

OQEP

Annual Report 2025

FOR

OQEP

Resilient Today

**A BRILLIANT
TOMORROW**

2025 Annual Report





HIS MAJESTY

SULTAN HAITHAM BIN TARIK



The past years saw the launch of Oman Vision 2040, the vision of all Omanis, and set their clear path towards the future. Thanks to the grace of Allah the Almighty, continuous progress was made towards the goals of this phase of the Renewed Renaissance, including improvement in many national and international indicators. This would not have been achieved without the solidarity and support extended by all the people of this country to the government's efforts and endeavors.»

**His Majesty's
Royal Speech,**

11 January 2025

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ABOUT THIS REPORT

This Annual Report covers OQ Exploration and Production SAOG's (OQEP) operational and financial performance, strategic direction, governance and sustainability commitments for the financial year ended 31 December 2025. It is OQEP's second annual report as a publicly listed company, following its IPO on the Muscat Stock Exchange in October 2024.

Financial statements have been prepared under International Financial Reporting Standards (IFRS). Forward-looking statements are based on management's current expectations; actual outcomes may differ materially. Readers are referred to the Risk Management section for a description of the principal risks and uncertainties facing the Company.

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Company Overview



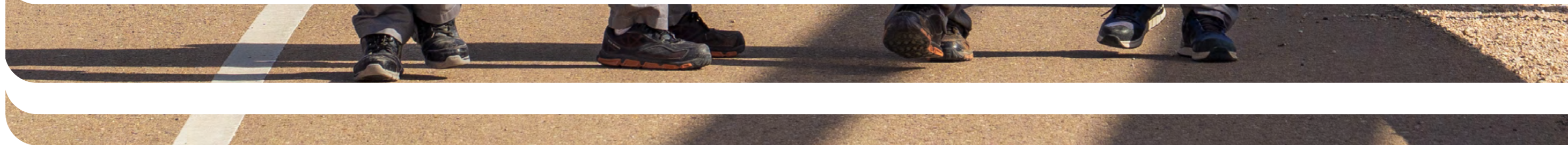
01

Embracing Change means delivering through uncertainty.

In a year of lower oil prices and shifting market conditions, OQEP grew volumes, protected margins and sustained returns, demonstrating a business built to deliver across cycles.

14
upstream assets

13
JV partnerships



OQEP at a Glance

WHO WE ARE

OQ Exploration and Production SAOG (OQEP) is the Sultanate of Oman’s largest pure-play oil and gas exploration and production company, majority-owned by the Government of Oman and a core part of the OQ Group, Oman’s largest integrated energy enterprise.

OUR ORIGINS

Founded in 2009, OQEP has grown to become one of the Middle East's largest upstream operators.

It currently ranks among the top three oil and gas producers and is also one of the largest holders of oil and gas reserves in Oman.

In 2024, the company became the largest listing on the Muscat Stock Exchange, with the Omani government retaining a 75% stake through OQ Group.

OUR SCALE TODAY

OQEP operates a portfolio of 14 onshore and offshore assets, holds 2P reserves of 923 mmboe, and maintains joint venture partnerships with 13 of the world’s leading IOCs. Since 2009, average daily production has grown nearly 13 times. The Company’s reserves are 59% gas-weighted, positioning it well for the long-term evolution of the global energy mix.

KEY FACTS

2009

Founded

14

upstream assets

13 onshore and 1 offshore

13

IOC

joint venture partnerships

923

mmboe

2P reserves (977 mmboe WI 2C resources)

59%

gas-weighted reserves

Participation rights

Sole entity designated by the Government to exercise participation rights in new Omani oil and gas developments

Purpose

Energize Sustainable Progress: delivering reliable, low-carbon energy and resilient value

Vision

To become the global energy champion of choice by maximizing stakeholder value through growth and innovation

Mission

Build on Oman’s potential and expand internationally, maintaining business resilience and delivering a robust portfolio with improved operational, financial and people excellence



WHAT WE DO



Explore and Produce:

Operating a high-quality portfolio of 14 onshore and offshore assets across Oman, maximizing recovery through advanced technology and operational excellence.



Partner of Choice:

The preferred partner for leading IOCs entering the Omani market, with joint ventures across 13 global industry leaders including BP, Shell, Eni, Petronas, Medco and OXY.



Grow and Expand:

Pursuing disciplined domestic growth complemented by targeted international expansion, with a production ambition of approximately 300 kboe/day by 2030.

