanction by the Honorable Islamabad High Court. On January 28, 2009, the Honorable High Court approved the scheme of merger with effect from January 01, 2009. Audited financial statements of PGCL for six months ended December 31, 2008 have been approved by the Board of Directors of PGCL for merger of the Company with OGDCL and therefore, the process of merger was completed effective January 01, 2009. The annexed interim financial statements have been prepared in accordance with the said merger scheme.

FORMULATION OF STRATEGIC DIRECTION

Pursuing the resolution passed by Board of Directors in its meeting held on January 20, 2009, Strategic Direction Workshop was organized by the Company on March 27-29, 2009 which was attended by the Board Members and Senior Management of OGDCL. The purpose of holding this workshop was to revisit the strategic direction of the Company with the objectives of revamping the Vision & Mission Statements, developing a common understanding of Company's present standing and its future outlook, identifying weaknesses, threats, and difficulties that are to be surmounted collectively to reach the goal, devising initiatives in line with revised Vision & Mission Statements and chalking out action plans to be completed to attain the new goals.

During the three-day workshop, the participants reviewed and deliberated upon many aspects of formulating the Strategic Direction of the Company including approval of new Vision & Mission Statements and Financial, Learning & Growth, Customer and Internal Process goals. In order to achieve new goals / targets specific initiatives with responsibilities were identified and action plans were agreed for implementation.

PRODUCTION

The Company operates a total of 41 Development & Production Leases / Mining Leases in all four provinces of the country. During the nine months period, Company's average daily net production including its share in operated and non-operated joint venture (JV) fields was as follows:

PRODUCTS	UOM	9M 2007-08	9M 2008-09
Crude Oil	Barrels/day	43,642	41,487
Gas	MMcf/day	986	988
LPG	M. Tons/day	368	226
Sulphur	M. Tons/day	71	66

- Daily production has been worked out at 365 days / year.

Compared with corresponding period of last year, Crude Oil production from Company's 100% owned fields and share in operated JV fields decreased by 2.5% (937 barrels per day) mainly due to decline in production from Dhodak, Thora, Lashari, Bobi, Sono and Chanda fields partially offset by increase in production from Kunnar, Pasahki, Mela and start of production from Moolan North and Chak-66 NE fields. Share of Crude Oil production from non-operated JV fields was also lower by 19.3% (1,219 barrels per day) resulting into a net decrease in Crude Oil production by 4.9% (2,156 barrels per day).

Compared with targets, Crude Oil production from 100% owned fields and share in operated JV fields was on the lower side by 4.1% (1,558 barrels per day) mainly due to non-achievement of forecast production from Thora, Lashari, Bobi, Qadirpur and Mela fields on account of mechanical problems, natural decline at Dhodak and Lashari fields, non achievement of natural production from Kal-3 and delay in completion of Chanda-3. However, production from Sono, Pasahki, Rajjan and Kunnar fields was higher than the business plan targets. Company could not achieve targeted share of Crude Oil production from non-operated JV fields which was lower by 1,318 barrel per day.

Company's gas production during the period under review was slightly higher than the business plan targets and actual gas produced during corresponding period. Yield improvements resulted into increase in gas production from Nandpur-10, Dakhni Deep-2 and Mela-1. However, gas production targets from Dhodak and Uch fields could not be achieved because of natural decline and lower than projected intake of gas by Uch Power Limited (UPL). Abandonment of Dakhni Deep-3 & Dakhni SW as non producer and delay in completion of Chanda-3 also affected gas production.

Compared with corresponding period and business plan targets, LPG production during the period decreased by 38.7% and 30.5% respectively mainly due to water break through at Dhodak field, abandonment of Dakhni Deep-3 & Dakhni SW as non producer and operational problems at Bobi field. Share of LPG production from non-operated JV fields was also on the lower side as anticipated in the business plan.

EXPLORATION AND DEVELOPMENT ACTIVITIES

At March 31, 2009, OGDCL was operating in 41 Exploration Blocks (26 blocks with 100% share and 15 blocks as operated JVs) including 5 Offshore Blocks covering an area of 76,651.06 Sq. Kms and one Reconnaissance Permit over Jhampir covering an area of 1,326.62 Sq.Kms. Exploration Blocks held by OGDCL constitute 31.52% of the Country's total exploration acreage. During July-March 2009, OGDCL surrendered four exploration blocks namely Dhermund, Bagh-o-Bahar, Pakhiwala and Dhok Sultan.

During the period under review, the Company could not start exploration activities in 10 Concessions due to non availability of security clearance from the concerned authorities. However, Government of Baluchistan has granted security clearance for start of activities in Shahana, Samandar and Shaan Concessions. Seismic data acquisition in Kalchas E.L is in progress.

During the period under review, OGDCL achieved 3,536 L. Kms of 2-D seismic data acquisition in Bagh South, Hundi D&PL, Khewari, Nashpa South, Sinjhora, Multan North, Bitrism, Kalchas, Rachna, Jhampir concessions and Offshore Block and 751 Sq. Kms of 3-D seismic data acquisition in Soghri and Thal South Concessions

OGDCL carried out drilling operations on number of exploratory/appraisal and development wells. During the period, thirty one (31) locations were marked on ground, out of which twenty (20) new wells [eight (8) exploratory / appraisal wells namely Dakhni North-1, Wahid Buksh-1, Thatta East-1, Allah Waria-1, Dhodak Deep-2, Pasahki West Deep-1, Qaim-1 & Balouch-1 and twelve (12) development wells namely Chak Naurang-5, Dakhni-11, Qadirpur-34, Qadirpur-35, Qadirpur HRL-3, Chak Naurang-5A, Pasahki Deep-2, Pasahki-6, Toot-20, Qadirpur-36, Qadirpur HRL-4 and Qadirpur HRL-5] were spudded during July-March 2009. Two (02) more exploratory and development wells were spudded in April 2009 making a total of 22 exploratory / appraisal and development wells as of reporting date.

