



Full Year 2025 Earnings Result and Strategy Update – Transcript

Date: March 2, 2025

Energize Sustainable Progress

The background features several light blue, semi-transparent upward-pointing arrows of varying sizes and orientations, creating a sense of growth and progress. There are also small white plus signs scattered throughout the design.

Slide 1: Opening Slide

Ramadan Mubarak to everyone. My name is Mundhir Al Sharji, the Head of Investor Relations at OQEP, and I will be the moderator for this call.

First of all, I would like to thank all our attendees of this call, as it shows that you are interested to learn more about our company.

We'll be very happy to accommodate all your questions later on.

With me today, I'm going to introduce our presenters. We have Mr. Jaber, CFO of the company.

And we have Mr. Mahmoud Al-Hashmi who successfully led OQEP as acting CEO. And now he is officially appointed as the CEO of the company, and we wish him all the best in this journey.

And we have Dr. Anwar Al-Kharusi, who is the Chief Executive Commercial (CEC).

We scheduled one hour for this presentation.

Let me give the disclaimer. Can you move to the next slide, please.

Slide 2: Disclaimer

So, in this presentation, we make forward-looking statements that refers to our estimates, plans, and expectations. actual results and outcomes could differ materially due to a range of factors noted in this slide. Please refer to our annual report and MSX filing for more details, all of which are available on our website.

Slide 3: Agenda

In our presentation today, we're going to cover three parts. The first part, we're going to discuss about the full year performance of the company, and then we're going to discuss the growth strategy to 2030, and also the outlook for 2026. And we're going to end up with Q&A at the end of the presentation.

Over to you, Mr. Mahmoud.

Slide 4: Full Year 2025

Shukran, Mundhir, Assalamualaikum.

Good afternoon, everyone and Ramadan Kareem.

Slide 5: 2025: Operational Excellence and Cost Leadership Drives Financial Resilience

OQEP achieved remarkable results in 2025, thanks to our employees for their dedication, collaboration and discipline.

Throughout the years, we prioritized safety, completing projects consistently, implementing Operation Excellence and strengthening our financial discipline.

Despite the drop in oil price in 2025 by US\$10 comparing to 2024, we generated around OMR 541 million in Adjusted cash flow from operations. Adjusted operating cash flow increased by 7.5% year over year. And, a strong Return On Capital Employed rose to 51%.

These improvements were due to optimized Opex per barrel, better capital efficiency and strong production.

In terms of production, we have achieved a level of 224 thousand barrels of oil equivalent in 2025 which is superseding the target for 2025. Additionally, we reduced our capital expenditure by around OMR 94 million against the plan.

And further, we optimized our operating costs by almost OMR 76 million comparing to the target for 2025. And we achieved with that operating costs per barrel lower than 2024 by almost 8%.

We also have a strong balance sheet. Net Debt to EBITDA of 0.24 times. Which gives us the leverage for future growth, In'shaa'Allah.

Reserve replacement remains critical for the sustainability of our business. So, every year we try to replace what we produce.

In 2025, we achieved almost 160% total reserve replacement ratio.

In terms of dividend, the company distributed OMR 275 million in cash dividend, both base dividend and also performance based in 2025.

Additionally, to further benefit shareholders, we started the share buyback program.

And with that we purchased around 27.5 million shares worth around OMR 9.5 million.

Slide 6: Operational Excellence: Bisat C Expansion and Bisat Permanent Power Supply

In terms of Operational Excellence, we have accomplished two major projects in operated blocks, Block 60 mainly.

The first one is Bisat C Expansion. This is a very strategic project for OQEP in 2025, where we increased our processing facilities.

In terms of oil, up to 95,000 barrels per day and for water, 800,000 barrels of water per day as processing capacity.

With that, we managed to increase our production from Block 60 over 70,000 barrels of oil equivalent by the end of 2025, and we are maintaining that production.

The second major project is Bisat Permanent Power, and with the completion of that project we managed to eliminate in-house power generation from diesel and gas.

