

Notes to the consolidated and parent company financial statements

for the year ended 31 December 2025

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, Madinat Al Irfan (Business Park), 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 28 – *investment in subsidiaries*.

1.2 Significant agreements

The Group has the following significant agreements:

- Block 9 Exploration and Production Sharing Agreement (EPSA) was entered on 23 January 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.

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1 Corporate and general information (continued)

1.2 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% 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 December 2021 between Almajd Gas Development (13.36%) (a subsidiary of OQEP), Shell Integrated Gas Oman (Shell, 53.45%), Marsa Liquified 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.

Notes to the consolidated and parent company financial statements for the year ended 31 December 2025

1 Corporate and general information (continued)

1.3 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>	31 December 2025	<i>31 December 2024</i>	<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 and production
Block 47	10%	10%	ENI	Exploration
Block 11	10%	10%	SDO	Exploration
Block 54	60%	-	OQEP	Exploration

The above interests held by the Group represent interests in joint operations.

2 Basis of preparation

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards), and in compliance with the relevant requirements of the Financial Services Authority and the applicable provisions of the Commercial Companies Law of 2019.

Basis of measurement

These financial statements have been prepared on a historical cost basis.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

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" or "﷮") 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 = ﷮ 0.3845. ﷮ is effectively pegged to US\$.

All financial information presented in ﷮ has been rounded to the nearest thousands, unless otherwise indicated.

Notes to the consolidated and parent company financial statements

for the year ended 31 December 2025

2 Basis of preparation (continued)

Basis of consolidation

These financial statements comprise the financial statements of the Parent Company and its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income, and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- derecognises the assets (including goodwill, if any) and liabilities of the subsidiary
- derecognises the carrying amount of any non-controlling interests if any
- derecognises the cumulative translation differences recorded in equity
- recognises the fair value of the consideration received
- recognises the fair value of any investment retained
- recognises any surplus or deficit in profit or loss
- reclassifies the Parent Company's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2 Basis of preparation (continued)

Basis of consolidation (continued)

Interest in joint operations

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities of that arrangement.

When a Group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- Its assets, including its share of any assets held jointly.
- Its liabilities, including its share of any liabilities incurred jointly.
- Its revenue from the sale of its share of the output arising from the joint operation.
- Its share of the revenue from the sale of the output by the joint operation.
- Its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues, and expenses relating to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenues, and expenses.

When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's financial statements only to the extent of other parties' interests in the joint operation.

When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

Transactions with related parties

The Group is ultimately held and controlled by the Government of the Sultanate of Oman. The Group operates in an economic environment dominated by entities directly or indirectly controlled by the Government of the Sultanate of Oman through its government authorities, agencies, affiliations, and other organisations, collectively referred to as government-related entities.

The Group has applied the partial exemption under IAS 24 paragraphs 25 and 26 for disclosing the related party transactions and outstanding balances, including commitments related to:

- (a) a government that has control or joint control of, or significant influence over, the reporting entity; and
- (b) another entity that is a related party because the same government has control or joint control of, or significant influence over, both the reporting entity and the other entity.

Notes to the consolidated and parent company financial statements for the year ended 31 December 2025

2 Basis of preparation (continued)

Basis of consolidation (continued)

Transactions with related parties (continued)

In applying the exemption, the Group has disclosed the following related to the transactions and related outstanding balances:

- (a) the name of the government and the nature of its relationship with the reporting entity (i.e. control, joint control or significant influence) ;
- (b) the following information in sufficient detail to enable users of the financial statements to understand the effect of related party transactions on its financial statements:
 - (i) the nature and amount of each individually significant transaction; and
 - (ii) for other transactions that are collectively, but not individually, significant, a qualitative or quantitative indication of their extent.

Common control transactions

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. For business combinations under common control, the Group applies the book value method of accounting. According to this method, the assets and liabilities taken over are recorded in the consolidated financial statement at the recorded book values immediately prior to the acquisition date. The difference between the consideration paid and the capital of the acquiree is recognised in equity under "other reserves".

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

New standards, interpretations and amendments adopted by the Group

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2025 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Lack of exchangeability - Amendments to IAS 21

For annual reporting periods beginning on or after 1 January 2025, Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments did not have a material impact on the Group's financial statements.

2 Basis of preparation (continued)

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

Notes to the consolidated and parent company financial statements

for the year ended 31 December 2025
(continued)

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements. The initial expected material impacts on Group's financial statements are, as follows:

- Share of profit of joint venture will be classified in the investing category within the statement of profit or loss.
- Foreign exchange difference will be classified in the category where the related income and expense form the item giving rise to the foreign exchange difference.
- New disclosure will be added: (a) management-defined performance measures; (b) specified expense by nature if expenses are presented by function in the operating category of the statement of profit or loss; and (c) a reconciliation for each line item in the statement of profit or loss between the restated amounts presented applying IFRS 18 and the amounts previously presented applying IAS 1.

2 Basis of preparation (continued)

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

Standards issued but not yet effective (continued)

IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

As the Group's equity instruments are publicly traded, it is not eligible to elect to apply IFRS 19.

Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- A clarification that a financial liability is derecognised on the 'settlement date' and the introduction of an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

The Amendments are effective for annual periods starting on or after 1 January 2026 with early adoption permitted for classification of financial assets and related disclosures only. The Group does not anticipate that the amendments will have a material effect on the Group's financial statements.

Annual Improvements to IFRS Accounting Standards - Volume 11

In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statements of Cash Flows. The amendments will be effective for reporting periods beginning on or after 1 January 2026. Earlier application is permitted and must be disclosed. These amendments are not expected to have a material impact on the Group's financial statements.

Notes to the consolidated and parent company financial statements
for the year ended 31 December 2025

2 Basis of preparation (continued)

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

Standards issued but not yet effective (continued)

Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

In December 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity. The amendments apply only to contracts that reference nature-dependent electricity; the amendments:

- Clarify the application of the 'own-use' requirements for in-scope contracts
- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows

The amendments will take effect for annual reporting periods starting on or after 1 January 2026. Early adoption is allowed, but it must be disclosed. The amendments concerning the own-use exception are to be applied retrospectively, while the hedge accounting amendments should be applied prospectively to new hedging relationships designated from the initial application date. Additionally, the IFRS 7 disclosure amendments must be implemented alongside the IFRS 9 amendments. If an entity does not restate comparative information, it cannot present comparative disclosures. The Group does not expect that the amendments will have a material impact on its financial statements.

2.2 Changes in accounting policy (separate and consolidated financial statements)

The Group has revised its accounting policy in relation to the presentation of corporate income taxes under EPSA.

Under the terms of the EPSA, the share of the profit oil which the Government of Sultanate of Oman is entitled to is deemed to include the notional corporate income tax which is paid by the Government of Sultanate of Oman on behalf of the Group. From 1 January 2025 the notional corporate income tax is classified as an income tax in accordance with IAS 12 Income taxes which has resulted in a gross-up of revenue with a corresponding increase in income tax expense. In the previous years, the revenues and taxes from EPSA were presented on a net basis. This change has been implemented to more accurately represent the Group's income tax obligations in EPSAs and to be more comparable with other entities in the sector. Prior period balances have been adjusted to conform with the same presentation.

As a result of the change in accounting policy, consolidated revenue for the year ended 31 December 2024 increased from ~~₹~~ 841 million to ~~₹~~ 1,243 million (Separate: ~~₹~~ 584 million to ~~₹~~ 781 million), whilst income tax expense increased from ~~₹~~ 3 million to ~~₹~~ 404 million (Separate: ~~₹~~ 1 million to ~~₹~~ 197 million).

There is no impact on profit / (loss) for the year nor on basic and diluted earnings per share. In addition, the restatement had no impact on reported net assets, total cash flows or total equity. Accordingly, an additional balance sheet as at 1 January 2024 has not been presented.

Other than the above, the Group's accounting policies are consistent with the prior year.

Notes to the consolidated and parent company financial statements

for the year ended 31 December 2025

3 Material accounting policy information

The accounting policies set out below, which comply with IFRS, have been applied consistently to all periods presented in these financial statements, unless stated otherwise (refer note 2.1 and 2.2). These describe the Group's material accounting policies adopted in the preparation of these financial statements, which are relevant for an understanding of the consolidated and separate financial statements.

3.1 Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control is similar to those necessary to determine control over subsidiaries. The Group's investments in its associate and joint venture are accounted for using the equity method. The results and assets and liabilities of associates or joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment in an associate or a joint venture is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale.

Notes to the consolidated and parent company financial statements

for the year ended 31 December 2025

3 Material accounting policy information (continued)

3.1 Investment in associates and joint ventures (continued)

When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date is regarded as its fair value on initial recognition in accordance with IFRS 9.

The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. Gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the associate / joint venture. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

In the Company's separate financial statements, investments in joint ventures are stated at cost less accumulated impairment.

3.2 Investment in joint operations

A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement.

The Group recognises its interest in joint operations using proportional consolidation – the Group's share of assets, liabilities, income, and expense of joint operations are consolidated within the equivalent line items on a line-by-line basis.

3.3 Foreign currency transactions

Transactions in foreign currencies are initially recorded at the functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. All differences are taken to the statement of profit or loss and other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

3.4 Exploration and evaluation (E&E) assets

Cost related to exploration and evaluation of oil and gas reserves are accounted for using the successful efforts method of accounting.

Pre-license costs

Pre-license costs are expensed in the period in which they are incurred.

3 Material accounting policy information (continued)

3.4 Exploration and evaluation (E&E) assets (continued)

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License acquisition costs

Exploration license acquisition costs are capitalised as intangible assets and are presented within E&E assets. License costs paid in connection with a right to explore in an existing exploration area are capitalised and are presented within E&E assets. License acquisition costs are reviewed at each reporting date to confirm that there is no indication that the carrying amount exceeds the recoverable amount. Upon estimation of proved and probable reserves and internal approval for development, the relevant expenditure is transferred to oil and gas properties.

Exploration and evaluation costs

Exploration and evaluation (E&E) activity involves the search for hydrocarbon resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource. Costs directly associated with exploration wells are capitalised as E&E intangible assets until the drilling of the well is complete and the results have been evaluated. Costs include directly attributable to employee remuneration, materials and fuel used, rig costs and payments made to contractors.

If no potentially commercial hydrocarbons are discovered, the E&E asset is written off. If potentially commercial hydrocarbons are found the costs continue to be carried as an intangible asset while the discovery is appraised. Costs directly associated with appraisal activity are initially capitalised as an intangible asset. All capitalised E&E costs are subject to technical, commercial and management review, as well as a review for indicators of impairment at least once a year. Where it is determined that a discovery is not potentially commercial the costs are written off as an exploration expense. On commencement of development, capitalised E&E expenditure is first assessed for impairment and (if required) any impairment loss is recognised, then the remaining balance is transferred to Oil & Gas properties. Amortisation of the E&E assets commence once the oil field is ready to commence operations.

Farm-outs - in the E&E phase

The Group does not record any expenditure made by the farmee on its account. It also does not recognise any gain or loss on its exploration and evaluation farm-out arrangements but redesignates any costs previously capitalised in relation to the whole interest as relating to the partial interest retained. Any cash consideration received directly from the farmee is credited against costs previously capitalised in relation to the whole interest with any excess accounted for by the Group as a gain on disposal.

Farm-outs - other than in the E&E phase

In accounting for a farm-out arrangement other than in the E&E phase, the Group:

- Derecognises the proportion of the asset that it has sold to the farmee.
- Recognises the consideration received or receivable from the farmee, which represents the cash received and/or the farmee's obligation to fund the capital expenditure in relation to the interest retained by the farmer, and which is calculated in accordance with IFRS 15
- Recognises a gain or loss on the transaction for the difference between the net disposal proceeds and the carrying amount of the asset disposed of. A gain is recognised only when the value of the consideration can be determined reliably. If not, then the Group accounts for the consideration received as a reduction in the carrying amount of the underlying assets
- Tests retained interests for impairment.