OGDCL recently acquired 27.5% interest in Offshore Blocks U&V and 20% interest in Block 'W' of BP Exploration (Alpha) Limited. Moreover, Company is also evaluating opportunities for overseas exploration. Discussions are underway for acquiring working interest in offshore blocks in Yemen and West Timor (Indonesia). In addition, opportunities in offshore blocks in French Guyana & Vietnam and onshore blocks in Tanzania, Morocco, Turkey and Romania are under review for possible acquisitions by the Company.

DEVELOPMENT PROJECTS

The Company is actively working on the development of the following projects and efforts are being made to complete these projects on accelerated pace.

UCH-II Development Project

The UCH Gas field is located about 67 Km south-east of Dera Bugti in Balochistan province. OGDCL has drilled 15 wells and is supplying 106,000 million Btu gas per day to the Uch Power Plant (UPL). After carrying out a detailed study of UCH Gas Field, it is envisaged that OGDCL is in a position to commit around additional 160 MMcf per day for 25 years to a power producer. The project is expected to be completed in December 2011, subject to security clearance to start drilling activities in Dera Bugti Agency and LOI issuance to IPP by PPiB.

Qadirpur Gas Compression Project

Qadirpur field is expected to start depleting in near future and in order to maintain the plateau, compression facilities are required to be installed which will help maintain the production plateau to 650 MMcf per day of gas supply up to 2017. The Contract for Engineering, Procurement & Construction on lump sum turnkey basis was awarded to M/s China Petroleum Engineering & Construction Corporation (CPECC) in November, 2006. The activities were held up due to litigation however an alternate arrangement (Wellhead Compression) for a period of 3 years is being worked out. The Well Head compressors are expected to start work by Oct/ Nov, 2009.

Dhakni Expansion Project

Dakhni Gas processing plant started commercial production in early 1990 with a design capacity of 30 MMcf per day. Over the years the composition of H₂S contents of raw gas has increased considerably resulting in processing limitation on the existing plant. Due to this change the existing plant is currently processing 18-20 MMcf per day of sour feed gas. The incremental production after expansion will be Sales Gas: 12 MMcf per day, Condensate: 720 barrels per day, Sulphur: 80 M. Tons per day and LPG: 12 M. Tons per day. Contract for the supply of

Sulphur Recovery Unit (SRU) was signed in May, 2008. Delivery of the unit is expected in September, 2009. Most of the material / equipments received at site except Power Generation, Refrigeration package & Instrument Cable, which are in pipeline. The project is expected to be completed by December 2009.

Sinjhero Development Project

The Project is located at district Sanghar, Sindh. The surface facilities to be installed by the Company include gas gathering system for 14 wells, field compression, Trunk line from Sinjhero to Bobi field, gas treatment plant, LPG recovery and compression system etc. The project will enhance OGDCL production capacity of 2100 barrels per day of Crude Oil, 25 MMcf per day of gas about 138 M. Tons per day of LPG. Tenders for development of the field were advertised on February 20, 2009 however the bidding process is held up under the Sindh High Court directive till next hearing.

Kunnar & Pasakhi Deep (KPD) / Tando Allah Yar (TAY) Integrated Development Project

The KPD-TAY Integrated Development Project is located in district Hyderabad in Sindh Province field. 18 wells have been drilled in KPD & 8 wells in TAY. The fields are being developed jointly by installing gas gathering system, liquid separation unit, gas dehydration unit, CO2 removal unit, condensate stabilization unit, LPG removal unit and laying of 30 Kms Gas transport pipeline from the plant to M/s SSGCL tie-in point. The expected cumulative production is Gas: 278 MMcf per day, Crude Oil: 4,300 Barrels per day and LPG: 325 M. Tons per day. Tenders for development of the field were advertised on February 20, 2009 but the bidding process is held up under the Sindh High Court directive till next hearing.

Sara West Development Project

The Sara West field, located in district Khairpur, Sindh Province, was discovered in 1996. So far three wells have been drilled at the field. The field has gas of low hydrocarbon contents and can be used for power generation only. The Company intends to develop the field for supply of gas to a power generation company. The development of the field is dependent upon negotiating a suitable gas price.

Jhal Magsi Project

Jhal Magsi field located in Dera Murad Jamali was discovered in 2003. It is a joint venture between the OGDCL, (GHPL) and (POL). Three wells have been drilled at the field with two producers. The field has high contents of H2S which would require removal before the gas is injected into the transmission network. The commerciality has been approved by DGPC and development plan is under preparation. The Basic design Engineering Package for Development of the field will be prepared after approval of Development Plan.

FINANCIAL RESULTS

During the period under review, Company's product sales revenue increased by Rs 11.379 billion to Rs 100.206 billion, a growth of 12.8% over the same period last year. Increase in sales revenue is mainly driven by higher realized prices in rupee terms which contributed Rs 16.069 billion towards increase in sales revenue. However, decline in sales volume of Crude Oil, Gas, LPG, Sulphur and other refined petroleum products resulted in a decrease of Rs 4.690 billion in sales revenue.

Net realized prices of Crude Oil, Gas and LPG averaged at US\$ 58.50/bbl, Rs 173.39/Mcf and Rs 38,113/M.Ton respectively compared to US\$ 64.79/bbl, Rs 137.96/Mcf and Rs 36,661/M.Ton respectively during the same period last year.

Profit before taxation for the period was Rs 66.273 billion compared to Rs 56.858 billion for the corresponding period last year, reflecting 16.6% increase in Company's earning performance. Profit after taxation during the period was Rs 44.408 billion compared with Rs 36.305 billion for the corresponding period last year. Consequently, earnings per share (EPS) rose to Rs 10.33 (9M 2007-08: Rs 8.44), an increase of 22.3%.