And with that we'll have a reliable power source, reducing cost, as well, more importantly, we'll be eliminating around 280,000 tonnes of CO₂ emissions annually.

Additionally, another success story I would like to mention, and it will help our growth; We had two successful explorations in operated blocks. The first one is Block 48, a successful exploration end of last year. We are currently doing the extended well test. And it will be followed with an appraisal program in Q2/Q3, and hopefully we can conclude the result by the end of the year.

The second exploration success in Block 60 and it's Haushi. We tested earlier this year, and we are connecting the well for a long-term testing and preparing appraisal program for 2026.

With this, I conclude. I can go on and on for the achievements. But, for the sake of time, I'll stop here and I'll hand it over to Mr. Jaber to take you through more details into the finance.

Slide 7: Financial Review: Resilient Performance (Year on Year)

Thank you, Mahmoud. And good afternoon to you all.

So just to shed more light into our financial results for the year ended 31 December 2025. The company really achieved, as mentioned by Mr. Mahmoud, very strong financial results. Despite the fact that oil prices as compared to 2024 dropped by around US\$10, which is around 13%. But with that, we really managed to maintain the top line.

So our revenue, despite the fact that we had a slight drop in the last hour of the year on December 31st, where basically one shipment was moved into January 2026. Capturing that, or normalizing that, our revenue really almost in line with the results of 2024.

And hence our EBITDA as well. And maybe I can shed more light into the following slide into that event that took place on 31st December, at around 11.50 or 59 minutes.

Our Net Profit dropped by 15% and that was mainly due to two (2) main events, which are basically one-time events. One was the transfer of the ownership of Abraj in 2024. We used to have 51% ownership in Abraj and that was transferred by mid 2024 to our holding company, OQ SAOC.

And the other one was the financing facility that we tapped into in 2024 and capturing the full cost in the financial results of 2025.

Our CapEx grew, and that's really in line of our growth in the facilities that we have, as mentioned by our CEO. An increase of 5%. However, our Capex spent is lower than 2025 plan, by around US\$200 million or the equivalent of OMR 76 million.

OQEP really enjoyed a very strong Return on Capital Employed. One of the, I would say, highest in the industry, around 51% in 2025, as compared to around 50%. And we're really in the top quartile when it comes to delivering very strong financial results and cash conversion to the shareholders.

Moving on to the next slide.

Slide 8: Financial Review: Resilient Performance (Quarter on Quarter)

So, as I mentioned, the results for Q4s as compared to Q3s and the event I just described at the beginning of the previous slide, that took place in December 31st, where basically we deferred or underlift 1.1 million barrels into January of this year. And hence, basically, that's the reason why our revenue get impacted.

Eliminating that event, as I mentioned, our revenue or top line really very strong in line of 2024, despite the fact that oil prices dropped by around US\$10, and the main contributor really comes from two main factors:

The first one, we managed to push more volumes, more sales in terms of oil and condensate. So, our oil and condensate volumes really increased by around 1.4 million barrels in 2025 as compared to 2024.

And the second reason is, as mentioned by the CEO is basically the operational excellence. Our unit operating cost, we managed really to maintain it below US\$10, and that really gives us, a plus point where it comes to the cash conversion that we are utilizing for to meet our obligations when it comes to CapEx expenditure and maintaining our dividends payouts.

Moving to the following slide.

Slide 9: Operational Excellence and Cost Leadership Drives Robust Cash Flows

So we really maintained a very strong cash position. So our operating cash balance, the closing of 2024 and closing of 2025, we maintained the same balance at the end of 2025, despite the fact that, as I mentioned, the oil prices dropped by around 13%.

Despite the dividend payout of OMR 275 million that we made during the year to the shareholders, we still maintained around OMR 160 million or the equivalent of US\$416

million when it comes to cash in bank. And that comes really from the high cash conversion we're having from our operations.

