

1 Corporate and general information

1.1 Legal status and principal activities

OQ Exploration and Production SAOG (the "Parent Company" or "OQEP" or the "Company") is a public joint stock company registered in the Sultanate of Oman. The Parent Company was incorporated as a limited liability company on 20 May 2009. On 30 July 2024, the Parent Company transferred from a limited liability company to a closed joint stock company. Further on 28 October 2024, OQEP successfully listed its shares on the Muscat Stock Exchange and became a public joint stock company. The registered address of the Parent Company is P.O. Box 200, Muscat Governorate, Bawshar, Postal Code 102, Muscat, Sultanate of Oman.

The immediate parent of the Company is OQ SAOC (the "Holding Company"), a closed joint stock company registered in the Sultanate of Oman. The Holding Company is wholly owned by the Oman Investment Authority ("OIA" or the "Shareholder"), which is ultimately owned and controlled by the Government of the Sultanate of Oman. The Holding Company owns 75% of the shares of OQEP and remaining 25% of the shares has been issued to the general public as part of the initial public offering during 2024.

The Parent Company, together with its subsidiaries (collectively the "Group"), is engaged in identifying, acquiring, managing, and operating interests in petroleum and other related enterprises.

The list of subsidiaries of the Group is shown under note 29 – *investment in subsidiaries*.

1.2 Basis of preparation

These condensed parent company and consolidated interim financial statements are prepared in accordance with International Accounting Standard 34, Interim Financial Reporting and the minimum disclosure requirements issued by the Capital Market Authority ("CMA") now known as the Financial Services Authority (FSA). The accounting policies used in the preparation of the condensed parent company and consolidated interim financial statements are consistent with those used in the preparation of the annual parent company and consolidated financial statements for the year ended 31 December 2024 except for the adoption of new and amended standards as disclosed in note 4 below. The condensed parent company and consolidated interim financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with annual parent company and consolidated financial statements for the year ended 31 December 2024.

However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the parent company and consolidated financial position and performance since the last annual financial statements.

1.3 Change in accounting policy

Except as described below in note 4, the accounting policies used in the preparation of the condensed interim financial statements are consistent with those used in the preparation of the annual audited financial statements for the year ended 31 December 2024. The interim financial information should be read in conjunction with the annual audited financial statements for the year ended 31 December 2024, which have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

1 Corporate and general information (Continued)

1.3.1 Functional and presentation currency

The functional currency of the Parent Company is US Dollar ("US\$") which is the currency in which the majority of transactions are denominated, while the presentation currency is Omani Rial ("RO") which is used to meet the requirement of the Financial Services Authority (formerly the Capital Market Authority). The exchange rate used for conversion is US\$ 1 = RO 0.3845. RO is effectively pegged to US\$. All financial information presented in RO has been rounded to the nearest thousands, unless otherwise indicated.

1.3.2 Estimates

The preparation of condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these condensed interim financial statements, the significant judgements made by management in applying the Company/Group's accounting policies and the key sources of estimating uncertainty were the same as those that were applied to the annual audit financial statements for the year ended 31 December 2024.

2 Significant agreements

The Group has following significant agreements:

- Block 9 Exploration and Production Sharing Agreement (EPSA) was entered on 23 Jan 2017 between Occidental Oman BV (Occidental) (55% participating interest), and OQEP (participating interest 45%).
- Block 53 EPSA was entered on 21 June 2005 between Occidental Oman BV (47% participating interest), Oman Oil Company SAOC (20% participating interest), Liwa Energy Limited (15% participating interest), IOCL Exploration and Production Oman Limited (17% participating interest) and Partex Oman Corporation (1% participating interest). On 15 December 2010, Oman Oil Company SAOC had assigned its interest to OQEP. On 18 May 2025, the Company, together with its partners and the Ministry of Energy and Minerals, signed an amendment to extend the term of the agreement from 2035 to 2050.
- Block 60 EPSA was entered on 19 March 2011 with 100% participating interest. During 2023, OQEP sold 40% participating right to MedcoEnergi Oman (20%) and Medco Daya Oman (20%). As of reporting date, OQEP has 60% participating right in the Block 60.
- Block 47 EPSA was entered on 14 January 2019 between ENI Oman BV (90% participating interest), and OQEP (10% participating interest).
- Block 52 EPSA was entered between ENI Oman BV (ENI) (55% participating interest), OQEP (15% participating interest) and Others (30% participating interest) on 14 November 2017. During the year 2024 due to commercial non-viability this block has been impaired.

2 Significant agreements (continued)

- Block 65 EPSA was entered between Occidental Oman BV (51% participating interest) and OQEP (49% participating interest) on 16 December 2018.
- Block 48 EPSA was entered on 31 January 2017 with 100% of participating interest. During 2023, OQEP divested 40% participating interest to MedcoEnergi Oman (20%) and Medco Daya Oman (20%). As at reporting date, OQEP has 60% participating right in the Block 48.
- Block 61 EPSA was signed on 20 February 2014 with BP (60% participating interest) and Makarim Gas Development LLC (100% owned by OQEP) had 40% participating interest. During the year 2018, Makarim Gas Development LLC divested 10% interest to PC Oman Ventures Limited.
- Musandam Gas Plant entered into a Supplemental Tariff Agreement on 12 June 2012 between the Government of Sultanate of Oman and Musandam Gas Plant LLC which is a wholly owned subsidiary of Parent Company. All the rights and the obligations under Supplementary Tariff Agreement have been assigned by Musandam Gas Plant in favor of Parent Company. Further there is a processing fee agreement between the OQEP, the Government of Sultanate of Oman and Musandam Oil and Gas Company LLC.
- Block 10 Concession Agreement was entered on 21 Dec 2021 between Almajd Gas Development (13.36%) (a subsidiary of OQEP), Shell Integrated Gas Oman (Shell, 53.45%), Marsa Liquefied Natural Gas LLC (Marsa LNG, 33.19%) and Shell Development Oman LLC (SDO, Operator).
- Block 11 EPSA was entered on 15 September 2022 between Shell Integrated Gas Oman BV (67.5% participating interest), and Alizz Gas Development LLC (10% participating interest) (a subsidiary of OQEP) and Total Energies EP Oman (22.5% participating interest).
- The Parent Company has gas purchase and sale arrangements with Dolphin Energy Limited (Dolphin) related to the Dolphin field, under which it purchases gas from Dolphin and sells it onward to the Government of Oman, In accordance with IFRS 15 guidelines, OQ EP has been considered as an agent in this arrangement.
- Block 54 EPSA was entered on 10 March 2025 between OQ Exploration & Production SAOG (60% participating interest, operator) and Genel Energy plc (40% participating interest), with the Ministry of Energy and Minerals of the Sultanate of Oman. The initial phase of the agreement, lasting three years, will involve investments of up to US\$ 25 million. This includes the execution of 3D seismic surveys, the drilling of exploration wells, and the re-evaluation of existing wells.

3 Activities of the Group

The Group has the following material interests, all of which are located within the Sultanate of Oman.

<i>Participating interest</i>	30 September 2025	31 December 2024	<i>Operator</i>	<i>Activity</i>
Block 60	60%	60%	OQEP	Exploration and production
Block 48	60%	60%	OQEP	Exploration
Block 9	45%	45%	Occidental	Exploration and production
Block 61	30%	30%	BP	Exploration and production
Block 65	49%	49%	Occidental	Exploration
Block 10	13.36%	13.36%	Shell	Exploration and production
Block 53	20%	20%	Occidental	Exploration
Block 47	10%	10%	ENI	Exploration
Block 11	10%	10%	SDO	Exploration
Block 54	60%	-	OQEP	Exploration

All interests of less than 100% are Joint Operations.

4 Application of new and revised International Financial Reporting Standards (IFRS)

For the period ended 30 September 2025, the Group has adopted all the new and revised standards, that are relevant and effective for periods beginning on or after 1 January 2025. The Group has not early adopted any other standard, or amendment that has been issued but is not yet effective. There is no material impact on the adoption of new standards.

5 Revenues

The Group derives its revenue from contracts with its customers for the transfer of goods and services. Revenue from sale of oil and condensate and gas has been recognised point-in-time whereas revenue from processing and service fees has been recognised over-time.

	Consolidated		Separate	
	30-Sep-25 RO'000	30-Sep-24 RO'000	30-Sep-25 RO'000	30-Sep-24 RO'000
Revenue recognised point-in-time				
Sale of oil and condensate	475,012	483,215	410,162	409,934
Sale of gas	122,084	124,424	6,481	2,562
Revenue recognised over time	597,096	607,639	416,643	412,496
Processing and service fees	36,670	38,626	34,719	36,478
Total revenue	633,766	646,265	451,362	448,974
Primary geographical markets				
Export – United Arab Emirates	475,012	483,215	410,162	409,934
Local – Sultanate of Oman	158,754	163,050	41,200	39,040
	633,766	646,265	451,362	448,974

6 Cost of sales

	Consolidated		Separate	
	30-Sep-25 (Un-audited) RO'000	30-Sep-24 (Un-audited) RO'000	30-Sep-25 (Un-audited) RO'000	30-Sep-24 (Un-audited) RO'000
Operating costs	172,851	172,561	151,089	151,582
Depreciation, depletion, and amortisation (note 9)	208,657	192,990	152,004	135,434
Amortisation - right of use asset (note 26)	11,398	11,261	11,398	11,261
Exploration and evaluation assets written off in block 42 (note 13)	-	2,828	-	2,828
Provision for impairment on exploration and evaluation assets of block 52 (note 13)	-	6,502	-	6,502
Provision against inventory of block 52 (note 16)	-	665	-	665
	392,906	386,807	314,491	308,272

6.1 Operating cost

	Consolidated		Separate	
	30-Sep-25 RO'000	30-Sep-24 RO'000	30-Sep-25 RO'000	30-Sep-24 RO'000
Field and Support Costs	9,194	10,096	6,766	7,574
Utilities	25,804	30,449	25,804	30,379
Repairs & Maintenance	44,703	42,358	44,000	41,288
Overheads	43,038	49,280	34,541	42,284
Material Cost	2,747	6,173	2,747	6,173
Employee Related costs	9,038	10,631	1,366	1,508
Under/Over lifting Adjustment	6,882	2,468	6,962	2,080
Development Costs	15,150	15,965	15,150	15,965
Other Operating Expenses	16,295	5,140	13,753	4,331
	172,851	172,561	151,089	151,582

