



**OIL & GAS DEVELOPMENT COMPANY LIMITED
(BOARD SECRETARIAT)**



CS04-08 (PSX/LSE/SECP)/2
June 25, 2021

1. The General Manager,
Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road,
Karachi-74000, Pakistan.
2. London Stock Exchange Plc.,
10 Paternoster Square,
London EC4M 7LS.

Tel: (44) 20 7334 8907

Fax No. (92-21) 3241 0825, 3241 5136

SUBJECT: **NOTICE OF 12th EXTRAORDINARY GENERAL MEETING**

Dear Sir,

Enclosed please find a copy of the Notice of 12th Extraordinary General Meeting of the Company to be held on July 19, 2021 for formation of an associated Company and approval of investment therein by the shareholders of the Company.

The Notice will be published in the daily newspapers on Monday, June 28, 2021.

Thanking you

Yours faithfully,


(Ahmed Hayat Lak)
Company Secretary

Copy:

Director/HOD,
Surveillance, Supervision and Enforcement Department
Securities & Exchange Commission of Pakistan,
NIC Building, 63 Jinnah Avenue, Blue Area,
Islamabad.

OIL AND GAS DEVELOPMENT COMPANY LIMITED
Notice of 12th Extraordinary General Meeting

NOTICE is hereby given that Twelfth Extraordinary General Meeting of Oil & Gas Development Company Limited will be held on Monday, July 19, 2021 at 9:30 AM at Islamabad, through video link to transact the following business:

SPECIAL BUSINESS:

1. To consider, and if thought fit, to approve and authorize the investment by way of equity in a proposed associated company to be incorporated for the purposes of exploration and production of petroleum in one of the blocks offered in Abu Dhabi bid round 2019, in respect of which the Consortium of Oil and Gas Development Company Limited (OGDCL), Pakistan Petroleum Limited (PPL), Mari Petroleum Company Limited (MPCL) and Government Holdings (Private) Limited (GHPL) submitted the bid, pass the following resolution as and by way of a Special Resolution, namely, in accordance with section 199 of the Companies Act 2017:

***RESOLVED THAT** the Company be and is hereby authorized to establish a company ("**NewCo**") together with Pakistan Petroleum Limited, Mari Petroleum Company Limited and Government Holdings (Private) Limited, in Abu Dhabi Global Market or in Pakistan, for the purposes of exploration and production of petroleum in one of the blocks offered in Abu Dhabi Bid Round 2019, and that the Company be and is hereby authorized to enter into and subscribe to the memorandum and articles of association (as applicable) of the proposed NewCo to the extent of 25 percent of the shareholding of the proposed NewCo.*

2. To consider, and if thought fit, to approve and authorize the investment by way of equity in the shares of the proposed NewCo, pass the following resolution as and by way of a Special Resolution, namely, in accordance with section 199 of the Companies Act 2017:

***RESOLVED THAT** upon the incorporation of the proposed NewCo and award of the block, in respect of which the bid was submitted by the Consortium in the Abu Dhabi Bid Round 2019, approval of the members of the Company be and is hereby accorded in terms of Section 199 of the Companies Act, 2017 read with the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 for equity investment of USD 100 million in the shares of the proposed NewCo, in aggregate amounting to USD 400 million to be injected cumulatively by the members of the Consortium, in relation to the exploration and production of petroleum, as per the terms and conditions disclosed to the shareholders.*

3. To consider, and if thought fit, to approve and authorize the issuance of Corporate Guarantees, on a joint and several basis, in favour of Abu Dhabi National Oil Company ("**ADNOC**") and Supreme Council for Financial and Economic Affairs ("**SCFEA**") for the exploration and production phase by the Company, pass the following resolution as and by way of a Special Resolution, namely, in accordance with section 199 of the Companies Act 2017:

***RESOLVED THAT** upon incorporation of the proposed NewCo and award of the Block, approval of the members of the Company be and is hereby accorded in terms of Section 199 of the Companies Act, 2017 read with the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 for issuance of Corporate Guarantees, on a joint and several basis, in favour*

of ADNOC and SCFEA in respect of the obligations of the proposed NewCo under the Concession Documents, with the following features and as per the terms and conditions disclosed to the shareholders:

Salient Features of the corporate guarantees:

