

# OIL & GAS EXPLORATION

## OGDC and MARI Uplift Pakistan’s Total Hydrocarbon Reserves

22 August 2024

- **Reserve position as of Jun-24.** Pakistan’s total recoverable oil reserves significantly rose in the last 6 months, closing at 243 MMBBL (up 26% from Dec-23), whereas the total recoverable gas reserves closed at 18.5 TCF (up 2% from Dec-23).
- **OGDC and MARI’s exploration efforts yielding results.** In the six months ending Jun-24, OGDC and MARI’s oil reserves rose to 130 MMBBL (+66%) and 7 MMBBL (+36%), while the gas reserves declined/rose to 5.9 TCF (-5%) and 5.1 TCF (+20%), respectively. On the other hand, PPL and POL’s reserves continued their declining trend trajectory, reducing by 11%/4% in oil and 6%/6% in gas, respectively.
- **Total Pak’s oil/gas reserve life enhanced by 1 year.** As per PPIS, the remaining oil/gas reserve life of Pakistan is 10/17 years. While, OGDC/PPL/MPCL/POL have an oil reserve life of 11/5/16/6 years, and a gas reserve life of 18/10/17/7 years, respectively.
- **New field additions.** Substantial reserves of 62 MMBBL/915 BCF of oil/gas have been added. The increase in gas reserves comes primarily from MARI’s Ghazij discovery (+758 BCF) and Shewa Fields (+351 BCF). Similarly, the rise in oil reserves is attributed to OGDC’s enhancement efforts in Pasakhi, Kunnar, Rajian, and Sono fields, which has brought in a cumulative increase of ~50 MMBBLs, further improving its oil reserve life from 7 to 11 years.
- **Tal block reserve fluctuations.** MOL’s Tal block stands at remaining oil/gas reserves of 16.7 MMBL/470.9 BCF as of Jun-24. Although fields are following a downward trend, we expect an increase in recoverable reserves from future anticipated discoveries in Razgir.
- **Outlook.** We prefer OGDC and MARI among listed E&P space on account of their enhanced reserve profile and ongoing exploratory efforts. These positives developments along with gas sector reforms & improved new block auctions is expected to make E&P space attractive going forward.

MMBOE	Jun-24	Dec-23	%Δ	Jun-23	Y/Y
<b>Oil Balance Reserves</b>					
OGDC	130	79	66%	85	52%
PPL	22	25	-11%	27	-18%
MPCL	7	5	36%	5	34%
POL	11	12	-4%	13	-16%
Others	73	73	0%	62	17%
<b>Total Pak</b>	<b>243</b>	<b>193</b>	<b>26%</b>	<b>193</b>	<b>26%</b>
<b>Gas Balance Reserves</b>					
OGDC	840	880	-5%	904	-7%
PPL	377	401	-6%	419	-10%
MPCL	653	543	20%	560	16%
POL	32	34	-6%	36	-11%
Others	972	959	1%	935	4%
<b>Total Pak</b>	<b>2874</b>	<b>2818</b>	<b>2%</b>	<b>2854</b>	<b>1%</b>