7 Administrative expenses, finance income and other income

7.1 Administrative expenses

	Consolidated		Separate	
	30-Sep-25	30-Sep-24	30-Sep-25	30-Sep-24
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
	RO'000	RO'000	RO'000	RO'000
Employee related expenses (note 7.1.1)	16,698	15,231	16,616	14,958
Communication expense	353	375	349	375
Professional and technical fees	1,380	1,390	1,362	1,381
Consultancy fees	1,643	670	1,606	636
Audit and other services fee	135	223	84	223
Insurance	452	436	452	435
Board sitting fees	169	-	169	-
Annual Government fees	519	-	385	-
Other expense	2,887	8,002	2,849	7,807
	24,236	26,327	23,872	25,815

7.1.1 Employee related expenses

	Consolidated		Separate	
	30-Sep-25	30-Sep-24	30-Sep-25	30-Sep-24
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
	RO'000	RO'000	RO'000	RO'000
Salaries and allowances	13,240	11,268	13,207	11,268
Other benefits	2,793	2,335	2,778	2,335
End of service benefits	167	409	134	136
Contribution for social insurance	498	1,219	497	1,219
	16,698	15,231	16,616	14,958

7.2 Finance income

	Consolidated		Separate	
	30-Sep-25 (Un-audited) RO'000	30-Sep-24 (Un-audited) RO'000	30-Sep-25 (Un-audited) RO'000	30-Sep-24 (Un-audited) RO'000
Interest income – bank deposits (note i)	5,438	5,816	5,348	5,816
Net foreign exchange gain	-	152	480	197
Unwinding of deferred consideration (note 18)	1,740	1,882	1,740	1,882
In-effective portion of cashflow hedge	-	-	-	-
Others	115	-	115	-
	7,293	7,850	7,683	7,895

- i. Interest income pertains to call deposits denominated in Rial Omani and carry annual effective interest rate of between 0.5% to 4.5% (2024: 1.25% to 5.58%). The Group has the flexibility to liquidate the call deposits before the scheduled maturity dates.

7.3 Other income

	Consolidated		Separate	
	30-Sep-25 (Un-audited) RO'000	30-Sep-24 (Un-audited) RO'000	30-Sep-25 (Un-audited) RO'000	30-Sep-24 (Un-audited) RO'000
Dividend income	-	-	-	8,327
Income on Funds Held in SPV	2,637	-	2,637	-
Reversal of outstanding liabilities	-	9,770	-	9,763
Reversal of excess site restoration provision	8,575	-	8,575	-
Other income	411	-	404	-
	11,623	9,770	11,616	18,090

8 Finance cost

	Consolidated		Separate	
	30-Sep-25 (Un-audited) RO'000	30-Sep-24 (Un-audited) RO'000	30-Sep-25 (Un-audited) RO'000	30-Sep-24 (Un-audited) RO'000
Interest on borrowings	15,982	3,081	15,982	3,081
Unwinding discount on provision for site restoration and abandonment costs (note 24)	1,642	3,483	1,363	3,358
Interest on lease liabilities (note 26)	736	911	736	911
Unrealized loss on foreign exchange	-	-	-	-
Others	687	-	11	-
	19,047	7,475	18,092	7,350

9 Depreciation, depletion, and amortization

The depreciation, depletion and amortisation charged to the statement of profit or loss is:

	Consolidated		Separate	
	30-Sep-25 (Un-audited) RO'000	30-Sep-24 (Un-audited) RO'000	30-Sep-25 (Un-audited) RO'000	30-Sep-24 (Un-audited) RO'000
Depreciation and depletion – oil & gas properties (note 12)	208,602	192,990	151,949	135,434
Depreciation – other property, plant & equipment (note 14)	55	-	55	-
Amortisation – right-of-use of assets (note 26) *	11,398	11,261	11,398	11,261
	220,055	204,251	163,402	146,695

*Depreciation on the right-of-use assets has been allocated to cost of sales, as it relates to assets used in the Group's commercial operations. Depreciation, depletion, and amortisation cost is allocated as follows:

	Consolidated		Separate	
	30-Sep-25 RO'000	30-Sep-24 RO'000	30-Sep-25 RO'000	30-Sep-24 RO'000
Cost of sales (note 6)	220,055	204,251	163,402	146,695

10 Income tax

The Group and its subsidiaries (other than concession blocks as referred below) are subject to income tax in accordance with the income tax law of the Sultanate of Oman at the enacted tax rate of 15% (2024: 15%). For the purpose of determining the tax expense for the period, the accounting result has been adjusted for tax purposes.

	Consolidated		Separate	
	30-Sep-25	31-Dec-24	30-Sep-25	31-Dec-24
	RO'000	RO'000	RO'000	RO'000
Current liability				
Current tax	3,763	11,411	2,308	5,617

Following is recognised in the statement of comprehensive income:

	Consolidated		Separate	
	30-Sep-25	30-Sep-24	30-Sep-25	30-Sep-24
	RO'000	RO'000	RO'000	RO'000
Tax expense charged to profit and loss	2,553	3,489	1,003	1,538
Deferred tax – profit or loss	-	33	-	33
Deferred tax – other comprehensive income	-	(226)	-	(226)
Tax charge for the period / year	2,553	3,296	1,003	1,345

Movement of deferred tax asset / (liability) is as follows:

	Consolidated		Separate	
	30-Sep-25	31-Dec-24	30-Sep-25	31-Dec-24
	RO'000	RO'000	RO'000	RO'000
Net deferred tax asset / (liability)				
Opening balance	998	(3,870)	256	(47)
Charge for the period / year	-	1,045	-	303
Abraj common control adjustment (note 35.1)	-	3,823	-	-
Closing balance	998	998	256	256

Deferred tax asset / (liability) relates to the following

	Consolidated		
	As at 1 January 2025 RO'000	Movement RO'000	30 September 2025 RO'000
Deferred tax asset / (liability)			
Oil and gas properties	741	-	741
Plant and equipment	33	-	33
Provision for trade receivable	38	-	38
Provision for inventory	186	-	186
	998	-	998

10 Income tax (continued)

	<i>Consolidated</i>		
	<i>As at 1 January 2024 RO'000</i>	<i>Movement RO'000</i>	<i>31 December 2024 RO'000</i>
Deferred tax asset / (liability)			
Oil and gas properties	-	745	745
Plant and equipment	55	(22)	33
Provision for trade receivable	38	-	38
Provision for inventory	86	100	186
Derivatives	(226)	226	-
Abraj common control adjustment (note 35.1)	(3,823)	3,823	-
	<u>(3,870)</u>	<u>4,868</u>	<u>1,002</u>
	<i>Separate</i>		
	<i>As at 1 January 2025 RO'000</i>	<i>Movement RO'000</i>	<i>30 September 2025 RO'000</i>
Deferred tax asset / (liability)			
Plant and equipment	32	-	32
Provision for trade receivable	38	-	38
Provision for inventory	186	-	186
	<u>256</u>	<u>-</u>	<u>256</u>
	<i>Separate</i>		
	<i>As at 1 January 2024 RO'000</i>	<i>Movement RO'000</i>	<i>31 December 2024 RO'000</i>
Deferred tax asset / (liability)			
Plant and equipment	55	(23)	32
Provision for trade receivable	38	-	38
Provision for inventory	86	100	186
Derivatives	(226)	226	-
	<u>(47)</u>	<u>303</u>	<u>256</u>

10 Income tax (continued)

Tax rate on concession agreements

Revenue from certain Exploration and Production Sharing Agreements (EPSAs) is subject to a notional tax rate of 55% under the Oman Income Tax Law. In accordance with the terms of the EPSAs, the tax is contractually settled by the Government of the Sultanate of Oman from its share of the net production of hydrocarbons. Consequently, the Group recognises revenue on a net basis, reflecting only its 45% share of the profit oil, which is not subject to any further taxation and as the Government assumes, pays and discharges any corporate income tax payable by the Group under these EPSAs.

During the nine-month period ended 30 September 2025, EPSA-related taxes paid for the Group amounted to RO 275 million (30 September 2024: RO 308 million). At the end of each calendar year, the Group receives official tax receipts from the Tax Authority discharging the Group for its Income Tax payments relating to the relevant EPSA Blocks. In line with IFRS requirements, these government-settled taxes have been presented on a net basis in the consolidated and separate financial statements.

The Group and its subsidiaries (other than concession blocks noted above) are subject to income tax in accordance with the income tax law of the Sultanate of Oman at the enacted tax rate of 15% (2024: 15%). For the purpose of determining the tax expense for the year, the accounting result has been adjusted for tax purposes.

The reconciliation of tax as per accounting profit to effective tax is set out below:

	Consolidated		Separate	
	30-Sep-25	30-Sep-24	30-Sep-25	30-Sep-24
	RO'000	RO'000	RO'000	RO'000
Profit before tax	239,423	264,772	129,548	149,654
Income tax @ 15%	35,912	39,716	19,432	22,448
Non-deductible expenses		1,140		1,140
Tax exempt income	(33,359)	(37,560)	(18,429)	(22,243)
Effective tax	2,553	3,296	1,003	1,345

11 Dividends

For the period ended 30 September 2025, the Board of Directors has proposed a dividend of 1.442% in the form of cash. Thus, shareholders would receive cash dividend of RO 0.01442 per ordinary share of RO 0.01 each aggregating to RO 115.36 million on Group's existing share capital. The proposed cash dividend is subject to formal approval of the Ordinary General Meeting of the shareholders. Further, the Board of Directors has proposed a performance dividend for the period ended 30 June 2025 in the form of cash amounting to RO 44.2 million which will be paid in two installments in third and fourth quarters of year 2025 which is subject to the formal approval of the Ordinary General meeting of the shareholders towards end of August 2025.

In addition, during the period ended 30 June 2025, a cash dividend of RO 115.36 million (equivalent to RO 0.014 per ordinary share) was approved by the shareholders at the Annual General Meeting held on 12 March 2025 and was subsequently paid by the Parent Company.

