

Chairman’s Report

For the Financial Year Ended 31 December 2025

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the audited financial results of OQ Exploration & Production S.A.O.G. (“**OQEP**” or the “**Company**”) for the financial year ended 31st December 2025.

A Year of Strategic Progress and Shareholders Value Creation

In its first full financial year since its listing on the Muscat Stock Exchange in October 2024, OQEP has continued to demonstrate its ability to deliver on its growth strategy, creating significant value for the Company’s Shareholders while advancing its strategy of sustainable energy development in support of Oman Vision 2040.

The Company’s achievements in the financial year 2025 reflect its growth heritage; founded in 2009, OQEP has grown its production by more than 13 times since its establishment. The foundation of the Company’s growth remains in its portfolio of high-quality assets of 14 operating and non-operating assets.

As one of Oman’s largest oil and gas producers and reserves holders, OQEP benefits from an attractive investment environment characterized by clear regulations in the oil and gas sector and constructive cooperation with the Ministry of Energy and Minerals. This supportive environment, combined with the Company’s operational excellence, enables OQEP to generate production at a significantly lower operating cost than its peers at less than US\$10/boe.

The combination of production growth and cost advantage enabled the Company to continue to generate robust free cash flows which were allocated to investment in future value creation and rewarding our Shareholders in the form of dividends and a share buyback.

Health, Safety, Security, Environment and Sustainability Highlights

As an operator and owner of upstream assets, the maintenance of high standards of Health, Safety, Security, and Environment (“**HSSE**”) is critical to OQEP’s continued ability to generate energy sustainably. During the financial year 2025, OQEP maintained exemplary HSSE performance, consistently exceeding key leading and lagging indicators, such as Total Recordable Injury Frequency (“**TRIF**”) and Motor Vehicle Incident Frequency (“**MVIF**”), compared to the same period last year.

In its inaugural Sustainability Report for the financial year 2024 issued during the financial year 2025, the Company offered a transparent view of OQEP’s Environmental, Society and Governance (“**ESG**”) strategy, direction and approach. Within the report, OQEP detailed how it was strengthening its support for Oman Vision 2040, including its commitment to Net Zero and decarbonization, as well as sustainable development, environmental stewardship and economic growth.

As our ESG journey progresses, OQEP recognises areas requiring continued focus. Our sustainability governance framework is still maturing, reflecting the rapid evolution of global ESG expectations. To strengthen this, we are formalising a structured governance model with clear oversight, accountability, and decision-making authority.

At the same time, inherent risks associated with upstream oil and gas operations, differing HSSE capabilities among contractors, and increased logistics activity driven by major projects continue to present operational challenges. To manage these risks, OQEP maintains a comprehensive HSSE management system reinforced by strong governance, leadership oversight, continuous monitoring, and regular assurance activities. In parallel, we are progressing the adoption of an ISO-based QHSE framework to further embed a strong safety culture and enhance operational performance across all assets.

Market Review

Throughout the financial year 2025, oil prices averaged US\$70.7 per barrel, a decrease from US\$80.9 per barrel in 2024.

Performance Highlights

Despite the challenging market environment, the Company achieved strong growth in sales volumes of Crude Oil & Condensate for the financial year 2025 compared to the financial year 2024. Details of OQEP’s sales for the financial year 2025 and the average prices achieved for the period are as follows:

	January to December 2025	January to December 2024	Variation (%)
Crude Oil and Condensate Volume (mmbbl)	21.7	20.3	6.9%
Average realised sales price (US\$ per bbl)	70.7	80.8	-12.5%
Gas Volume (bcf)	121.2	124.2	-2.4%

Average realised sales price (US\$/MMBTU)	3.46	3.46	0.0%
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Financial Highlights

Description	January to December 2025	January to December 2024	Variation (%)
Revenue ¹ ( '000)	1,159,012	1,242,756	-6.7%
Gross Profit ¹ ( '000)	657,024	719,855	-8.7%
EBITDA ¹ ( '000)	941,084	1,010,969	-6.9%
Net Profit after Tax ( '000)	278,036	326,563	-14.9%
Return on Capital Employed ¹ (%)	50.6%	49.9%	1.5%
Earnings Per Share ()	0.035	0.039	-10.0%

The Company has revised the presentation of taxes under its EPSAs. Effective 2025, this notional tax is presented as an income tax in accordance with IAS 12, resulting in a gross-up of revenue (as EPSA Tax Revenue) with a corresponding tax expense; the change has no impact on Net Profit and EPS.