OUR COMMITMENTS



Safety and Stewardship:

Operations guided by health, safety, security and environmental principles, with rigorous HSSE standards embedded across the business.



Net Zero by 2050:

Committed to achieving net zero Scope 1 and 2 emissions from currently producing operated assets by 2050, in line with Oman’s national climate ambitions.



Oman Vision 2040:

A core contributor to Oman’s long-term economic development, generating value for the nation through growth, innovation and responsible resource management.

Message from the Chairman

DEAR SHAREHOLDERS, PARTNERS, AND COLLEAGUES,

On behalf of the Board of Directors of OQ Exploration and Production (OQEP), I am proud to present our Annual Report for 2025. This year, OQEP has demonstrated resilience and leadership in an evolving energy landscape, supporting economic growth and contributing to national energy security. As global demand for energy intensifies, our commitment to operational excellence and long-term value creation remains unwavering.

Within this context, OQEP continues its journey, not only by contributing to the energy security of the Sultanate of Oman, but also creating long-term value for the nation, and sustainable returns for shareholders and partners.

In 2025, the average oil prices declined. OQEP responded by strengthening the fundamentals of the business through financial discipline, strong leadership, and a resilient operating model. This approach kept OQEP well-positioned in a dynamic environment. Nonetheless, the resilience of the company's portfolio was further supported by gas assets, which now represent approximately 50% of production providing long-term stability and reducing exposure to oil price fluctuations. This balance is deliberate and structural, and it will remain a defining feature of how the company manage the business going forward.

Operationally, OQEP exceeded its production target and delivered two major capital projects: the Bisat C Expansion and the Bisat Power Plant supporting Block 60 production. The Company also secured several strategically significant agreements, including the Block 53 EPSA and gas sales agreements for Blocks 10 and 65, alongside exploration successes in Blocks 48 and 60.

OQEP growth pathway is balanced and deliberate. The company will continue to strengthen its domestic portfolio by building on its operational capabilities and maximizing the value of the existing assets. Internationally, the board has given a clear mandate to grow OQEP's production and gas base, with a primary focus on the Middle East, East Africa and North Africa. The management will pursue this through carefully selected partnerships and opportunities, including mergers and acquisitions, in markets where the company's expertise can create meaningful and sustainable value.

The company has also scaled up its social investment agenda during 2025 with focus on long term value in the communities. With 3.5 Mn

invested in communities, OQEP contributed to local development projects in different sectors including education, health, youth and community infrastructure.

Looking ahead, the focus remains firmly on delivering high and sustainable shareholder value. This requires balance between growth and discipline, between ambition and responsibility. It is this balance that underpins our long-term strategy.

The board of directors would like to express its sincere gratitude to **His Majesty Sultan Haitham bin Tarik** for his vision that has been an insightful guidance and to the government of Oman for the continued support.

The board also extends its appreciation to the employees and stakeholders, whose dedication and commitment continue to define our progress.

Thank you.

“Together, we will continue to build a company defined by operational excellence, disciplined growth and long-term value creation for Oman, and for generations to come.”

Ashraf Al Mamari

CHAIRMAN
OQ EXPLORATION &
PRODUCTION SAOG



Asset Portfolio

OQEP holds a high-quality portfolio of 14 upstream oil and gas assets across Oman, spanning exploration, appraisal, development and production.

Assets are held across EPSAs, concession agreements and service agreements, with OQEP acting as operator or non-operating partner alongside some of the world's most recognized international oil and gas companies.

KEY PRODUCING ASSETS

OQEP 60%

Block 60
OQEP's flagship onshore asset and largest source of oil production, with sustained output growth driven by improved recovery techniques and advanced drilling at the Bisat field.

bp 30%

Block 61
A major gas and condensate asset contributing approximately 40% of OQEP's working interest production and around 33% of Oman's total gas production.

OXY 45%

Block 9
Contributing around 20% of OQEP's working interest production and 10% of Oman's total oil production, with active exploration drilling supporting reserves replacement.

OXY 49%

Block 65
Fast-tracked to production in under three years and demonstrating strong growth potential, with associated gas monetization commenced in late 2024.

OTHER ASSETS

OQEP 100%

Block 8
OQEP's only offshore producing asset, operated through its wholly owned subsidiary Musandam Oil and Gas Company, providing stable production from the Musandam region.

