

OGDC discovers second formation in Nashpa Block

Oil & Gas Development Company Ltd (OGDC) has announced a second formation discovery at the previously reported Baragzai X-01 well in the Nashpa Block, KPK. The newly tested Datta (Jurassic) formation has flowed at 4.1k bpd of oil and 10.5mmcf/d of gas over an interval exceeding 187m, in addition to the Kingriali (Triassic) formation discovered on Dec 10th, which was tested over a ~90m interval. Cumulatively, the two formations have a combined potential of 6.4k bpd of oil and 16.0mmcf/d of gas.

The incremental earnings impact from the Datta formation alone is estimated at PkR1.61/sh for OGDC (WI: 57.2%) and PkR1.23/sh for PPL (WI: 27.8%). On a combined basis, the cumulative impact from both Kingriali and Datta formations rises to PkR2.50/sh for OGDC and PkR1.91/sh for PPL. Given successful Drill Stem Testing (DST) in both Datta and Kingriali formations at Baragzai-X1, we expect commingled production to be brought online post installation of requisite wellhead and surface facilities.

We have a 'BUY' stance on OGDC and PPL with Dec'26 TP of PkR522/sh and PkR412/sh, due to i) growing production profile, alongside strong reserve replacement, ii) higher exploration prospects on back of improving liquidity situation, iii) 8.33% stake in highly prospective Reko Diq Mining Project, iv) offshore working interests in Abu Dhabi Offshore Block-5, along with consortium partners and v) improvement in cash payouts.

Assumptions

Arab Light (US\$/bbl) - FY26E 67.5

Exchange Rate - US\$/PkR - FY26E 290

Oil - BPD 4,100

Gas - MMCFD 10.5

	Working Interest	EPS Impact
OGDC	57.2%	1.61
PPL	27.8%	1.23

Source: OGRA, PSX and AKD Research

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281.1

Price
(PkR/sh)



4,300.9

Shares (mn)



1,208,948.0

Market
Capitalization
(PkRmn)



4,314.6

Market
Capitalization
(USDmn)



4.2

3M Avg
Turnover (mn)



1,120.6

3M Avg DT Value
(PkRmn)

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Sell < 0% expected total return

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