In 2025, the Company delivered strong operational and financial results. Despite a decrease in average oil prices by US\$10.1 per barrel (12.5%) compared to the same period in 2024, the Company increased oil and condensate sales by approximately 1.4 million barrels. This sales growth effectively offset the revenue impact of lower oil prices.

Net Profit remained robust, even in the absence of Profit from Discontinued Operation following the transfer of the Company's 51% stake in Abraj to OQ SAOC in the first half of 2024 and higher financing costs associated with a new loan facility initiated in September 2024.

The Company's balance sheet remains solid and broadly unchanged on a year-over-year basis, maintaining a strong equity base and stable net leverage. The Company continues to apply a disciplined approach to capital allocation; balancing shareholder returns with long-term asset sustainability. This approach was reinforced by the introduction of Treasury shares to enhance long-term shareholder value.

Strong cash flow generation enabled the Company to report net cash from operating activities of  523 million, an increase of 5.3% over the previous year despite lower profit before tax, supporting the confident distribution of  275 million in dividends. A Return on Capital Employed (ROCE) of 50.6% demonstrates top-quartile performance for the global exploration and production sector.

Shareholders Distributions

OQEP's Shareholders benefited from the Company's structured distribution policy, which included a base quarterly dividend of 57.7 million and a Performance Linked Dividend ("PLD") contingent upon financial results. During the financial year 2025, OQEP distributed its inaugural PLD for the first six months of the financial year 2025. As of 31 December 2025, the Company had disbursed approximately 275 million dividends in cash.

Additionally, to further optimize Shareholder value, the Company implemented a share buyback program. By 31 December 2025, OQEP had repurchased approximately 27.5 million shares as part of this initiative.

Growth

During the financial year 2025, OQEP continued to build and execute growth strategies by pursuing a range of initiatives and entering into partnership agreements to further develop and expand its portfolio of high-quality assets.

Block 60 is OQEP's flagship producing asset. In the financial year ended on 31st December 2025, two major projects were completed aiming to enhance hydrocarbon production and increase reliability and availability. The first project was the Bisat C Expansion Processing Facility which was successfully commissioned in June 2025. The Bisat C Expansion Facility marks a strategic enhancement to OQEP's performance, significantly increasing the total oil processing capabilities to 95,000 bbl per day (oil) and over 800,000 bbl/day total water processing capacity. With this expansion, the total production reached over 70,000 boe/day by year end. The second major project is Bisat Permanent Power Supply (BPPS), which was successfully commenced in November 2025. This milestone enabled Block 60 to be supplied by a reliable power network, significantly reducing diesel and gas consumption. As a result, operational costs were lowered and Greenhouse Gas emissions reduced by approximately 280,000 tons CO₂e annually. The development included constructing a 100 MW system with 107 km of 132 kV overhead transmission lines, linking the 400 kV national grid via PDO's Barik Substation to Block 60.

Block 53 is one of the largest thermal Enhanced Oil Recovery ("EOR") fields in the Middle East and is operated by Occidental Oman "**Oxy**". OQEP has a 20% Working Interest in Block 53. In May 2025, Block 53, Mukhaizna, EPSA was extended to 2050 with improved fiscal terms. The Block 53 partners envisage a potential additional 800 million gross oil barrels, with the EPSA extension providing improved fiscal terms.

Block 61, operated by BP, in which OQEP has a 30% Working Interest. During the period, OQEP worked with BP and partners to update the Field Development Plan, which resulted in developing up to 2 TCF additional recoverable gas resources for future growth projects for the remaining EPSA period.