OQEP 100%

Musandam Gas Processing Plant
An oil and gas processing facility and export terminal serving Block 8, well positioned to process future discoveries in the Musandam region.

petrobras PETROGAS S.A. 25%

Rima Small Fields (RSF)
A service agreement asset within Block 6, with multiple EOR initiatives underway including active exploration and appraisal activity.

MZ 25%

Karim Small Fields (KSF)
A cluster of heavy oil fields within the Block 6 concession, operated by MedcoEnergi under a long-term service contract extended through 2024.

EXPLORATION ASSETS

Shell 10%

Block 11
High prospectivity gas discovery with strong development potential.

OQEP 60%

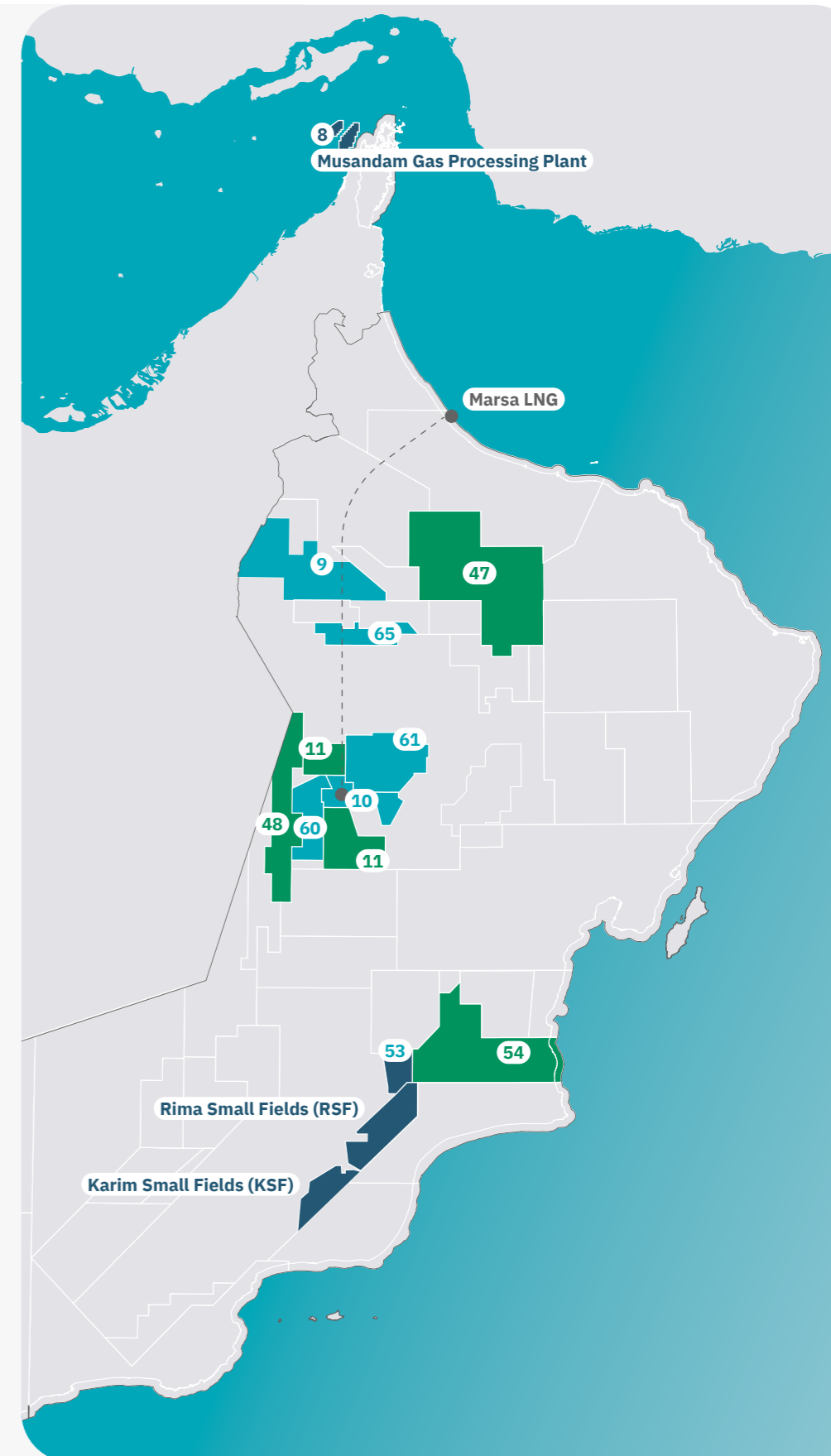
Block 48
Active exploration with recently extended EPSA.