- *The corporate guarantees are to be issued by the Company in favor of SCFEA and ADNOC (Beneficiaries).*
- *Under the terms, the Company shall guarantee all the exploration and production obligations of the NewCo in the Concession Area, under any agreement signed by the NewCo, as a principal obligor, to the Beneficiaries.*
- *Two corporate guarantees, one each in respect of the exploration and the production obligations respectively, are to be issued by the Company in favor of the Beneficiaries.*
- *In case NewCo fails to meet its payment obligations under the Concession Documentation, Company shall guarantee to pay the amount as principal obligor within five (05) business days of demand by the Beneficiaries.*
- *The corporate guarantees shall be of a continuing nature and shall remain in force till all obligations of the NewCo are satisfied.*
- *The remaining consortium members shall also be issuing corporate guarantees to the Beneficiaries, separately, on a joint and several basis, with the same features mentioned above.*

4. To consider, and if thought fit, to approve and authorize the issuance of a Shareholders' Protection Guarantee in favour of NewCo, PPL, MPCL and GHPL for the exploration and production phase by the Company, pass the following resolution as and by way of a Special Resolution, namely, in accordance with section 199 of the Companies Act 2017:

RESOLVED THAT upon incorporation of the proposed NewCo and award of the Block, approval of the member of the Company be and is hereby accorded in terms of Section 199 of the Companies Act, 2017 for issuance of Shareholders' Protection Guarantee in favour of NewCo, PPL, MPCL and GHPL in proportionate share of investment in the proposed NewCo in respect of all the obligations of the proposed NewCo or the shareholders under the Concession Documents, with the following features and as per the terms and conditions disclosed to the shareholders:

Salient Features of the shareholders' protection guarantee

- *Each shareholder of the proposed NewCo shall provide a shareholders' protection guarantee for the benefit of the proposed NewCo and other shareholders in the proposed NewCo*
- *The shareholders protection guarantee will be in relation to all monies and liabilities owing or incurred with respect to the Concession Documents by any shareholder of the proposed NewCo*
- *The shareholders protection guarantee will be executed to ensure due and proper performance and observance of all obligations by each shareholder and the proposed NewCo under the Concession Documents, under or in connection with any agreement or arrangement from time to time between any shareholders or the proposed NewCo and ADNOC/SCFEA when they become performable in accordance with the terms of such agreements or arrangements.*

5. To consider, and if thought fit, to approve and authorize the direct disbursement of Company's proportionate share of Signature Fee to ADNOC, in case the proposed NewCo is unable to open a bank account or faces difficulty or delay in meeting the deadline under the Concession Documents for making such payment, pass the following resolution as and by way of a Special Resolution, namely, in accordance with section 199 of the Companies Act 2017:

RESOLVED THAT upon incorporation of the proposed NewCo and award of the Block, approval of the member of the Company be and is hereby accorded in terms of Section 199 of the Companies Act, 2017 for direct disbursement of Company's proportionate share of Signature Fee to ADNOC, in case the proposed NewCo is unable to open a bank account or faces difficulty or delay in meeting the deadline under the Concession Documents for making such payment. Provided, however, that the amount of such direct disbursement of the Company's proportionate share of the Signature Fee to ADNOC shall stand reduced from the Company's proportional equity investment amount.

A statement as required by Section 134(3) of the Companies Act, 2017 and information required under the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 in respect of the aforesaid special business to be considered at the Extraordinary General Meeting annexed with the Notice of Meeting is being sent to the Members.

By Order of the Board

(Ahmed Hayat Lak)
Company Secretary

Islamabad dated June 25, 2021

NOTES:

1. Video Link Facility for Attending the Meeting

Due to the prevailing pandemic situation and for the safety and well-being of the Members, the Company shall not hold the extraordinary general meeting physically. The Company has made arrangements for Members to attend the Extraordinary General Meeting through video-link. Interested Members are advised to register for attending, participating in, and voting at the EGM via video link, latest by close of business on Friday, July 16, 2021 by providing the following information at eogm2021@ogdcl.com. In case the information is couriered, it should reach the Company's registered office latest by Friday, July 16, 2021.

| Full Name | CNIC Number | Folio / CDC Account Number | Email Address | Cell. Number |
|-----------|-------------|----------------------------|---------------|--------------|
| | | | | |

The Company Secretary
Oil & Gas Development Company Limited
Head Office, Jinnah Avenue, Blue Area
Islamabad
[Tel:051-920023306](tel:051-920023306)
Email:eogm2021@ogdcl.com

The video link and login details for attending the Meeting will be emailed to the members who register for attending the Meeting and provide their email addresses for the purpose to the Company.