During the period, net cash from operations after working capital changes and payments of royalty and corporate tax of Rs 31.122 billion, was Rs 33.053 billion against Rs 41.761 billion in the corresponding period last year. Despite increase in profit, increase in net cash from operating activities is comparatively low because of higher figures of trade debts which increased by Rs 24.041 billion during the period under review as against increase of Rs 5.997 billion during the corresponding period of last year. Payment of Rs 19.797 billion as capital expenditure and receipt of Rs 1.812 billion as interest and dividend income resulted into net cash utilization in investing activities of Rs 16.441 billion against Rs 7.966 billion in the corresponding period of last year. Net cash used in payment of dividends was Rs 21.292 billion as against Rs 24.653 billion. Cash flow from operating activities, and net cash utilized in investing and financing activities resulted in a net cash decrease of Rs 4.681 billion to ending cash balance of Rs 13.596 billion.

DIVIDEND

The Board of Directors is pleased to announce a third interim dividend of 20% (Rs 2.00 per share). This is in addition to two interim dividends at 37.5% (Rs 3.75 per share) already declared during the year totaling to 57.5% (Rs. 5.75 per share) for the year ending June 30, 2009.

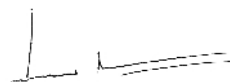
FUTURE OUTLOOK

In order to increase oil and gas reserves base, OGDCL intends to carry out an aggressive exploration programme based on seismic surveys, drilling of wells and acquisition of new exploration acreage through competitive bidding. Company's Strategic Plan for the period 2009-10 to 2013-14 is under preparation which also focuses on continuous reserves addition through design and maintenance of a balanced exploration portfolio of blocks ranked according to size of reserves, profitability, and associated risks. Another strategy to increase oil and gas production is through early development of new discoveries through implementation of projects on fast track basis. OGDCL is also exploring possibilities of formation of new joint ventures with leading E&P companies inside and outside the country for oil and gas projects. OGDCL is also endeavoring to increase exploration activities in the off-shore.

ACKNOWLEDGEMENTS

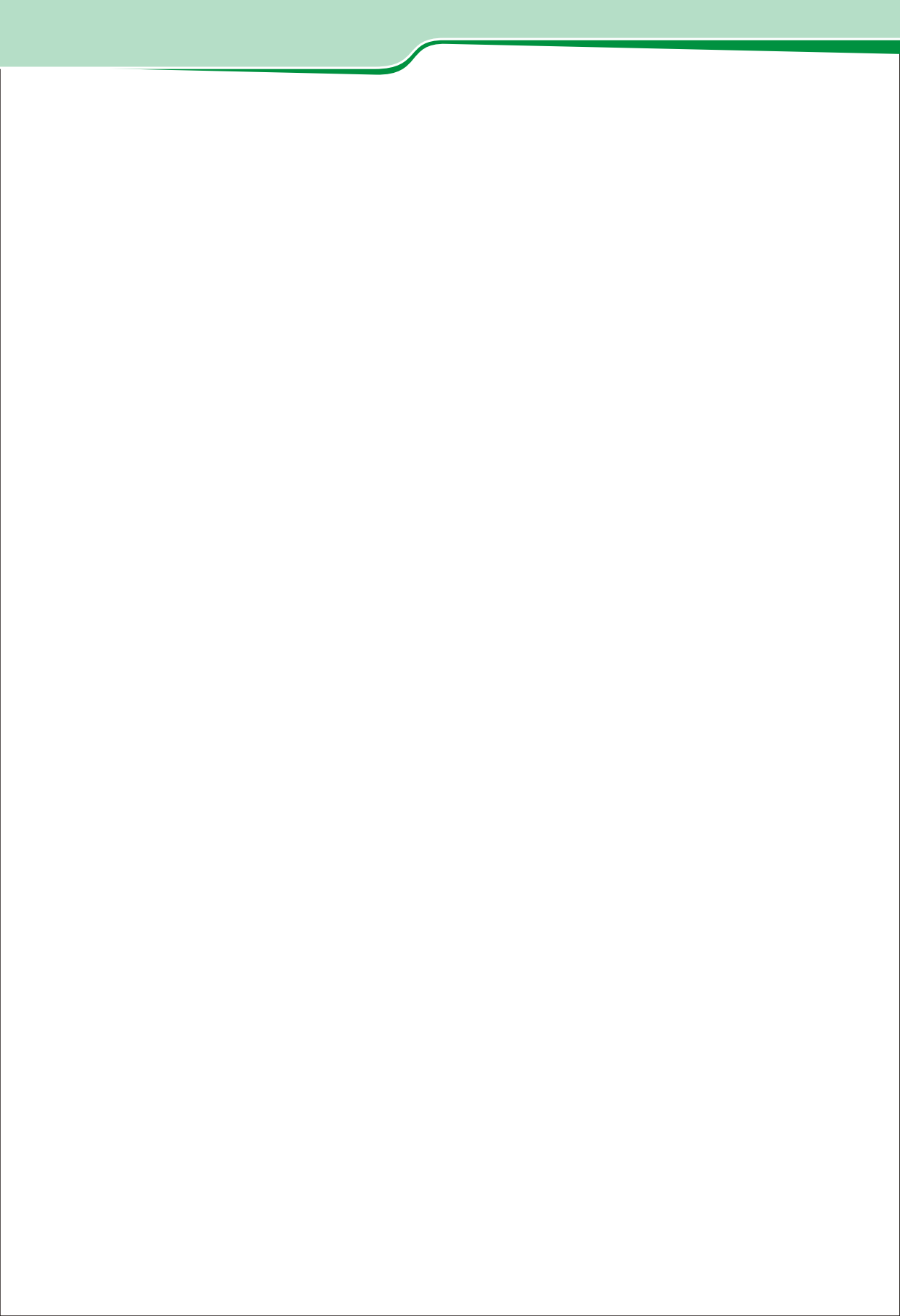
The Board of Directors would like to extend its appreciation to the management and all employees of the Company for their contribution towards operational and financial results of the Company and look forward to their continued devotion and hard work in the future. The Board would also like to extend its gratitude to the Shareholders of the Company for their continued support and interest towards the progress of the Company.

