



OIL & GAS DEVELOPMENT COMPANY LIMITED

No. Board01-14thAGM

September 22, 2011

Syed Adil Gilani
Advisor
Transparency International Pakistan
5-C, 2nd Floor, Khayaban-e-Ittehad, Phase VII,
Defence Housing Authority,
Karachi

SUBJECT: **VIOLATION OF PUBLIC PROCUREMENT RULES 2004, COMPANY SECRETARY, OIL AND GAS DEVELOPMENT COMPANY LIMITED, ISLAMABAD, APPOINTMENT OF AUDITORS**

This is with reference to the clarification required from OGDCL by Advisory Committee of Transparency International regarding appointment of statutory auditors of the Company for the year ending June 30, 2012 vide letter dated September 20, 2011.

It is apprised that Notice proposing name of the Auditor to be appointed for the year June 30, 2012 was received from one of our valued shareholder and not from Director of OGDCL Board as mentioned in the above referred letter.

Further it is apprised that the statutory auditors of the Company are appointed every year in the Annual General Meeting of members of the Company in accordance with the prevailing rules and regulations under Companies Ordinance, 1984. The notice referred to, in the above referred letter was issued in pursuance of Section 253 of the Companies Ordinance, 1984 reproduced below:-

"253. Provisions as to resolutions relating to appointment and removal of auditors. - (1) A notice shall be required for a resolution at a company's annual general meeting appointing as auditor a person other than a retiring auditor.

(2) The notice referred to in sub-section (1) shall be given by a member of the company to the company not less than fourteen days before the annual general meeting, and the company shall forthwith send a copy of such notice to the retiring auditor and shall also give notice thereof to its members not less than seven days before the date fixed for the annual general meeting and, if the company is a listed company, shall also publish it at least in one issue each of a daily newspaper in English language and a daily newspaper in Urdu language having circulation in the Province in which the stock exchange on which the company is listed is situate."

The auditors of the Company for the year 2011-12 shall be appointed after approval of the members of the Company at its Annual General Meeting to be held on September 28, 2011.

Yours truly,

(Eram Ali Aziz)
Company Secretary

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