3 Material accounting policy information (continued)

3.4 Exploration and evaluation (E&E) assets (continued)

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Development costs

Expenditure on the construction, installation, or completion of infrastructure facilities such as platforms, pipelines and the drilling of development wells or delineation wells, is capitalised within oil and gas properties.

Expenditure is transferred from 'Exploration and evaluation assets' to 'Assets in development' which is a subcategory of 'Oil and gas properties' once the work completed to date supports the future development of the asset and such development receives appropriate approvals. After transfer of the exploration and evaluation assets, all subsequent expenditure on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of development wells, including unsuccessful development or delineation wells, is capitalised within 'Assets in development'. Development expenditure is net of proceeds from the sale of oil or gas produced during the development phase to the extent that it is considered integral to the development of the asset. Any costs incurred in testing the assets to determine whether they are functioning as intended, are capitalised, net of any proceeds received from selling any product produced while testing. Where these proceeds exceed the cost of testing, any excess is recognised in the statement of profit or loss and other comprehensive income.

When a development project moves into the production stage, all assets included in 'Assets in development' are then transferred to 'Producing assets' which is also a subcategory of 'Oil and gas properties'. The capitalisation of certain construction/development costs ceases, and costs are either regarded as part of the cost of inventory or expensed, except for costs which qualify for capitalisation relating to 'Oil and gas properties' asset additions, improvements or new developments.

3.5 Oil and gas properties and other property, plant, and equipment

Initial recognition

Oil and gas properties and other property, plant and equipment are stated at cost, less accumulated depreciation, and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the decommissioning obligation and, for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The depreciation on right of use assets that is being used for developing an asset also included within property, plant, and equipment.

When a development project moves into the production stage, the capitalisation of development costs ceases, and costs are either regarded as part of the cost of inventory or expensed, except for costs which qualify for capitalisation relating to asset additions, improvements, or new developments. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant, and equipment.

Major maintenance, inspection and repairs

Expenditure on major maintenance, refits, inspections, or repairs comprises the cost of replacement assets or parts of assets, inspection costs and overhaul costs. Where an asset, or part of an asset that was separately depreciated and is now written off is replaced and it is probable that future economic benefits associated with the item will flow to the Group, the expenditure is capitalised.

3 Material accounting policy information (continued)

3.5 Oil and gas properties and other property, plant, and equipment (continued)

Notes to the consolidated and parent company financial statements for the year ended 31 December 2025

Major maintenance, inspection and repairs (continued)

Where part of the asset replaced was not separately considered as a component and therefore not depreciated separately, the replacement value is used to estimate the carrying amount of the replaced asset(s) and is immediately written off. Inspection costs associated with major maintenance programmes are capitalised and amortised over the period to the next inspection. All other day-to-day repairs and maintenance costs are expensed as incurred.

Depreciation / amortization

The net book value of oil and gas producing properties is depreciated on a unit-of-production basis over the total proven and probable reserves of the field concerned, except in the case of assets whose useful life is shorter than the lifetime of the field, in which case the straight-line method is applied. The total proven and probable reserves of the field are reviewed at least annually. The unit-of-production rate calculation considers expenditures incurred to date, together with sanctioned and projected future development expenditure.

Other property, plant and equipment are generally depreciated on a straight-line basis over their estimated useful lives, and major inspection costs are amortised over three to five years, which represents the estimated period before the next planned major inspection. Property, plant, and equipment held under leases are depreciated over the shorter of lease term and estimated useful life.

Items of property, plant and equipment are measured at cost less accumulated depreciation / amortisation and impairment losses.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss and other comprehensive income when the asset is derecognised.

The asset's residual values, useful lives and methods of depreciation/amortisation are reviewed at each reporting period and adjusted prospectively, if appropriate.

	Years
Oil and gas assets	Remaining life cycle
Other property, plant, and equipment	5 – 20

3.6 Capital work-in-progress

Capital work-in-progress is stated at cost less any impairment losses and is included within "oil and gas properties" or "other property, plant and equipment", as applicable. When commissioned, depreciation commences in accordance with depreciation policies of the Group.

3 Material accounting policy information (continued)

3.7 Disposal of assets

The consideration receivable on disposal of an asset is recognised initially at its fair value by the Group. Gains or losses are recognised in income when the asset is derecognised.

Notes to the consolidated and parent company financial statements

for the year ended 31 December 2025

However, if payment for the item is deferred, the consideration received is recognised initially at the cash price equivalent. The difference between the nominal amount of the consideration and the cash price equivalent is recognised as interest revenue. Any part of the consideration that is receivable in the form of cash is treated as financial asset and is accounted for at amortised cost if it meets the criteria of SPPI test.

3.8 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset (or CGU) may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's or CGU's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows (post tax) are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit or loss.

3 Material accounting policy information (continued)

3.9 Financial instruments

The Group uses financial instruments such as trade and other receivables, cash and cash equivalents, restricted cash, lease receivables, advances and prepayments, other non-current liabilities, loans and borrowings, accounts payables and other liabilities in the normal course of business.

Notes to the consolidated and parent company financial statements for the year ended 31 December 2025

Classification

Financial assets

The Group classifies its financial assets as follows:

- Financial assets at amortised cost
- Financial assets at Fair Value Through Other Comprehensive Income (FVOCI)
- Financial assets at Fair Value Through Profit or Loss (FVTPL)

assessed based on a combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics.

The derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. That is, whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these are applicable (e.g. financial assets are held for trading purposes), then the assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Contractual cash flow characteristics test

The Group assesses whether the financial instruments' cash flows represent Solely for Payments of Principal and Interest (the 'SPPI'). The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk.

The Group reclassifies a financial asset only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent.

Financial liabilities

All financial liabilities are classified as "amortised cost" other than fair value of derivatives and defined benefit obligation which are carried at "fair value through profit or loss and other comprehensive income.

3 Material accounting policy information (continued)

3.9 Financial instruments (continued)

Recognition / derecognition

A financial asset or a financial liability is recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (in whole or in part) is derecognised when the contractual rights to

Notes to the consolidated and parent company financial statements

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receive cash flows from the financial asset has expired or the Group has transferred substantially all risks and rewards of ownership and has not retained control. If the Group has retained control, it continues to recognise the financial asset to the extent of its continuing involvement in the financial asset.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled, or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and recognition of a new liability. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

All regular way purchase and sale of financial assets are recognised using settlement date accounting. Changes in fair value between the trade date and settlement date are recognised in the statement of profit or loss or in the statement of comprehensive income in accordance with the policy applicable to the related instrument. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulations or conventions in the marketplace.

Measurement

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Financial assets at amortised cost

A financial asset is measured at amortised cost using the effective interest method and is held within a business model whose objective is to hold assets to collect contractual cash flows; and its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and profit on the principal amount outstanding. Cash and cash equivalents, trade and receivables and lease receivables are classified as financial assets at amortised cost.

Financial assets at FVOCI

A debt instrument is measured at FVOCI if it satisfies the SPPI test and is held within a business model whose objective is to hold assets to collect contractual cash flows and to sell. These assets are subsequently measured at fair value, with change in fair value recognised in OCI. Interest income calculated using effective interest method, foreign exchange gains/losses and impairment are recognised in the statement of profit or loss. On de-recognition, gains and losses accumulated in the OCI are reclassified to statement of comprehensive income.

Notes to the consolidated and parent company financial statements
for the year ended 31 December 2025

3 Material accounting policy information (continued)

3.9 Financial instruments (continued)

Measurement (continued)

For an equity instrument; upon initial recognition, the Group may elect to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments are never recycled to statement of profit or loss. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss. Equity instruments at FVOCI are not subject to an impairment assessment. Upon disposal cumulative gains or losses may be reclassified from fair value reserve to retained earnings in the statement of changes in equity.

Financial asset at FVTPL

Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. This also includes equity instruments held-for-trading and are recorded and measured in the statement of financial position at fair value.

Changes in fair values and dividend income are recorded in the statement of profit or loss according to the terms of the contract, or when the right to receive has been established.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative, or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial guarantees

Financial guarantees are initially recognised at fair value and are subsequently measured at the higher of the amount initially recognised less any cumulative amortisation and the best estimate of the present value of the amount required to settle any financial obligation arising as a result of the guarantee.

3 Material accounting policy information (continued)

3.9 Financial instruments (continued)

Impairment

The Group recognises loss allowances for ECLs on financial assets measured at amortised cost. Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs by using simplified approach. However, the loss allowance for lease receivable, due from related parties and other receivables is measured by using general approach.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort.

This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information. The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

3 Material accounting policy information (continued)

3.9 Financial instruments (continued)

Credit-impaired financial assets (*continued*)

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on a current/non-current classification.

An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount reported in the consolidated statement of financial position if, and only if:

- There is a currently enforceable legal right to offset the recognised amounts and
- There is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3 Material accounting policy information (continued)

3.10 Finance income and expenses

Finance income comprises of interest income. Interest income is recognised as the interest accrues using the effective interest rate method, under which the rate used exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset at the reporting date. Borrowing costs other than those capitalised on qualifying assets are recognised as an expense in profit or loss using the effective interest rate method.

3.11 Fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non- financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on a number of accounting policies and methods. Where applicable, information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.
- The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the 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.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

3 Material accounting policy information (continued)

3.11 Fair values (continued)

At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the Valuation computation to contracts and other relevant documents. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

3.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average principle and includes all costs incurred in acquiring the inventories and bringing them to their existing location and condition except for petroleum product inventories. The cost of petroleum products is based on average production costs. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution or the estimated replacement cost of the inventories, as the case may be.

3.13 Leases

Group as a lessee

The Group assesses whether contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options if the lessee is reasonably certain to exercise the options;
- lease payments in an optional renewal period, if the Group is reasonably certain to exercise an extension option; and
- payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease. The lease liability is presented as a separate line item in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest method) and by reducing the carrying amount to reflect the lease payments made.

3 Material accounting policy information (continued)

3.13 Leases (continued)

Group as a lessee (continued)

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use of asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use of assets are presented as a separate line in the statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for an identified impairment loss as described in the 'Impairment of non-financial assets' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Administrative expenses' in the statement of profit or loss. As a practical expedient, IFRS16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient.

Short-term leases and leases of low-value assets

At the time of initial recognition, the Group does not recognise right-of-use assets and liabilities for leases where,

- the lease term is less than or equal to 12 months i.e. short-term leases; and
- value of the underlying asset is considered as a low value lease i.e. if the value of the asset is less than ₦1,926.

The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

Notes to the consolidated and parent company financial statements
for the year ended 31 December 2025

3 Material accounting policy information (continued)

3.13 Leases (continued)

Group as a lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group net investment in the leases.

Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group applies IFRS 15 to allocate consideration under the contract to each component.

3.14 Provisions

General

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of this discounting is recognised as finance cost.

Amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

Decommissioning liability

The Group recognises a decommissioning liability where it has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made.

When the liability is initially recognised, the present value of the estimated costs is capitalised by increasing the carrying amount of the related oil and gas assets to the extent that it was incurred by the development/construction of the field. Any decommissioning obligations that arise through the production of inventory are expensed when the inventory item is recognised in cost of goods sold.

Notes to the consolidated and parent company financial statements for the year ended 31 December 2025

3 Material accounting policy information (continued)

3.14 Provisions (continued)

Decommissioning liability (continued)

Changes in the estimated timing or cost of decommissioning are dealt with prospectively by recording an adjustment to the provision and a corresponding adjustment to oil and gas properties. Any reduction in the decommissioning liability and, therefore, any deduction from the asset to which it relates, may not exceed the carrying amount of that asset. If it does, any excess over the carrying value is taken immediately to the statement of profit or loss and other comprehensive income.

If the change in estimate results in an increase in the decommissioning liability and, therefore, an addition to the carrying value of the asset, the Group considers whether this is an indication of impairment of the asset as a whole, and if so, tests for impairment. If, for mature fields, the estimate for the revised value of oil and gas assets net of decommissioning provisions exceeds the recoverable value, that portion of the increase is charged directly to expense.