OQEP 60%

Block 54
New block secured in partnership with Genel Energy.

eni 10%

Block 47
Exploration extension recently secured.



OXY 20%

Block 53
One of the largest thermal EOR fields in the Middle East, with an EPSA extended to 2050 on improved fiscal terms and potential for 800 million additional gross oil barrels.

Shell **Marsa LNG** 20%

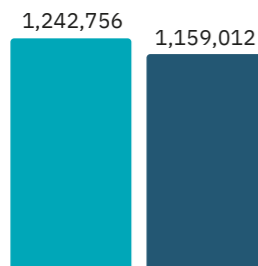
Block 10
A gas and condensate asset hosting the Marsa LNG Bunkering project, which will establish the Middle East's first LNG bunkering facility at the Port of Sohar in 2028.

KPI Highlights

FINANCIAL

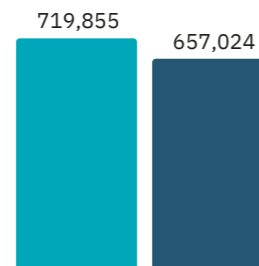
Revenue
(± '000)

1,159,012



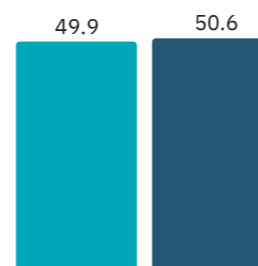
Gross Profit
(± '000)

657,024



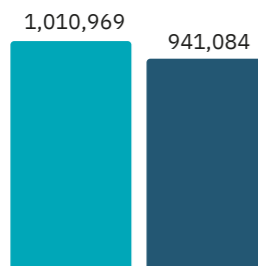
Return on Capital Employed (ROCE), %

50.6



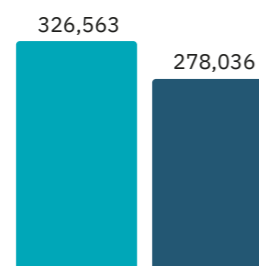
EBITDA
(± '000)

941,084



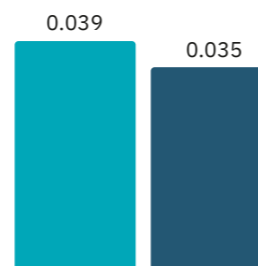
Net Profit after Tax
(± '000)

278,036



EPS
(±)

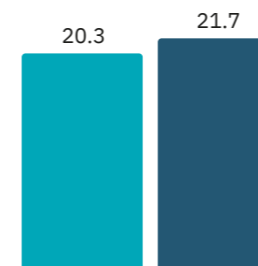
0.035



OPERATIONAL

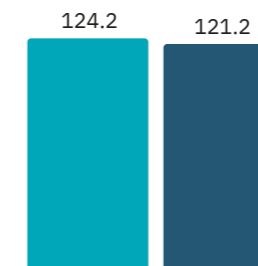
Crude Oil and Condensate Volume (mmbbl)

21.7



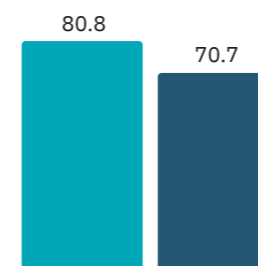
Gas Volume (bcf)

121.2



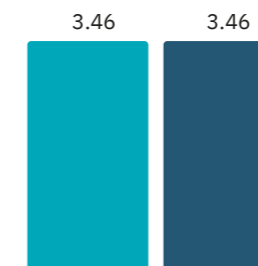
Average Realized Oil Sales Price (US\$/bbl)

70.7



Average Realized Sales Price (US\$/MMBTU)

3.46



Message from the CEO

DEAR SHAREHOLDERS AND STAKEHOLDERS,

In 2025, OQEP demonstrated resilience, capital discipline and operational excellence despite oil price decline (from approximately \$82 to \$65 per barrel). Through disciplined execution OQEP continues to deliver operational excellence, the efforts of our employees, and close collaboration with our partners, we have reinforced our position as a reliable upstream operator while building a strong platform for future growth.

Financial discipline remains at the core of our strategy. Revenues reached **﷮** 1,159 million, while Net Profit After Tax amounted to **﷮** 278 million, demonstrating the strength and resilience of our operations, supported by a robust balance sheet. We remain confident in the critical role responsible energy producers play in driving economic growth, strengthening energy security, and advancing the global energy transition while delivering high shareholders' returns.