2. Participation in the Extraordinary General Meeting

A member entitled to attend and vote at this meeting is entitled to appoint another person as his / her proxy to attend and vote. Proxies in order to be effective must be received at the Registered Office of the Company duly stamped and signed not less than 48 hours before the meeting.

4. CDC Account holders will further have to follow the under mentioned guidelines:

a. For attending the meeting

In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per regulations, shall authenticate his / her identity by showing his / her original National Identity Card (NIC) original passport at the time to attending the meeting.

In the case of corporate entities, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

b. For appointing proxies

- i) In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per regulations, shall submit the proxy form as per the above requirement.
- ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC number shall be mentioned on the form.
- iii) Attested copies for CNIC or the passport of the beneficial owners and of the proxy shall be furnished with the proxy form.
- iv) The proxy shall produce his / her original CNIC or original passport at the time of the meeting.
- v) In the case of a corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

5- Closure of Share Transfer Books

The share transfer books of the Company will remain closed and no transfer of shares will be accepted for registration from July 13, 2021 to July 19, 2021 (both days inclusive). Only persons whose names appear in the register of members of the Company as at, July 12, 2021 shall be entitled to attend, participate in, and vote at the Meeting.

Statement under Section 134(3) of the Companies Act, 2017

This statement sets out the material facts concerning the Special Business to be transacted at the Extraordinary General Meeting of Oil & Gas Development Company Limited to be held on 19th July 2021.

In 2019, the Company along with Pakistan Petroleum Limited, Mari Petroleum Company Limited and Government Holdings (Private) Limited (collectively referred to as the "**Consortium**") participated in a bid offered by the Government of the Emirates of Abu Dhabi acting through the Abu Dhabi National Oil Company ("**ADNOC**") for certain undeveloped acreage (the "**Block**") for exploration and production of oil in Abu Dhabi.

Subsequently, approvals were sought from the Economic Coordination Committee (ECC) of the Federal Cabinet, such approvals were approved by the ECC and then ratified by the Federal Cabinet. On receipt of the aforesaid approvals, the Company along with Consortium Partners submitted the bid to ADNOC on 31st December 2019.

In accordance with the Bid Instructions of the Abu Dhabi 2019 Block Bid Round, the Consortium is required to incorporate a special purpose vehicle ("**NewCo**") to enter into the model concession agreement **subject to the award of the block to the Consortium.** Each Consortium member will be a shareholder of the proposed NewCo holding 25 percent each. **It is hereby clarified that the award shall be granted by the SCFEA, and that no decision has been made so far. Formation of the NewCo is one of the conditions precedent to qualify to be awarded the block and in case the award is not granted to the Consortium, the NewCo shall be dissolved.** Additionally, each of the shareholders of proposed NewCo are required to provide a parent company guarantee in respect of all the obligations of the proposed NewCo under the International Company Letter, the Exploration Concession Agreement, the ADNOC Exploration Sole Risk Agreement, the Confidentiality Agreement, and under any other agreement signed by the NewCo in relation to Petroleum exploration and appraisal within the Area, as a principal obligor, to ADNOC and SCFEA.

The result of the bid round is awaited. In the event the block is to be awarded to the Consortium by ADNOC, the Consortium will be asked to execute the Concession Documents on the date of announcement. Therefore, the Consortium is required to be ready with the approvals and the incorporation of the NewCo, should the Consortium be asked to execute the Concession Documents. However, any equity investment, apart from the initial fee mandatory for registration of the NewCo, will be made after the signing of the concession documents.

The Concession Documentation can be divided into two groups. The Exploration Concession Agreement along with ancillary agreements including Exploration Confidentiality Agreement, Parent Company Guarantee (Corporate Guarantee covering exploration obligations) and Exploration Sole Risk Agreement shall be executed in the first phase. Where the exploration activities are successful and the terms of the Exploration Concession Agreement have been satisfied, the NewCo will be entitled to enter into Production Concession Agreement and ancillary agreements including ADNOC Production Sole Risk Agreement, Confidentiality Agreement, Parent Company Guarantee (Corporate Guarantee covering production obligations), Operating Agreement, Gas & Liquids Delivery Agreement, Joint Collaboration & Secondment Agreement, Master Technology Agreement, ADNOC Technical Support Agreement, ADNOC OPCO Technical Support Agreement, NewCo OPCO Technical Support Agreement, ADNOC Manpower Supply Agreement and NewCo Manpower Supply Agreement.