On behalf of the Board



(Farooq Rahmatullah)
Chairman

April 23, 2009



CONDENSED INTERIM FINANCIAL INFORMATION

NINE MONTHS ENDED 31 MARCH 2009



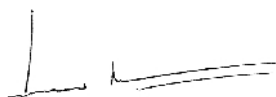
**OIL & GAS DEVELOPMENT
COMPANY LIMITED**

OIL AND GAS DEVELOPMENT COMPANY LIMITED

CONDENSED INTERIM BALANCE SHEET [UNAUDITED]
AS AT 31 MARCH 2009

		Unaudited 31 March 2009	(Restated) Audited 30 June 2008
	Note	(Rupees '000)	
SHARE CAPITAL AND RESERVES			
Share capital		43,009,284	43,009,284
Capital reserve		3,655,969	3,503,064
Unappropriated profit		<u>76,976,530</u>	<u>63,902,995</u>
		<u>123,641,783</u>	<u>110,415,343</u>
NON CURRENT LIABILITIES			
Deferred taxation		<u>17,005,941</u>	12,131,932
Deferred employee benefits		<u>1,687,573</u>	1,528,444
Provision for decommissioning cost		<u>7,553,145</u>	6,795,141
		<u>26,246,659</u>	20,455,517
CURRENT LIABILITIES			
Trade and other payables	4	<u>29,826,670</u>	17,215,555
Provision for taxation	5	<u>3,747,328</u>	4,223,048
		<u>33,573,998</u>	21,438,603
CONTINGENCIES AND COMMITMENTS			
	6	<u>183,462,440</u>	<u>152,309,463</u>

The annexed selected notes 1 to 18 form an integral part of this condensed interim financial information.



Chairman

		Unaudited 31 March 2009	(Restated) Audited 30 June 2008
	Note	(Rupees '000)	
NON CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	7	28,057,535	23,229,631
Development and production assets - intangible	8	44,047,727	36,808,041
Exploration and evaluation assets	9	9,268,558	7,672,444
		81,373,820	67,710,116
Long term investments		1,202,752	2,860,132
Long term loans and receivables		1,930,755	1,806,620
Long term prepayments		78,693	108,937
		94,586,020	72,485,805
CURRENT ASSETS			
Stores, spare parts and loose tools		16,952,815	16,615,095
Stock in trade		82,692	151,782
Trade debts	10	64,746,472	40,705,299
Loans and advances		2,199,557	2,339,037
Deposits and short term prepayments		568,554	679,165
Interest accrued		116,638	180,295
Other receivables		499,236	638,921
Other financial assets	11	8,752,494	10,207,516
Cash and bank balances		4,957,962	8,306,548
		98,876,420	79,823,658
		183,462,440	152,309,463

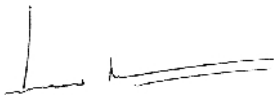


Chief Executive

OIL AND GAS DEVELOPMENT COMPANY LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT [UNAUDITED]
FOR NINE MONTHS ENDED 31 MARCH 2009

	Note	(Restated)		(Restated)	
		Three months ended 31 March 2009	2008	Nine months ended 31 March 2009	2008
(Rupees '000)					
Sales - net	12	28,290,932	32,055,233	100,231,295	88,877,523
Royalty		(3,267,078)	(3,408,980)	(11,513,862)	(10,786,277)
Operating expenses		(5,365,016)	(4,164,430)	(16,021,107)	(12,802,052)
Transportation charges		(410,331)	(401,600)	(1,192,402)	(981,774)
		(9,042,425)	(7,975,010)	(28,727,371)	(24,570,103)
Gross profit		19,248,507	24,080,223	71,503,924	64,307,420
Other income		661,609	704,838	3,744,062	2,207,317
Exploration and prospecting expenditure		(771,007)	(1,299,781)	(4,273,104)	(5,382,562)
General and administration expenses		(217,282)	(213,831)	(765,621)	(860,224)
Reversal of provision for impairment loss		1,417	-	24,977	-
Finance cost		(174,802)	(157,062)	(516,735)	(455,183)
Workers' profit participation fund		(940,408)	(1,156,541)	(3,488,050)	(2,992,035)
Share of profit in associated company		13,296	12,091	43,505	32,868
PROFIT BEFORE TAXATION		17,821,330	21,969,937	66,272,958	56,857,601
Taxation		(5,217,919)	(9,757,738)	(21,864,787)	(20,552,369)
PROFIT FOR THE PERIOD		12,603,411	12,212,199	44,408,171	36,305,232
Earnings per share-basic and diluted (Rupees)	13	2.93	2.84	10.33	8.44

The annexed selected notes 1 to 18 form an integral part of this condensed interim financial information.



Chairman



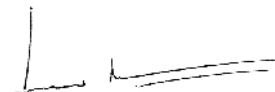
Chief Executive

OIL AND GAS DEVELOPMENT COMPANY LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT [UNAUDITED]
FOR NINE MONTHS ENDED 31 MARCH 2009