12 Oil and gas properties

	Consolidated RO'000	Separate RO'000
Cost		
As at 1 January 2024	3,388,034	2,360,276
Additions made during the year	234,365	187,805
Change in provision for decommissioning (note 24)	(189)	(3,312)
Reversal of Almuzn assets*	(36,782)	-
Currency translation differences	(5,279)	(3,677)
As at 31 December 2024	<u>3,580,149</u>	<u>2,541,092</u>
As at 1 January 2025	3,580,149	2,541,092
Additions made during the period	193,147	164,357
Change in provision for decommissioning (note 24)	211	211
Transfer to right of use (note 27)	(31,997)	(31,997)
As at 30 September 2025	<u>3,741,530</u>	<u>2,673,683</u>
Accumulated depreciation and impairment		
As at 1 January 2024	(2,457,465)	(1,974,869)
Charge for the period (note 9)**	(262,829)	(184,081)
Reversal of Almuzn assets depreciation*	2,488	-
Currency translation differences	3,829	3,077
As at 31 December 2024	<u>(2,713,977)</u>	<u>(2,155,873)</u>
As at 1 January 2025	(2,713,977)	(2,155,873)
Charge for the period (note 9)	(208,602)	(151,949)
As at 30 September 2025	<u>(2,922,579)</u>	<u>(2,307,822)</u>
Net book value		
As at 30 September 2025	<u>818,951</u>	<u>365,862</u>
As at 31 December 2024	<u>866,172</u>	<u>385,219</u>

*The reversal pertains to the Almuzn assets due to change in accounting treatment from joint operations to joint venture.

**Depletion charge in the separate statement of profit and loss for the nine-month period ended 30 September 2025 was RO 135.4 million, while the depletion charge in the consolidated statement of profit and loss for the same period was RO 193 million.

13 Exploration and evaluation assets

	Consolidated RO'000	Separate RO'000
Cost		
As at 1 January 2024	6,675	4,819
Additions made during the year	11,027	7,339
Asset written off - Block 42 (note 6)	(2,828)	(2,828)
Provision for impairment against Block 52 assets (note 6)	(6,502)	(6,502)
Currency translation adjustment	(10)	(8)
As at 31 December 2024	<u>8,362</u>	<u>2,820</u>
As at 1 January 2025	8,362	2,820
Additions made during the period	5,534	4,257
As at 30 September 2025	13,896	7,077
<i>Net book value</i>		
As at 30 September 2025	13,896	7,007
As at 31 December 2024	<u>8,362</u>	<u>2,820</u>

The exploration and evaluation assets (E&E) closing balance primarily pertains to Blocks 47 and 48 which are under exploration stage and accounted as per requirements of IFRS 6.

During the year 2024, the Group concluded that Blocks 52 and 42, which were at the exploration stage, are not commercially viable. Accordingly, the associated exploration assets were written off through the income statement.

14 Other property, plant and equipment

	Consolidated		
	Other property, plant and equipment RO'000	Capital work in progress (CWIP) RO'000	Total RO'000
Cost			
As at 1 January 2024	366,633	10,445	377,078
Additions	769	22,188	22,957
Transfers within categories	9,928	(9,928)	-
Adjustment under common control transaction (note 35.1)	(370,784)	(22,705)	(393,489)
Other disposals / write offs	(1,429)	-	(1,429)
Currency translation adjustment	(571)	-	(571)
As at 31 December 2024	<u>4,546</u>	<u>-</u>	<u>4,546</u>
As at 1 January 2025	4,546	-	4,546
Additions made during the period	-	-	-
As at 30 September 2025	4,546	-	4,546

14 Other property, plant and equipment (continued)

Accumulated depreciation and impairment			
As at 1 January 2024	(185,670)	(2)	(185,672)
Charge for the year*	(10,015)	-	(10,015)
Disposals	1,381	-	1,381
Provision for asset write off	(336)	-	(336)
Adjustment under common control transaction (note 35.1)	190,045	2	190,047
Currency translation adjustment	289	-	289
As at 31 December 2024	<u>(4,306)</u>	<u>-</u>	<u>(4,306)</u>
As at 1 January 2025	(4,306)	-	(4,306)
Charge for the year	(55)		(55)
As at 31 September 2025	<u>(4,361)</u>	<u>-</u>	<u>(4,361)</u>
<i>Net book value</i>			
As at 30 September 2025	185	-	185
As at 31 December 2023	<u>240</u>	<u>-</u>	<u>240</u>

	<i>Separate</i>		
	<i>Other property, plant and equipment RO'000</i>	<i>CWIP RO'000</i>	<i>Total RO'000</i>
Cost			
As at 1 January 2024	4,554	-	4,554
Additions	241	-	241
Disposals / written off	<u>(247)</u>	<u>-</u>	<u>(247)</u>
As at 31 December 2024	<u>4,548</u>	<u>-</u>	<u>4,548</u>
As at 1 January 2025	<u>4,548</u>	<u>-</u>	<u>4,548</u>
As at 30 September 2025	<u>4,548</u>	<u>-</u>	<u>4,548</u>
Accumulated depreciation and impairment			
As at 1 January 2024	(4,553)	-	(4,553)
Disposals / written off	240	-	240
Charge for the year (note 9)	1	-	1
Currency translation adjustment	4	-	4
As at 31 December 2024	<u>(4,308)</u>	<u>-</u>	<u>(4,308)</u>
As at 1 January 2025	(4,308)	-	(4,308)
Charge for the year (note 9)	(55)	-	(55)
As at 30 September 2025	<u>(4,363)</u>	<u>-</u>	<u>(4,308)</u>
<i>Net book value</i>			
As at 30 September 2025	185		185
As at 31 December 2024	<u>240</u>	<u>-</u>	<u>240</u>

15 Intangible assets

	Consolidated RO'000	Separate RO'000
Cost		
As at 1 January 2024	7,713	6,964
Adjustment under common control transaction (note 35.1)	(748)	-
Currency translation adjustment	(12)	(11)
As at 31 December 2024	<u>6,953</u>	<u>6,953</u>
As at 1 January 2025	6,953	6,953
As at 30 September 2025	6,953	6,953
Accumulated depreciation and impairment		
As at 1 January 2024	(7,481)	(6,964)
Charge for the year*	(42)	-
Adjustment under common control transaction (note 35.1)	558	-
Currency translation adjustment	12	11
As at 31 December 2024	<u>(6,953)</u>	<u>(6,953)</u>
As at 1 January 2025	(6,953)	(6,953)
As at 30 September 2025	(6,953)	(6,953)
Net book value		
As at 30 September 2025	<u>-</u>	<u>-</u>
As at 31 December 2024	<u>-</u>	<u>-</u>

16 Inventories

	Consolidated		Separate	
	30-Sep-25 RO'000	31-Dec-24 RO'000	30-Sep-25 RO'000	31-Dec-24 RO'000
Oil, gas and condensates	2,754	5,697	2,649	5,704
Materials, spares and consumables	60,653	72,204	51,437	63,346
Provision for obsolescence	<u>(1,235)</u>	<u>(1,236)</u>	<u>(1,235)</u>	<u>(1,236)</u>
	62,172	76,665	52,851	67,814
Provision for obsolescence				
Opening balance	1,236	1,074	1,236	571
Charge for the year (note 6)*	-	665	-	665
Abraj common control adjustment (note 35.1)	-	(503)	-	-
Closing balance	<u>1,236</u>	<u>1,236</u>	<u>1,236</u>	<u>1,236</u>

17 Trade and other receivables

	Consolidated		Separate	
	30-Sep-25 RO'000	31-Dec-24 RO'000	30-Sep-25 RO'000	31-Dec-24 RO'000
Trade receivables – third party	22,465	34,910	8,515	9,180
Trade receivables – related party (note 33)	50,089	61,067	49,013	52,750
Expected credit loss (ECL)	(258)	(258)	(258)	(258)
	72,296	95,719	57,270	61,672
Other receivables	54,029	123,699	40,928	42,453
	126,325	219,418	98,198	104,125

Trade receivables are non-interest bearing and are generally on 15-to-90-day terms.

Other receivables include accrued revenue, receivables from employees and receivables from operators. Other receivables balance at the year-end is not past due and is not considered to be credit impaired. Out of these other receivables, there are three individual corporate customers (operators) who have large exposures having credit rating of BB+.

Movements in the Expected credit loss (ECL):

	Consolidated		Separate	
	30-Sep-25 RO'000	31-Dec-24 RO'000	30-Sep-25 RO'000	31-Dec-24 RO'000
Balance at the beginning of the year	(258)	(258)	(258)	(258)
Reversal during the period / year	-	-	-	-
Balance at the end of the period / year	(258)	(258)	(258)	(258)

The aging analysis of trade receivables at consolidated level that were not impaired, is as follows:

Ageing	Weighted average loss rate	Gross carrying amount RO'000	Expected life time credit loss RO'000	Net carrying amount RO'000
30-September-2025				
Not past due	0%	72,296	-	72,296
<30 days	0%	61,377	-	61,377
31-60 days	0%	10,192	-	10,192
61-90 days	0%	-	-	-
> 90 days	26.19%	985	258	727
		72,554	258	72,296

17 Trade and other receivables (continued)

<i>Ageing</i>	<i>Weighted average loss rate</i>	<i>Gross carrying amount RO'000</i>	<i>Expected life time credit loss RO'000</i>	<i>Net carrying amount RO'000</i>
<i>31-December-2024</i>				
Not past due	0%	76,576	-	76,576
<30 days	0%	18,295	-	18,295
31-60 days	0%	-	-	-
61-90 days	0%	70	-	-
> 90 days	23.32%	1,106	258	848
		<u>95,977</u>	<u>258</u>	<u>95,719</u>

The aging analysis of trade receivables at the Parent Company level that were not impaired, is as follows:

<i>Ageing</i>	<i>Weighted average loss rate RO'000</i>	<i>Gross carrying amount RO'000</i>	<i>Expected life time credit loss RO'000</i>	<i>Net carrying amount RO'000</i>
<i>30-September-2025</i>				
Not past due	0%	46,355	-	46,355
<30 days	0%	10,188	-	10,188
31-60 days	0%	-	-	-
61-90 days	0%	-	-	-
> 90 days	16.73%	985	258	727
		<u>57,528</u>	<u>258</u>	<u>57,270</u>

<i>Ageing</i>	<i>Weighted average loss rate</i>	<i>Gross carrying amount RO'000</i>	<i>Expected life time credit loss RO'000</i>	<i>Net carrying amount RO'000</i>
<i>31-December-2024</i>				
Not past due	0%	43,689	-	43,689
<30 days	0%	17,505	-	17,505
31-60 days	0%	-	-	-
61-90 days	0%	-	-	-
> 90 days	35.05%	736	258	478
		<u>61,930</u>	<u>258</u>	<u>61,672</u>

18 Deferred consideration

On 22 August 2023, the Company entered into an agreement to divest its 40% working interest in Block 60 for a total consideration of RO 444.681 million. The transaction was approved by the Government of Oman through Royal Decree 85/2023, issued on 1 January 2023. Of the total consideration, RO 400.765 million was received in cash, while RO 43.916 million was recognised as deferred consideration. In accordance with the terms of the sale agreement, the deferred consideration is to be paid by the buyer (Medco) in nine equal annual instalments, commencing on 1 December 2024 and concluding on 1 December 2029. As the payments extend beyond one year, the Group has discounted the future cash flows using a discount rate of 6%.