Each Consortium Partner shall have 25% shareholding in the NewCo. The NewCo shall make an investment of up to USD 400 million over a period of (05) years with OGDCL's share being USD 100 million. The concession would allow the NewCo, the right to conduct Petroleum Operations in the Block, for a maximum period of 35 years. During development phase, the Consortium's cost exposure, along-with production share, would be reduced to 40% in the likely scenario of ADNOC becoming partner with 60% working interest. After the commencement of commercial production, the project is expected to become self-sufficient to sustain its operations and generating returns for its shareholders. The concession would allow NewCo, the right of ownership of Crude Oil produced from the area falling under Block, in accordance with the participating interest

of the NewCo. The NewCo shall not have any ownership in any Gas, Condensate and Natural Gas Liquids (NGLs) produced from Block, Abu Dhabi. However, it shall be entitled to a fee for delivery of non-associated Gas, Condensate and NGLs in proportion to the participating interest of NewCo.

The minimum commitment of the Consortium includes the signature fee, seismic contribution and committed exploration and appraisal wells and spans over the exploration and appraisal period of nine (9) years. The committed costs of first five years are covered in the USD 400 million investment, while the commitments of later years are expected to be funded through the cash flow generation during the production phase.

In order to guarantee the obligations of the NewCo, each Consortium partner, including the Company, is required to issue identical corporate guarantees separately, in favor of SCFEA and ADNOC (“**Beneficiaries**”). The Company shall guarantee all the exploration and production obligations of the NewCo in the Concession Area, under any agreement signed by the NewCo, as a principal obligor, to the Beneficiaries. There shall be two corporate guarantees, one each in respect of the exploration and the production obligations respectively, to be issued by the Company in favor of the Beneficiaries. In case NewCo fails to meet its payment obligations under the Concession Documentation, Company shall guarantee to pay the amount as principal obligor within five (05) business days of demand by the Beneficiaries. The corporate guarantees shall be of a continuing nature and shall remain in force till all obligations of the NewCo are satisfied. Due to the several liability of each Consortium partner under the Parent Company Guarantee, each Consortium partner will give a Shareholders Protection Guarantee to the NewCo and each of the other Consortium partners to guarantee each other’s share of obligations under the Concession Documents.

| Information under Regulations 3 and 4 of The Companies’ (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 | | |
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| Equity Investment in the NewCo established for the exploration, appraisal and development operations in Abu Dhabi | | |
| (a) Disclosure for all type of investments | | |
| (A) Disclosure regarding associated company | | |
| i. | Name of Associated Company or Associated Undertaking | Proposed names of NewCo: 1. Pakistan International Oil Company 2. PakNaft Arabia 3. PakNaft International |
| ii. | Basis of Relationship | Associated Company |
| iii. | Earnings/(Loss) per share for the last 3 years | Not applicable, Company yet to be incorporated |
| iv. | Break-up Value per share, based on the last audited financial statements | Not applicable |
| v. | Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements | Not applicable |
| vi. | Further information (in case of investment in relation to a project of associated company or associated undertaking that has not commenced operations) | |
| | I. Description of the project and its history since conceptualization | The Consortium of four companies; OGDCL, PPL, MPCL, and GHPL, submitted a bid for one of the blocks offered in the Abu Dhabi Bid Round 2019. The block, if awarded , will present an opportunity to explore, appraise and develop potential oil and gas resources. As one of the conditions precedent for award of the block, the Consortium is obliged to form a NewCo. Each |

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| | | | of the Consortium partner will have 25 percent equity stake in the NewCo. |
| | II. | Starting date and expected date of completion of work | <u>If the block is awarded to the Consortium,</u> the concession period is expected to commence in the third quarter of 2021. The total concession period is 35 years including the exploration period. |
| | III. | Time by which such project shall become commercially operational | The Block consists certain exploration and appraisal opportunities. The Block is expected to be commercially operational by the end of the fifth year from the start date. |
| | IV. | Expected time by which the project shall start paying return on investment | The project is expected to start generating funds by the end of the fifth year for re-investment in further exploration, appraisal, development of oil and gas resources and any return on investment. |
| | V. | Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts | The Consortium has bid for minimum work and expenditure commitments during the exploration and appraisal phase. Such minimum commitments for the first five years are covered in the USD 400 million investment in the NewCo by the Consortium (out of which USD100 million will be the investment share of each consortium partner). The commitments of later years are expected to be funded through the cashflow generated through production activities. |