Over time, the discounted liability is increased for the change in present value based on the discount rate that reflects current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognised in the statement of profit or loss and other comprehensive income as a finance cost.

The Group records a decommissioning provision mainly relating to oil wells and fuel stations.

3.15 Taxation

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income. Current income tax relating to items recognised directly in other comprehensive income or equity is recognised in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations where applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

3 Material accounting policy information (continued)

3.15 Taxation (continued)

Deferred tax (continued)

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that:
 - is not a business combination; and
 - at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investments in subsidiaries, associates, and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences.

If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised, such reductions are reversed when the probability of future taxable profits improves.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption. Deferred tax assets and liabilities are offset only if certain criteria are met.

3.16 Employees' end-of-service benefits

The Group's obligation for contributions to defined contribution pension plans are recognised as an expense when due. The Group's obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Group makes payment to the Omani Government Social Security scheme under Royal Decree 72/91 for Omani employees, calculated as a percentage of the employees' salary. The Group's obligations are limited to these contributions, which are expensed when due.

The Group also provides end-of-service benefits to its expatriate employees. End-of-service benefits are accrued 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 expected costs of these benefits are accrued over the period of employment.

Notes to the consolidated and parent company financial statements for the year ended 31 December 2025

3 Material accounting policy information (continued)

3.16 Employees' end-of-service benefits (continued)

The liability for end of service benefits recognised based on actuarial valuation using projected unit credit method. Actuarial gains and losses arising from experience-based adjustments and changes in actuarial assumptions are recorded in other comprehensive income. Service costs are classified as administrative expenses. Interest costs are charged to the statement of comprehensive income.

3.17 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

3.18 Segmental reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses. All operating segment operating results are reviewed regularly by the Board of Directors (Chief Operating Decision Maker) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Group's operating segments are established on the basis of those components of the Group that are evaluated regularly by the Board of Directors (Chief Operating Decision Maker), in deciding how to allocate resources and in assessing performance.

The accounting policies of the operating segments are the same as the Group's accounting policies described in this note, except that IFRS requires that the measure of profit or loss disclosed for each operating segment is the measure that is provided regularly to the Chief Operating Decision Maker. For further information see note 37.

3.19 Earnings per share

The Parent Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Parent Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held.

Diluted earnings per share is calculated by adjusting the profit and loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

3.20 Revenue recognition

IFRS 15 "Revenue from contracts with customers" outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled for those goods and services.

Notes to the consolidated and parent company financial statements for the year ended 31 December 2025

3 Material accounting policy information (continued)

3.20 Revenue recognition (continued)

The process for applying the standard is separated into five steps:

Step 1 – Identify the contract with a customer

Step 2 – Identify the separate performance obligations in the contract

Step 3 – Determine the transaction price

Step 4 – Allocate the transaction price to the separate performance obligations in the contract

Step 5 – Recognise revenue when (or as) the entity satisfies a performance obligation.

The Group recognises revenue over time if any one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Group's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance obligation completed to date.

For performance obligations where none of the above conditions are met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue comprises the fair value of the consideration received or receivable for the services rendered in the ordinary course of the Group's activities.

Revenue is recognised only when it is probable that the economic benefits associated with a transaction will flow to the Group and the amount of revenue can be measured reliably and is stated net of sales taxes if applicable (such as VAT) and discounts. If advances are received from customers for future contractual services, the revenue is deferred until the services are provided.

Where revenue contains a significant financing element, the financing element is shown as a financing item and revenues are adjusted by a corresponding amount. The Group has concluded that it is the principal in all of its revenue arrangements, since it is the primary obligor, and is also exposed to the risk of loss of inventory except in the case of Gas Purchase and Sale agreement with Dolphin Energy.

Under the terms of the EPSA, the Group is not required to pay any corporate income taxes. The share of the profit oil which the Government of Sultanate of Oman is entitled to is deemed to include a portion representing the notional corporate income tax paid by the Government of Sultanate of Oman on behalf of the contractors. This portion of notional corporate income tax is presented as an income tax expense with a corresponding amount recognised in revenue (refer note 2.2).

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Notes to the consolidated and parent company financial statements
for the year ended 31 December 2025

3 Material accounting policy information (continued)

3.20 Revenue recognition (continued)

<i>Type of product / service</i>	<i>Nature and timing of satisfaction of performance obligations</i>	<i>Revenue recognition policies</i>
Sale of oil and gas	Customers obtain control when the risk and control of goods are passed to the customers in accordance with agreed shipping term. Invoices are generated at that point in time. No discounts are provided for products. Invoices are usually payable within 30 - 60 days.	Revenue related to the sale of goods is recognised at a point in time when title to the goods is transferred to the customer in accordance with the performance obligations under the contract and the buyer has gained control through their ability to direct the use of and obtain substantially all the benefits from the asset. Gas revenue from Dolphin field has been recognised on net basis as the Group considered to be an agent in that arrangement. Revenue for over/under lifting is recognised when title to the goods is transferred to the customers; production costs have been accrued or deferred to reflect differences between volumes taken and sold to customers and the Group's ownership interest in total production volumes.
Service revenue	The Group has entered into a services arrangement with Petroleum Development Oman (PDO) for the Karim and Rima Small Fields, under which the Group provides operational services without obtaining legal ownership of the reserves or related infrastructure. The underlying reserves and assets remain the property of PDO. Under the terms of the agreement, the Group incurs monthly costs to perform operations on	Revenue from services is recognised over time as the customer simultaneously receives and consumes the benefits provided by the Group. The amount of revenue recognized corresponds to the consideration the Group expects to be entitled to, subject to recoverability thresholds under the contract. If actual costs exceed 70% of the revenue cap for a month, the unrecovered amount is carried forward and considered for re-imbursement

Notes to the consolidated and parent company financial statements
for the year ended 31 December 2025

3 Material accounting policy information (continued)

3.20 Revenue recognition (continued)

<i>Type of product / service</i>	<i>Nature and timing of satisfaction of performance obligations</i>	<i>Revenue recognition policies</i>
Service revenue (continued)	behalf of PDO. In return, the Group is reimbursed up to 70% of a notional revenue amount, along with a profit margin, forming the total service fee. Invoices are typically raised monthly, or earlier if the work is completed, and are generally payable within 30 days. The contract does not include any significant financing component. The Group has the processing fee arrangement between OQEP, Government of Sultanate of Oman and Musandam Oil and Gas Company LLC for processing the gas at Musandam gas plant where the Group is charging the processing fee as per the agreed arrangement.	in the following months. Any costs that remain unrecoverable at the end of the contract term are borne by the Group.

Further, as regards to the pricing mechanism, the Group's sales of crude oil is priced based on market prices. The crude oil price is determined based on the daily market prices of the Oman Export Blend Crude Oil Future Contract, which is fixed and agreed at the time of delivery of crude oil. The Group also charges a premium for additional barrels nominated by the customers over and above the designated limit of oil barrels.

The transaction price does not vary significantly under the terms of the contract. At the time of delivery, there is only a minimal risk of a change in the transaction price to be allocated to the crude oil volume sold. Accordingly, at the point of sale there is not a significant risk of revenue reversal relative to the cumulative revenue recognised, and there is no need to constrain any variable consideration under IFRS 15. The Gas price is determined based the gas sale agreement between the Parent Company / Operator of the relevant Block and the Government of Sultanate of Oman.

Notes to the consolidated and parent company financial statements for the year ended 31 December 2025

3 Material accounting policy information (continued)

3.21 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are added to the cost of the respective assets. Interest revenue earned on deposits of borrowed funds is netted off against the cost of the borrowed funds as allowed by IAS 23.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Arrangement fees and other costs of borrowing are deducted from debt proceeds on initial recognition of the liability and are amortised to income as finance costs over the term of the debt.

3.22 Events after the reporting date

The Group financial statements are adjusted to reflect events that occurred between the reporting date and the date when the financial statements are authorised for issue, provided they give evidence of conditions that existed at the reporting date. Any post year-end events that are non-adjusting are disclosed in the financial statements when material.

3.23 Directors' remuneration

The board of directors' remuneration is accrued within the limits specified by the Financial Services Authority and the requirements of the Commercial Companies Law of the Sultanate of Oman. These costs are recorded as expenses in the period in which they are incurred.

3.24 Cash and bank balances

Cash and bank balances in the statement of financial position comprise cash at banks and cash in hand. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consists of cash in hand and cash at bank, as defined above, as they are considered an integral part of the Group's cash management.

3.25 Contingencies

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

3.26 Dividend on ordinary shares

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Parent Company's shareholders. Interim dividends are deducted from equity when they are paid.

Dividends for the year that are approved after the reporting date are dealt with as an event after the balance sheet date.

3.27 Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in "other reserves".

4 Significant judgments, estimates and assumptions

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. Management is required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The judgments, estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant, including expectations of future events that are believed to be reasonable under the circumstances. However, the resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions have a significant risk of causing a material adjustment to the carrying amounts of assets and/or liabilities in the future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future period affected.

(a) Critical accounting judgements

In the process of applying the accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant impact on the amounts recognised in the Group's financial statements.

Classification as a joint arrangement

Judgment is required to determine when the Group has joint control over an arrangement and the classification of joint arrangements. The Group considers the rights and obligations arising from the arrangements, its influence on operating and capital decisions of the arrangement, including the approval of the annual capital and operating work program and budget, and the approval of key contractors for any major capital expenditure. The indications of joint control are similar to those used to determine control over subsidiaries, as set out in note 3.1.

Arrangements resulting in financial liabilities

Significant judgement has to be exercised when classifying arrangements giving rise to financial and non-financial liabilities. An agreement to deliver non-financial assets at a specified price in the future is a non-financial liability, whereas agreements that can be settled in cash will be a financial liability. The Group had entered into a Forward Sales Agreement and other ancillary contracts with OCEP PXF 1 B.V. (the "Buyer" or "SPV").

The Forward Sales Agreement required the Group to deliver oil from designated blocks to the Buyer in return for an advance payment and variable future cash payments that are dependent on oil price and certain covenants regarding the Group's future oil production levels.

The Group had reviewed the underlying substance of the arrangement and has concluded that the arrangement results in a financial liability. This arrangement was fully settled and terminated during the second half of 2024.

4 Significant judgments, estimates and assumptions (continued)

(a) Critical accounting judgements (continued)

Carrying value of exploration & evaluation (E&E) assets (note 13)

The amounts for E&E assets represent active exploration projects, the outcome of which is inherently uncertain.

These amounts will be written off to the statement of profit and loss and other comprehensive income as exploration costs unless commercial reserves are established, or the determination process is not completed and there are no indications of impairment in accordance with the Group's accounting policy.

The process of determining whether there is an indicator for impairment and the related assessment requires critical judgement. The key areas in which management has applied judgement are as follows: the Group's intention to proceed with a future work programme for a prospect or license; the likelihood of license renewal or extension; and the success of a well result or geological or geophysical survey.

Assessment of contingencies and claims

In the ordinary course of business, the Group is subject to a number of contingencies arising from litigation and claims brought by private parties, including contractors and employees. The operations of the Group continue, from time to time, to be affected to varying degrees by political, legislative, fiscal and regulatory developments, including those relating to the protection of the environment and indigenous groups in the clusters in which it operates. The industry in which the Group is engaged is also subject to physical risks of various types. The nature and frequency of these developments and events, as well as their effect on future operations and costs, are unpredictable. While these matters are not expected to have a material impact on the Group, no assurance can be provided.

(b) Estimates and assumptions

The preparation of the consolidated and separate financial statements, in conformity with IFRS, requires that the management make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

4 Significant judgments, estimates and assumptions (continued)

(b) Estimates and assumptions (continued)

Carrying value of oil & gas properties (note 12)

Management performs impairment reviews on the Group's oil and gas properties assets at least annually with reference to indicators in IAS 36 Impairment of Assets. Where indicators are present and an impairment test is required, the calculation of the recoverable amount requires estimation of future cash flows within complex impairment models.