	Consolidated		Separate	
	30-Sep-25	30-Sep-24	30-Sep-25	30-Sep-24
	RO'000	RO'000	RO'000	RO'000
Unwinding income on deferred consideration (note 7.2)	1,740	1,882	1,740	1,882
	Consolidated		Separate	
	30-Sep-25	31-Dec-24	30-Sep-25	31-Dec-24
	RO'000	RO'000	RO'000	RO'000
Presented as:				
Current receivable	7,690	7,690	7,690	7,690
Non-current receivable	32,730	30,990	32,730	30,990
	40,420	38,680	40,420	38,680
As at 1 January	38,680	43,916	38,680	43,916
Payment received	-	(7,690)	-	(7,690)
Currency translation difference	-	(84)	-	(84)
Interest income	1,740	2,538	1,740	2,538
Closing balance	40,420	38,680	40,420	38,680

Medco is a well-established entity with a strong financial standing and a track record of timely payments. The Group has evaluated the creditworthiness of Medco based on recent financial information and historical performance with credit rating of BB-. Deferred consideration balance at the period end is not past due. The Group has calculated the expected credit loss for this receivable based on a 12-month expected credit loss model. Given Medco's strong credit profile and historical payment behaviour, the Group does not anticipate a significant increase in credit risk. The impact of the expected credit loss on the separate and consolidated financial statements is not material.

18 Deferred consideration (continued)

	Consolidated		Separate	
	30-Sep-25 RO'000	31-Dec-24 RO'000	30-Sep-25 RO'000	31-Dec-24 RO'000
Deferred consideration receivable				
2025	7,690	7,690	7,690	7,690
2026	9,613	9,613	9,613	9,613
2027	9,613	9,613	9,613	9,613
2028	9,613	9,613	9,613	9,613
2029	9,613	9,613	9,613	9,613
Total deferred consideration - gross	46,142	46,142	46,142	46,142
Less: unearned finance income	(5,772)	(7,462)	(5,772)	(7,462)
Present value of deferred consideration receivable	40,420	38,680	40,420	38,680

19 Advances and prepayments

	Consolidated		Separate	
	30-Sep-25 RO'000	31-Dec-24 RO'000	30-Sep-25 RO'000	31-Dec-24 RO'000
Advances to employees	149	177	147	181
Advances to suppliers	4,748	404	4,474	169
Prepaid expenses	2,159	-	1,405	-
Other	-	4,784	-	-
	7,056	5,365	6,026	350

20 Cash and cash equivalents

	Consolidated		Separate	
	30-Sep-25 RO'000	31-Dec-24 RO'000	30-Sep-25 RO'000	31-Dec-24 RO'000
Cash on hand	164	149	164	149
Cash at bank	161,055	160,005	139,924	111,121
	161,219	160,154	140,088	111,270

20 Cash and cash equivalents (continued)

Cash balances consist of call and fixed deposits denominated in both Rial Omani and USD carry annual effective return rate of between 0.5% to 4.25% (31 December 2024: 0.25% to 5.55%).

21 Capital and reserves

21.1 Share capital

	Consolidated		Separate	
	30-Sep-25	31-Dec-24	30-Sep-25	31-Dec-24
	RO'000	RO'000	RO'000	RO'000
Paid up share capital 8 billion shares of RO 0.0010 each (2024: 8 billion shares of RO 0.0010 each).	80,000	80,000	80,000	80,000
	80,000	80,000	80,000	80,000

OQ SAOC holds more than 10% of the OQEP's capital, and the shareholding pattern of the Parent Company is as follows:

	30 September 2025		31 December 2024	
	No. of shares	% holding	No. of shares	% holding
OQ SAOC	6,000,000,000	75%	6,000,000,000	75%

During the year 2024, the Parent Company implemented a share split at a ratio of 1:100, reducing the nominal value per share from RO 1.000 to 10 Baizas. As a result, the total number of outstanding shares increased to 8 billion. The resulting increase in share capital amounting to RO 79.75 million was funded from the Parent Company's retained earnings. In addition, the Parent Company conducted an initial public offering (IPO) through a secondary sale, offering 25% of the paid-up share capital to the general public.

21.2 Statutory reserve

As required under the Article 274 of the Commercial Companies Law of the Sultanate of Oman, 10% of the Parent Company's net profit to be transferred to a non-distributable legal reserve until the amount of the legal reserve becomes equal to at least one-third of the Parent's Company issued share capital.

21.3 Treasury shares

"During the period ended 30 September 2025, OQEP SAOG initiated a share buyback program for the first time, acquiring 3,484,213 of its own shares from the market. These shares are held as treasury shares under the cost method and are intended for future reissuance.

The total cost of the repurchased shares amounted to OMR 1,224,036, which has been recorded as a negative component of equity under the heading "Treasury Shares" in the Statement of Changes in Equity. "

21.4 Capital reserves

Capital reserve relates to fair valuation of Block 9 amounting to RO 103 million transferred to the Group by the Government as an equity contribution.

21 Capital and reserves (continued)

21.5 Subordinated loans

As a part of capital management to ensure the business continuity, the Group has arrangements with the Holding Company in funding its cash requirements, either through loans and / or other current borrowings. These are non-interest-bearing loan arrangements which are subordinated and repayable only at the discretion of the Parent Company. Accordingly, these have been classified as equity in the financial statements. During the year ended 31 December 2024 the Group has repaid RO 461 million and the balance amounting to RO 71 million has been settled against the transfer of 51% shares of Abraj to the Holding Company under common control transaction (refer note 35.1).

22 Bank borrowings

	<i>Note</i>	Consolidated		Separate	
		30-Sep-25	31-Dec-24	30-Sep-25	31-Dec-24
		RO'000	RO'000	RO'000	RO'000
Bridge-to-bond credit facility	22.1	192,250	192,250	192,250	192,250
Islamic finance facility	22.2	192,250	192,250	192,250	192,250
		384,500	384,500	384,500	384,500
Unamortised financing costs		(1,175)	(1,694)	(1,175)	(1,694)
		383,325	382,806	383,325	382,806

Movement of borrowings is as follows:

	Consolidated		Separate	
	30-Sep-25	31-Dec-24	30-Sep-25	31-Dec-24
	RO'000	RO'000	RO'000	RO'000
Balance as at 1 January	382,806	174,061	382,806	88,770
Proceeds from loan	-	382,806	-	382,806
Payment of loan	-	(78,691)	-	(78,689)
Adjustment against restricted cash	-	(10,079)	-	(10,081)
Unamortised financing cost	518		518	
Abraj common control adjustment (note 37.1)	-	(85,291)	-	-
Total changes from financing cash flows	383,324	382,806	383,324	382,806

22.1 Bridge-to-bond credit facility

In September 2024, OQEP obtained RO 192.25 million conventional Bridge-to-Bond credit facility of for a term of two years from a syndicate of commercial banks, with a floating rate of interest set by reference to US\$ at SOFR plus 85 basis points, repayable on maturity.

22.2 Islamic finance facility

In September 2024, OQEP obtained RO 192.25 million term Islamic financing facility for a term of seven years with a syndicate of banks, structured as a wakala bil-istiithmar. The Parent Company pays a variable return on this facility, set by reference to US\$ at SOFR plus 125 basis points, and the facility is repayable in semi-annual instalments commencing from January 2027, with a balloon repayment of US\$ 162.5 million in July 2031.

The Bridge-to-bond credit facility and Islamic finance facility is unsecured and not guaranteed. Further, there are no covenants attached to these loans.

22 Bank borrowings (continued)

22.2 Islamic finance facility

Unamortised financing costs:

	Consolidated		Separate	
	30-Sep-25	31-Dec-24	30-Sep-25	31-Dec-24
	RO'000	RO'000	RO'000	RO'000
Opening balance	1,694	100	1,694	100
Incurred during the period	-	1,883	-	1,883
Amortised	(519)	(289)	(519)	(289)
Closing balance	1,175	1,694	1,175	1,694

23 Employees' end of service benefits

The Group entities operating in Oman and provide end-of-service benefits to its expatriate employees. End-of-service benefits are in accordance with the terms of employment of the Group's employees at the reporting date, having regard to the requirements of the Oman Labour Law 2003 and its amendments subject to the completion of a minimum service period. The amount of obligation is computed by actuarial valuations using the projected unit credit method as per IAS 19.

Movement in liability

	Consolidated		Separate	
	30-Sep-25	31-Dec-24	30-Sep-25	31-Dec-24
	RO'000	RO'000	RO'000	RO'000
Balance at the beginning of the year	995	3,136	995	874
Service cost	167	777	134	527
Defined benefit obligation actuarial loss	-	31	-	31
Abraj common control adjustment (note 35.1)	-	(2,440)	-	-
Paid during the period / year	(153)	(504)	(153)	(474)
Currency translation adjustment	-	(5)	-	(2)
	1,009	995	937	956

The weighted-average duration of the defined benefit obligation is 6.96 (2024: 6.96 years).

23 Employees' end of service benefits (continued)

The amount recognized in the separate and consolidated statement of profit and loss is as follows:

	Consolidated		Separate	
	30-Sep-25 RO'000	30-Sep-24 RO'000	30-Sep-25 RO'000	30-Sep-24 RO'000
Service cost	167	409	134	136

The amount recognized in separate and consolidated statements of other comprehensive income:

Defined benefit obligation actuarial loss	-	318	-	288
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Following are the key assumptions used in the actuarial valuation:

	2025	2024
Discount rate	5.25%	5.25%
Future salary increases	3%	3%
Retirement age in years	60	60

Sensitivity analysis 2025

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation as follows.

	2025		2024	
	Increase RO'000	Decrease RO'000	Increase RO'000	Decrease RO'000
Discount rate (0.5%)	(3)	3	(3)	3
Salary Increase (0.5%)	3	(3)	3	(3)

24 Provision for decommissioning

	Consolidated		Separate	
	30-Sep-25 RO'000	31-Dec-24 RO'000	30-Sep-25 RO'000	31-Dec-24 RO'000
Movement in liability				
Balance at the beginning of the year	42,532	39,606	36,792	37,333
Changes during the period / year (note 12)**	(8,334)	(189)	(8,334)	(3,312)
Unwinding of discount (note 8)*	1,642	3,177	1,363	2,829
Currency translation adjustment	-	(62)	-	(58)
	35,840	42,532	29,821	36,792

24 Provision for decommissioning (*continued*)

*Unwinding of discount recognised in the un-audited separate statement of profit and loss for the nine-month period ended 30 September 2024 amounted to RO 3.35 million, while the corresponding amount recognised in the un-audited consolidated statement of profit and loss was RO 3.48 million.