Source: PPIS, Optimus Research

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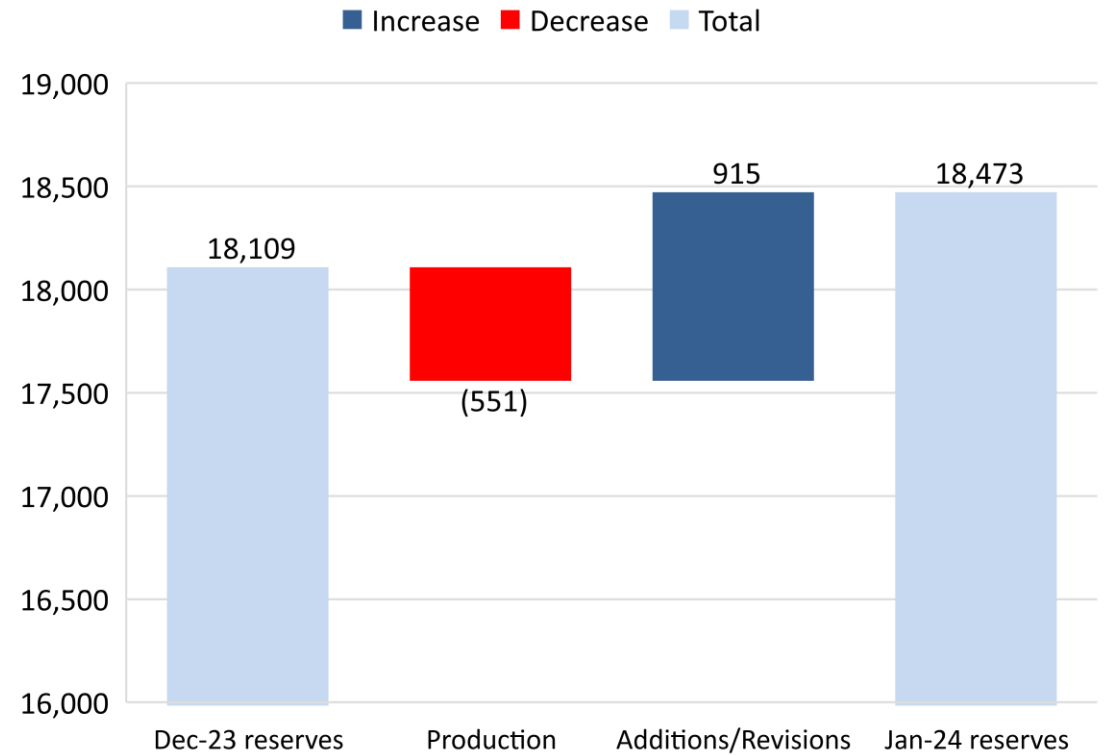
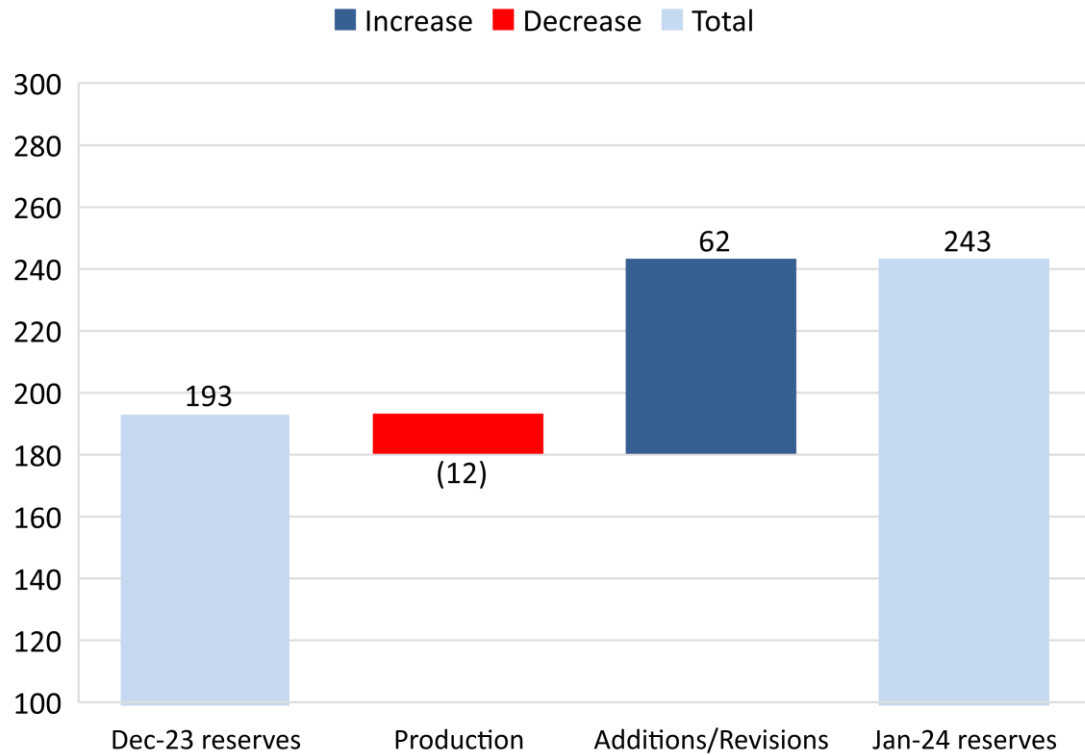
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# Balance Reserves Position of Pakistan as of Jun-24