I will hand over now to Dr. Anwar to give more insights about the assets portfolio and the mix that we're having in within our assets.

Slide 10: Delivering High Shareholder Value

Thank you very much, Mr. Jaber. As was explained by both the CEO and the CFO, OQEP has been delivering great value in 2025 and In'shaa'Allah beyond, and here we show the high shareholder value that we have been achieving in the past year and the past several years through our high-quality asset portfolio, through our basically strategic partnerships in Oman, with the likes of Shell, BP, Total, ENI, Petronas, Occidental. So, these are the partners with us who are delivering the production targets in the joint ventures, as well as, of course, our own operated assets in Blocks 60 and 48.

So we have been showing a growth of nine-fold in terms of production in Block 60 throughout the past years. Of course, this is all leveraging our operational and financial, basically, expertise.

As was shown by Mr. Jabber, this has been achieved through our robust financial performance, very strong cash generation ability, the very low operating cost that we have delivered, and through our seasoned leadership team within OQEP, spanning over 25 years of experience on average.

This has led, indeed to the total shareholder value return of some 20%, and the dividend yield of 6-7%, according to the share price in this week.

Slide 11: Ability to Deliver in a Low Price Environment Differentiates OQEP

So back into the market overview.

So in this slide, we're showing how the OQEP share has performed as compared to the oil price in last year and also the beginning of this year. So as you can see, our share prices performed very strongly, I mean over 40% as compared to the oil price movement, which really indicates that from the various engagements that we have with the investors, the trust that we gained over the last over one year, as well as the strong financial and operational performance that the company really did over the last decade or so, and continuing on the same trend that really translated into a very strong, I would say, share price appreciation over the last three or four months.

Slide 12: Sustaining Growth through Active Reserves Replacement >100%

Thank you, Jaber. I will here just elude into the reserves achievements, building on from the story that Mr. Mahmoud has highlighted. In 2025, we achieved the reserves replacement ratio of 2P reserves of 160% as per 1.1.2025 reserves position.

And this was netted from the production that we have delivered and the additional new reserves that we have added. So, our target, as we have communicated to you in the past several months is to maintain a replacement ratio of 100%, and in 2025 we uplifted that to 160%.

Of course, during the year we had a few initiatives which aided the reserves. We've added, for example, the Block 53 EPSA amendment, which gave us additional time in the EPSA, the production sharing agreement with the modified and uplifted fiscals as well.

And we have been exploring, as Mr. Mahmoud highlighted, quite successfully in our exploration blocks, 60 and 48, and the other blocks as well, which are going for appraisal and so on, such as Block 11, some of which will add new reserves for next year.

We've also achieved the Gas Sale Agreement for Block 65 and for Marsa. And to this effect as well, we have been signing MOUs with the likes of the Turkish Petroleum Corporation, Petronas, and the Chinese NOC, CNPC.

And as you have seen in the news, we have been progressing the so-called Project Sun, the exploration of 15 blocks in Oman, and we have signed and advanced one of them, which is Block 18 through the partnership that we have newly signed with Petronas. Block 18 is an offshore new concession, that shall conduct exploration activities in the north of Oman.

Slide 13: Growth Strategy

Slide 14: 2030 Strategy: Creating a Global Energy Champion

Perhaps with this, I will continue to provide you with a snapshot of the Growth Strategy that we have spent quite some time on in 2025; one of our deliverables was to come up with this new refreshed strategy, where we have formulated our new Purpose which is Energizing Sustainable Progress, delivering reliable low carbon energy and resilient value.

Our Vision, new vision that we have crafted after basically working with our stakeholders, our internal teams, the Board and management, where we crafted a new vision for us to become the global energy champion of choice by maximizing stakeholder value through growth and innovation.

And we will do this by our new Mission Statement, which is: Building on Oman's potential, expanding internationally while maintaining business resilience and delivering a robust portfolio with improved operational, financial, and people excellence.

