

## OGDC discovers oil and gas at Dars West-3



AKD Securities Limited

Oil and Gas Development Company Ltd (OGDC) has made an oil and gas discovery at the Dars West-3 developmental well in Tando Allah Yar, Sindh. Spudded on 31st Dec 2025, the well has a combined production potential of 9.70mmcf of gas and 580bpd of oil. OGDC is the operator of the field with a 77.5% working interest. Notably, company's production at Dars West 1 & 2 are currently yielding 17.4mmcf of gas and 690bpd oil as per PPIS Dec'25 data. We anticipate the aforementioned development to have an annualized EPS impact of ~Pkr0.56 per sh for the company.

We have a 'BUY' stance on OGDC with a Dec'26 TP of Pkr522/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 Off shore 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	580	
Gas - MMCFD	9.7	
	<b>Working Interest</b>	<b>EPS Impact</b>
OGDC	77.5%	0.56

Source: OGRA, PSX and AKD Research

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283.7

Price (Pkr/sh)



4,300.9

Shares (mn)



1,220,044.4

Market  
Capitalization  
(PkrMn)



4,363.4

Market  
Capitalization  
(USDmn)



6.323

3M Avg  
Turnover (mn)



1,871.6

3M Avg DT  
Value(PkrMn)

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To arrive at our period end target prices, AKDS uses different valuation techniques including:

- Discounted Cash Flow (DCF, DDM)
- Relative Valuation (P/E, P/B, P/S etc.)
- Equity & Asset return based methodologies (EVA, Residual Income etc.)

## New Rating Definitions

BUY > 15% expected total return

NEUTRAL > 0% to < 15% expected total return

SELL < 0% expected total return

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