**Chart 1: 26% Rise in Oil Recoverable Reserves on FY Basis (MMBBL)**

**Chart 2: 2% Increase in Gas Recoverable Reserves on FY Basis (BCF)**

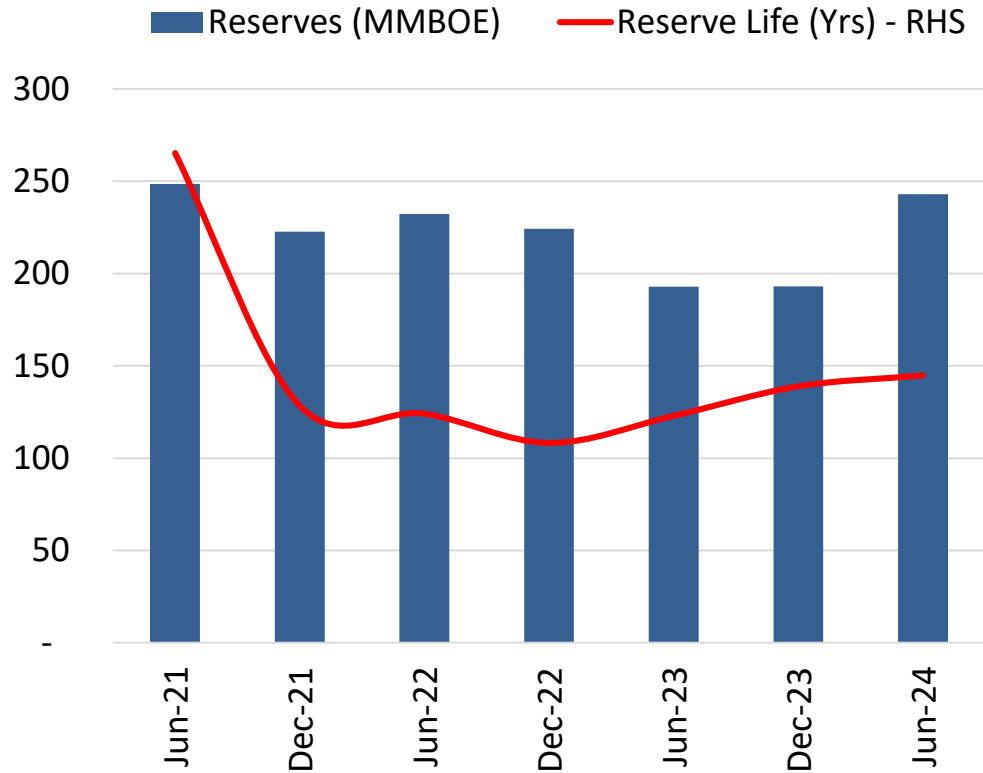


Source: PPIS, Optimus Research

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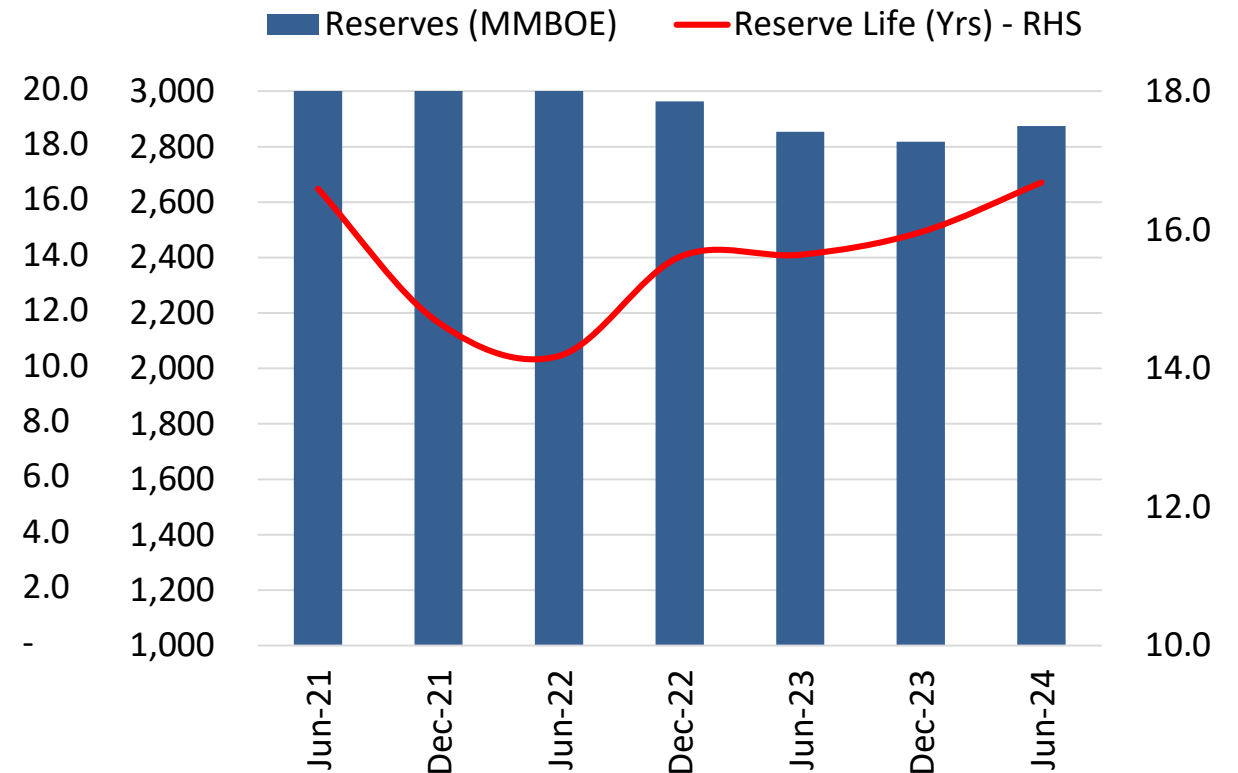
# Pakistan's Oil/Gas Reserve Life Improved to 10/17 Years