Slide 15: 2030 Strategic Drivers

So this strategy is based on a few pillars. And it calls basically to grow our cash flow, grow our production and reserves, and sustain that growth within the upcoming decade, by 2030 and beyond. And of course, diversify the portfolio base, expanding gradually internationally outside of Oman.

So, there are two pillars for our growth explained in this graph. Number one is to continue to develop resources in Oman, maximizing the domestic growth opportunities in Oman, while building our basically talent, building our portfolio and building our gas and oil investments, leading into integrated LNG projects, such as Marsa, the one that we have delivered.

Beyond that, we are crafting, to build resilience and grow internationally, leveraging the government support, leveraging the IOC and partnerships in Oman to slowly go outside Oman in relevant geographies in the vicinity of the Middle East and North Africa. We'll be achieving this via transferring the knowledge and expertise that we have developed in Oman to take that outside of Oman.

Next slide.

Slide 16: 2030 Strategy: Growth Pillars

And here we are showing that these growth pillars are production based.

We would like to aspire to achieve 300,000 barrels of oil equivalent per day from the portfolio of Oman supported by the international. Maintain the reserves ratio at the 100% level.

Continue to focus on Oman and leverage, as I said, with our government and with the IOC partnerships to go outside Oman in very disciplined, carefully selected, investment opportunities.

Maintain the financial discipline and staying at the Net Debt to EBITDA target of 1.5 times and below.

And of course, maintain and improve our dividends as we go through 2027 to basically craft a payout of 25-35% of cash flow from operations as dividends going forward.

Next slide. Back to Jaber.

Slide 17: 2026 Outlook

Slide 18: Full Year 2026 Guidance

Thank you, Dr. Anwar. So just to set the scene. For the guidance for this year, so as mentioned by Dr. Anwar, when it comes to production, our production targets remain within the ambitious that we set during the prospectus. I mean, a target of between 220-230,000 per day of oil equivalent. And maintaining the right mix of around 54% oils, 46% in gas, balanced portfolio, so that it really gives us that ability to maneuver during difficult oil price downtimes.

When it comes to our operating expenditure or operating cost, we maintain our portfolio to be less than US\$10 per barrel of oil equivalent.

And the same also for the CapEx expenditure, our spend averaging between US\$0.8-0.9 billion at networking interest level.

When it comes to the right capital structure, as mentioned by Dr. Anwar, now we're set for growth. Our current Net Debt to EBITDA, as accumulated from the previous years, we are at a very low multiples, at around 0.24 times, however, we set it that way so that it gives us the room for growth, and hence we tap into really setting the growth strategy for the next five years and beyond and basically looking for opportunities to grow our production with ambitious targets of around 300,000 barrels by the year 2030.

With that, we need to maintain the right capital structure in place and putting a target of Net Debt to EBITDA within the current oil prices of around one multiple and at stressed oil prices, less than 1.5.

So with that, maybe a closing remark. Our portfolio today is very strong, and that comes from multiple factors. We're having a very strong unit operating cost, very cost discipline. The right oil and gas mix of assets varies really between heavy oil, light oil and gas.

As well as capitalizing on the expertise that we are having internally within OQEP and especially when it comes to our operatorship of our flagship asset, Block 60, as well as our partners, who are basically we're partnering with in other blocks that they are operating and we're partners in there, and we're maintaining very, I would say, efficient operations and using their expertise when it comes to high delivery of projects, as well as increasing production.

With that, I would say thank you very much, and I will open the floor for your questions, and you are most welcome.

Q&A Session

Mundhir Al Sharji (Head of IR): Thank you very much.

Thank you, Jaber. Thank you, Mahmoud, and thank you, Dr. Anwar, for the insightful session we had. So now we're opening the Q&A session. Please, for the interest of time, please restrict yourself on asking two questions per participant.

And also the protocol here, if you have any question, you can raise your hand and the support team will allow you or unmute your mic so you can ask a question.

And also you can use the chat box as a feature to type your question, and then we're going to read it accordingly.