**During the period, a decommissioning provision amounting to RO 8.5 million was reversed in respect of Block 53, following the extension of the EPSA agreement from 2035 to 2050. As the carrying value of the related asset was nil (refer Note 7.3), the reversal has been recognised in the statement of comprehensive income. In addition, a provision of RO 0.211 million was recorded for Block 60 due to an increase in the number of wells.

The Group makes provision for the future cost of decommissioning of oil and gas assets by discounting the future expected cash flows at a rate that reflect current market assessment of the time value of money and the risk free rate specific to the liability. The decommissioning provision represent the present value of decommissioning costs relating to oil and gas assets, which are expected to be incurred when the producing oil and gas assets are expected to cease operations.

These provisions have been created based on the Group's internal estimates or through the joint venture operator.

The Group's internal estimates or through the joint venture operator. Assumptions based on the current economic environment have been made, which management believes are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions. However, actual decommissioning costs will ultimately depend upon future market prices for the necessary decommissioning works required that will reflect market conditions at the relevant time.

Furthermore, the timing of decommissioning is likely to depend on when the fields cease to produce at economically viable. This, in turn, will depend upon future oil and gas prices, which are inherently uncertain. The discount rate used in the calculation of the provision as at 30 June 2025 was 6.47% (2024: 6.47%). The outflow of resources from the settlement of provision are expected to occur between 2027 to 2050.

25 Accounts payable and accrued liabilities

	Consolidated		Separate	
	30-Sep-25	31-Dec-24	30-Sep-25	31-Dec-24
	RO'000	RO'000	RO'000	RO'000
Accrued expenses	28,053	45,701	22,278	40,904
Trade payables - third party	8,224	41,246	850	22,711
Trade payables - related party (note 33)	12,472	351	11,257	50,089
Other payables	25,238	25,359	22,020	25,281
Payable to operator	55,105	175,282	41,224	47,231
Retentions	89	89	80	80
	129,181	288,028	97,709	186,296

Trade payables are non-interest bearing and are normally settled on 60- 90 day terms. Other payables are non-interest bearing and have an average term of nine months. All accrued expenses are settled within an average term of nine months. All retention payables will be settled as per the underlying contracts. Other payables to joint operations partners mainly represent joint expenses that were paid by the joint operations partner, which are non-interest bearing and are normally settled against future cash calls in normal business operation cycle.

26 Right-of-use assets (ROU) and lease liability

The Group has entered into lease arrangements with various counter parties which include arrangements for:

- Drilling and land rigs
- Tankers and other equipment
- Vehicles
- Plant and equipment

The movement of right-of-use assets is as follows:

	Consolidated				
	Drilling and land rigs RO'000	Equipment and tankers RO'000	Vehicles RO'000	Plant and equipment RO'000	Total RO'000
Cost:					
As at 1 January 2024	7,719	3,015	13,653	64,466	88,853
Lease re-assessment	-	-	-	2,155	2,155
Abraj common control adjustment (note 35.1)	(2,094)	(2,876)	(12,317)	-	(17,287)
Currency translation adjustment	(12)	(5)	(21)	(100)	(138)
As at 31 December 2024	<u>5,613</u>	<u>134</u>	<u>1,315</u>	<u>66,521</u>	<u>73,583</u>
As at 1 January 2025	5,613	134	1,315	66,521	73,583
Transfer from CWIP (note 12)	-	-	-	31,977	-
As at 30 September 2025	<u>5,613</u>	<u>134</u>	<u>1,315</u>	<u>98,498</u>	<u>105,560</u>

	Consolidated				
	Drilling and land rigs RO'000	Equipment and tankers RO'000	Vehicles RO'000	Plant and equipments RO'000	Total RO'000
Accumulated depreciation and impairment:					
As at 1 January 2024	6,054	3,015	9,816	29,217	48,102
Charge for the year *	161	2	1,258	15,083	16,504
Abraj common control adjustment (note 35.1)	(592)	(2,878)	(9,744)	-	(13,214)
Currency translation adjustment	(10)	(5)	(15)	(46)	(76)
As at 31 December 2024	<u>5,613</u>	<u>134</u>	<u>1,315</u>	<u>44,254</u>	<u>51,316</u>
As at 1 January 2025	5,613	134	1,315	44,254	51,316
Charge for the period (note 9)	-	-	-	11,398	11,398
As at 30 September 2025	<u>5,613</u>	<u>134</u>	<u>1,315</u>	<u>55,652</u>	<u>62,714</u>
Net book value					
As at 30 September 2025	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,846</u>	<u>42,846</u>
As at 31 December 2024	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,267</u>	<u>22,267</u>

*Charge for the year 2024 includes an amount of RO 1,421 thousand which pertains to the transfer of Abraj to OQ SAOC under common control transaction.

26 Right-of-use assets (ROU) and lease liability (continued)

	<i>Separate</i>				
	<i>Drilling and land rigs RO'000</i>	<i>Equipment and tankers RO'000</i>	<i>Vehicles RO'000</i>	<i>Plant and equipments RO'000</i>	<i>Total RO'000</i>
Cost:					
As at 1 January 2024	5,622	134	1,317	64,466	71,539
Lease reassessment	-	-	-	2,155	2,155
Currency translation adjustment	(9)	-	(2)	(100)	(111)
As at 31 December 2024	<u>5,613</u>	<u>134</u>	<u>1,315</u>	<u>66,521</u>	<u>73,583</u>
As at 1 January 2025	5,613	134	1,315	66,521	73,583
Transfer from CWIP (note 12)	-	-	-	31,977	31,977
As at 30 September 2025	<u>5,613</u>	<u>134</u>	<u>1,315</u>	<u>98,498</u>	<u>105,560</u>
Accumulated depreciation and impairment;					
As at 1 January 2024	5,622	134	1,317	29,217	36,290
Charge for the year	-	-	-	15,083	15,083
Currency translation adjustment	(9)	-	(2)	(46)	(57)
As at 31 December 2024	<u>5,613</u>	<u>134</u>	<u>1,315</u>	<u>44,254</u>	<u>51,316</u>
As at 1 January 2025	5,613	134	1,315	44,254	51,316
Charge for the period (note 9)	-	-	-	11,398	11,398
As at 30 September 2025	<u>5,613</u>	<u>134</u>	<u>1,315</u>	<u>55,652</u>	<u>62,714</u>
Net book value					
As at 30 September 2025	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,846</u>	<u>42,846</u>
As at 31 December 2024	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,267</u>	<u>22,267</u>

Total amortisation cost for the period is allocated to:

	<i>Consolidated</i>		<i>Separate</i>	
	<i>30-Sep-25 RO'000 Audited</i>	<i>30-Sep-24 RO'000</i>	<i>30-Sep-25 RO'000 Audited</i>	<i>30-Sep-24 RO'000</i>
Cost of sales (note 6)	<u>392,906</u>	<u>386,807</u>	<u>314,491</u>	<u>308,272</u>

26 Right-of-use assets (ROU) and lease liability (continued)

Some leases contain extension options exercisable before the end of the non-cancellable contract period. Where practicable and required, Group seeks to include extension options exercisable upon the agreement of both parties. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options.

The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control. The Group has not considered the likely renewal of leases after the initial lease period. The leases contain options to purchase the facilities at the end of lease term at lump sum value. The likely exercise of purchase option has not been considered after the initial lease period.

The movement in lease liability is as follows:

	Consolidated		Separate	
	30-Sep-25	31-Dec-24	30-Sep-25	31-Dec-24
	RO'000	RO'000	RO'000	RO'000
Lease liabilities Presented as:				
Lease liabilities – current portion	6,159	4,963	6,159	4,963
Lease liabilities – non current portion	16,663	11,062	16,663	11,062
	22,822	16,025	22,822	16,025
	Consolidated		Separate	
	30-Sep-25	31-Dec-24	30-Sep-25	31-Dec-24
	RO'000	RO'000	RO'000	RO'000
As at 1 January	16,025	29,405	16,025	23,626
Addition during the period / year	31,977	2,155	31,977	2,155
Interest charged (note 8)*	736	1,167	736	1,167
Payment of lease liability	(25,916)	(10,886)	(25,916)	(10,886)
Abraj common control adjustment (note 35.1)	-	(5,779)	-	-
Currency translation adjustment	-	(37)	-	(37)
As at 30 June / 31 December	22,822	16,025	22,822	16,025

Total interest charged for the period is allocated to:

	Consolidated		Separate	
	30-Sep-25	30-Sep-24	30-Sep-25	30-Sep-24
	RO'000	RO'000	RO'000	RO'000
Finance cost (note 8)	11,398	7,475	11,398	7,350

The Group leases several assets including buildings, land, vehicles, and plant & equipment which mainly includes the fire water system, oil debottlenecking and bulk separation system. The average lease term is 3 to 5 years.

*Interest expense at consolidated level for the year 2024 includes RO 324 thousand which pertains to Abraj that has been transferred to OQ SAOC under common control transaction.

27 Lease receivables

The lease payments are being made to the Group under the Supplementary Tariff Agreement (STA) which became effective from 1 January 2017, to cover the cost of infrastructure development and the annual operating cost of the Musandam Gas Plant and comprise of monthly payments over a period of 20 years.

Lease income	Consolidated & Separate	
	30-Sep-25 RO'000	30-Sep-24 RO'000
Finance income on net investment in lease	15,341	16,132
	15,341	16,132
Net investment in lease	30-Sep-25 RO'000	31-Dec-24 RO'000
As at 1 January	217,540	229,524
Receipts	(9,153)	(11,626)
Currency translation adjustment	(358)	(358)
Closing balance	208,029	217,540
Presented as		
Lease receivable - current	10,090	12,682
Lease receivable - non current	197,939	204,858
	208,029	217,540
Amount receivable under finance lease		
2025	33,136	33,136
2026	33,136	33,136
2027	33,136	33,136
2028	33,136	33,136
2029	33,136	33,136
Remaining	173,180	201,201
	338,860	366,881
Less: unearned finance income	(130,831)	(149,341)
Present value of minimum lease payment receivable	208,029	217,540

The credit risk associated with this receivable has not increased significantly, given that the Government of Oman has maintained a stable BB+ credit rating and has shown historical growth. The balances of lease receivables are not past due and hence have not been considered as credit impaired. The expected credit loss on these receivables is assessed based on a 12-month expected loss model and the impact is not material.