Marsa LNGB is under construction at Sohar Port and is designed with a capacity of 1 million tonnes per annum (Mtpa). The liquefaction plant's power needs will be entirely provided by a dedicated solar plant leading to less than 3kg CO₂/boe, marking the project as the lowest in CO₂ worldwide. Marsa LNGB groundbreaking started in May 2025. The project is approximately 39% progressed. Moreover, a Natural Gas Sales Agreement to supply Marsa's gas from Block 10 to Marsa LNGB was signed with Integrated Gas Company S.A.O.C. ("IGC") in November 2025. The project is expected to be commissioned in Q2/Q3 2028

In **Block 65**, a landmark Gas Sales Agreement ("**GSA**") was agreed in November 2025 between IGC and block partners, OQEP and Occidental Oman. The GSA will enable OQEP to monetize its produced equity entitlement from Block 65's natural gas.

OQEP continued to make good progress with respect to its exploration blocks during the financial year 2025. Several agreements were extended, enhanced or commenced, strengthening international collaboration with global players such as Genel, Eni and MedcoEnergi for expertise, capital and risk management. **Block 48's** EPSA was extended to 2029 with enhanced cost recovery terms for its exploration program. **Block 47's** Phase 1 exploration was extended to March 2026 and post-well analysis is ongoing. EPSA and JOA were signed in March 2025 for **Block 54**; extensive evaluation of existing exploration data is ongoing.

In July, OQEP signed an Exclusivity Agreement with the Ministry of Minerals and Energy ("**MEM**" or the "**Ministry**") and the Turkish Petroleum Corporation ("**TPAO**"), granting OQEP and TPAO the exclusive right to assess and evaluate certain blocks. Additionally, OQEP and TPAO entered into a Co-operation Agreement to explore and discuss new opportunities together.

The Company secured further international co-operation with the October 2025 Memorandum of Understanding ("**MOU**") signed with Petronas, Malaysia's multinational integrated oil and gas company. The MOU establishes a framework for strategic collaboration in international upstream oil and gas ventures, reflecting both parties' ambition to expand their respective global footprints.

In February 2025, MEM announced the launch of new oil and gas investment opportunities in Oman. As part of its co-operation with the Ministry, together with the Ministry's adviser, Scotiabank, OQEP supported the marketing of 15 Blocks to bring further new investment into Oman's exploration and production sector.

Changes in Top Management

During the financial year 2025, the Board accepted the resignation of the Chief Executive Officer, Eng. Ahmed Al Azkawi, who stepped down for personal reasons, with his final working day set for 23 September 2025. The Board appointed Eng. Mahmoud Al Hashmi, the Chief Operating Officer, as Acting Chief Executive Officer, pending the appointment of a permanent successor.

Growth Strategy

OQEP's Growth Strategy was approved by the Board in December 2025 which focuses on increasing production ambition growth to ~300 kboe/day by 2030. The strategy adopts a balanced growth model. Domestic growth complemented by international expansion through disciplined M&A, and exploration, M&A in short term and M&A balanced with Exploration in the long term.

Outlook

The Company anticipates maintaining stable cash flow and production during financial year 2026, supported by its growth strategy within its existing portfolio and new opportunities in its Oman concessions. The Board has stated that OQEP will pursue sustainable long-term value for its Shareholders.

The Company expects to continue to be guided by the dividend framework outlined in the 2024–2026 policy presented in the IPO Prospectus, while remaining responsive to market conditions and business needs.

Acknowledgments

I would like to take this opportunity to thank all our stakeholders and our dedicated employees for their continued support.

On behalf of the Board of Directors, the Executive Management, and all employees of the Company, we extend our heartfelt congratulations and deepest expressions of loyalty and gratitude to His Majesty Sultan Haitham bin Tarik—may God protect and preserve him—on the occasion of the Holy Month of Ramadan. We pray to the Almighty to return this blessed occasion to His Majesty and the Arab and Islamic nations with grace and blessings, and to Oman with further progress and prosperity. May the Almighty grant His Majesty continued health and happiness, guide his steps on the path of goodness, and sustain the blessings of security and stability for Oman. We pray for His Majesty’s success in leading the journey of growth and development toward achieving the goals of Oman Vision 2040."

Thank you

On behalf of the Board of Directors of OQ Exploration and Production S.A.O.G.

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Ashraf Hamed Al Mamari

The Chairman of the Board of Directors