	(Restated)	
	Nine months ended 31 March 2009	2008
	(Rupees '000)	
Cash flows from operating activities		
Profit before taxation	66,272,958	56,857,601
Adjustments for:		
Depreciation	2,348,966	2,193,771
Amortization of development and production assets	4,058,999	3,051,194
Royalty	11,513,862	10,786,277
Workers' profit participation fund	3,488,050	2,992,035
Provision for employee benefits	1,043,379	504,251
Unwinding of discount on provision for decommissioning cost	503,885	447,937
Interest income	(1,516,342)	(1,827,686)
Unrealized loss/(gain) on investments at fair value through profit or loss	122,815	(5,902)
Dividend income	(29,512)	(28,150)
Gain on disposal of property, plant and equipment	(10,462)	(303)
Interest income on long term receivables	(28,669)	(43,910)
Reversal of provision for impairment loss	(24,977)	-
Share of profit in associated company	(43,505)	(32,868)
Provision for doubtful advances	-	(9,864)
	<u>87,699,447</u>	<u>74,884,383</u>
Working capital changes		
(Increase)/decrease in current assets:		
Stores, spare parts and loose tools	(337,720)	(2,489,194)
Stock in trade	69,090	(13,280)
Trade debts	(24,041,173)	(5,997,246)
Deposits and short term prepayments	110,611	31,086
Loans, advances and other receivables	183,699	1,845
Increase/(decrease) in current liabilities:		
Trade and other payables	1,549,393	(2,124,053)
Cash generated from operations	<u>65,233,347</u>	<u>64,293,541</u>
Royalty paid	(13,655,018)	(8,682,314)
Employee benefits paid	(884,250)	(631,517)
(Paid to)/received from workers' profit participation fund	(174,911)	302,383
Income taxes paid	(17,466,498)	(13,521,166)
	<u>(32,180,677)</u>	<u>(22,532,614)</u>
Net cash from operating activities	<u>33,052,670</u>	<u>41,760,927</u>
Cash flows from investing activities		
Capital expenditure	(19,796,565)	(9,925,737)
Interest received	1,758,892	2,222,467
Dividends received	53,157	52,081
Purchase of investments	-	(200,000)
Proceeds from encashment of investments	1,498,347	50,061
Proceeds from disposal of property, plant and equipment	14,452	2,967
Long term prepayments	30,244	(167,859)
Net cash used in investing activities	<u>(16,441,473)</u>	<u>(7,966,020)</u>
Cash flows from financing activities		
Dividends paid	(21,291,990)	(24,652,541)
Net cash used in financing activities	<u>(21,291,990)</u>	<u>(24,652,541)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(4,680,793)</u>	<u>9,142,366</u>
Cash and cash equivalents at beginning of the period	<u>18,276,380</u>	<u>23,737,736</u>
Cash and cash equivalents at end of the period	<u>13,595,587</u>	<u>32,880,102</u>

The annexed selected notes 1 to 18 form an integral part of this condensed interim financial information.



Chairman

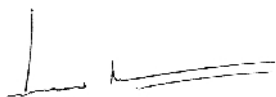


Chief Executive

OIL AND GAS DEVELOPMENT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY [UNAUDITED]
FOR NINE MONTHS ENDED 31 MARCH 2009

	Share capital	Capital reserve		Unappropriated profit	Total equity
		Bonus share	Specific		
	(Rupees '000)				
Balance at 01 July 2007 as restated	43,009,284	836,000	2,438,228	60,652,540	106,936,052
Final dividend 2007: Rs 3.50 per share	-	-	-	(15,053,249)	(15,053,249)
First interim dividend 2008: Rs 1.75 per share	-	-	-	(7,526,625)	(7,526,625)
Second interim dividend 2008: Rs 2.00 per share	-	-	-	(8,601,857)	(8,601,857)
Transfer to capital reserve	-	-	177,816	(177,816)	-
Profit for nine months as restated	-	-	-	36,305,232	36,305,232
Total recognized income for the period as restated	-	-	-	36,305,232	36,305,232
Balance at 31 March 2008 as restated	<u>43,009,284</u>	<u>836,000</u>	<u>2,616,044</u>	<u>65,598,225</u>	<u>112,059,553</u>
Balance at 01 July 2008 as restated	43,009,284	836,000	2,667,064	63,902,995	110,415,343
Final dividend 2008: Rs 3.50 per share	-	-	-	(15,053,249)	(15,053,249)
First interim dividend 2009: Rs 2.00 per share	-	-	-	(8,601,857)	(8,601,857)
Second interim dividend 2009: Rs 1.75 per share	-	-	-	(7,526,625)	(7,526,625)
Transfer to capital reserve	-	-	152,905	(152,905)	-
Profit for nine months	-	-	-	44,408,171	44,408,171
Total recognized income for the period	-	-	-	44,408,171	44,408,171
Balance at 31 March 2009	<u>43,009,284</u>	<u>836,000</u>	<u>2,819,969</u>	<u>76,976,530</u>	<u>123,641,783</u>

The annexed selected notes 1 to 18 form an integral part of this condensed interim financial information.



Chairman



Chief Executive

OIL AND GAS DEVELOPMENT COMPANY LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION [UNAUDITED]
FOR NINE MONTHS ENDED 31 MARCH 2009

1 LEGAL STATUS AND OPERATIONS

Oil and Gas Development Company Limited (OGDCL), "the Company", was incorporated on 23 October 1997 under the Companies Ordinance, 1984. The registered office of the Company is located at OGDCL House, Plot No. 3, F-6/G-6, Blue Area, Islamabad, Pakistan. The Company is deemed to own all the properties, rights, assets, obligations and liabilities of Oil and Gas Development Corporation (OGDC) as on that date. The Company is engaged in the exploration and development of oil and gas resources, including production and sale of oil and gas and related activities. The Company is listed on all the three stock exchanges of Pakistan and its Global Depository Shares (1GDS = 10 Ordinary shares of the Company) are listed on the London Stock Exchange.

Government of Pakistan owns 85.02% (30 June 2008: 85.02%) of the Ordinary shares of the Company as of 31 March 2009.

On 28 January 2009, the Honorable Islamabad High Court approved the scheme of merger of Pirkoh Gas Company (Private) Limited (PGCL) with the Company effective from 01 January 2009. Consequently, PGCL has been merged with the Company and this condensed interim financial information has been prepared in accordance with the said merger scheme.

2 BASIS OF PREPARATION

This condensed interim financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. This condensed interim financial information is unaudited and is being submitted to shareholders as required by Section 245 of the Companies Ordinance, 1984.

This condensed interim financial information should be read in conjunction with annual audited financial statements for the year ended 30 June 2008. Comparative balance sheet is extracted from annual audited consolidated financial statements for the year ended 30 June 2008 whereas comparative profit and loss account, comparative statement of changes in equity and comparative cash flow statement are stated from unaudited condensed consolidated interim financial information for the nine months ended 31 March 2008.