28 Investment in subsidiaries

<i>Subsidiary</i>	<i>Principal activities</i>	<i>Country of Incorporation</i>	<i>Ownership interest (%) 30-Sep-25 RO'000</i>	<i>Ownership interest (%) 31-Dec-24 RO'000</i>
Abutubul LLC	Exploration and production	Sultanate of Oman	100	100
Musandam Gas Plant LLC	Oil and gas processing	Sultanate of Oman	100	100
Makarim Gas Development LLC	Exploration and production	Sultanate of Oman	100	100
Musandam Oil and Gas Company LLC	Exploration and production	Sultanate of Oman	100	100
Almajd Gas Development LLC	Exploration and production	Sultanate of Oman	99	99
Almuzn Liquefied Natural Gas LLC	Exploration and production	Sultanate of Oman	99	99
Alizz Gas Development LLC	Exploration and production	Sultanate of Oman	99	99
OQ Exploration and Production Block 54 LLC	Exploration and production	Sultanate of Oman	100	-
			30-Sep-25 RO'000	31-Dec-24 RO'000
Abu Tubul LLC (ABB LLC)			150	150
Musandam Gas Plant LLC (MGP LLC)			150	150
Musandam Oil & Gas company LLC (MOGC LLC)			250	250
Makarim Gas Development LLC (MGD LLC)*			249	127,451
Almajd Gas Development LLC			248	248
Almuzn Liquefied Natural Gas LLC			248	248
Alizz Gas Development LLC			248	248
OQ Exploration and Production Block 54 LLC			250	-
			1,793	128,745

*This includes the sub-ordinated loan given to the Makarim gas development LLC by the Parent Company amounting to 29.8 million (2024: RO 127.2 million).

29 Interest in joint venture

	30-Sep-25 RO'000	31-Dec-24 RO'000
Opening balance / initial cost*	Audited	Audited
Share of profit for the period / year	10,647	3,025
At 31 December	7,588	7,622
	18,235	10,647

Marsa Liquefied Natural Gas LLC ("Marsa") is joint venture in which the Group has joint control and a 20 percent ownership interest. Till 31 December 2023, the Group has accounted the investment as joint operation. However, effective from 1 January 2024, Marsa is structured as a separate vehicle and the Group has residual interest in the net assets of Marsa. Accordingly, the Group has classified its interest in Marsa as a joint venture

29 Interest in joint venture (continued)

The following table summarises the financial information of Marsa as included in its own financial statements. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in Marsa:

	30-Sep-25 RO'000	31-Dec-24 RO'000
Statement of financial position:		
Non-current assets	415,586	311,356
Current assets (including cash and cash equivalent- RO 12 million)	13,775	14,459
Non-current liabilities	310,670	258,410
Current liabilities	27,515	14,168
Net assets of the joint venture	91,175	53,237
Proportionate of the Parent Company's ownership interest in joint venture (20%)	18,235	10,647
Statement of profit and loss and other comprehensive income:		
	30-Sep-25 RO'000	30-Sep-24 RO'000
Revenue	57,883	56,591
Depreciation & amortisation	(10,281)	(14,424)
Income tax expenses	(5,066)	(5,218)
Profit & total comprehensive income (100%)	37,939	26,820
Profit & total comprehensive income (20%)	7,588	5,364

*Effective from 1 January 2024, the arrangement is no longer joint operation therefore as per guideline of IAS 28, the net carrying amount of RO 3.3 million assets and liabilities (operating assets, advance and other current assets of RO 43.3 million less liabilities to the other operators and suppliers of RO 40 million) previously recorded under IFRS 11 has been considered as deemed cost.

30 Provision for over-lifting / deferred income

An analysis of provision for over-lifting is set out below:

	Consolidated		Separate	
	30-Sep-25	31-Dec-24	30-Sep-25	31-Dec-24
	RO'000	RO'000	RO'000	RO'000
Balance at the beginning of the period / year	4,783	8,368	4,783	7,218
Over-lifting for the period / year	3,938	4,783	3,907	4,783
Deferred income booked by Abraj	-	719	-	-
Income received during the period / year	(4,783)	(7,205)	(4,783)	(7,205)
Abraj common control adjustment (note 35.1)	-	(1,869)	-	-
Currency translation adjustment	-	(13)	-	(13)
	3,938	4,783	3,907	4,783

31 Financial instruments

Fair values

The management believes that the fair values of financial assets and liabilities are not significantly different from their carrying amounts at the reporting date. Interest bearing loans carry interest at market rates. All assets and liabilities for which fair value is measured or disclosed in these financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

At year end there are no assets and liabilities for which the fair value has been measure or otherwise disclosed.

There were no transfers between level 1 and level 2 during the current or previous period.

31 Financial instruments (continued)

Financial risk management

The Group's activities expose it to a variety of financial risks including the effects of changes in market risk, (including foreign exchange risk and interest rate risk) liquidity risk and credit risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by the management under policies approved by the Board of Directors. The Group's principal financial liabilities comprise accounts payable, borrowings and lease liabilities. The main purpose of these financial instruments is to manage short-term cash flow and raise finance for the Group's capital expenditure programme. The Group's principal financial assets comprise finance lease receivables, trade and other receivables and cash and short-term deposits that arise directly from its operations.

Market risk

Market risk is the risk that changes in market prices, such as foreign currency rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Foreign currency risk

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. Foreign currency risk is minimal as substantially all transactions are either denominated in RO and US Dollars. Since the Omani Rial is pegged to the US Dollar, management believes that the currency rate fluctuations would have an insignificant impact on the post-tax profit.

Interest rate risk

The Group's interest rate risk arises from bank borrowings and bank deposits. The Group analyses its interest rate exposure on a regular basis and reassesses the source of borrowings and renegotiates interest rates at terms favourable to the Group. The Group limits interest rate risk on bank deposits by monitoring changes in interest rates. Management has estimated the effect on profit for the year due to increase or decrease in interest rates to be insignificant.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis point in interest rates at the reporting date would have increased / (decreased) equity by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	30-Sep-25		30-Sep-24	
	100 bp	100 bp	100 bp	100 bp
	Increase	Decrease	Increase	Decrease
	RO'000	RO'000	RO'000	RO'000
Net profit	3,833	(3,833)	3,826	(3,826)

31 Financial instruments (continued)

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The following tables detail the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Consolidated						
	Carrying amount RO'000	Contractual cashflows RO'000	3 months or less RO'000	3 - 12 months RO'000	1 – 2 years RO'000	More than 2 years RO'000
As at 30 September 2025						
Interest bearing loans (note 22)	383,325	444,063	10,531	9,389	218,657	205,486
Accounts payable and accrued liabilities (note 25)	129,185	129,185	129,185	-	-	-
Lease liabilities (note 26)	22,822	12,994	4,876	3,587	4,531	-
	<u>535,332</u>	<u>586,242</u>	<u>144,592</u>	<u>12,976</u>	<u>223,188</u>	<u>205,486</u>
Consolidated						
	Carrying amount RO'000	Contractual cashflows RO'000	3 months or less RO'000	3 - 12 months RO'000	1 – 2 years RO'000	More than 2 years RO'000
As at 31 December 2024						
Interest bearing loans (note 22)	382,806	454,712	5,323	15,854	223,498	210,037
Accounts payable and accrued liabilities (note 25)	288,028	288,028	288,028	-	-	-
Lease liabilities (note 26)	16,025	17,053	1,346	4,238	11,469	-
	<u>686,859</u>	<u>759,793</u>	<u>294,697</u>	<u>20,092</u>	<u>234,967</u>	<u>210,037</u>

31 Financial instruments (continued)

Liquidity risk (continued)

	Separate					
	Carrying amount RO'000 Audited	Contractual cashflows RO'000 Audited	3 months or less RO'000 Audited	3 - 12 months RO'000 Audited	1 – 2 years RO'000 Audited	More than 2 years RO'000 Audited
As at 30 September 2025						
Interest bearing loans (note 22)	383,325	444,063	10,531	9,389	218,657	205,486
Accounts payable and accrued liabilities (note 25)	64,724	64,724	64,724	-	-	-
Lease liabilities (note 26)	22,822	12,994	4,876	3,587	4,531	-
	<u>470,871</u>	<u>521,781</u>	<u>80,131</u>	<u>12,976</u>	<u>223,188</u>	<u>205,486</u>
	Separate					
	Carrying amount RO'000	Contractual cashflows RO'000	3 months or less RO'000	3 - 12 months RO'000	1 – 2 years RO'000	More than 2 years RO'000
As at 31 December 2024						
Interest bearing loans (note 22)	382,806	454,712	5,323	15,854	223,498	210,037
Accounts payable and accrued liabilities (note 25)	186,296	186,296	186,296	-	-	-
Lease liabilities (note 26)	16,025	17,053	1,346	4,238	11,469	-
	<u>585,127</u>	<u>658,061</u>	<u>192,965</u>	<u>20,092</u>	<u>234,967</u>	<u>210,037</u>

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

As at 30 September 2025, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties arises principally from the Group's receivables from customers, lease receivables, deferred consideration and bank balances as stated in the statement of financial position.

The Group's current credit risk grading framework comprises the following categories:

31 Financial instruments (continued)

Credit risk (continued)

Category	Description	Basis for recognising expected credit losses
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition,	Lifetime ECL – not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit impaired.	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

The carrying amount of financial assets that represents the maximum credit exposure is as follow:

	Consolidated		Separate	
	30-Sep-25 RO'000	31-Dec-24 RO'000	30-Sep-25 RO'000	31-Dec-24 RO'000
Trade receivables and other receivables (net) (note 17)	126,325	219,418	65,211	104,125
Lease receivable (noted 27)	208,029	217,540	208,029	217,540
Due from related party (note 33)	32,452	32,452	69,873	114,421
Deferred consideration (note 18.1)	40,420	38,680	40,420	38,680
Bank balances (note 20)	161,055	160,005	139,924	111,121
	568,281	668,095	523,457	585,887

To measure the expected credit losses, trade receivables are assessed based on credit risk characteristics and days past due. Refer to note 17 for an analysis of ageing of trade receivables. The Group limits its credit risk with regard to bank deposits by only dealing with reputable banks.