Key assumptions and estimates in the impairment models relate to commodity prices and the long-term corporate economic assumptions thereafter, discount rates that are adjusted to reflect risks specific to individual assets, oil and gas reserves and the related cost profiles. Assumptions reflect all oil and gas reserves that a market participant would consider when valuing the asset. Judgment is also required in establishing the appropriate Companying of assets into cash generating units.

Reserves estimates used in the calculation of Depreciation, Depletion and Amortisation (DD&A) and impairment of oil & gas properties (note 12)

The determination of the Group's oil and gas reserves requires significant judgement and estimates to be applied. These are regularly reviewed and updated. Proven and probable reserves are estimates of the amount of oil and gas that can be economically extracted from the Group's oil and gas assets. The Group estimates its reserves using standard recognised evaluation techniques applied by the in-house reserve engineer.

Further, these reserve estimates are evaluated by external reserve engineers every three years. Proven and probable reserves are determined using estimates of oil and gas in place, recovery factors and future commodity prices, the latter having an impact on the total amount of recoverable reserves and the proportion of the gross reserves which are attributable to the government under the terms of the EPSA Contracts.

Future development costs are estimated taking into account the level of development required to produce the reserves by reference to operators, where applicable, and internal engineers.

Estimates of oil and gas reserves are used to calculate depreciation, depletion and amortisation charges for oil and gas properties. The impact of changes in oil and gas reserves is dealt with prospectively. Oil and gas reserves also have a direct impact on the assessment of recoverability of asset carrying values. If oil and gas reserves are revised downwards, earnings could be affected by changes in depreciation expense or by immediate write-downs of asset carrying values. Provisions for decommissioning may also require revision, where changes to reserves estimates affect expectations about when such activities will occur and the associated cost of these activities.

4 Significant judgments, estimates and assumptions (continued)

(b) Estimates and assumptions (continued)

Development, exploration and evaluation expenditure

Expenditure on the construction, installation and completion of infrastructure facilities such as platforms, pipelines and the drilling of development wells, including services are capitalised within property, plant and equipment and is depreciated from the commencement of production.

The capitalisation policy requires management to make certain estimates and assumptions about future events and circumstances, in particular, whether an economically viable extraction operation can be established. Cost incurred on unsuccessful development or delineation wells are written-off.

Significant estimates and assumptions are required to determine whether it is appropriate to continue to carry costs associated with exploration wells and exploratory type stratigraphic test wells on the balance sheet. This includes costs relating to exploration, seismic evaluation, geological and geophysical or other related costs. It is not unusual to have such costs being capitalised on the balance sheet while additional appraisal drilling and seismic work on the potential oil and natural gas cluster is performed or while the optimum development plans and timing are established. However, these seismic costs are part of the cluster that are producing developed petroleum resources.

The costs are carried based on the current regulatory and political environment or any known changes to that environment. All such carried costs are subject to regular technical, commercial and management review on at least an annual basis to confirm the continued intent to develop, or otherwise extract value from, the discovery. These costs are incurred on the producing areas and therefore, management estimates that the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. The carrying amount of capitalised costs are included as part of oil and gas producing assets.

Decommissioning obligation

Decommissioning obligation is estimated based on the expected dismantling cost valued by the independent valuer. Further, Management uses a discount rate to measure the present value and considered in the inflation impact of the future dismantling costs.

Therefore, significant estimates and assumptions are made in determining the provision for decommissioning. As a result, there could be significant adjustments to the provisions established which would affect future financial results.

Notes to the consolidated and parent company financial statements
for the year ended 31 December 2025

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	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	₹'000	₹'000	₹'000	₹'000
		<i>Restated (note 2.2)*</i>		<i>Restated (note 2.2)*</i>
Revenue recognised point- in-time				
Sale of oil and condensate	590,783	630,194	510,651	532,809
Sale of gas (i)	161,284	165,193	7,215	4,070
EPSA revenue*	354,986	401,491	170,791	196,732
	1,107,053	1,196,878	688,657	733,611
Revenue recognised over time				
Processing and service fees (ii)	51,959	45,878	49,591	47,309
Total revenues	1,159,012	1,242,756	738,248	780,920
Primary geographical markets				
Export – United Arab Emirates	590,783	630,194	510,651	532,809
Local – Sultanate of Oman	568,229	612,562	227,597	248,111
	1,159,012	1,242,756	738,248	780,920

(i) Includes revenue from the sale of gas purchased from Dolphin field which has been recognized on net basis as the Company is considered as an agent in that arrangement

(ii) Processing and service fees includes:

- Processing fees for the Musandam Gas processing plant under Supplementary Tariff Agreement with Government and Gas processing agreement with Operator.
- Processing fee with respect to fields operated under service agreements.

*As a result of the change in accounting policy (refer note 2.2), consolidated revenue for the year ended 31 December 2024 increased from ₹ 841 million to ₹ 1,243 million (Separate: ₹ 584 million to ₹ 781 million), whilst income tax expense increased from ₹ 3 million to ₹ 404 million (Separate: ₹ 1 million to ₹ 197 million).

Notes to the consolidated and parent company financial statements
for the year ended 31 December 2025

6 Cost of sales

	Consolidated		Separate	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	£'000	£'000	£'000	£'000
Operating costs	213,343	234,993	187,747	206,149
Depreciation, depletion, and amortisation (note 9)	273,845	262,830	203,459	184,082
Amortisation - right of use asset (note 9)	14,800	15,083	14,800	15,083
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
	501,988	522,901	406,006	415,309

7 Administrative expenses, finance income and other income

7.1 Administrative expenses

	Consolidated		Separate	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	£'000	£'000	£'000	£'000
Employee related expenses (note 7.1.1)	23,166	22,269	22,656	21,540
Communication expenses	512	551	433	551
Professional and technical fees	2,219	2,269	2,197	2,269
Consultancy fee	3,174	1,918	3,098	1,918
Audit and other services fee	250	420	123	360
Insurance	1,490	681	1,486	681
Board sitting fee	53	30	53	30
Office related expenses	1,508	4,410	1,545	5,175
Trademark license fees	1,132	-	1,132	-
Annual Government fees	519	269	385	30
Corporate affairs and events	3,698	1,860	3,282	1,860
Other expenses	1,962	2,145	951	2,384
	39,683	36,822	37,341	36,798

Notes to the consolidated and parent company financial statements
for the year ended 31 December 2025

7 Administrative expenses, finance income and other income (continued)

7.1 Administrative expenses (continued)

7.1.1 Employee related expenses

	Consolidated		Separate	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	₹'000	₹'000	₹'000	₹'000
Salaries and allowances	18,615	17,173	18,382	16,694
Other benefits	350	2,597	44	2,623
End of service benefits (note 23)	178	777	141	527
Training	1,290	294	1,369	268
Workforce Support	1,896	268	1,896	268
Contribution for social insurance	837	1,160	824	1,160
	23,166	22,269	22,656	21,540

7.2 Finance income

	Consolidated		Separate	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	₹'000	₹'000	₹'000	₹'000
Interest income – bank deposits (note 7.2 (i))	7,016	8,313	6,909	8,351
Others	-	-	611	-
Unwinding of deferred consideration (note 18.1)	2,321	2,538	2,321	2,538
	9,337	10,851	9,841	10,889

- 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: 0.25% to 5.55%). The Group has the flexibility to liquidate the call deposits before the scheduled maturity dates.

7.3 Other income

	Consolidated		Separate	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	₹'000	₹'000	₹'000	₹'000
Dividend income	-	-	33,415	8,327
Income on funds held in SPV	2,637	-	2,637	-
Other income	-	823	-	-
Reversal of old outstanding liabilities	3,102	4,697	3,358	4,686
Gain from relinquishment of Block 42	-	6,042	-	6,042
	5,739	11,562	39,410	19,055

Notes to the consolidated and parent company financial statements
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8 Finance cost

	Consolidated		Separate	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	£'000	£'000	£'000	£'000
Interest on borrowings	20,938	8,551	20,938	8,551
Unwinding of discount on provision for decommissioning (note 24)	2,753	3,177	2,381	2,829
Interest on lease liabilities (note 26)	1,232	1,167	1,232	1,167
Realized loss on foreign exchange	-	1,498	-	-
Others	577	21	15	12
	25,501	14,414	24,566	12,559

9 Depreciation, depletion, and amortization

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

	Consolidated		Separate	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	£'000	£'000	£'000	£'000
Depreciation and depletion – oil & gas properties (note 12)	273,839	262,829	203,453	184,081
Depreciation – other property, plant & equipment (note 14)	6	1	6	1
	273,845	262,830	203,459	184,082
Amortisation – right-of-use of assets (note 26)*	14,800	15,083	14,800	15,083
	288,645	277,913	218,259	199,165

*Depreciation on right of use asset has been allocated to cost of sale, as it related to assets used for the Group's commercial operation. Depreciation, depletion, and amortisation cost are allocated as follows:

	Consolidated		Separate	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	£'000	£'000	£'000	£'000
Cost of sales (note 6)	288,645	277,913	218,259	199,165

Notes to the consolidated and parent company financial statements
for the year ended 31 December 2025

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	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	<u>₹'000</u>	<u>₹'000</u>	<u>₹'000</u>	<u>₹'000</u>
Current liability				
Current tax	<u>5,214</u>	<u>11,411</u>	<u>2,037</u>	<u>5,617</u>

Following is recognised in the statement of comprehensive income:

	Consolidated		Separate	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	<u>₹'000</u>	<u>₹'000</u>	<u>₹'000</u>	<u>₹'000</u>
		<i>Restated (note 2.2)**</i>		<i>Restated (note 2.2)**</i>
Current tax – EPSA*	354,986	401,281	170,791	196,732
Current tax – Non EPSA	3,946	3,598	676	943
Deferred tax – profit or loss	<u>(693)</u>	<u>(819)</u>	<u>(11)</u>	<u>(78)</u>
Tax expense charge to profit and loss	358,239	404,060	171,456	197,597
Deferred tax – other comprehensive income	<u>-</u>	<u>(226)</u>	<u>-</u>	<u>(226)</u>
Tax charge for the year	<u>358,239</u>	<u>403,834</u>	<u>171,456</u>	<u>197,371</u>

*The Company has revised the presentation of taxes under its Exploration and Production Sharing Agreements (EPSAs). Under these arrangements, the Government's share of profit oil includes a notional income tax paid on behalf of Group. Effective 2025, this notional tax is presented as an income tax in accordance with IAS 12, resulting in a gross-up of revenue for the year ended 31 December 2025 with a corresponding tax expense (refer note 2.2). Previously, these amounts were presented net. The change aligns with industry practice and enhances transparency, including in the context of the OECD's BEPS Pillar Two global tax framework recently issued.

**As a result of the change in accounting policy (refer note 2.2), consolidated revenue for the year ended 31 December 2024 increased from ~~₹~~ 841 million to ~~₹~~ 1,243 million (Separate: ~~₹~~ 584 million to ~~₹~~ 781 million), whilst income tax expense increased from ~~₹~~ 3 million to ~~₹~~ 404 million (Separate: ~~₹~~ 1 million to ~~₹~~ 197 million).

Notes to the consolidated and parent company financial statements
for the year ended 31 December 2025

10 Income tax (continued)

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

	Consolidated		Separate	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	£'000	£'000	£'000	£'000
Net deferred tax asset / (liability)				
Opening balance	998	(3,870)	256	(47)
Addition during the year	693	1,045	11	303
Abraj common control adjustment (note 35.1)	-	3,823	-	-
Closing balance	1,691	998	267	256

Deferred tax asset / (liability) relates to the following:

	Consolidated		
	As at		31
	1 January		December
	2025	Movement	2025
	£'000	£'000	£'000
Deferred tax asset			
Oil and gas properties	741	682	1,423
Plant and equipment	33	6	39
Provision for trade receivable	38	-	38
Provision for inventory	186	-	186
Right of use assets/liabilities	-	5	5
	998	693	1,691

	Consolidated		
	As at		31
	1 January		December
	2024	Movement	2024
	£'000	£'000	£'000
Deferred tax asset / (liability)			
Oil and gas properties	-	741	741
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	-
	(3,870)	4,868	998

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10 Income tax (continued)

	Separate		
	As at 1 January 2025 £'000	Movement £'000	31 December 2025 £'000
Deferred tax asset			
Plant and equipment	32	6	38
Provision for trade receivable	38	-	38
Provision for inventory	186	-	186
Right of use assets/Liabilities	-	5	5
	256	11	267

	Separate		
	As at 1 January 2024 £'000	Movement £'000	31 December 2024 £'000
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	-
	(47)	303	256

Tax rate on concession agreements

Revenue from certain Exploration Production Sharing Agreements (EPSAs) are taxed at the rate of 55% as per the Oman tax law.