We are committed to adhering to highest standards of health, safety, security, and environment guided by its HSSE Management System and an integrated strategy targeting zero harm to people, the environment and assets. Operationally, we delivered a stable production rate of 224 kboepd, reflecting the resilience and quality of our asset portfolio. Simultaneously, we aim to sustain reserve replenishment at 160%, safeguarding the long-term

sustainability of our portfolio. This performance was underpinned by the successful delivery of key infrastructure projects at Block 60, including the Bisat C Expansion Facility and electricity imports from the government electricity grid. On exploration side, two successful exploration wells were drilled in Block 48, with an extended well test underway and an appraisal program planned for the second half of 2026.

During the year, we continued to enhance the long-term value of our portfolio including the extension of Block 53 to 2050 with improved fiscal terms, continued exploration in Block 48, and the extension of Block 47. Our exploration and production portfolio was further strengthened through new and extended EPSAs. We also made solid progress on our projects with our partners including Marsa LNG bunkering project in Sohar, which exceeded 39% completion by year-end, remaining on schedule and within budget.

OQEP's growth strategy remains clear and focused with ambitions to reach approximately 300 kboepd by 2030. This growth will be driven by the continued development of our domestic portfolio, supported by targeted acquisitions within Oman. In collaboration with the Ministry of Energy and Minerals, we progressed

the marketing of 14 exploration blocks, supporting the continued development of Oman's upstream sector. In parallel, we will expand our international footprint through carefully selected partnerships in regions where our expertise can deliver value, particularly across the Middle East and North Africa.

People are central to this ambition. OQEP's growth strategy is built on a human capital growth strategy. Our focus is on building leaders for the future, creating the next generation of talent that will carry the Company through its international expansion.

Looking to 2026, our priorities are clear: building the right talent and leadership base for international growth; maintaining robust business continuity management given current global uncertainty; and sustaining a domestic investment program that delivers sound returns across oil price scenarios.

Our achievements would not have been possible without the dedication of our people, the continued support of our partners, and the trust of our shareholders. Together, we will build on this strong foundation and continue to create long-term value for the future.

“Our growth plan builds on Oman’s significant resource potential, leveraging OQEP’s operational excellence to establish a National Upstream Champion aligned with Oman Vision 2040—creating long-term value for our stakeholders through disciplined growth and innovation.”

Mahmoud Al Hashmi

CHIEF EXECUTIVE OFFICER
OQ EXPLORATION &
PRODUCTION SAOG



Year in Review

Q1 '25

Q2 '25

Q3 '25

Q4 '25

2025 was a landmark year for OQEP. Operating through a softer oil price environment, the Company demonstrated the strength of its business model by exceeding its production target, delivering two major capital projects, achieving record reserves replacement and completing its first full year as a publicly listed company.

OQEP has been awarded the prestigious **Sharia-Compliant IFN IPO Deal of the Year 2024**, recognizing the Muscat Stock Exchange listing as the standout capital markets' transaction of the year and affirming its significance for Oman's capital markets.

The **Block 53 EPSA** was extended through 2050 with improved fiscal terms, adding material reserves to the portfolio with partners envisaging potential for an additional

800 million
gross oil barrels.

The **Bisat C Expansion Facility** was successfully commissioned at Block 60, increasing oil processing capacity to

95,000
bbl/day

and water processing capacity to over

800,000
bbl/day

OQEP initiated its **share buyback program**, acquiring 27.5 million shares at a total cost of approximately

9.5
million,

with approximately **55-60%** of the program completed by year end.

OQEP participated in the **HSBC GCC Exchanges Conference** and the **OQ Capital Markets Day** in partnership with Arqam, broadening engagement with the regional and international investment community.

The **Bisat Permanent Power Supply** was successfully energized at **Block 60**, connecting the asset to the national grid and reducing greenhouse gas emissions by approximately

280,000
tons CO₂e
annually while lowering operational costs.

The Board formally approved **OQEP's 2030 growth strategy**, targeting approximately

300
kboe/day
through a balanced model of domestic development and selective international expansion.

A new **EPSA** for **Block 54** was signed with Genel Energy, and MOUs were concluded with Turkish Petroleum Corporation, CNPC and Petronas.

The Marsa LNG Bunkering project reached more than

39%
completion, progressing on plan and on budget toward its 2028 targeted online date.

