OIL & GAS DEVELOPMENT COMPANY LIMITED

No.CS04-08/04-09/04-10(KSE/LSE/ISE) July 5, 2013

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Subject: **INVESTMENT IN PAKISTAN INVESTMENT BONDS (PIBs) FOR PARTIAL SETTLEMENT OF CIRCULAR DEBT**

Dear Sir,

For partial resolution of Circular Debt issue prevailing in energy sector, the Government of Pakistan has approved the arrangement for issuance of Pakistan Investment Bonds (PIBs) having face value of Rs 50,772.70 million, maturing on July 19, 2017 (issued date: July 19, 2012) with coupon rate of 11.50% payable on six monthly basis. These PIBs have been subscribed by Oil and Gas Development Company Limited (OGDCL) in order to settle its overdue receivables amounting to Rs 55,728.93 million from gas distribution companies, oil refineries and Independent Power Producers (IPPs). The valuation date for this transaction was June 28, 2013.

This is being provided to you in compliance with the requirements of Clause No.(xx) of the Code of Corporate Governance.

Thanking you. Yours truly,

(Ahmed Hayat Lak)
Company Secretary