Bank Name	Banks rating	Consolidated		Separate	
		30-June-25 RO'000	31-Dec-24 RO'000 Audited	30-Sep-25 RO'000	31-Dec-24 RO'000 Audited
Bank Muscat	BB+	83,375	159,764	62,248	110,880
Ahli Bank	BB	-	30	-	30
Central Bank of Oman	BB	150	150	150	150
Bank Nizwa	BB	30,714	-	30,714	-
Sohar International Bank	BB	27,192	61	27,192	61
Alizz Bank	BB	9,613	-	9,613	-
Dhofar Bank	BB+	10,011	-	10,007	-
		161,055	160,005	139,924	111,121

31 Financial instruments (continued)

Credit risk (continued)

The Group has applied the general approach in IFRS 9 to measure the loss allowance at 12 months ECL on its financial assets except for trade receivable which simplified approach is followed, the expected credit losses on these items by using a PD rating approach model where internal ratings is developed which are mapped to determination of probability of default, based on the external credit rating agencies such as Moody's. Where the external rating of a financial instrument is not available, the Group reviews the ability of the counterparty by reviewing their financial statements and other publicly available information and consider a proxy rating benchmarking sovereign external rating of the country where customers reside. The expected credit losses as at 30 September 2025 and 31 December 2024 is not accounted on lease receivable, other receivable and balance due from related parties, balance in banks as the impact is not significant.

Capital management

The Group's policy is to maintain an optimum capital base to maintain investor, creditor, and market confidence to sustain future growth of business as well as return on capital. The primary objective of the Group's capital management is to ensure to support its business continuity and maximise the shareholder value.

32 Contingencies and commitments

Contingent liabilities

In connection with the Marsa LNG project financing, the Company has provided a corporate guarantee of up to USD 100 million in favour of the lending banks, representing its proportionate share of the USD 500 million facility arranged for Marsa LNG LLC. Drawdowns under the facility have commenced, and the Company remains jointly and severally liable for its guaranteed portion. While the guarantee represents a potential obligation, management considers the likelihood of a financial outflow under this guarantee to be remote, and accordingly, no provision has been recognized in these financial statements.

Capital commitments

The Group has the following capital commitments:

	Consolidated		Separate	
	30-Sep-25	31-Dec-24	30-Sep-25	31-Dec-24
	RO'000	RO'000	RO'000	RO'000
Capital commitments	210,275	389,575	164,893	131,038

Capital commitments are related to the oil and gas properties that will be incurred in upcoming year for various blocks.

33 Related party disclosure

The Group enters into transactions with companies and entities that fall within the definition of a related party as contained in IAS 24 Related Party Disclosures. The Group maintains balances with these related parties which arise in the normal course of business. The sales to and purchases from related parties are made on mutually agreed terms.

33 Related party disclosure (continued)

Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash and repayable in demand. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2024, the Group has not recorded any impairment on receivables relating to amounts owed by related parties (2024: Nil). This assessment is undertaken each financial year through examining the financial position of the related parties and the market in which the related parties operate.

		Consolidated		Separate	
		30-Sep-25 RO'000	30-Sep-24 RO'000	30-Sep-25 RO'000	30-Sep-24 RO'000
Relationship					
Sale of goods and services					
Subsidiary	Processing fee	-	-	3,461	3,461
Entity under common control	Sale of oil and condensate	475,012	483,215	410,162	409,934
Purchase of goods and services					
Subsidiary	Purchase of fuel	15,775	16,182	15,775	16,182
Expenses related to services					
Entity under common control		-	-	-	4,453
Parent company	Rent and services	270	-	270	6,208
Dividend related					
Entity under common control	Dividend income	-	-	-	8,327
Board of Directors	Sitting fees	169		169	
Financing related					
Holding company	Subordinated loans repaid	-	461,313	-	461,313

Transactions with key management:

Key management comprises of 6 (2024: 6) personnel of the management executive committee in the period 2025. The Company considers the personnel of Management Executive Committee to be key management personnel for the purposes of IAS 24 'Related Party Disclosures'. The remuneration of key management of the group during the year was as follows:

	Consolidated		Separate	
	30-Sep-25 RO'000	30-Sep-24 RO'000	30-Sep-25 RO'000	30-Sep-24 RO'000
Short term benefits	557	3,540	557	3,540
Employees end of service benefits	27	408	27	408

33 Related Party disclosure (continued)

Period / year end balances arising from sale / purchase of goods and services:

	Consolidated			
	Receivables		Payables	
	30-Sep-25 RO'000	31-Dec-24 RO'000	30-Sep-25 RO'000	31-Dec-24 RO'000
Parent company and subsidiaries of parent company	40,571	44,727	12,472	351
Ministry of Energy and Minerals /	9,518	16,340	-	-
Ministry of finance	32,452	32,452	-	-
Joint venture	82,541	93,519	12,472	351

At reporting date, the Group has a total receivable from related parties amounting to RO 83 million (2024: RO 94 million), out of which RO 50 million (2024: RO 61 million) has been disclosed in Note 17 to these financial statements and the remaining amounting to RO 32.5 million (2024: RO 32.5 million) has been disclosed in the statement of financial position.

At year end, Group has a total payable to related parties amounting to RO 12.4 million (2024: RO 0.34 million) which has been disclosed in Note 25 to these financial statements.

	Separate			
	Receivables		Payables	
	30-Sep-25 RO'000	31-Dec-24 RO'000	30-Sep-25 RO'000	31-Dec-24 RO'000
Parent company and subsidiaries of Parent	109,368	150,831	11,257	50,089
Ministry of Energy and Minerals /	9,518	16,340	-	-
Ministry of finance	118,886	167,171	11,257	50,089

At reporting date, the Parent Company has a total receivable from related parties amounting to RO 119 million (2024: RO 167 million), out of which RO 49 million (2024: RO 53 million) has been disclosed in Note 17 to these financial statements and the remaining amounting to RO 69.8 million (2024: RO 114.4 million) has been disclosed in the statement of financial position.

At year end, Parent Company has a total payable from related parties amounting to RO 11.2 million (2024: RO 50 million), which has been disclosed in Note 25 to these financial statements.

33 Related Party disclosure (continued)

Year end balances arising from sale / purchase of goods and services:

For the purposes of impairment assessment, amount due from related parties is not deemed to be credit impaired as the counterparty of this receivables are from OIA affiliated companies which is considered as equivalent of the Government of Oman. The credit risk associated with balances due from related parties has not increased significantly, given that the Government of Oman has maintained a stable BB+ credit rating and has shown historical growth. The balances of due from related parties are not past due. The expected credit loss on these receivables is assessed based on a 12-month expected loss model and the impact is not material.

In accordance with IAS 24 "Related Party Disclosures", the Group has chosen to avail partial exemption under IAS 24 available to government entities, including the Oman Investment Authority (OIA) and other entities controlled, jointly controlled, or significantly influenced by the Government of Oman. All significant transactions and balances are disclosed in the notes above. However, the Group has opted to provide qualitative disclosures for transactions that are individually insignificant but collectively significant. These transactions and balances include the procurement of utilities such as electricity, internet, and telecommunications, as well as employee-related transactions such as contributions made to PASI.

34 Earnings per share

Earnings per share is calculated by dividing the net profit for the year attributable to the shareholders of the Parent Company by the weighted average number of shares outstanding at period end. On 30 July 2024 the Parent Company has increased the number of shares from 2.5 million to 5 million which has been further increased to 8 billion shares on 28 October 2024. The comparative earning per share has been adjusted retrospectively.

	Consolidated		Separate	
	30-Sep-25	30-Sep-24	30-Sep-25	30-Sep-24
	RO'000	RO'000	RO'000	RO'000
Earnings per share				
Profit attributable to owner's of the company	236,870	266,918	128,545	148,309
Weighted average number of shares for basic and diluted EPS (no. in "000")	8,000,000	8,000,000	8,000,000	8,000,000
Basic and diluted earnings per share-Baizas	0.02960	0.03383	0.01606	0.01840
Earnings per share - continuing operations				
Profit attributable to owner's of the company	236,870	266,918	128,545	148,309
Weighted average number of shares for basic and diluted EPS (no. in "000")	8,000,000	8,000,000	8,000,000	8,000,000
Basic and diluted earnings per share-OMR	0.02960	0.03317	0.01606	0.01840

34 Earnings per share (continued)

	Consolidated	
	30-Sep-25	30-Sep-24
	RO'000	RO'000
Earnings per share – discontinued operations		
Profit from discontinued operation	-	5,228
Weighted average number of shares for basic and diluted EPS (no. in "000")	8,000,000	8,000,000
Basic and diluted earnings per share-OMR	-	0.0006535

35 Discontinued operations

The Parent Company was holding 100% in Abraj, until 13 March 2023. Effective from 14 March 2023, through Initial Public Offering ("IPO") process, the Parent Company had divested its 49% holding in Abraj. The principal activities of Abraj are to provide Oilfield Services which mainly includes services such as onshore drilling, workover, flowback, well testing, well intervention, cementing, fracturing, coil tubing, integrated project management, drilling fluids services and training services. The immediate parent of Abraj was OQEP (the "Parent Company").

During the year ended 2024, the Parent Company has undergone an Initial Public Offering ("IPO"). As part of the IPO process, there was a corporate reorganisation whereby the Parent Company transferred its investment in Abraj to OQ SAOC (the Holding Company) on 4 July 2024. The transaction was recorded as a common control transaction. Abraj was classified as a discontinued operation as at 30th June 2024.

Subsequent to the disposal, the Group has continued to procure services from Abraj. Although, intra-group transactions have been fully eliminated in the consolidated financial results, management has elected to attribute the elimination of transactions between the continuing and the discontinued operation before the disposal in a way that reflect the continuance of these transactions subsequent to the disposal, because management believes this is useful to the users of the financial information.

To achieve this presentation, management has eliminated from the results of the discontinued operations the intercompany sales, costs less unrealized profits, made before its disposal. Because purchase from the discontinued operation will continue after the disposal, inter-segment purchases made by the continuing operation before the disposal are retained in continuing operation.

During the year ended 2024, Group has repaid sub-ordinated loan to the Holding Company amounting to RO 461 million and the balance amount has been settled against the transfer of 51% shares of Abraj to the Holding Company under common control transaction (refer note 37.1).

