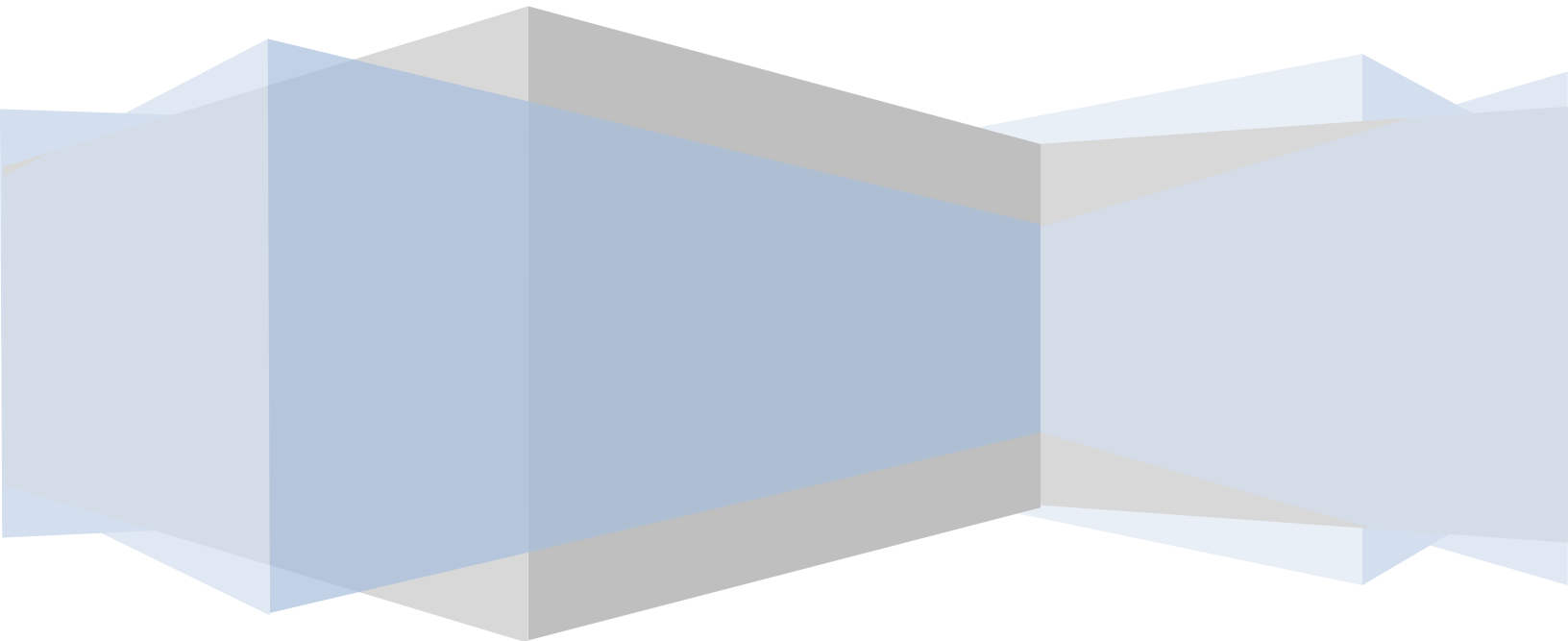




Khyber Pakhtunkhwa Oil & Gas Company Limited



**Business and Investment Opportunities in Oil  
& Gas Exploration and Production Sectors,  
Khyber Pakhtunkhwa, PAKISTAN**





**Khyber Pakhtunkhwa Oil & Gas Company Limited**  
**(KPOGCL) Offers Business and Investment Opportunities in**  
**Oil & Gas Exploration and Production Sectors in Khyber**  
**Pakhtunkhwa, PAKISTAN**