3 ACCOUNTING POLICIES

- 3.1 Accounting policies, related judgments, estimates and assumptions adopted for preparation of this condensed interim financial information are the same as those applied in preparation of the annual audited consolidated financial statements for the year ended 30 June 2008.
- 3.2 Taxes on income in the interim period are accrued using the tax rates that would be applicable to expected total annual earnings.
- 3.3 **New accounting standards and IFRIC interpretations that are not yet effective**

The following standards, amendments and interpretations of approved accounting standards, effective for accounting periods beginning as mentioned there against are either not relevant to the Company's current operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures:

OIL AND GAS DEVELOPMENT COMPANY LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION [UNAUDITED]
FOR NINE MONTHS ENDED 31 MARCH 2009

Revised IAS 1 - Presentation of financial statements (effective 1 January 2009)
Revised IAS 23 - Borrowing costs (effective 1 January 2009)
Amended IAS 27 - Consolidated and Separate Financial Statements (effective 1 July 2009)
IAS 29 - Financial Reporting in Hyperinflationary Economies (effective 28 April 2008)
Amendments to IAS 32 - Financial instruments (effective 1 January 2009)
Amendments to IAS 39 - Financial Instruments: Recognition and Measurement (effective 1 July 2009)
Amendment to IFRS 2 - Share-based Payment (effective 1 January 2009)
Revised IFRS 3 - Business Combinations (effective 1 July 2009)
IFRS 7 - Financial Instruments: Presentation (effective 28 April 2008)
IFRS 8 - Operating Segments (effective 01 January 2009)
IFRIC 13 - Customer Loyalty Programmes (effective 01 July 2008)
IFRIC 15 - Agreement for the Construction of Real Estate (effective 01 January 2008)
IFRIC 16 - Hedge of Net Investment in a Foreign Operation (effective 01 October 2008)
IFRIC 17 - Distribution of Non-Cash Assets to Owners (effective 01 July 2009)
IFRIC 18 - Transfers of Assets from Customers (effective 01 July 2009)

The International Accounting Standards Board's annual improvements project published in May 2008, contains a number of amendments which would generally be applicable for financial periods beginning on or after 1 January 2009. These amendments extend to 35 standards and include changes in terminology and accounting requirements.

	31 March 2009	(Restated) 30 June 2008
	(Rupees '000)	
4 TRADE AND OTHER PAYABLES		
Creditors	275,143	345,588
Accrued liabilities	5,929,944	5,451,929
Royalty	4,523,174	6,664,330
Excise duty	120,900	105,357
Development surcharge	4,269	-
General sales tax	977,957	584,886
Payable to joint venture partners	2,439,320	1,369,547
Retention money	271,731	278,088
Trade deposits	137,462	99,262
Workers' profit participation fund	3,487,966	174,827
Unpaid dividend	11,341,675	1,450,691
Unclaimed dividend	101,545	102,788
Advances from customers	180,369	174,341
Other payables	35,215	413,921
	<u>29,826,670</u>	<u>17,215,555</u>

OIL AND GAS DEVELOPMENT COMPANY LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION [UNAUDITED]
FOR NINE MONTHS ENDED 31 MARCH 2009

	31 March 2009	(Restated) 30 June 2008
		(Rupees '000)
5 PROVISION FOR TAXATION		
Tax payable/(advance tax) at beginning of the period/year	4,223,048	(5,700,810)
Income tax paid during the period/year	(17,466,498)	(22,992,422)
Provision for taxation - current	14,410,346	21,039,758
Provision for taxation - prior years	2,580,432	11,876,522
Tax payable at end of the period/year	<u>3,747,328</u>	<u>4,223,048</u>

5.1 TAX STATUS

Various appeals in respect of assessment years 1992-93 to 2002-03, tax years 2003 to 2008 are pending at different appellate forums in the light of the order of the Commissioner of Income Tax (Appeals), Income Tax Appellate Tribunal (ITAT) and decision of the adjudicator appointed by both the Company as well as the Federal Board of Revenue (FBR) mainly on the issues of decommissioning cost, depletion allowance and employee benefits.

6 CONTINGENCIES AND COMMITMENTS

- 6.1 Claims against the Company as on 31 March 2009, not acknowledged as debts amounted to Rs 210.737 million (30 June 2008 : Rs 229.420 million) since in the opinion of the management, there is a fairly reasonable chance that these will be decided in favour of the Company.
- 6.2 At present Qadirpur Gas Price is being notified by Oil and Gas Regulatory Authority (OGRA) on the basis of a provisional discount table for High Sulphur Fuel Oil (HSFO) price upto the maximum limit of USD 200 per metric ton notified by Ministry of Petroleum and Natural Resources, Government of Pakistan (GoP). In terms of article 4.1(b) of Qadirpur Gas Pricing Agreement, the Company, as operator of Qadirpur Joint Venture, has taken up the matter with GoP for notification of step discounts to be used in the calculation of gas price at HSFO prices exceeding USD 200 per metric ton. To date no agreement has been reached on said step discounts between the Company and GoP. After settlement of discount issue which can not be quantified at this stage, gas prices will be adjusted with retrospective effect i.e., July 2005. Since the gas prices during the year 2005-06 were notified on the basis of existing table, therefore, there may be some adjustment pertaining to past periods whenever the discount levels are finalized.
- 6.3 Commitments outstanding as on 31 March 2009 amounted to Rs 9,343.997 million (30 June 2008 : Rs 18,909.109 million). These included amounts aggregating to Rs 3,355.281 million (30 June 2008: Rs 967.227 million) representing the Company's share in the minimum work commitments related to operated/non-operated concessions.
- 6.4 Letters of credit issued by various banks on behalf of the Company in ordinary course of the business, outstanding at the period end amounted to Rs 5,609.148 million (30 June 2008 : Rs 6,504.968 million).
- 6.5 Certain banks have issued guarantees on behalf of the Company in ordinary course of business aggregating Rs 104.844 million (30 June 2008 : Rs 444.844 million).