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	
	31-Dec-25 £'000	31-Dec-24 £'000	31-Dec-25 £'000	31-Dec-24 £'000
Profit before tax	636,275	720,163	340,040	367,707
Income tax @ 15%	95,441	108,024	51,006	55,156
EPSA tax effect	301,738	341,267	145,172	167,222
Non-deductible expenses	249	1,525	249	1,525
Tax exempt income	(39,168)	(46,547)	(24,950)	(26,306)
Prior year Adjustment	(21)	-	(21)	-
Effective tax	358,239	404,270	171,456	197,597

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10 Income tax (continued)

Parent Company

The income tax assessments for the Parent Company for the years up to 2021 have been completed by the Secretariat General for Taxation (SGT). Management is of the opinion that additional taxes, if any, related to the open tax years would not be material to the Group's financial position as at 31 December 2025.

Subsidiaries

The tax assessments of subsidiaries are at different stages of completion. Management does not expect any additional tax expense and liabilities to be incurred relating to the open tax years.

11 Dividends

Dividends, including interim dividends, paid for the year ended 31 December 2025 amounted to **£** 275 million (31 December 2024: **£** 173 million).

Proposed dividends on ordinary shares:

A final cash dividend of **£** 0.0072 per share, amounting to **£** 58 million, has been proposed in respect of the year ended 31 December 2025. The proposed dividend is subject to approval by shareholders at the annual general meeting and, accordingly, has not been recognised as a liability as at 31 December 2025.

12 Oil and gas properties

	Consolidated £'000	Separate £'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 year	249,718	208,133
Transfer to right-of-use assets (note 26)**	(17,393)	(17,393)
Change in provision for decommissioning (note 24)**	30,033	29,552
As at 31 December 2025	<u>3,842,507</u>	<u>2,761,384</u>

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12 Oil and gas properties (continued)

	Consolidated £'000	Separate £'000
Accumulated depreciation and impairment		
As at 1 January 2024	(2,457,465)	(1,974,869)
Charge for the year (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 year (note 9)	(273,839)	(203,453)
As at 31 December 2025	(2,987,816)	(2,359,326)

Net book value

As at 31 December 2025	858,623	405,990
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.

**Transfer to right-of-use assets and change in provision for decommissioning is considered as a non-cash transaction and therefore, excluded from the consolidated and separate statement of cash flows.

Impairment

During the year, the Group has carried out an impairment analysis for Blocks where indicators of impairment are present. These indicators include changes in reserves, fluctuations in the future commodity prices, changes in the development plans, technological and regulatory changes and cost overruns at the reporting date.

Group used discounted cash flows valuation technique and calculated the Value in use (VIU) to ensure it is higher than carrying value of the underlying assets. Projected cash flows from the respective Blocks are discounted by applying a post-tax discount rate over the useful life of each Block.

The key assumptions for the oil and gas assets VIU calculations are outlined below together with the approach management has taken in determining the value to ascribe to each.

The calculation of VIU for oil and gas assets is based upon the following key assumptions:

- Future reserves;
- Inflation rates;
- Future commodity prices; and
- Discount rate.

Reserves

Reserves form the basis of the production profiles within the discounted cash flow models. Cash flows were projected for each field based on the development plans approved by senior management and reasonable assumptions that an external party would apply in appraising the assets which, in some cases, may be broader in scope than Proved and Probable reserves.

12 Oil and gas properties (continued)

Reserves (continued)

The Group engages independent third-party experts to verify reserves every three years. For all Blocks except Block 53, the reserve base was taken as of 31 December 2023, and adjusted for actual production during 2024 and 2025 to arrive at the reserves position as of 31 December 2025. For Block 53, an updated external reserves report as of 31 December 2024 was used, which reflects the EPSA extension from 2035 to 2050. In addition, the Board of Directors approved the reserve base as at 1 January 2025. These externally validated and Board approved reserves form the basis for the Group's value-in-use assessments under IAS 36.

Inflation rates

Estimates are obtained from published indices for the countries from which products and services are originated, as well as data relating to specific commodities. Forecast figures are used if data is publicly available. The inflation rate used for 2025 was 2% and is based on the inflation rate in the Sultanate of Oman (2024: 2%).

Commodity prices

To estimate future oil prices, the Group used Brent Crude Oil Price forward curves and the relevant inflation rate. Quality differentials were applied on estimated Oman Crude prices to arrive at the estimated Mukhaizna realized oil prices.

Discount rate

Discount rates used reflect the estimated weighted average cost of capital rates specific to the cash generating unit from market participant's perspective. The cash flows were discounted using a post-tax discount rate of 8.7% (2024: 8.61%).

The Company conducted an impairment analysis on relevant assets and recognized no impairment losses during the year (2024: nil).

13 Exploration and evaluation assets

	Consolidated ₹'000	Separate ₹'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 year	6,681	4,501
As at 31 December 2025	<u>15,043</u>	<u>7,321</u>
Net book value		
As at 31 December 2025	<u>15,043</u>	<u>7,321</u>
As at 31 December 2024	<u>8,362</u>	<u>2,820</u>

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13 Exploration and evaluation assets (continued)

The exploration and evaluation assets (E&E) closing balance primarily pertains to Blocks 11, 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 ₹'000	Capital work in progress (CWIP) ₹'000	Total ₹'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	4,546	-	4,546
As at 1 January 2025	4,546	-	4,546
Additions made during the year	-	1,142	1,142
As at 31 December 2025	4,546	1,142	5,688
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	(4,306)	-	(4,306)
As at 1 January 2025	(4,306)	-	(4,306)
Charge for the year (note 9)	(6)	-	(6)
As at 31 December 2025	(4,312)	-	(4,312)
Net book value			
As at 31 December 2025	234	1,142	1,376
As at 31 December 2024	240	-	240

*Charge for the year in 2024 includes ₹ 10,014 thousand pertaining to Abraj which was transferred to OQ SAOC under common control transaction.

14 Other property, plant and equipment (continued)

	<i>Separate</i>		
	<i>Other property, plant and equipment £'000</i>	<i>CWIP £'000</i>	<i>Total £'000</i>
Cost			
As at 1 January 2024	4,554	-	4,554
Additions	241	-	241
Disposals / written off	(247)	-	(247)
As at 31 December 2024	4,548	-	4,548
As at 1 January 2025	4,548	-	4,548
Additions	-	1,142	1,142
As at 31 December 2025	4,548	1,142	5,690
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	(4,308)	-	(4,308)
As at 1 January 2025	(4,308)	-	(4,308)
Charge for the year (note 9)	(6)	-	(6)
As at 31 December 2025	(4,314)	-	(4,314)
Net book value			
As at 31 December 2025	234	1,142	1,376
As at 31 December 2024	240	-	240

15 Intangible assets

	<i>Consolidated £'000</i>	<i>Separate £'000</i>
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	6,953	6,953
As at 1 January 2025	6,953	6,953
As at 31 December 2025	6,953	6,953

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15 Intangible assets (continued)

	Consolidated ₹'000	Separate ₹'000
Accumulated depreciation and impairment		
As at 1 January 2024	(7,481)	(6,964)
Charge for the year*	(42)	-
Adjustment under common control transaction (note 37.1)	558	-
Currency translation adjustment	12	11
As at 31 December 2024	<u>(6,953)</u>	<u>(6,953)</u>
Accumulated depreciation and impairment		
As at 1 January 2025	<u>(6,953)</u>	<u>(6,953)</u>
As at 31 December 2025	<u>(6,953)</u>	<u>(6,953)</u>
Net book value		
As at 31 December 2025	<u>-</u>	<u>-</u>
As at 31 December 2024	<u>-</u>	<u>-</u>

*Charge for the year in 2024 amounting to ₹ 42 thousand pertains to Abraj which was transferred to OQ SAOC under common control transaction.

16 Inventories

	Consolidated		Separate	
	31-Dec-25 ₹'000	31-Dec-24 ₹'000	31-Dec-25 ₹'000	31-Dec-24 ₹'000
Oil, gas and condensates	13,611	5,697	12,314	5,704
Materials, spares and consumables	60,936	72,204	52,015	63,346
Provision for obsolescence	<u>(1,331)</u>	<u>(1,236)</u>	<u>(1,331)</u>	<u>(1,236)</u>
	<u>73,216</u>	<u>76,665</u>	<u>62,998</u>	<u>67,814</u>
Provision for obsolescence movement:				
Opening balance	1,236	1,074	1,236	571
Charge for the year (note 6)*	95	665	95	665
Abraj common control adjustment (note 35.1)	-	(503)	-	-
Closing balance	<u>1,331</u>	<u>1,236</u>	<u>1,331</u>	<u>1,236</u>

*During the year 2024, it was concluded that Block 52 (at exploration stage) is not commercially viable and the inventory amounting to ₹ 665 thousand has been provided and charged to statement of profit or loss and other comprehensive income.

Notes to the consolidated and parent company financial statements
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17 Trade and other receivables

	Consolidated		Separate	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	£'000	£'000	£'000	£'000
Trade receivables – third party	36,261	34,910	2,857	9,180
Trade receivables – related party (note 33)	41,700	61,067	39,671	52,750
Expected credit loss (ECL)	(258)	(258)	(258)	(258)
	77,703	95,719	42,270	61,672
Other receivables	19,433	24,437	36,692	42,453
	97,136	120,156	78,962	104,125

Trade receivables are non-interest bearing and are generally on 30-to-90-day terms. Other receivables primarily include receivables from operators. These balances include advance cash calls paid to operators in blocks where the Company is a non-operator, as well as amounts due from other members in blocks where the Company acts as the operator. Such balances are settled through cash calls or netted against future joint operation costs, rather than through separate cash settlement. Accordingly, the other receivables balance at the reporting date is not past due and is not considered to be credit-impaired.

Movements in the Expected credit loss (ECL):

	Consolidated		Separate	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	£'000	£'000	£'000	£'000
Balance at the beginning of the year	(258)	(258)	(258)	(258)
Reversal during the year	-	-	-	-
Balance at the end of the year	(258)	(258)	(258)	(258)

The aging analysis of trade receivables (third party and related party) at consolidated level that were not impaired, is as follows:

Ageing	Weighted average loss rate	Gross carrying amount	Expected life time credit loss	Net carrying amount
31 December 2025		£'000	£'000	£'000
Not past due	0%	68,275	-	68,275
<30 days	0%	-	-	-
31-60 days	0%	3,023	-	3,023
61-90 days	0%	3,122	-	3,122
> 90 days	7.3%	3,541	(258)	3,283
		77,961	(258)	77,703

A significant portion of the aged receivables relates to processing fees amounting to RO 9.5 million due from the Ministry of Energy and Minerals under the Supplementary Tariff Agreement in respect of the Musandam Gas Plant. These amounts are generally settled once annually. As the counterparty is a government entity, the related expected credit loss / time value impact is considered immaterial.