**Chart 3: Enhancement in Oil Recoverable Reserves on FY Basis**



Source: PPIS, Optimus Research

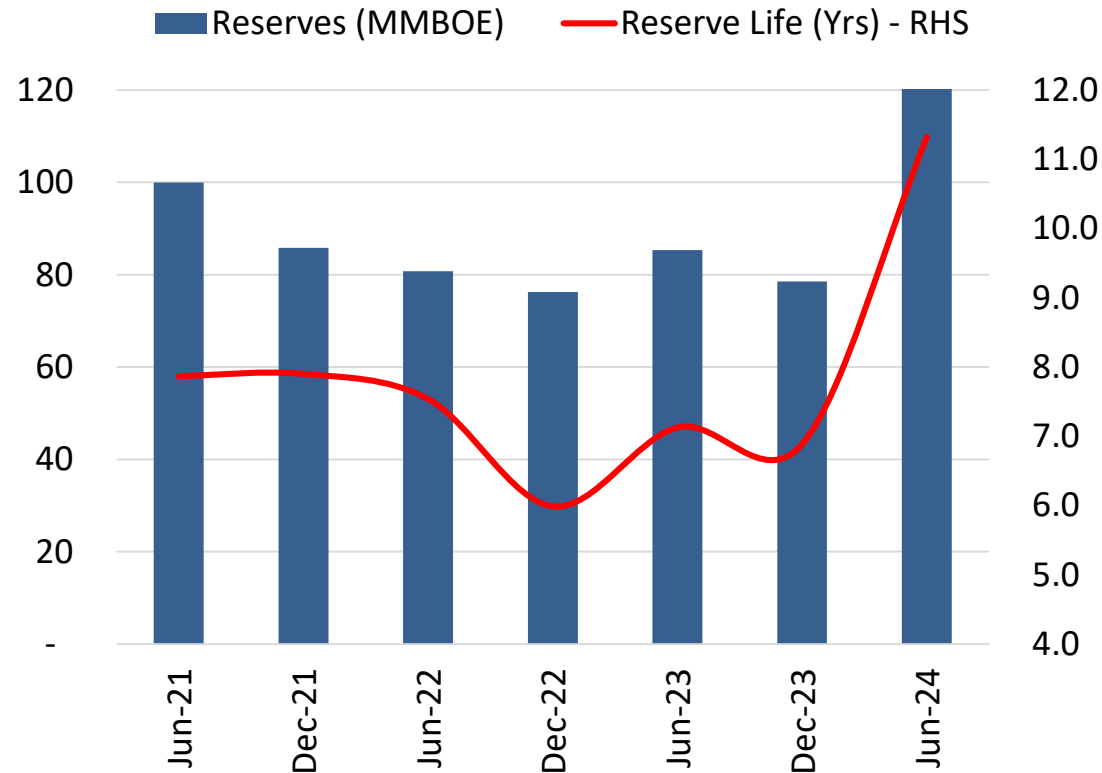
**Chart 4: Modest Increase in Gas Recoverable Reserves on FY Basis**