**K**hyber Pakhtunkhwa (KP) province in Pakistan has become the newest and hottest geological frontier in Pakistan. The prospectivity is high and so is the success rate. Today Khyber Pakhtunkhwa is producing more than 50% of the total oil produced in Pakistan, over 15% of total Gas and 25% of high value LPG. Pakistan is about to break the psychological barrier of 100,000 barrels per day, very soon, due to increased production in Khyber Pakhtunkhwa. Pakistan's Gas production is 4 Billion cubic feet per day and LPG's production is 2,500 tons per day. With keen interest and endeavors of oil and gas exploration companies, production of oil, gas and LPG is expected to increase exponentially. Pakistan being an acute energy deficit country absorbs all the oil, gas or LPG that is indigenously produced. This situation is expected to continue for many decades. Therefore, off-take is quick in terms of contracts and physical infrastructure. Gas transmission and distribution infrastructure is one of the largest and state of the art. 18% of Pakistan's population (32 Million out of 180 Million) has piped gas supply to their houses. Commercial and industrial sectors are also connected with gas infrastructure. Refining capacity is over 17 Million tons per annum and increasing. LPG bottling plants are never ending and exhaustive investment in oil, gas & LPG infrastructure has made transportation from well head to consumer a source of satisfaction for investors in the exploration sector.

Fortunately, Pakistan has an infinite pool of talent and technical professionals and technicians. Due to close proximity to the Middle East, over 100,000 Pakistanis are working in Oil and Gas at any given point in time and this has been the case since 1973. A number of international and national service companies like Weatherford, Halliburton & Schlumberger provide confidence to investors. A number of international E&P companies are active since 1947 thus providing necessary transfer of knowledge and technologies.

**Why Pakistan and why Khyber Pakhtunkhwa is attractive for Investors!** The latest Petroleum Policy-2012, a one window facility offers tremendous incentives and thus provides high returns to investors as operators and/or non-operators JV partners. For Example, the ***gas well head price in Khyber Pakhtunkhwa is set at US\$ 6.60 per million BTU*** when Crude Oil is US\$ 110/Barrel. This is perhaps highest in the region. The well head price of Crude Oil is benchmarked with international Platts. LPG is linked with ARAMCO Contract Price (CP), thus, making well head not only transparent and unambiguous without any government intervention but also

US Dollar based. Repatriation of dividends is easy and quick. Pakistan is divided in 3 On-shore zones. KP lies in Zone-1, for which the well head price is highest compared to Zone-II & III.

**Assistance from Khyber Pakhtunkhwa Government:** The Government of Khyber Pakhtunkhwa being cognizant of the opportunities in oil and gas exploration and production sectors has developed systems to facilitate foreign investment in Khyber Pakhtunkhwa. It has formed an Energy Apex Committee (EAC) chaired by none less than the Chief Minister, Government of Khyber Pakhtunkhwa. This high powered committee irons out any and all impediments that a foreign investor may encounter. The Khyber Pakhtunkhwa Government has gone one step further by incorporating Khyber Pakhtunkhwa Oil & Gas Company Ltd (KPOGCL) whose sole purpose is to facilitate investors in geological & geophysical studies, feasibilities, data mining, seismic data acquisition, interpretation, well planning, drilling, well completion, EPC and production. KPOGCL is also the Provincial Holding Company (PHC) of Khyber Pakhtunkhwa.

**Non-Operatorship:** KPOGCL offers 5% to 49% non-operatorship JV in 16 Concession Blocks of KP with IRR ranging from 30% to 45%. These concessions are owned by both public and private sector companies, for which they have already signed Petroleum Concession Agreement (PCA). We invite you to participate in acquiring Non-operatorship interest in Khyber Pakhtunkhwa.

**Operatorship:** For those E&P companies which desire to be Operator, KPOGCL will provide data and analysis for blocks which can then be put on bidding anvil with first right of refusal. Still vast area of prolific Khyber Pakhtunkhwa lies unexplored. We invite you to bid with us in acquiring Operatorship interest in Khyber Pakhtunkhwa.

**E&P Services:** Increasing requirements of oil & gas exploration and production provide great opportunities to service companies in Khyber Pakhtunkhwa. We invite you to bring seismic data recorder, drilling rigs (2,500 hp & 3,000 hp), wire line logging systems and other auxiliary services to Khyber Pakhtunkhwa. We will join hands with you.

KPOGCL invites your participation in oil & gas exploration and production in Khyber Pakhtunkhwa, Pakistan. For further information contact:

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