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17 Trade and other receivables (continued)

<i>Ageing</i>	<i>Weighted average loss rate</i>	<i>Gross carrying amount ₹'000</i>	<i>Expected life time credit loss ₹'000</i>	<i>Net carrying amount ₹'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%	-	-	-
> 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 (third party and related party) at the Parent Company level that were not impaired, is as follows:

<i>Ageing</i>	<i>Weighted average loss rate</i>	<i>Gross carrying amount ₹'000</i>	<i>Expected life time credit loss ₹'000</i>	<i>Net carrying amount ₹'000</i>
<i>31 December 2025</i>				
Not past due	0%	32,866	-	32,866
<30 days	0%	-	-	-
31-60 days	0%	3,023	-	3,023
61-90 days	0%	3,122	-	3,122
> 90 days	7.29%	3,536	(258)	3,278
		<u>42,547</u>	<u>(258)</u>	<u>42,270</u>

A significant portion of the aged receivables relates to processing fees amounting to RO 9.5 million due from the Ministry of Energy and Minerals under the Supplementary Tariff Agreement in respect of the Musandam Gas Plant. These amounts are generally settled once annually. As the counterparty is a government entity, the related expected credit loss / time value impact is considered immaterial.

<i>Ageing</i>	<i>Weighted average loss rate</i>	<i>Gross carrying amount ₹'000</i>	<i>Expected life time credit loss ₹'000</i>	<i>Net carrying amount ₹'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>

Notes to the consolidated and parent company financial statements
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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 ~~₹~~ 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, ~~₹~~ 400.765 million was received in cash, while ~~₹~~ 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 six 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	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	~~₹~~'000	~~₹~~'000	~~₹~~'000	~~₹~~'000
Unwinding income on deferred consideration (note 7.2)	2,321	2,538	2,321	2,538
Presented as:				
Current receivable	9,613	7,690	9,613	7,690
Non-current receivable	23,697	30,990	23,697	30,990
	33,310	38,680	33,310	38,680
As at 1 January	38,680	43,916	38,680	43,916
Payment received	(7,691)	(7,690)	(7,691)	(7,690)
Currency translation difference	-	(84)	-	(84)
Interest charged (note 7.2)	2,321	2,538	2,321	2,538
Closing balance	33,310	38,680	33,310	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 year-end is not past due. 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.

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18 Deferred consideration (continued)

	Consolidated		Separate	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	₹'000	₹'000	₹'000	₹'000
Deferred consideration receivable				
2025	-	7,691	-	7,691
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	38,452	46,143	38,452	46,143
Less: unearned finance income	(5,142)	(7,463)	(5,142)	(7,463)
Present value of deferred consideration receivable	33,310	38,680	33,310	38,680

19 Advances and prepayments

	Consolidated		Separate	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	₹'000	₹'000	₹'000	₹'000
Advances to employees	161	177	153	181
Advances to suppliers	4,158	404	3,872	169
Prepaid expenses	155	-	411	-
Accrued and prepayments balance	-	4,784	-	-
	4,474	5,365	4,436	350

20 Cash and cash equivalents

	Consolidated		Separate	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	₹'000	₹'000	₹'000	₹'000
Cash in hand	151	149	152	149
Cash at bank	159,685	160,005	127,621	111,121
	159,836	160,154	127,773	111,270

Bank balances consist of call and fixed deposits denominated in Rial Omani and carry annual effective interest rate of between 0.5% to 4.5% (31 December 2024: 0.25% to 5.55%). These deposits have maturity of three months or less from date of acquisition. However, the Group has the flexibility to liquidate the deposits before the scheduled maturity dates without any penalty.

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21 Capital and reserves

21.1 Share capital

	Consolidated		Separate	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	₹'000	₹'000	₹'000	₹'000
Paid up share capital 8 billion shares of ₹.0010 each (2024: 8 billion shares of ₹ 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:

	2025		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 ₹ 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 ₹ 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 Capital reserves

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

21.4 Treasury shares

During the year ended 31 December 2025, the Parent Company initiated a share buyback program for the first time, acquiring 29,908,000 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 ₹ 10.3 million (2024: nil) which has been recognised at cost and deducted from equity under the heading "Treasury shares" in the consolidated and separate statement of changes in equity.

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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 ₹ 461 million and the balance amounting to ₹ 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

	Note	Consolidated		Separate	
		31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
		₹'000	₹'000	₹'000	₹'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
Less: unamortised financing costs		(1,890)	(1,694)	(1,890)	(1,694)
		382,610	382,806	382,610	382,806

Bank borrowings are classified into current and non current portion as follows:

Long term borrowings - current portion	192,250	-	192,250	-
Long term borrowings - non current portion	190,360	382,806	190,360	382,806
Total borrowings	382,610	382,806	382,610	382,806

Movement of bank borrowings is as follows:

	Consolidated		Separate	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	₹'000	₹'000	₹'000	₹'000
Opening balance	384,500	174,061	384,500	88,770
Proceeds from loan	-	384,500	-	384,500
Payment of loan	-	(78,691)	-	(78,689)
Adjustment against restricted cash	-	(10,079)	-	(10,081)
Abraj common control adjustment (note 37.1)	-	(85,291)	-	-
	384,500	384,500	384,500	384,500
Unamortised financing cost (note 22.3)	(1,890)	(1,694)	(1,890)	(1,694)
Closing balance	382,610	382,806	382,610	382,806

Notes to the consolidated and parent company financial statements
for the year ended 31 December 2025

22 Bank borrowings (continued)

22.1 Bridge-to-bond credit facility

In September 2024, OQEP obtained ~~£~~ 192.25 million conventional Bridge-to-Bond credit facility 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 ~~£~~ 192.25 million term Islamic financing facility for a term of seven years with a syndicate of banks, structured as a wakala bil-istithmar. 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 outstanding at year end.

22.3 Movement of unamortised financing costs is as follows:

	Consolidated		Separate	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	~~£~~'000	~~£~~'000	~~£~~'000	~~£~~'000
Opening balance	1,694	100	1,694	100
Incurred during the year	865	1,883	865	1,883
Amortised during the year	(669)	(289)	(669)	(289)
Closing balance	1,890	1,694	1,890	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.

Notes to the consolidated and parent company financial statements
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23 Employees' end of service benefits (continued)

Movement in liability is as follows:

	Consolidated		Separate	
	31-Dec-25 ₹'000	31-Dec-24 ₹'000	31-Dec-25 ₹'000	31-Dec-24 ₹'000
Balance at the beginning of the year	995	3,136	956	874
Service cost	178	777	141	527
Defined benefit obligation actuarial loss	(95)	31	(95)	31
Abraj common control adjustment (note 35.1)	-	(2,440)	-	-
Paid during the year	(14)	(504)	(14)	(474)
Currency translation adjustment	-	(5)	-	(2)
Balance at the end of the year	1,064	995	988	956

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

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

	Consolidated		Separate	
	31-Dec-25 ₹'000	31-Dec-24 ₹'000	31-Dec-25 ₹'000	31-Dec-24 ₹'000
Service cost*	178	777	141	527

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

	Consolidated		Separate	
	31-Dec-25 ₹'000	31-Dec-24 ₹'000	31-Dec-25 ₹'000	31-Dec-24 ₹'000
Defined benefit obligation actuarial loss	(95)	31	(95)	31

*Service cost at consolidated level for the year 2024 amounting to ₹ 477,000 pertains to Abraj which has been transferred to OQ SAOC under common control transaction.

Following are the key assumptions used in the actuarial valuation:

	2025	2024
Discount rate	4.75%	5.25%
Future salary increases	4.75%	3%
Retirement age in years	60	60

Notes to the consolidated and parent company financial statements

for the year ended 31 December 2025

23 Employees' end of service benefits (continued)

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	Decrease	Increase	Decrease
	£'000	£'000	£'000	£'000
Discount rate (0.5%)	(3)	3	(3)	3
Salary Increase (0.5%)	3	(3)	3	(3)

24 Provision for decommissioning

	Consolidated		Separate	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	£'000	£'000	£'000	£'000
Movement in liability				
Balance at the beginning of the year	42,532	39,606	36,792	37,333
Unwinding of discount (note 8)	2,753	3,177	2,381	2,829
Changes during the year (note 12)**	30,033	(189)	29,552	(3,312)
Currency translation adjustment	-	(62)	-	(58)
	75,318	42,532	68,725	36,792

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.

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.

Notes to the consolidated and parent company financial statements
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24 Provision for decommissioning (continued)

Furthermore, the timing of decommissioning is likely to depend on when the fields cease to be economically viable for either the Group or the Government, in accordance with the EPSA. 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 31 December 2025 was 6.10% (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	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	£'000	£'000	£'000	£'000
Accrued expenses	43,982	45,701	40,707	40,904
Trade payables - third party	33,639	41,246	24,022	22,711
Trade payables - related party (note 33)	4,778	351	5,300	50,089
Other payables	31,722	25,359	28,810	25,281
Payable to operator	30,526	76,020	9,181	47,231
Retentions	89	89	80	80
	144,736	188,766	108,100	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 six months. All accrued expenses are settled within an average term of six months. 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 counterparties which include arrangements for:

- Drilling and land rigs
- Tankers and other equipment
- Vehicles
- Head office
- Oil and gas assets

The average lease term is 3 to 5 (2024: 3 to 5 years).

The Group entered into a new lease arrangement for oil and gas assets and made milestone payments prior to the commencement of operations in July 2025. Upon commencement, these prepaid amounts were transferred from oil and gas properties to right-of-use assets and did not give rise to corresponding lease liabilities. Lease payments due from July 2025 to 2029 were recognised as additions to right-of-use assets with corresponding lease liabilities. In addition, the terms of certain existing oil and gas asset leases were amended during the year and accounted for as lease modifications, with the resulting adjustments recognised in both right-of-use assets and lease liabilities. These leases include purchase options at the end of the lease term; however, the Group has not considered the exercise of such options in determining the lease term, as their exercise is not reasonably certain at the reporting date.

Notes to the consolidated and parent company financial statements
for the year ended 31 December 2025

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

	Consolidated					
	Drilling and land rigs ₹'000	Equipment and tankers ₹'000	Vehicles ₹'000	Oil and gas facilities ₹'000	Head office ₹'000	Total ₹'000
Cost:						
As at 1 January 2024	7,719	3,015	13,653	64,466	-	88,853
Lease reassessment	-	-	-	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	5,613	134	1,315	66,521	-	73,583
As at 1 January 2025	5,613	134	1,315	66,521	-	73,583
Transfer from oil and gas properties (note 12)	-	-	-	17,393	-	17,393
Addition	-	-	-	-	3,822	3,822
Lease modification	-	-	-	14,091	-	14,091
As at 31 December 2025	5,613	134	1,315	98,005	3,822	108,889
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	5,613	134	1,315	44,254	-	51,316
As at 1 January 2025	5,613	134	1,315	44,254	-	51,316
Charge for the year	-	-	-	14,609	191	14,800
As at 31 December 2025	5,613	134	1,315	58,863	191	66,116
Net book value						
As at 31 December 2025	-	-	-	39,142	3,631	42,773
As at 31 December 2024	-	-	-	22,267	-	22,267

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

Notes to the consolidated and parent company financial statements
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26 Right-of-use assets (ROU) and lease liability (continued)

	<i>Separate</i>					
	<i>Drilling and land rigs £'000</i>	<i>Equipment and tankers £'000</i>	<i>Vehicles £'000</i>	<i>Oil and gas assets £'000</i>	<i>Office £'000</i>	<i>Total £'000</i>
Cost:						
As at 1 January 2024	5,622	134	1,317	64,466	-	71,539
Lease re-assessment	-	-	-	2,155	-	2,155
Currency translation adjustment	(9)	-	(2)	(100)	-	(111)
As at 31 December 2024	5,613	134	1,315	66,521	-	73,583
As at 1 January 2025	5,613	134	1,315	66,521	-	73,583
Addition during the year	-	-	-	-	3,822	3,822
Transfer from oil and gas properties (note 12)	-	-	-	17,393	-	17,393
Lease modification	-	-	-	14,091	-	14,091
As at 31 December 2025	5,613	134	1,315	98,005	3,822	108,889
Accumulated depreciation and impairment						
As at 1 January 2024	5,622	134	1,317	29,217	-	36,290
Charge for the year (note 9)	-	-	-	15,083	-	15,083
Currency translation adjustment	(9)	-	(2)	(46)	-	(57)
As at 31 December 2024	5,613	134	1,315	44,254	-	51,316
As at 1 January 2025	5,613	134	1,315	44,254	-	51,316
Charge for the year (note 9)	-	-	-	14,609	191	14,800
As at 31 December 2025	5,613	134	1,315	58,863	191	66,116
Net book value						
As at 31 December 2025	-	-	-	39,142	3,631	42,773
As at 31 December 2024	-	-	-	22,267	-	22,267

Notes to the consolidated and parent company financial statements
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26 Right-of-use assets (ROU) and lease liability (continued)

Total amortisation cost for the year is allocated to:

	Consolidated		Separate	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	₹'000	₹'000	₹'000	₹'000
Cost of sales (note 6)	14,800	15,083	14,800	15,083

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. As of 31 December 2025, the likely exercise of purchase option has not been considered after the initial lease period (2024: same assumption).