OIL AND GAS DEVELOPMENT COMPANY LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION [UNAUDITED]
FOR NINE MONTHS ENDED 31 MARCH 2009

		(Restated)	
		Nine months ended 31 March	
		2009	2008
		(Rupees '000)	
7	PROPERTY, PLANT AND EQUIPMENT		
	Carrying amount at beginning of the period	20,863,962	20,005,480
	Additions during the period	5,803,373	2,588,463
	Book value of disposals	(1,166)	(2,664)
	Depreciation charge for the period	(2,704,791)	(2,493,366)
	Reversal of provision for impairment loss	24,977	-
	Closing book value	23,986,355	20,097,913
	Capital works in progress	4,071,180	2,508,562
	Carrying amount at end of the period	28,057,535	22,606,475
7.1	Additions during the period		
	Freehold land	5,511	631
	Leasehold land	1,935	-
	Buildings, offices and roads on freehold land	42,686	36,923
	Buildings, offices and roads on leasehold land	-	3,761
	Plant and machinery	4,609,348	1,627,695
	Rigs	91,966	102,255
	Pipelines	79,467	358,346
	Vehicles	769,631	204,335
	Office and domestic equipment	80,879	38,657
	Office and technical data computers	38,087	16,666
	Furniture and fixture	6,581	6,287
	Stores held for capital expenditure (net)	47,084	192,907
	Decommissioning cost	30,198	-
		5,803,373	2,588,463
7.2	Book value of disposals during the period		
	Rigs	1	-
	Vehicles	1,165	2,664
		1,166	2,664
8	DEVELOPMENT AND PRODUCTION ASSETS - INTANGIBLE		
	Carrying amount at beginning of the period	31,748,208	27,211,897
	Additions during the period	9,470,786	3,695,683
	Amortization charge for the period	(4,058,999)	(3,051,194)
	Closing book value	37,159,995	27,856,386
	Wells in progress	6,887,732	5,155,173
	Carrying amount at end of the period	44,047,727	33,011,559
9	EXPLORATION AND EVALUATION ASSETS		
	Balance at beginning of the period	2,823,295	1,875,370
	Additions during the period	5,736,763	6,535,954
		8,560,058	8,411,324
	Cost of dry and abandoned wells during the period	(2,685,098)	(3,800,286)
	Cost of wells transferred to development and production assets during the period	(814,331)	(1,167,008)
		(3,499,429)	(4,967,294)
		5,060,629	3,444,030
	Stores held for exploration and evaluation activities (net)	4,207,929	3,237,247
	Balance at end of the period	9,268,558	6,681,277

OIL AND GAS DEVELOPMENT COMPANY LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION [UNAUDITED]
FOR NINE MONTHS ENDED 31 MARCH 2009

	31 March 2009	(Restated) 30 June 2008
	(Rupees '000)	
10 TRADE DEBTS		
Un-secured, considered good	64,746,472	40,706,744
Un-secured, considered doubtful	113,309	4,325,082
	64,859,781	45,031,826
Provision for doubtful debts	(113,309)	(4,325,082)
Trade debts written off	-	(1,445)
	64,746,472	40,705,299

- 10.1 Trade debts include an amount of Rs 121.258 million (30 June 2008: Rs 4,436 million) withheld by Uch Power (Private) Limited (UPL) against claims for damages related to minimum supply of gas. Provision amounting to Rs 4,213 million has been adjusted in this condensed interim financial information as approved by the management in line with the settlement agreement between the Company and UPL approved by the GoP.
- 10.2 Trade debts also include an amount of Rs 6,171 million (30 June 2008: Rs 3,649 million) which has been withheld by the refineries under the previous directive of Ministry of Petroleum and Natural Resources and represents revenue on Crude Oil in excess of USD 50 per barrel. On 04 December 2007, Ministry of Petroleum and Natural Resources issued another directive whereby discount on Crude Oil and Condensate in excess of USD 50 per barrel was settled. According to the said directive, in case the net prices exceed the present ceiling limits mentioned in the respective agreements, the excess will be equally shared between the Government and Exploration and Production (E&P) Companies both for Crude Oil and Condensate. The effect of this has been incorporated in this condensed interim financial information. Further, the matter has been taken up with oil refineries for release of withheld amounts. Management considers this amount to be fully recoverable.
- 10.3 Also included in trade debts is an amount of Rs 4,372 million (30 June 2008: Rs 3,954 million) withheld by refineries on the direction of Directorate General of Petroleum Concessions (DGPC) pending finalization of crude oil sale agreements. On 02 April 2009, DG (Oil) has advised refineries to release 100% of the Company's withheld amounts.
- 10.4 Trade debts also include an overdue amount of Rs 32,849 million withheld by refineries and gas companies due to inter-corporate debts. A committee, under the chairmanship of Secretary Finance GoP, has been formed to review and settle inter-corporate receivables/payables. On 13 April 2009, Finance Division has asked companies for acceptance of an arrangement whereby National Transmission and Despatch Company Limited (NTDC) will make direct payment upto Rs 12,000 million to the Company which will result in adjustment of receivables from Pak Arab Refinery Company Limited (PARCO) Rs 4,341 million, Sui Southern Gas Company Limited (SSGCL) Rs 2,960 million and Sui Northern Gas Pipelines Limited (SNGPL) Rs 4,699 million out of total receivables from these companies. Management considers the total withheld amount to be fully recoverable and hence, no provision has been made for these debts in this condensed interim financial information.

OIL AND GAS DEVELOPMENT COMPANY LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION [UNAUDITED]
FOR NINE MONTHS ENDED 31 MARCH 2009

	Note	(Restated)	
		31 March 2009	30 June 2008
		(Rupees '000)	
11 OTHER FINANCIAL ASSETS			
Investments:		114,869	237,684
At fair value through profit or loss - NIT units	11.1	8,637,625	9,969,832
Available for sale		8,752,494	10,207,516

11.1 These represent investments in TDRs maturing in the short term and carry interest rate of 1.80% to 13.10% (30 June 2008: 5.00% to 10.70%) per annum. Included in these investments are foreign currency TDRs amounting to USD 107.50 million (30 June 2008: USD 73 million).