35 Discontinued operations (continued)

The results of discontinued operations are as below:

	30-Sep-24 RO'000
Revenue	77,921
Elimination of intercompany revenue	(11,206)
External revenue	<u>66,715</u>
Expenses	(65,265)
Elimination of intercompany expenses	11,206
External expenses	<u>(54,059)</u>
Results from operating activities	12,656
Income tax	(1,986)
Results from operating activities, net of tax	<u>10,670</u>
Impact of discontinued operation on the Group cashflow is as follows:	
	30-Sep-24 RO'000
Net cash used in operating activities	35,571
Net cash from investing activities	<u>(37,290)</u>
Net cash from financing activities	<u>(6,332)</u>

35.1 Transfer of Abraj net asset under common control transaction

Following net asset has been transferred to OQ SAOC ("the Holding Company") under a common control transaction as of 4 July 2024.

	Note	RO'000
Other property, plant and equipment	14	203,442
Right of use asset	26	4,073
Intangible asset	15	190
Cash and cash equivalent		4,236
Current assets		85,174
Provision against the inventory	16	(503)
Deferred tax liabilities	10	(3,823)
Deferred income	30	(1,869)
Borrowings	22	(85,291)
Employees' end of service benefits	23	(2,440)
Lease Liability	26	(5,779)
Current liabilities		(57,291)
Non-controlling interest		<u>(68,658)</u>
Net assets of the Abraj transferred to the Holding Company		71,461
Consideration received- (adjustment against sub-ordinated loan - note 21.4)		<u>(71,461)</u>
Gain/loss on common control transaction		<u>-</u>

36 Interests in joint operations

The Group's interests in joint operations are detailed in note 1. In accordance with these joint operating agreements, in any given year, the Group's entitlement to oil and service fee from each project as specified in each underlying contract will fluctuate depending upon factors including cumulative capital expenditure, inflation and oil prices.

The details of the Group's share of joint operations' assets and liabilities are as follows:

		As at 30 September 2025					As at 30 September 2025	
		Total assets RO'000	Current assets RO'000	Total liabilities RO'000	Current liabilities RO'000	Net assets RO'000	Revenue RO'000	Profit for the year RO'000
Block 53	20%	83,377	82,081	(138,994)	(129,490)	(55,617)	72,950	21,796
Block 60	60%	585,116	293,401	(70,181)	(65,203)	514,935	182,952	74,553
Block 48	60%	17,864	14,604	(1,238)	(1,405)	16,626	-	172
Block 9	45%	181,975	89,813	(209,279)	(209,279)	(27,304)	130,032	17,090
Block 61	30%	599,558	170,004	(266,068)	(135,221)	333,490	157,453	92,577
Others (*)	*	64,688	(242,900)	106,090	401,492	170,778	90,379	30,683
		1,532,579	407,004	(579,671)	(139,107)	952,908	633,766	236,870

		As at 31 December 2024					30 September 2024 - Unaudited	
		Total assets RO'000	Current assets RO'000	Total liabilities RO'000	Current liabilities RO'000	Net assets RO'000	Revenue RO'000	Profit for the year RO'000
Block 53	20%	50,197	44,946	(104,967)	(87,397)	(54,770)	51,929	7,835
Block 60	60%	615,083	322,117	(81,776)	(51,959)	533,307	114,383	63,491
Block 48	60%	14,088	12,493	(769)	(769)	13,319	-	-
Block 9	45%	133,918	31,686	(128,116)	(128,116)	5,802	93,993	17,410
Block 61	30%	599,558	170,004	(266,068)	(135,221)	333,490	113,379	77,986
Others (*)	*	235,469	(66,570)	(164,884)	(38,716)	70,585	272,758	9,378
		1,648,313	514,676	(746,580)	(442,178)	901,733	646,265	272,146

*Others includes aggregate of interest in Block 10,11, 54, 65, 47 and 52. Refer note 1 for Group's interest in these joint arrangements.

37 Segment reporting

For the purpose of these financial statements, the operating segments are structured into business units based on the level of control and influence, resulting in two reportable segments as outlined below:

- Blocks operated by OQEP
- Blocks operated by other entities

37 Segment reporting (continued)

The Group's organisational structure reflects the various activities in which the Group is engaged.

	Consolidated					
	Blocks operated by OQ EP		Blocks operated by other entities		Total	
	30-Sep-25 RO'000	30-Sep-24 RO'000	30-Sep-25 RO'000	30-Sep-24 RO'000	30-Sep-25 RO'000	30-Sep-24 RO'000
Revenue (note 5)						
- Export - Oil and condensate	182,407	176,326	292,605	306,889	475,012	479,104
- Local - Gas and processing fee	12,421	14,674	146,333	148,376	158,754	167,161
	194,828	191,000	438,938	455,265	633,766	646,265
EBITDA	166,519	171,893	304,713	296,755	471,231	468,648
Depreciation and amortization (note 9)	75,926	68,615	144,128	135,636	220,055	204,251
Finance cost (note 8)	16,929	4,201	2,118	3,274	19,047	7,475
Finance income (note 7.2)	7,293	7,850	-	-	7,293	7,850
Profit after tax	80,957	106,927	158,466	157,845	239,423	264,772
Capital expenditure (note 12,13)	90,191	82,202	108,279	125,354	198,470	207,556
Operating expenditure (note 6)	13,199	39,421	159,652	133,140	172,851	172,561
	Separate					
	Blocks operated by OQ EP		Blocks operated by other entities		Total	
	30-Sep-25 RO'000	30-Sep-24 RO'000	30-Sep-25 RO'000	30-Sep-24 RO'000	30-Sep-25 RO'000	30-Sep-24 RO'000
Revenue (note 5)						
- Export -Oil and condensate	182,407	200,151	227,755	209,783	410,162	409,934
- Local-Gas and processing fee	10,470	10,849	30,730	28,192	41,200	39,041
	192,877	211,000	258,485	237,975	451,362	448,975
EBITDA	163,698	166,612	139,661	129,192	303,359	295,804
Depreciation and amortization (note 9)	75,926	68,617	87,475	78,078	163,402	146,695
Finance cost (note 8)	16,929	4,201	1,163	3,149	18,092	7,350
Finance income(note 7.2)	7,683	7,895	-	-	7,683	7,895
Profit after tax	78,526	101,689	51,023	47,965	129,548	149,654
Capital expenditure (note 12 &13)	90,191	82,202	78,212	63,467	168,403	145,669
Operating expenditure (note 6)	13,199	13,693	137,890	137,889	151,089	151,582

37 Segment reporting (continued)

Capital expenditure consists of additions to oil and gas properties. Capital expenditure shown above for each reportable segment is based on the amount reported to Chief Operating Decision Maker.

Geographical information:

The geographical information analyses the Group's revenue and non-current assets by the Group's country of domicile. A geographical analysis of segment revenue has been based on the geographical location of the customers (refer note 5) and segment assets were based on geographical location of the assets.

All the Group's assets are located in Sultanate of Oman.

Revenues from major products and services:

The Group's revenues from its major products and services are disclosed in note 5.

Information about major customers:

Revenue from OQ Trading International LLC represented approximately RO 316 (75%) (2024: RO 321 million (75%)) of the Group's total revenue. Further, revenue from Integrated Gas Network represented approximately RO 77 million (18%) (2024: RO 81 million (19%)) of the Group's total revenue. No other single customer contributed 10% or more of the Group's revenue in the period 2025 and 2024.

38 Reconciliation of liabilities arising from financing activities

	<i>Consolidated</i>			<i>Separate</i>		
	<i>Subordinated loan RO'000</i>	<i>Term loan RO'000</i>	<i>Lease liabilities RO'000</i>	<i>Subordinated loan RO'000</i>	<i>Term loan RO'000</i>	<i>Lease liabilities RO'000</i>
At 1 January 2025	-	382,806	16,025	-	382,806	16,025
Changes from financing cash flows						
Repayment	-	-	(25,180)	-	-	(25,180)
Additions during the period	-	-	31,977	-	-	31,977
Interest paid	-	(15,982)	(736)	-	(15,982)	(736)
Total changes from financing cash flows	-	366,824	22,086	-	366,824	22,086
Other changes: liability related						
Interest expense	-	15,982	736	-	15,982	736
Amortization of Finance Cost	-	518	-	-	518	-
Non-cash items	-	-	-	-	-	-
Total liability related changes	-	16,500	736	-	16,500	736
Balance as at 30 September 2025	-	383,324	22,822	-	383,324	22,822

	<i>Consolidated</i>			<i>Separate</i>		
	<i>Subordinated Loan RO'000</i>	<i>Term loan RO'000</i>	<i>Lease liabilities RO'000</i>	<i>Subordinated loan RO'000</i>	<i>Term loan RO'000</i>	<i>Lease liabilities RO'000</i>
At 1 January 2024	532,774	174,061	29,405	532,774	88,770	23,626
Changes from financing cash flows						
Proceed from bank loan	-	382,617	-	-	382,617	-
Repayment	(461,313)	(88,770)	(6,497)	(461,313)	(88,770)	(6,497)
Interest paid	-	(3,081)	(911)	-	(3,081)	(911)
Total changes from financing cash flows	71,461	464,827	21,997	71,461	379,536	16,218
Other changes: liability related						
Abraj common control adjustment	(71,461)	(85,291)	(5,779)	(71,461)	-	-
Interest expense	-	3,081	911	-	3,081	911
Foreign currency adjustments	-	-	(35)	-	-	(35)
Total liability related changes	(71,461)	82,210	(4,903)	(71,461)	3,081	876
Balance as at 30 September 2024-	-	382,617	17,094	-	382,617	17,094

39 Climate-related risks

The Group and its customers may face significant climate-related risks in the future. These risks include the threat of financial loss and adverse non-financial impacts that encompass the political, economic, and environmental responses to climate change. The key sources of climate risks have been identified as physical and transition risks. Physical risks arise as the result of acute weather events such as hurricanes, floods, and wildfires, and longer-term shifts in climate patterns, such as sustained higher temperatures, heat waves, droughts, and rising sea levels and risks. Transition risks may arise from the adjustments to a net-zero economy, e.g., changes to laws and regulations, litigation due to failure to mitigate or adapt, and shifts in supply and demand for certain commodities due to changes in consumer behaviour and investor demand. These risks are receiving increasing regulatory, political, and societal scrutiny, both within the country and internationally. While certain physical risks may be predictable, there are significant uncertainties as to the extent and timing of their manifestation. For transition risks, uncertainties remain as to the impacts of the impending regulatory and policy shifts, changes in consumer demands, and supply chains. The Group is currently under progress in embedding climate risk in its Risk framework, including the development of appropriate risk appetite metrics and maintaining policies, processes and controls to incorporate climate risks in the management of principal risk categories. Despite the progress, the Group acknowledges the need for further efforts to fully integrate climate in the Group's risk assessments and management protocols.