The movement in the lease liability is as follows:

	Consolidated		Separate	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	₹'000	₹'000	₹'000	₹'000
Lease liabilities				
<i>Presented as:</i>				
Current	8,143	4,963	8,143	4,963
Non-current	17,558	11,062	17,558	11,062
	25,701	16,025	25,701	16,025
	Consolidated		Separate	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	₹'000	₹'000	₹'000	₹'000
As at 1 January	16,025	29,405	16,025	23,626
Addition during the year	3,822	2,155	3,822	2,155
Interest charged (note 8)*	1,232	1,167	1,232	1,167
Payment of lease liability	(9,469)	(10,886)	(9,469)	(10,886)
Modification of lease liability	14,091	-	14,091	-
Abraj common control adjustment (note 37.1)	-	(5,779)	-	-
Currency translation adjustment	-	(37)	-	(37)
As at 31 December	25,701	16,025	25,701	16,025

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

Notes to the consolidated and parent company financial statements
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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.

	Consolidated & Separate	
	31-Dec-25	31-Dec-24
	£'000	£'000
Lease income		
Finance income on net investment in lease	20,454	21,509
	20,454	21,509
 Net investment in lease	 31-Dec-25	 31-Dec-24
	£'000	£'000
As at 1 January	217,540	229,524
Receipts (principal)	(12,682)	(11,626)
Currency translation adjustment	-	(358)
As at 31 December	204,858	217,540
 Presented as:		
Lease receivable - current	6,919	12,682
Lease receivable - non current	197,939	204,858
	204,858	217,540
 Amount receivable under finance lease		
2025	-	33,136
2026	33,136	33,136
2027	33,136	33,136
2028	33,136	33,136
2029	33,136	33,136
Remaining	192,926	201,201
	325,470	366,881
Less: unearned finance income	(120,612)	(149,341)
Present value of minimum lease payment receivable	204,858	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.

Notes to the consolidated and parent company financial statements
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28 Investment in subsidiaries

<i>Subsidiary</i>	<i>Principal activities</i>	<i>Country of incorporation</i>	<i>Ownership interest (%)</i> 31-Dec-25 ₹'000	<i>Ownership interest (%)</i> 31-Dec-24 ₹'000
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 Liquified 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	-

Investments in subsidiaries are stated at cost less accumulated impairment in the Company's separate financial statements.

	31-Dec-25 ₹'000	31-Dec-24 ₹'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 Liquified Natural Gas LLC (AMLNG LLC)	248	248
Alizz Gas Development LLC	248	248
OQ Exploration and Production Block 54 LLC	250	-
	<u>1,793</u>	<u>128,745</u>

*During the year, the Parent Company received repayment of the subordinated loan previously provided to Makarim Gas Development LLC. The balance of the subordinated loan as at 31 December 2024 amounted to ₹ 127.2 million, which was fully settled during the current year.

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29 Interest in joint venture

	31-Dec-25 £'000	31-Dec-24 £'000
Opening balance / initial cost*	43,099	3,025
Sub-ordinated loan**	-	32,452
Share of profit for the year	8,905	7,622
At 31 December	52,004	43,099

Marsa Liquefied Natural Gas LLC ("Marsa") is joint venture in which group has joint control and a 20 percent ownership interest. Till 31 December 2023, the Group (through its wholly owned subsidiary, AMLNG LLC) 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.

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:

	31-Dec-25 £'000	31-Dec-24 £'000
Statement of financial position:		
Non-current assets	511,340	311,356
Current assets	9,030	14,459
Non-current liabilities	373,064	258,410
Current liabilities	49,545	14,168
Net assets of the joint venture	97,761	53,237
Proportionate of the Group's ownership interest in joint venture (20%)	19,552	10,647
Subordinated loan given during 2024**	32,452	32,452
Total	52,004	43,099

Statement of profit and loss and other comprehensive income:

	31-Dec-25 £'000	31-Dec-24 £'000
Revenue	75,782	75,782
Depreciation & amortisation	(14,780)	17,962
Income tax expenses	(5,156)	6,324
Profit & total comprehensive income (100%)	44,525	38,112
Profit & total comprehensive income (20%)	8,905	7,622

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

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29 Interest in joint venture (continued)

**During the year, the Group entered into a formal funding agreement with Marsa, under which the amounts previously presented as “due from related party” are provided as interest-free loans with no contractual maturity. Repayment is at the discretion of Marsa. In substance, the arrangement represents a long-term interest that forms part of the Group’s net investment in the joint venture in accordance with IAS 28. The outstanding balance of these loans amounted to ~~£~~ 32 million as at 31 December 2025.

In the prior year, the balance was presented as a current receivable from a related party. Although no interest was recognised in 2024, the absence of a formal agreement led to the balance being classified within current assets. Following the execution of the agreement during 2025 and reassessment of the substance of the arrangement, management has concluded that the loan meets the definition of a long-term interest forming part of the Group’s net investment in Marsa. Consequently, the comparative amount has been reclassified from “Due from related party” to “Interest in joint venture”.

This reclassification has no impact on previously reported profit or loss, cash flows, or total equity. Further, this transfer is considered as non-cash transaction and therefore, excluded from the consolidated statement of cash flows.

30 Deferred Income

An analysis of deferred income is set out below:

	Consolidated		Separate	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	~~£~~'000	~~£~~'000	~~£~~'000	~~£~~'000
Balance at the beginning of the year	4,783	8,368	4,783	7,218
Over-lifting of oil	448	4,783	448	4,783
Deferred income booked by Abraj	-	719	-	-
Income received during the year	(4,783)	(7,205)	(4,783)	(7,205)
Abraj common control adjustment (note 37.1)	-	(1,869)	-	-
Currency translation adjustment	-	(13)	-	(13)
	448	4,783	448	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. Non-interest-bearing shareholder loan is classified as equity due to their terms and conditions. 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.

Notes to the consolidated and parent company financial statements for the year ended 31 December 2025

31 Financial instruments (continued)

Fair values (continued)

- 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 year.

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  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.

A 100-basis-point change in interest rates at the reporting date would have impacted equity as shown below, assuming no other variables change.

	31-December-25		31-December-24	
	100 bp Increase	100 bp Decrease	100 bp Increase	100 bp Decrease
	'000	'000	'000	'000
Profit before tax	2,523	(2,523)	3,828	(3,828)

Notes to the consolidated and parent company financial statements
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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 £'000	Contractual cashflows £'000	6 months or less £'000	6 - 12 months £'000	1 – 2 years £'000	More than 2 years £'000
As at 31 December 2025						
Interest bearing loans (note 22)	382,610	436,618	10,021	201,809	38,385	186,403
Accounts payable and accrued liabilities (note 25)	144,736	144,736	144,736	-	-	-
Lease liabilities (Note 26)	25,701	28,462	4,928	4,583	7,853	11,099
	<u>553,047</u>	<u>609,816</u>	<u>159,685</u>	<u>206,392</u>	<u>46,238</u>	<u>197,502</u>
As at 31 December 2024						
Interest bearing loans (note 22)	382,806	454,712	10,646	10,531	223,498	210,037
Accounts payable and accrued liabilities (note 25)	188,766	188,766	188,766	-	-	-
Lease liabilities (Note 26)	16,025	17,053	2,692	2,892	11,469	-
	<u>686,859</u>	<u>759,793</u>	<u>301,366</u>	<u>13,423</u>	<u>234,967</u>	<u>210,037</u>
	Separate					
	Carrying amount £'000	Contractual cashflows £'000	6 months or less £'000	6 - 12 months £'000	1 – 2 years £'000	More than 2 years £'000
As at 31 December 2025						
Interest bearing loans (note 22)	382,610	436,618	10,021	201,809	38,385	186,403
Accounts payable and accrued liabilities (note 25)	108,100	108,100	108,100	-	-	-
Lease liabilities (note 26)	25,701	28,462	4,928	4,583	7,853	11,099
	<u>553,047</u>	<u>609,816</u>	<u>159,685</u>	<u>206,392</u>	<u>46,238</u>	<u>197,502</u>
As at 31 December 2024						
Interest bearing loans (note 22)	382,806	454,712	10,646	10,531	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	2,692	2,892	11,469	-
	<u>585,127</u>	<u>658,061</u>	<u>199,634</u>	<u>13,423</u>	<u>234,967</u>	<u>210,037</u>

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31 Financial instruments (continued)

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 31 December 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:

<i>Category</i>	<i>Description</i>	<i>Basis for recognising expected credit losses</i>
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 follows:

	Consolidated		Separate	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	£'000	£'000	£'000	£'000
Trade receivables and other receivables (net) (note 17)	97,136	120,156	78,962	104,125
Lease receivable (note 26)	204,858	217,540	204,858	217,540
Due from related party (note 33)	-	-	64,641	114,421
Deferred consideration (note 18.1)	33,310	38,680	33,310	38,680
Bank balances (note 20)	159,685	160,005	127,621	111,121
	494,989	536,381	509,392	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.

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31 Financial instruments (continued)

Credit risk (continued)

Bank Name	Banks rating	Consolidated		Separate	
		31-Dec-25 AED'000	31-Dec-24 AED'000	31-Dec-25 AED'000	31-Dec-24 AED'000
Bank Muscat	BB+	123,487	159,764	91,423	110,880
Ahli Bank	BB	-	30	-	30
Central Bank of Oman	BB+	-	150	-	150
Bank Nizwa	BB	23,228	-	23,228	-
Sohar International Bank	BB	108	61	108	61
Alizz Bank	BB	7,779	-	7,779	-
Bank Dhofar	BB	5,083	-	5,083	-
		159,685	160,005	127,621	111,121

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 31 December 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

As at 31 December 2025, the Group has no contingent liabilities and guarantees and legal claims during the current and previous year.

Capital commitments

The Group has the following capital commitments for the next 12 months:

	Consolidated		Separate	
	31-Dec-25 AED'000	31-Dec-24 AED'000	31-Dec-25 AED'000	31-Dec-24 AED'000
Capital commitments	275,687	389,575	213,398	131,038

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

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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.

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 2025, 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	
		31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
		£'000	£'000	£'000	£'000
Relationship					
<i>Sale of goods and services</i>					
Subsidiary	Processing fee	-	-	4,614	4,614
Entity under common control	Sale of oil and condensate	589,722	630,194	509,933	532,809
<i>Purchase of goods and services</i>					
Entity under common control	Purchase of fuel	20,187	20,417	20,187	20,417
Parent company	Rent and services	3,711	2,712	3,690	2,712
<i>Dividend related</i>					
Entity under common control *	Dividend income	-	-	-	8,327
<i>Financing related</i>					
Holding Company	Adjustment of subordinated loan against transfer of 51% shares of Abraj	-	71,461	-	71,461
Holding Company	Subordinated loans repaid	-	461,313	-	461,313
Board of Directors	Sitting fees	264	30	264	30

Transactions with key management:

Key management comprises of 5 (2024: 6) personnel of the management executive committee in the year 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	
		31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
		£'000	£'000	£'000	£'000
Short term benefits		766	667	766	667
Employees end of service benefits		37	29	37	29

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33 Related party disclosure (continued)

	Consolidated			
	Receivables		Payables	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	₹'000	₹'000	₹'000	₹'000
<i>Year end balances arising from sale / purchase of goods and services:</i>				
Holding Company and its subsidiaries	22,643	44,727	4,778	351
Ministry of Energy and Minerals / Ministry of finance	19,057	16,340	-	-
	41,700	61,067	4,778	351

At reporting date, the Group has a total receivable from related parties amounting to ₹ 41.7 million (2024: ₹ 61.06 million), which has been disclosed in Note 17 to these financial statements.