	(Restated)		(Restated)	
	Three months ended 31 March 2009	2008	Nine months ended 31 March 2009	2008
(Rupees '000)				

12 SALES - net

Gross sales

Crude oil	10,592,526	16,619,777	50,081,743	48,424,459
Gas	19,839,105	15,825,556	55,266,986	44,021,250
Gasoline	25,684	-	204,492	4,740
Kerosene oil	40,256	64,571	124,254	283,001
High speed diesel oil	1,142	27,237	3,804	227,779
Solvent oil	-	1,753	4,537	16,466
Naphtha	79,987	580,514	481,171	2,206,219
Liquefied petroleum gas	801,232	1,388,832	2,726,990	4,281,870
Sulphur	54,104	209,661	286,506	516,778
Other operating revenue	8,461	18,413	25,247	50,360
	31,442,497	34,736,314	109,205,730	100,032,922

Government levies

Excise duty	(384,919)	(396,800)	(1,119,023)	(1,141,815)
Development surcharge	(16,146)	(8,757)	(35,908)	(49,509)
General sales tax	(2,750,500)	(2,275,524)	(7,819,504)	(9,964,075)
	(3,151,565)	(2,681,081)	(8,974,435)	(11,155,399)
	28,290,932	32,055,233	100,231,295	88,877,523

13 EARNINGS PER SHARE - BASIC AND DILUTED

Profit for the period (Rupees '000)	12,603,411	12,212,199	44,408,171	36,305,232
Average number of shares outstanding during the period ('000)	4,300,928	4,300,928	4,300,928	4,300,928
Earnings per share - basic (Rupees)	2.93	2.84	10.33	8.44

There is no dilutive effect on the earnings per share of the Company.

OIL AND GAS DEVELOPMENT COMPANY LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION [UNAUDITED]
FOR NINE MONTHS ENDED 31 MARCH 2009

14 RELATED PARTIES TRANSACTIONS

Related parties comprise, associated company, profit oriented state controlled entities, major shareholders, directors, companies with common directorship, key management personnel and employees pension trust. Transactions of the Company with related parties and balance outstanding at the period end are as follows:

	(Restated)	
	Nine months ended 31 March 2009	2008
	(Rupees '000)	
Associated company - Mari Gas Company Limited		
Dividend income received	23,645	23,931
Related parties by virtue of common directorship and GoP holdings		
Attock Refinery Limited		
Sale of crude oil	29,894,097	30,536,901
Desalting charges paid	20,316	36,910
Receivable as at 31 March	14,268,308	10,627,019
Government Holdings (Private) Limited		
Payable as at 31 March	133,190	18,606
Pak Arab Refinery Company Limited		
Sale of crude oil	3,134,901	3,121,406
Receivable as at 31 March	4,429,269	1,347,427
Sui Northern Gas Pipelines Limited		
Sale of natural gas	25,895,741	25,696,840
Purchase of high BTU value gas	1,679,540	1,705,389
Receivable as at 31 March	9,140,768	4,959,135
Sui Southern Gas Company Limited		
Sale of natural gas	22,326,838	12,884,633
Pipeline rental charges	29,632	1,777
Receivable as at 31 March	19,104,577	6,614,803
Pakistan State Oil Company Limited		
Sale of refined petroleum products	93,587	339,472
Sale of liquefied petroleum gas	18,842	9,858
Purchase of petroleum, oil and lubricants	2,300,742	1,510,761
Receivable as at 31 March	21,325	50,484
Packages Limited		
Sale of sulphur	20,859	41,024
National Insurance Company Limited		
Insurance premium paid	540,245	349,569
National Logistic Cell		
Crude transportation charges paid	940,859	856,289
Heavy Mechanical Complex (Private) Limited		
Purchase of stores and spares	15,827	13,577
Water and Power Development Authority		
Sale of natural gas	58,327	115,497
Receipts against long term loan	93,375	801,663
Receivable as at 31 March	28,937	33,963

OIL AND GAS DEVELOPMENT COMPANY LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION [UNAUDITED]
FOR NINE MONTHS ENDED 31 MARCH 2009

RELATED PARTIES TRANSACTIONS-Continued	(Restated)	
	Nine months ended 31 March	
	2009	2008
	(Rupees '000)	
Enar Petrotech Services (Private) Limited		
Consultancy services	27,783	39,332
Sale of crude oil	1,397,559	1,113,532
Receivable as at 31 March	21,537	150,840
Government of Pakistan		
Dividend paid	16,298,737	20,011,294
Other related parties		
Contribution to staff benefit funds	1,020,062	486,653
Remuneration including benefits and perquisites of chief executives	16,942	9,354
Remuneration including benefits and perquisites of executives	1,919,893	1,205,952

Transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuations modes as admissible. Sale of crude oil to related parties is at a price determined in accordance with the agreed pricing formula as approved by GoP under respective agreement. Sale of natural gas to related parties is at price notified by the GoP whereas sale of Liquefied Petroleum Gas and Refined Petroleum Products is made at prices notified by Oil Companies Advisory Committee/Oil and Gas Regulatory Authority (OGRA).

15 RISK MANAGEMENT

Financial risk management objectives and policies are consistent with that disclosed in the annual audited financial statements for the year ended 30 June 2008.

16 CORRESPONDING FIGURES

Previous period/year figures have been restated, rearranged and/or reclassified, wherever necessary, for the purpose of comparison in this condensed interim financial information.

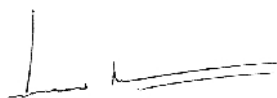
17 NON ADJUSTING EVENT AFTER BALANCE SHEET DATE

17.1 The Board of Directors proposed interim dividend at the rate of Rs 2.00 per share in its meeting held on 23 April 2009.

17.2 This condensed interim financial information was authorized for issue on 23 April 2009 by the Board of Directors of the Company.

18 GENERAL

Figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.



Chairman



Chief Executive

Oil & Gas Development Company Limited
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