Boris Sinitsyn (Oman Investment Bank, OIB): Hello, gentlemen, it's Boris Sinitsyn from Oman Investment Bank. I have two questions. The first one... sorry if I missed it, but could you please tell me your net working interest production figure for 2025, with one decimal point, please.

Mahmoud Al Hashmi (CEO): As we mentioned, it's 224,000 barrel of oil equivalents. That's our working interest.

Boris Sinitsyn (OIB): Thank you so much. Sorry, I didn't find it in the materials. Second question is... second question is basically on your new strategy.

Okay, let me continue, and I'll ask the second question. Second question basically relates to the growth strategy. You mentioned that one of the ways to achieve your production target is basically M&A, both domestic and international. The question is, how the management will ensure that the M&A and acquisition price, assets which are going to acquire, will increase value for the company and shareholders.

Mahmoud Al Hashmi (CEO): Very good questions, Boris. So when you're coming to the growth, we did not say it's 100% M&A. It's organic growth, and that's what we mentioned. We having exploration success in Block 60 and also Block 48 as well with our partners. So that's one side of the growth.

The second part is the M&A, and mainly we'll be focusing on international as well also local M&A. And for that part of the growth implementation strategy, we're having a very clear screening criteria when it's coming to the selection of the assets, and it has strategic criteria, financial criteria, as well other criteria.

Also, we're having an assurance review internally. And then we're having a third party review when it's coming to the selection of the assets.

Boris Sinitsyn (OIB): Thanks, and actually follow up on this. You mentioned in the presentation that your maximum financial leverage level is one time Net Debt to EBITDA. That doesn't mean that in any case, during acquisition, you will target not exceed it.

Mahmoud Al Hashmi (CEO): The the Net Debt to EBITDA 1.5x, as we said, currently we are 0.24x times. And the 1.5x is a stress case at the low oil price, but at high oil price, we can go more than 1.5x or up to 2x. And thus, if we compare with other international E&P companies. So we can go to two at the high oil price.

Boris Sinitsyn (OIB): Okay, thank you.

Kaushik (Jade Research): Thank you for the opportunity and thank you for having the call. Hope I am audible? So, just a couple of questions. Number one is that you have given us a guidance that the production will increase from the current 224 kboe per day. So, how do we see this increase? I mean, do we see it gradually? That is, on an average, this growth comes to around 6% over the five next years. So, do we see this incrementally or do we see a very high proportion of production coming into tail end of the estimate? That is close to 2030 or do we see a gradual increase? That is one.

The second question is relating to the dividend, so, the current dividend policy is 90% of FCF, and I think that is going to continue in 2026. From 2027 onwards, the management is talking about 25-35% of operating cash flow. So, how do I understand this? Are we going to see a new dividend policy? Will the minimum dividend of OMR 231 million stay for 2027? Or, how do we see this? Is there any change in the management's policy in terms of dividend post 2026?

Mahmoud Al Hashmi (CEO): I'll answer the first question and the second one for the dividend. I'll give it to the CFO to answer it in detail. So, for the growth, it depends. Our ambitions to go 300,000 by 2030 and it depends on the availability of the good acquisitions. If we can do it earlier, that will be great. And also focusing on the other financial parameters just to ensure that it's not accelerating the 300,000, but, we also we need to make sure we are also meeting the other financial criteria. What we will do is we try to accelerate it, but we'll do it gradually.

Jaber Al Noumani (CFO): Thank you, Mahmoud. So with regards to your second question with regards to the dividends policy. So, as you mentioned, that the current dividends policy which was set in the prospectus it goes into the end of this year, the end of 2026, where it has basically the OMR 230 million as base, plus the performance linked dividends, which is assessed at the end of each half of the year.