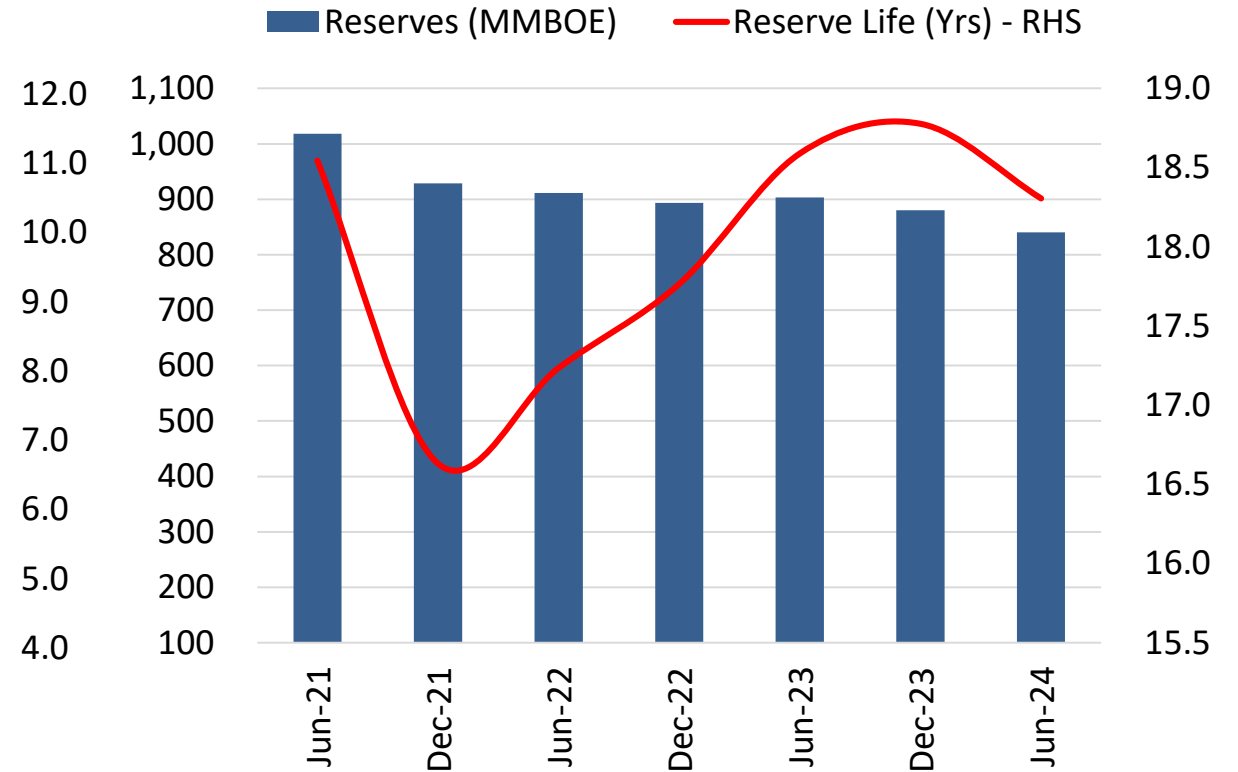
Source: PPIS, Optimus Research

# OGDC: Significant Improvement in Essential Oil Reserves Reported

**Chart 5: Enhancement Efforts Improved Oil Reserves Life to 11 Years**



**Chart 6: Natural Decline Observed in Gas Reserves**

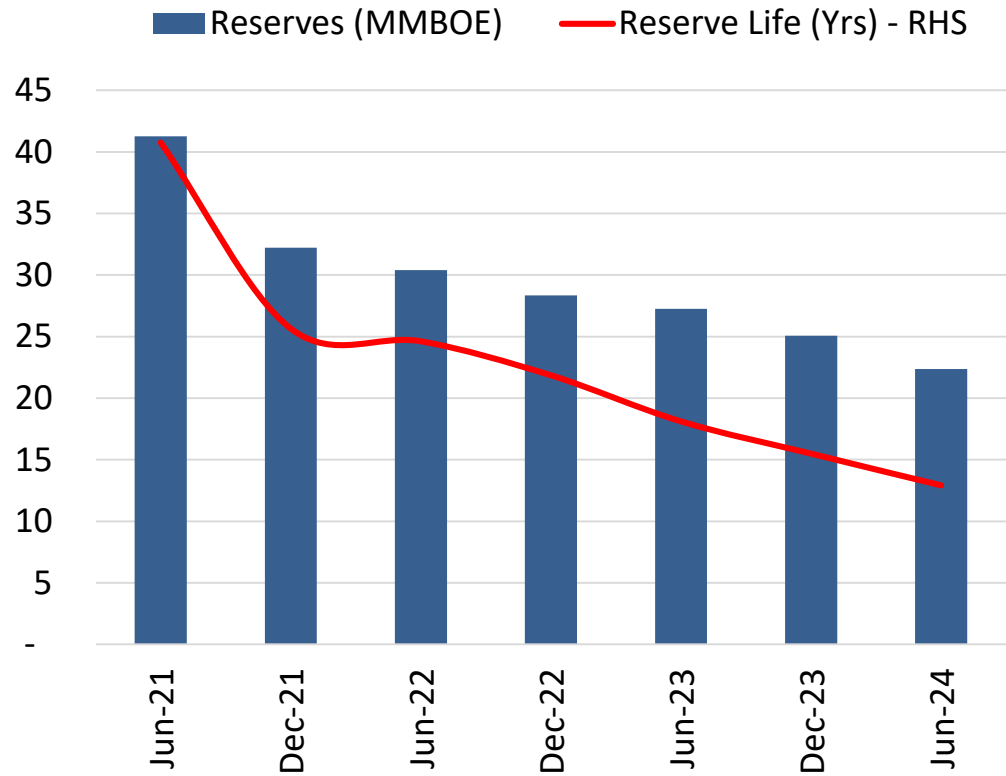


Source: PPIS, Optimus Research