(B) General Disclosures

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| i. | Maximum amount of investment to be made | <p>Up to USD 100 million will be invested by the Company during the first five years, equivalent to its share in the NewCo. Thereafter, the project is expected to be funded through self-generated funds.</p> <p>The Company as well as other Consortium members will be providing Parent Company Guarantees to SCFEA and ADNOC to commit the entire obligations of the NewCo under the concession documents.</p> <p>Due to the several liability of each Consortium member under the Parent Company Guarantee, each member of the Consortium will give a Shareholders Protection Guarantee to NewCo and each of the other Consortium members to guarantee each other's share of obligations under the Concession Documents.</p> |
| ii. | Purpose, benefits likely to accrue to the investment company and its members from such investment and period of investment | <p>The NewCo will have the right to conduct petroleum operations in the selected Block, for a maximum period of 35 years.</p> <p>Subsequent to the confirmation of the discovery through the appraisal program, the oil and gas resources will be developed, in which ADNOC may also buy-in to the extent of 60% share after paying the relevant share of past costs.</p> <p>The ownership of Crude Oil produced from the Block will be with NewCo, in proportion to its participating interest. The NewCo shall also be entitled to charge a delivery fee</p> |

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| | | for the Non-associated Gas, Condensate and NGL in proportion to its participating interest. |
| iii. | Sources of funds to be utilized for investment and where the investment is intended to be made using the borrowed funds: | The investment in the NewCo will be made using the available funds with the Company |
| | i) Justification for investment through borrowings | Not Applicable |
| | ii) Detail of collateral, guarantees provided and assets pledged for obtaining such funds | Not Applicable |
| | iii) Cost benefit analysis | Not Applicable |
| iv. | Salient features of the agreement(s), if any, with the associated company or associated undertaking with regards to the proposed investment | The Company has entered into a Shareholders' Agreement with other Consortium members which governs the operating procedures of the NewCo with PPL as its management shareholder/ operator. As per the Shareholders Agreement, the NewCo will sign the Company Deed of Adherence whereby it becomes a party to the Shareholders Agreements. |
| v. | direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration | None of the directors, sponsors, majority shareholders of OGDCL and their relatives have any interest in the NewCo, except to the extent that the Company will subscribe 25% shares of the NewCo with Company's nominated director on the NewCo's Board. |
| vi. | in case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs | No investment has yet been made. |
| vii. | any other important details necessary for the members to understand the transaction; | As mentioned in Statement under Section 134(3) of the Companies Act, 2017 above. |
| (b) In case of equity investments | | |
| i. | maximum price at which securities will be acquired; | Each share has a Face Value of USD 10 each |
| ii. | in case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof | Not applicable |
| iii. | maximum number of securities to be acquired | 10 million shares |
| iv. | number of securities and percentage thereof held | Before: None After: 10 million shares representing 25% shareholding |

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| | before and after the proposed investment | in the NewCo |
| v. | current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities | Not applicable |
| vi. | fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities | The fair value can only be reasonably determined after the completion of the appraisal program. The minimum commitment of the Consortium includes the signature fee, seismic contribution and committed exploration and appraisal wells and spans over the exploration and appraisal period of nine (9) years. The committed costs of first five years are covered in the USD 400 million investment, while the commitments of later years are expected to be funded through the cash flow generation during the production phase. |
| vii. | The Directors of OGDCL certify to the Members that necessary due diligence has been carried out for the proposed investment before recommending it for Members' approval. | |
| (c) Investments in the Form of Guarantees | | |
| (i) | Category-wise amount of investments | |
| | (i) Shareholders Protection Guarantee | Each member of the Consortium will give a Shareholders Protection Guarantee to NewCo and the other Consortium members to guarantee each others share of obligations under the Concession documents. |
| | (ii) Corporate Guarantee | Each member of the Consortium will give a Parent Company Guarantee to ADNOC and SCFEA committing jointly and severally the entire obligations of the NewCo under the Concession documents. |