Now, beyond 2026, the company is evaluating in line again with the growth strategy that we embarked on, and as we stated earlier, that now we'll be coming with a new dividends policy for the years 2027 and beyond. We looked into a couple of benchmarks within the industry, within the oil and gas industry, and also within the E&P companies, the major IOCs and NOCs, and hence we came up with the guidance of 25-35% of CFFO, which is cash flow from operations. And that's in line with the current, I would say, distribution that we are having. Of course, the company is in the growth mode. And hence, we thought that now it's the right time that we really

benchmark ourselves to the IOCs and the NOCs, and we really go into the same trend going forward.

Kaushik (Jade Research): So, just one clarification on that. So, what about the minimum dividend; OMR 230 million? Will it stay from 2027 onwards, or it will fall under the 25-35% payment?

Jaber Al Noumani (CFO): So in that point, we are moving basically away from the minimum cash dividends, and hence we're going basically for a more of, I would say a range, more of a performance driven in line with the best practices and market norms that really gives the shareholders more returns when it comes as a result of the growth, and hence moving away from a minimum cash dividends that restricted, I mean, high distribution to the shareholders when we're having high production or/and higher cash flows as a result of high oil prices, into more of a flexible policy that really rewards the shareholders if there's any growth in the company.

Kaushik (Jade Research): Got it. Thank you, thank you very much.

Mundhir Al Sharji (Head of IR): Can we listen now from Ildar?

Ildar Khaziev (HSBC): Yes, thank you so much. This is Ildar Khaziev from HSBC. I hope I'm audible. Can I ask you first about the potential M&A targets? What kind of regions are you looking for if you want to expand internationally, and what kind of partners do you have in mind. That's my first question.

Second question, about production in Q4, any chance you could comment on the quarter-on-quarter trend? It looks like production oil and gas slightly declined. Is that the case, and if so, why this is the cause?

And separately, can I ask you about the average yearly contribution of Block 60 to total production of oil in 2025. That would also be very helpful. Thank you.

Dr. Anwar Al Kharusi (CEC): Thank you, Ildar. Maybe I'll handle the first part. So in our strategy crafting that we developed last year we are contemplating that we will focus in the vicinity of the Oman region. So, Middle East, North Africa, and wherever we have leverage into; the targets that we are looking at and analyzing will be low risk assets, they are producing or near producing assets and we will ensure that we have a robust operator in place. So the operatorship has to be existing and robust, and it has to be in the development and or producing phase. We think with this, basically, and the investment criteria, as the CEO has highlighted, we have a rigorous investment criteria that we will go through. For each, opportunity that comes across our way and only then we will advance it, you know, such investments.

The second question was about production. Maybe Mahmoud will handle that.

Mahmoud Al Hashmi (CEO): So regarding the production for Q4, there is no drop in production. In fact, it was a higher effort in Q4. What you have seen in the slide really does the sale oil and it was because of underlifting on the 31st of December. It was

lifted 10 minutes after midnight, and that's why we could not put it part of 2025 and it will be included in 2026 financials.

For Block 60, as I stated, we closed the year, the total production gross, over 70,000 kboepd and we continue producing above 70,000 kboepd.

Ildar Khaziev (HSBC): Thank you. How about the average yearly contribution? What was the average production on the block?

Mahmoud Al Hashmi (CEO): Above 65,000 kboepd.

Ildar Khaziev (HSBC): Thank you. And lastly, sorry, can I ask you also about the CapEx? It looks like the CapEx number for the year was a bit lower than you got it previously. Why was this the case? And is there any chance that we might actually see higher than guided CapEx in 2026 instead?

Mahmoud Al Hashmi (CEO): So, for the CapEx, there are different elements. One of them is drilling performance, especially in Block 60. We managed to reduce the drilling times and also change the oil well types just to reflect the drop in oil price. And we have a good reduction there. The other thing is really those projects not related to oil and gas production, we defer them. So we have restructured our capital expenditure accordingly.

For 2026, I don't expect to see any increase in the CapEx we allocated and we are monitoring the oil price as we speak. And if there is anything, we will be acting accordingly.