Source: PPIS, Optimus Research

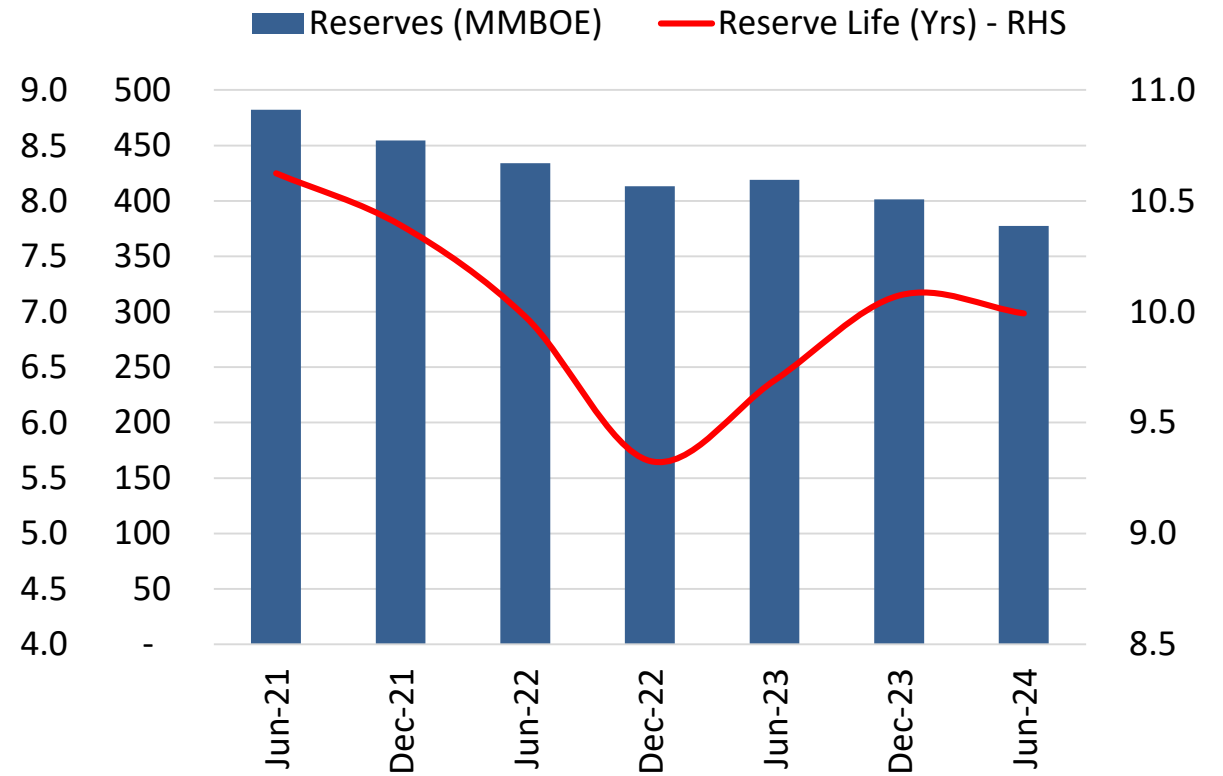
# PPL: Oil Reserves Life Reduced to 5.4 Years

**Chart 7: Steady Decline Continues in Oil Reserves**



Source: PPIS, Optimus Research

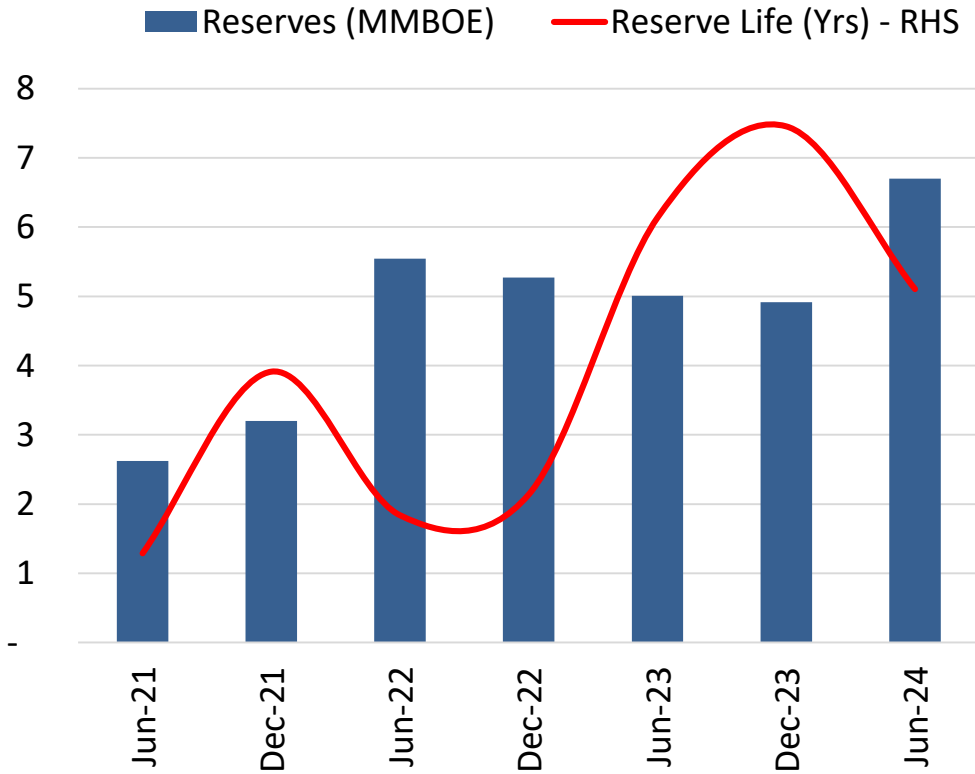
**Chart 8: No New Additions; Natural Gas Reserve Depletion Continues**



