

Press Release

PPL-led consortium awarded Offshore Block 5 in Abu Dhabi

Karachi, August 31, 2021: A Pakistan Petroleum Limited (PPL)-led consortium has been awarded Offshore Block 5 in Abu Dhabi's second competitive exploration block bid round. Offshore Block 5 covers an area of 6,223 square kilometers and is located 100 kilometers north east of Abu Dhabi city. Besides PPL, who is the Operator during the exploration phase, the consortium consists of three major Pakistani E&P companies: Oil and Gas Development Company Limited (OGDCL), Mari Petroleum Company Limited (MPCL) and Government Holdings (Private) Limited (GHPL).

The exploration concession agreement was signed by MD & CEO PPL Moin Raza Khan, on behalf of the consortium, and the United Arab Emirates (UAE) Minister of Industry and Advanced Technology and Managing Director and Group CEO of Abu Dhabi National Oil Company (ADNOC), H.E. Dr. Sultan Ahmed Al Jaber on August 31, 2021.

Federal Minister for Energy, Hammad Azhar in his message highlighted, "While Pakistan and UAE share long and friendly bilateral relations, this award is a new beginning for both on the energy front. As Pakistan addresses escalating energy demand in the country, such milestones for energy cooperation will surely assist the country towards bridging the energy supply and demand gap."

This is the Emirate's second competitive bidding round organized by ADNOC for the exploration, development and production of oil and gas. The historic agreement builds on the deep-rooted bilateral relationship between the UAE and the Islamic Republic of Pakistan.

Speaking on the occasion, Moin Raza Khan said, "The PPL-led consortium is delighted to be selected for the concession award of Abu Dhabi's Offshore Block-5. This award is not only a watershed moment for Pakistan and the Emirate of Abu Dhabi towards bilateral energy cooperation and economic links but also offers an opportunity to strengthen strategic cooperation with ADNOC to share technical know-how and expertise. We are particularly excited that this consortium comprises the 'big four' national exploration and production companies that are fully geared to support ADNOC and the Emirate of Abu Dhabi in reinforcing its leading position in the global energy sector."

"This historic exploration concession award marks a new chapter of energy cooperation in the 50-year old UAE-Pakistan relationship. It represents an important platform upon which we can drive win-win opportunities to support Pakistan's energy security and further strengthen the strategic and economic ties between our two countries. We are delighted to partner with Pakistan Petroleum Limited and the other members of the consortium on Offshore Block 5. The consortium was selected as part of Abu Dhabi's block bid round where we have once again

reinforced our approach to strategic partnerships that contribute the right combination of market access, capital, best-in-class expertise or advanced technology. We are very optimistic about the potential to unlock significant value with all our partners in this second competitive block bid round as we continue to accelerate the exploration and development of Abu Dhabi's untapped resources, in line with the Leadership's wise directives." stated H.E. Dr. Al Jaber.

This concession award is the first opportunity for Pakistani E&P companies to explore, appraise and develop oil and gas resources in Abu Dhabi, along with establishing a strategic partnership with ADNOC.

MD and CEO OGDCL, Shahid Salim Khan stated, "OGDCL has embarked on its internationalization journey in line with its growth-driven business strategy. Participation in Abu Dhabi's Offshore Block 5 is a manifestation of the company's commitment to augment its exploration and production portfolio and improve its reserves replacement ratio."

"Our participation is in line with MPCL's vision of becoming an international integrated energy company and is also aligned with the company's growth strategy of enhancing collaboration with other E&P players and focusing on improving our reserves replacement ratio. We look forward to a positive outcome of the venture," said MD and CEO MPCL, Faheem Haider.

MD and CEO GHPL, Masood Nabi shared similar sentiments: "GHPL is pleased to be part of the consortium selected for the award of Abu Dhabi's Offshore Block 5, a milestone in the history of Pakistan's oil and gas sector. This will not only allow exchange of technical expertise between ADNOC and consortium partners but also enhance Pakistan and UAE ties."

Under the terms of the agreement, the consortium will hold a 100 percent stake in the exploration phase for exploration and appraisal drilling and to appraise oil and gas opportunities in the block.

In case of a successful commercial discovery during the exploration phase, the consortium will have the right to a production concession to develop and produce commercial discoveries. ADNOC will have an option to acquire a 60 percent stake during the production phase of the concession. The term of the production phase is 35 years from the commencement of the exploration phase.