Mundhir Al Sharji (Head of IR): Thank you, Ildar, for the question. Let's have some questions from the chat box. So we'll read it out.

Sandesh Shetty (U-Capital): Thank you for the presentation. I have two questions. The provision of decommissioning increased by 77% this year OMR 75 million. Could you shed some light on what drove the significant rise?

And the second question is: OQEP secured a four-year extension in Block 48. However, the asset's net position dropped from OMR 13 million to OMR 3.1 million. Can you quantify the minimum work commitment required?

Jaber Al Noumani (CFO): Yes, so with regards to the first question for the provision of the decommissioning. So part of the year end exercise we normally carry out an assessment of the decommissioning activities and the site restoration, there was basically directives from the Ministry of Environment for the wells that we need to increase the provision. It was a ministerial decision that came from the environmental authority of making a certain provision per well for the oil wells, the gas wells, and also the water wells. And hence we had to increase the provision into our books for that, because part of our key pillars and key principles where basically where we operate is basically the license to operate and compliance to all the governmental regulation

when it comes to environmental aspects, and hence we have to comply with the with that regulation that came from the environmental authority.

Dr. Anwar Al Kharusi (CEC): Maybe on the Block 48 query on the minimum work commitments. Indeed, we did secure an extension for the block from the government, and we agreed with the government that we will be conducting seismic to further, basically, and more accurately address the volumetrics issue of the current appraisal and the future exploration in the Haushi in particular, and we promised to drill three wells in the block.

Mundhir Al Sharji (Head of IR): Thank you, Anwar. We'll take one more question from the chat box before we give a chance to Mohamed El Sunayan. This question from John. Hi, I'm John, reporter with Energy Intelligence. How do you view the political instability in the region? Are you concerned about the attacks on energy infrastructure? And are you taking any preparatory measures? I think also this is related to the question from Anwar. that if the Strait of Hormuz stays blocked for oil export in the current scenario. Can Oman use the southern port for the oil export?

Mahmoud Al Hashmi (CEO): Like other E&P companies we are monitoring the situation really very closely, and we're working closely with the government. And we're hoping for de-escalation of the situation. Regarding if Hormuz gets closed, our production, most of our production is outside the Strait of Hormuz. It's coming from Mina al Fahal and Duqm, so there is no impact on our production. But again, we are monitoring the situation very closely with the government. As well, we have a business continuity team that's working 24/7.

Mundhir Al Sharji (Head of IR): A question from Muhammad Al Thunayan (Jadwa). Can you unmute his mic, please?

Mohammed Al Thunayan (Jadwa): As salaamu alaykum. Thank you very much for having us on the call. Just a question. I'm just trying to apply the new dividend policy of 25-35% of the CFFO to the company's 2025 and 2024 cash flow from operations. It seems that the total dividend distribution at the higher end, which is 35%, will decline by around 33.5% versus 2025 total dividend distribution of OMR 275 million, and 24.8% if we apply that for 2024 CFO and compare it to the base dividend of OMR 231 million. Is my understanding correct?

Jaber Al Noumani (CFO): So, the way you apply the formula, Mohammed, you just need to also take into consideration also the growth the company is embarking on. So when we set the policy, it's not on the current production level. It's basically on the growth production level and the growth mode that the company is intending to enhance, I mean, taking that into the picture or into the formula, it will translate to the US\$ 600 plus million.

Mohammed Al Thunayan (Jadwa): US\$ 600 million plus, that's cash flow from operations, right?

Mahmoud Al Hashmi (CEO): Mohammed, when we are putting the strategy, this is Mahmoud OK, we looked into this over the next five years. So the dividend will be better than what we are giving now, and that's for two things; One is because it's linked to the oil price as well as the production. So taking these into consideration, everything in the five years, the dividends will be better than what the fixed one we have now.

Mohammed Al Thunayan (Jadwa): Yeah. But I mean, initially for 2027 and until 2029, the dividend would be lower by approximately, I would say, between 25 and 30% versus the base dividend of OMR 231 million.