Source: PPIS, Optimus Research

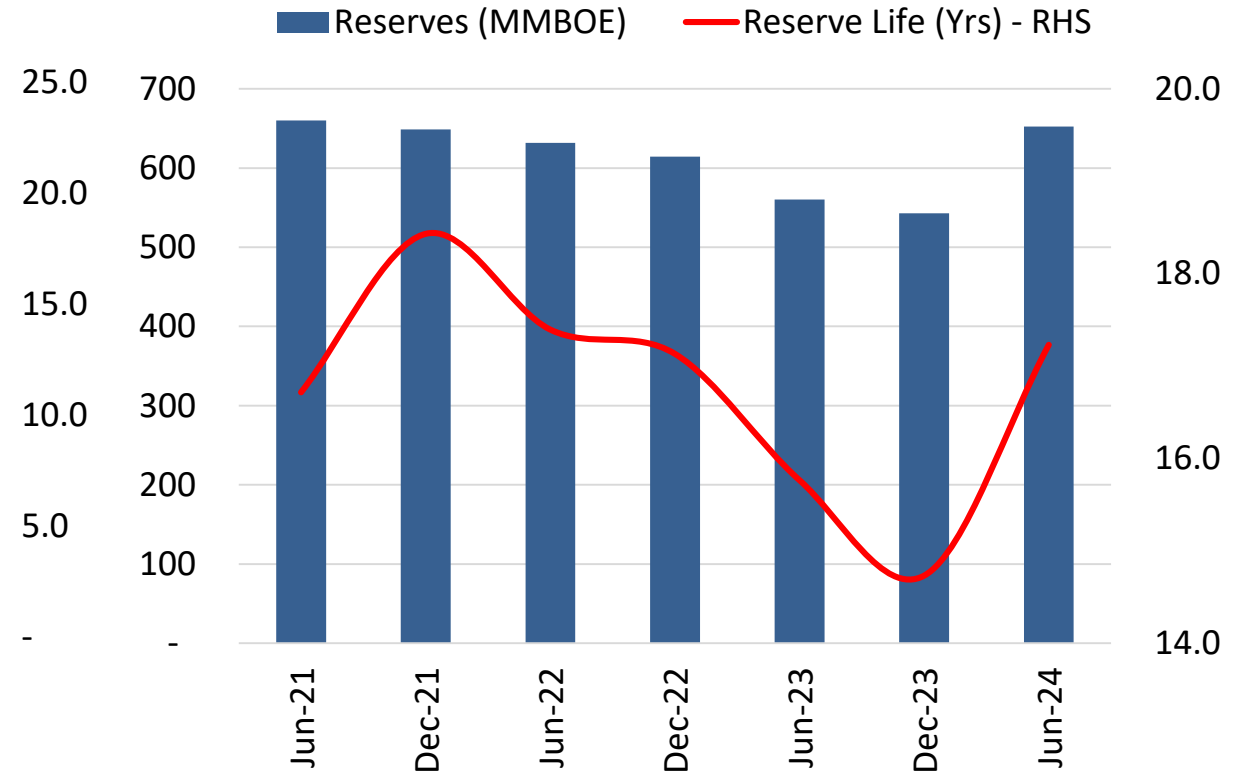
# MARI: Notable Improvement in Both Gas and Oil Reserves

**Chart 9: Bolan Oil Reserves Improved by 3.65 MMBOE**



Source: PPIS, Optimus Research

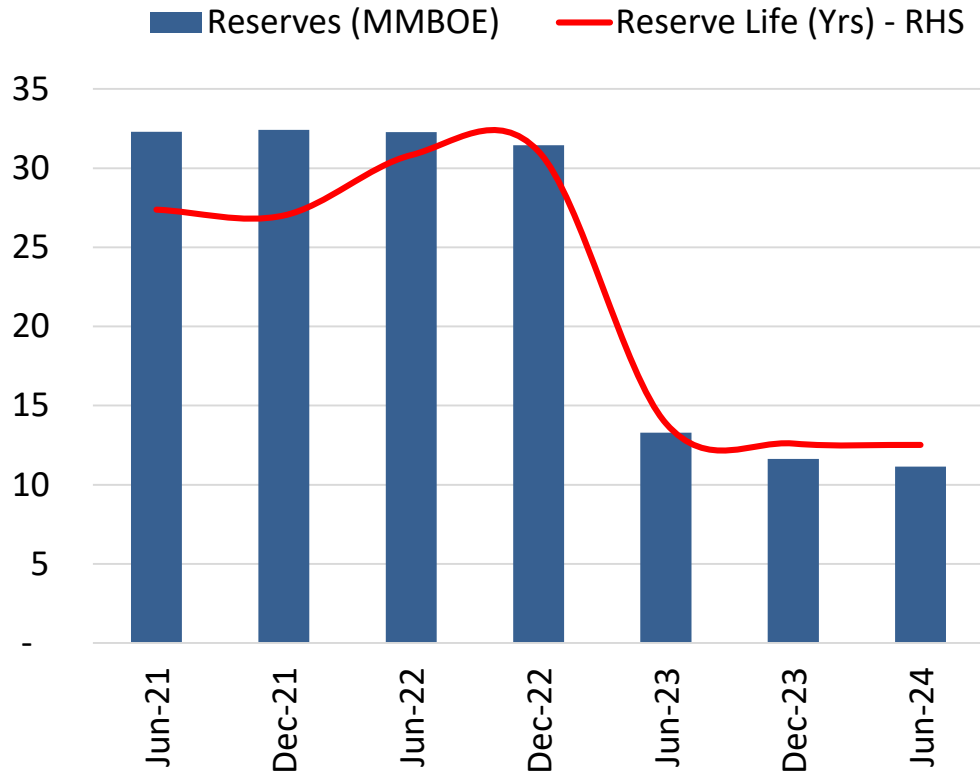
**Chart 10: Ghazij and Shewa Contributed to Significant Rise in Gas Reserves**