At reporting date, the Group has a total payable to related parties amounting to ₹ 4.78 million (2024: ₹ 0.35 million) which has been disclosed in Note 25 to these financial statements.

	Separate			
	Receivables		Payables	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	₹'000	₹'000	₹'000	₹'000
<i>Year end balances arising from sale / purchase of goods and services:</i>				
Holding Company and its subsidiaries	84,208	150,831	5,300	50,089
Ministry of Energy and Minerals / Ministry of finance	20,104	16,340	-	-
	104,312	167,171	5,300	50,089

At reporting date, the Parent Company has a total receivable from related parties amounting to ₹ 104.3 million (2024: ₹ 167.2 million), out of which ₹ 39.7 million (2024: ₹ 52.8 million) has been disclosed in Note 17 to these financial statements and the remaining amounting to ₹ 64.6 million (2024: ₹ 114.42 million) has been disclosed on the statement of financial position.

At reporting date, the Parent Company has a total payable to related parties amounting to ₹ 5.3 million (2024: ₹ 50.1 million) which has been disclosed in Note 25 to these financial statements.

Notes to the consolidated and parent company financial statements
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33 Related party disclosure (continued)

Right-of-use asset arising from office rental agreement with the Holding Company:

	Consolidated		Separate	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	£'000	£'000	£'000	£'000
Addition during the year	3,822	-	3,822	-
Charge for the year	191	-	191	-

During the year, the Company entered into a lease agreement with the Holding Company for the rental of office premises. The lease commenced in the current financial year and has a term of five years. In line with IFRS 16, the Company recognized a right-of-use asset and the corresponding lease liability at the commencement date, based on the present value of the lease payments. The right-of-use asset is depreciated over the five-year lease term, and the lease liability is measured at amortized cost. The lease arrangement is disclosed as a related-party transaction due to the involvement of the Holding Company.

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 these 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 year 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.

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34 Earnings per share (continued)

	Consolidated		Separate	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	£'000	£'000	£'000	£'000
Earnings per share (EPS)				
Profit attributable to owner's of the company	278,131	321,335	168,584	170,110
Number of shares for basic and diluted EPS (no. in "000")	7,970,092	8,000,000	7,970,092	8,000,000
Basic and diluted earnings per share-OMR	0.03490	0.04017	0.02115	0.02126
Earnings per share - continuing operations				
Profit attributable to owner's of the company	278,036	315,893	168,584	170,110
Number of shares for basic and diluted EPS (no. in "000")	7,970,092	8,000,000	7,970,092	8,000,000
Basic and diluted earnings per share-OMR	0.03488	0.03949	0.02115	0.02126
Earnings per share – discontinued operations				
Profit from discontinued operation	-	5,442	-	-
Number of shares for basic and diluted EPS (no. in "000")	7,970,092	8,000,000	-	-
Basic and diluted earnings per share-OMR	-	0.00068	-	-

Note: number of shares for basic and diluted EPS is arrived at after deducting treasury shares

35 Discontinued operations

The Parent Company was holding 100% in Abraj, until 13 March 2024. 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 is 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 2025. The transaction was recorded as a common control transaction. Abraj was not previously classified as held for sale or as a discontinued operation. Abraj was classified as a discontinued operation as at 30 June 2024.

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35 Discontinued operations (continued)

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, the Group has repaid sub-ordinated loan to the Holding Company amounting ~~₹~~ 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 35.1).

	31-Dec-24 ~~₹~~ '000
Results of discontinued operations	
Revenue	77,921
Elimination of intercompany revenue	(11,206)
External revenue	<u>66,715</u>
Expenses	(65,265)
Elimination of expenses related to intercompany sales	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:

	31-Dec-24 ~~₹~~ '000
Net cash used in operating activities	35,571
Net cash from investing activities	(37,290)
Net cash from financing activities	(6,332)

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35 Discontinued operations (continued)

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.

		31-Dec-24 ₹'000
	Note	
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	18	(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		(68,658)
Net assets of the Abraj transferred to the Holding Company		71,461
Consideration received- (adjustment against sub-ordinated loan)		(71,461)
Gain/loss on common control transaction		-

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.

		As at 31 December 2025					2025	
		Total assets ₹'000	Current assets ₹'000	Total liabilities ₹'000	Current liabilities ₹'000	Net assets ₹'000	Revenue ₹'000	Profit for the year ₹'000
Block 53	20%	35,701	28,400	(94,251)	(74,010)	(58,550)	126,109	23,052
Block 60	60%	385,543	53,705	(139,326)	(77,089)	246,217	317,056	80,621
Block 48	60%	6,530	2,677	(9,581)	(9,581)	(3,051)	42	(193)
Block 9	45%	111,961	17,586	(129,443)	(129,443)	(17,482)	201,354	16,344
Block 61	30%	454,436	52,066	(30,891)	(27,732)	423,545	204,095	123,720
Others(*)	*	546,237	196,760	(231,599)	(51,650)	314,638	310,357	34,491
		<u>1,540,408</u>	<u>351,194</u>	<u>(635,091)</u>	<u>(350,343)</u>	<u>905,317</u>	<u>1,159,012</u>	<u>278,036</u>

Notes to the consolidated and parent company financial statements

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36 Interests in joint operations (continued)

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

		As at 31 December 2024						
		Total assets R'000	Current assets R'000	Total liabilities R'000	Current liabilities R'000	Net assets R'000	Revenue R'000	Profit for the year R'000
Block 53	20%	34,297	29,046	(89,066)	(71,497)	(54,769)	112,008	6,692
Block 60	60%	370,143	77,177	(81,776)	(51,959)	288,367	333,485	95,724
Block 48	60%	14,088	12,493	(769)	(769)	13,319	-	(229)
Block 9	45%	128,857	26,626	(123,056)	(88,076)	5,801	243,174	38,496
Block 61	30%	538,948	109,394	(78,253)	(74,611)	460,695	432,213	135,503
Others (*)	*	572,627	227,238	(373,660)	(17,490)	198,967	121,877	50,377
		1,658,960	481,974	(746,580)	(304,402)	912,380	1,242,756	326,563

*Others includes aggregate of interest in Block 10, 11, 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 three reportable segments as outlined below:

- Blocks operated by OQEP
- Blocks operated by other entities

	Consolidated					
	Blocks operated by OQ EP		Blocks operated by other entities		Total	
	31-Dec-25 RO'000	31-Dec-24 RO'000	31-Dec-25 RO'000	31-Dec-24 RO'000	31-Dec-25 RO'000	31-Dec-24 RO'000
Revenue (note 5)						
- Export	309,048	328,485	534,933	494,440	843,981	822,925
- Local	20,611	16,357	294,420	403,474	315,031	419,831
EBITDA	317,356	322,172	623,728	676,688	941,084	998,860
Depreciation and amortization (note 9)	117,181	96,393	171,464	181,520	288,645	277,913
Finance cost (note 8)	22,809	10,803	2,692	3,611	25,501	14,414
Finance income (note 7.2)	9,329	10,851	8	-	9,337	10,851
Profit before tax	186,695	225,827	449,580	494,366	636,275	720,193
Capital expenditure (note 12 & 13)	107,293	95,839	149,106	149,553	256,399	245,392
Operating expenditure (note 6)	22,882	56,843	190,461	178,150	213,343	234,993

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37 Segment reporting (continued)

	Blocks operated by OQ EP		Parent Blocks operated by other entities		Total	
	31-Dec-25 RO'000	31-Dec-24 RO'000	31-Dec-25 RO'000	31-Dec-24 RO'000	31-Dec-25 RO'000	31-Dec-24 RO'000
Revenue (note 5)						
- Export	309,058	328,485	372,394	396,845	681,452	725,330
- Local						
	327,302	344,842	410,946	436,078	738,248	780,920
EBITDA	314,856	321,359	258,168	246,319	573,024	567,677
Depreciation and amortization (note 9)	117,181	96,393	101,078	102,772	218,259	199,165
Finance cost (note 8)	22,802					
Finance income (note 7.2)	9,457	10,889	384	-	9,841	10,889
Profit before tax	184,330	225,827	155,711	141,016	340,040	366,842
Capital expenditure (note 12 & 13)	107,292	95,839	105,342	99,305	212,634	195,144
Operating expenditure (note 6)	22,882	56,841	164,865	149,308	187,747	206,149

Capital expenditure consists of additions to oil and gas properties and E&E assets. 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, except trade receivable from OQ Trading.

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 one major customer (OQ Trading International LLC) of the Group represented approximately **﷮** 590 million (73%) (2024: **﷮** 630 million (75%)) of the Group's total revenue. No other single customer contributed 10% or more of the Group's revenue in the year 2025 and 2024.

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38 Reconciliation of liabilities arising from financing activities

	Consolidated			Parent		
	Subordinated loan £'000	Term loan £'000	Lease liabilities £'000	Subordinated loan £'000	Term loan £'000	Lease liabilities £'000
At 1 January 2025	-	382,806	16,025	-	382,806	16,025
Changes from financing cash flows						
Repayment	-	-	(22,300)	-	-	(22,301)
Proceeds from loan	-	-	-	-	-	-
Additions during the year	-	-	31,977	-	-	31,977
Interest paid	-	(20,269)	(1,233)	-	(20,269)	(1,232)
Total changes from financing cash flows	-	362,537	24,469	-	362,537	24,469
Other changes: liability related						
Interest expense	-	20,938	1,233	-	20,938	1,232
Changes in unamortised financing cost (note 22.3)	-	(196)	-	-	(196)	-
Total liability related changes	-	20,742	1,233	-	383,279	1,232
Balance as at 31 December 2025	-	383,279	25,702	-	(20,269)	25,701

	Consolidated			Parent		
	Subordinated loan £'000	Term loan £'000	Lease liabilities £'000	Subordinated loan £'000	Term loan £'000	Lease liabilities £'000
At 1 January 2024	532,774	174,061	29,405	532,774	88,770	23,626
Changes from financing cash flows						
Repayment	(461,313)	(78,691)	(9,719)	(461,313)	(78,689)	(9,719)
Proceeds from loan	-	382,806	-	-	382,806	-
Additions during the year	-	-	2,155	-	-	2,155
Interest paid	-	(8,551)	(1,167)	-	(8,551)	(1,167)
Total changes from financing cash flows	71,461	469,625	20,674	71,461	384,336	14,895
Other changes: liability related						
Abraj common control adjustment	(71,461)	(85,291)	(5,779)	(71,461)	-	-
Interest expense	-	8,551	1,167	-	8,551	1,167
Adjustment against restricted cash	-	(10,079)	-	-	(10,081)	-
Foreign currency adjustments	-	-	(37)	-	-	(37)
Total liability related changes	(71,461)	(86,819)	(4,649)	(71,461)	(1,530)	1,130
Balance as at 31 December 2025	-	382,806	16,025	-	382,806	16,025

Notes to the consolidated and parent company financial statements for the year ended 31 December 2025

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.

40. Comparative figures

Certain figures in the comparative financial information as at and for the year ended 31 December 2024 have been reclassified, as explained in note 2.2 and note 29.

In addition, an amount of ~~99.3~~ 99.3 million has been reclassified from "Payable to operator" (note 25) to "Other receivables" (note 17). This reclassification resulted in a corresponding reduction in both balances in the comparative figures.

As a consequence of the above reclassification, comparative amounts in the consolidated statement of cash flows have also been restated, affecting "Trade and other receivables (including advances and prepayments)" and "Accounts payable and accrued liabilities".

These reclassifications were made to improve the quality of information presented and to conform with the presentation adopted in the current year. The reclassifications do not affect the previously reported profit after tax or equity.