Mahmoud Al Hashmi (CEO): That's not correct. And I think maybe you can take it offline how you do the calculations with the team.

Mohammed Al Thunayan (Jadwa): Sure. Sure. We'll do that. Thank you.

Mundhir Al Sharji (Head of IR): We're reading a question from Yakub al-Kalbani. Thanks for your time, Ramadan Kareem. I want to know what is the timeline for the gas monetization activation?

Mahmoud Al Hashmi (CEO): So for the gas, this is maybe regarding the Marsa project, and that's where we're having the upstream and downstream. Construction of Marsa LNG is ongoing. I think by year end we have already achieved 39% completion in the project. And we're hoping that the first shipments will be sometime Q1 or Q2 2028 In'shaa'Allah. And it will be the first green LNG cargo from Oman.

Dr. Anwar Al Kharusi (CEC): And maybe I will just add that when you say monetization, Marsa is already monetizing gas by selling the gas through GSA, existing GSA. The GSA that we newly signed is to allow gas sale and purchase during the LNG operation phase. So at the moment, Marsa is monetizing and selling basically gas via an existing GSA.

Mundhir Al Sharji (Head of IR): Can we hear now from Sandish? Hi, team, regarding Block 65, now that the gas sales agreement is signed, how does the agreed tariff structure compare with the Musandam Gas Plant? Additionally, what is the specific target date for first gas? And the second question is, what are the developments on Block 18? If you could shed some light on that block.

Mahmoud Al Hashmi (CEO): So, for Block 65 this is an oil block with Oxy. We're having 49%. And this is a [inaudible] gas, so it's already in the pipeline, and this is just an agreement that's been extended. The old one was during the initial [inaudible] programs and now extended for 25 years. So, there is no link with MGP. This is directly with IGC gas sales agreements. For Block 18, I'll give it to Dr. Anwar.

Dr. Anwar Al Kharusi (CEC): Thank you, Mahmoud. Block 18 is indeed one of the new blocks that stems out from the so-called Project Sun, which is one of our growth projects started last year, and we've signed basically an agreement with Petronas and the government of Oman. Petronas will be the operator, owning 70%, and OQEP will own a minority stake of 30%. The royal decree was issued yesterday, by the way, and

congratulations to all. The idea is to conduct a study now. And then carry out seismic, and then drill a well within the next basically two to three years. And if successful, In'shaa'Allah, as per our understanding, this will open up the entire basin, offshore basin for Oman in the northeast coast of Oman, In'shaa'Allah.

Mundhir Al Sharji (Head of IR): We have eight more minutes left for the session. We can take two more questions. So let's read out from Anwar. And then we'll go back to Kaushak. Mr. Anwar is asking, what about the share buyback policy? Will it be executed or not this year?

Jaber Al Noumani (CFO): With regards to the share buyback program, we started the program back in August or September last year, and we achieved around 55 to 60% of the program until the 31st of December 2025. When monitoring the stock market, I mean, as I mentioned, during the presentation we really seen the impact of the program in terms of the share price appreciation. Averaging between 25 and 35%, and we're keeping very close eye on that, while the program is still intact.

Kaushik (Jade Research): Yeah, thanks for having me back. Just one clarification on the Treasury buyback. So, what is the management's plan with the Treasury shares? Are we going to extinguish it or use it for acquisition or..., what is the plan?

Jaber Al Noumani (CFO): The plan for the Treasury shares, as per the regulation, the holding period is one year from the approval, and then subject to a further one year extension upon the approval from the board of directors, and also from the Financial Services Authority. After that, the company is basically mandated to sell back these shares back into the market, or maybe to any potential institution or basically anchor investor.

Mundhir Al Sharji (Head of IR): Okay, thank you very much for attending this session. We're always happy to receive your questions afterwards. You can send your questions directly to IR, to the email designated on the website. And looking forward to seeing you for another session. Thank you very much.

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