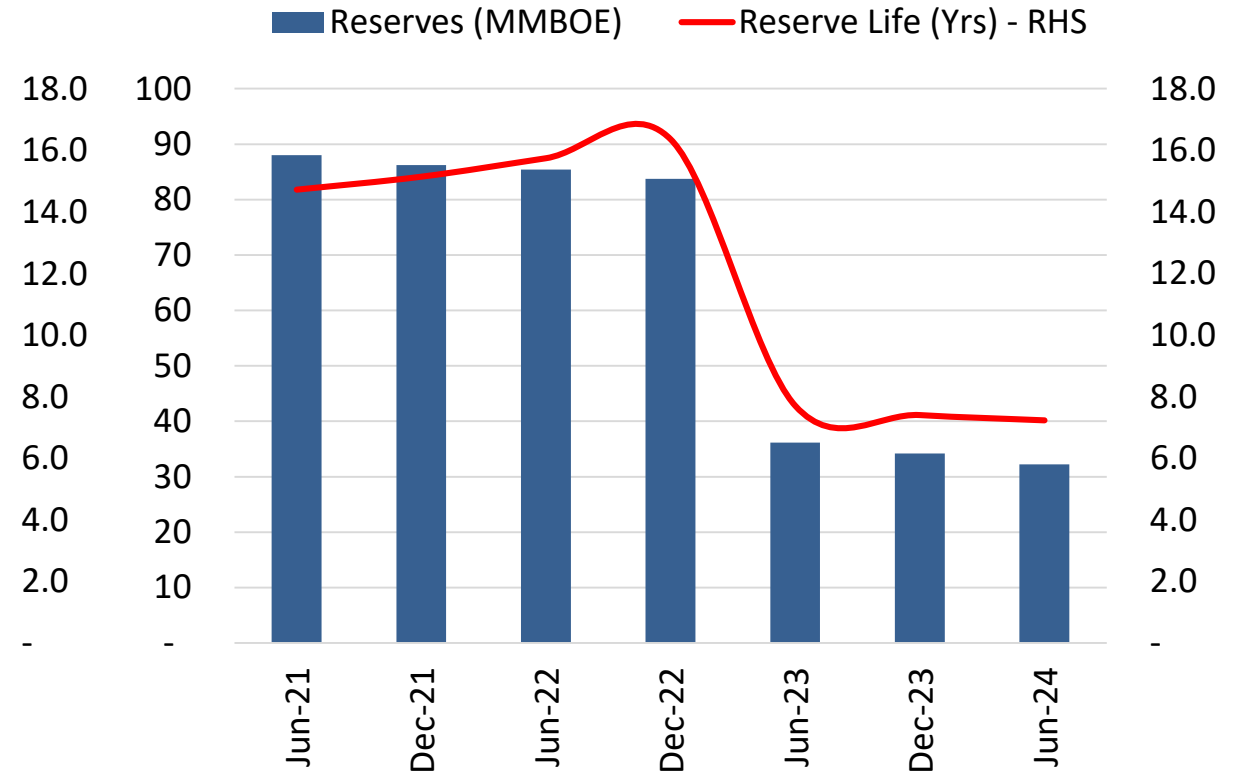
Source: PPIS, Optimus Research

# POL: Declining Trend in Reserves Continues

**Chart 11: Oil Reserves Experienced a Natural Decline of 16% Y/Y**



**Chart 12: Gas Reserves Posted a Decline of 11% Y/Y**



Source: PPIS, Optimus Research

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## Analyst Certification

The research analyst for this report, Hamdan Ahmed, certifies that: (1) all of the views expressed in this report accurately reflect his personal views about the subject; and (2) no part of any of the research analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the research analyst in this report.

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