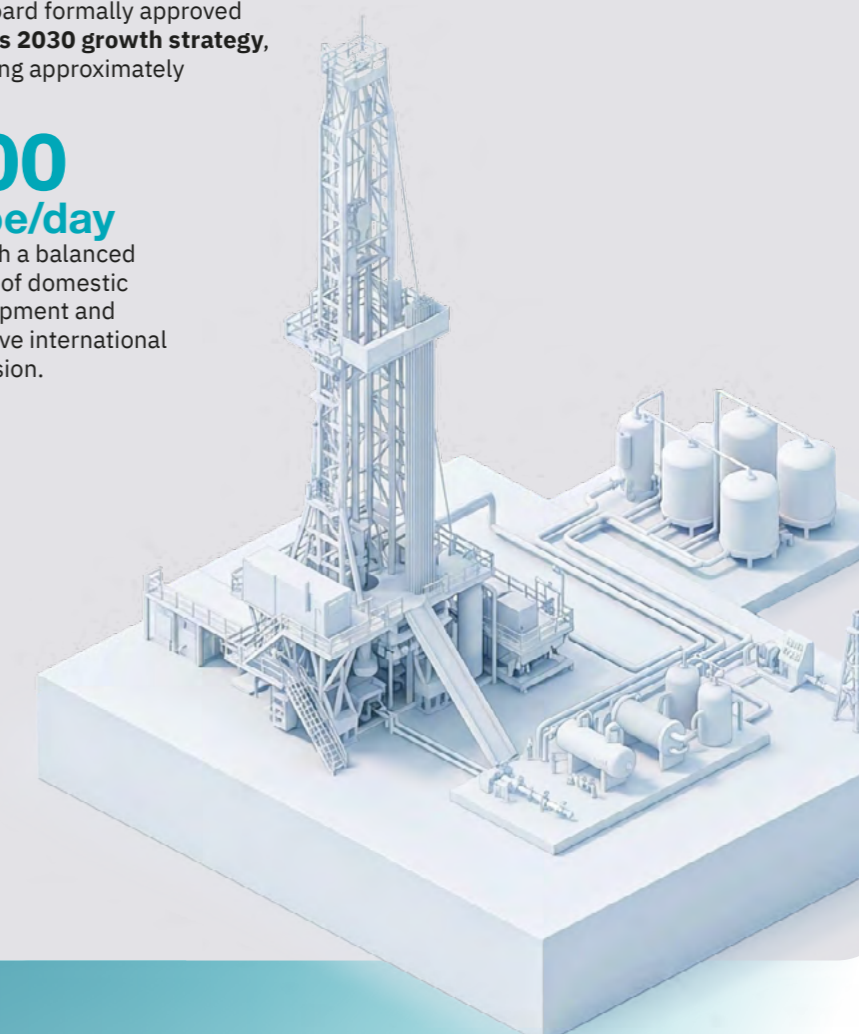
2025

Full Year Highlights

Total production of **224** kboepd, exceeding 2025 target

2P reserves replacement ratio of **160%** well above the 100% target

275 million in dividends distributed across base and performance-linked components, supporting a total shareholder return of approximately 20%



Our History

From a single asset operator at inception to Oman's largest publicly listed company in just fifteen years, OQEP's history is one of disciplined growth, strategic partnership and expanding ambition.

2009 to 2012

Foundations

2009

OQEP incorporated as **Oman Oil Company Exploration and Production LLC**, establishing its initial asset base through service agreements for the Karim and Rima Small Fields.

2010

OQ assigned its KSF and RSF **service agreement interests** to the Company.

2011

Acquired 100% working interest in **Block 60**, which would become the Company's flagship producing asset.

2012

Signed a tariff agreement with the Government to develop **the Musandam Gas Processing Plant**. OQ novated its interest in Block 53 to the Company.

2014 to 2018

Portfolio Building

2014

Exercised Government participation rights to acquire a 40% working interest in Block 61, home to the Khazzan field, one of Oman's most significant gas assets.

2015

Acquired a 45% working interest in Block 9, adding a material oil and gas asset to the portfolio.

2016

Musandam Gas Processing Plant commissioned, establishing OQEP's presence in Oman's offshore energy infrastructure.

2017

Acquired 100% working interest in Block 48. Block 61 extended to include the Ghazeer field. Oil discovered and tested at the Bisat field in Block 60.

2018

Divested a 10% working interest in Block 61, retaining a 30% stake in the contract area.

2019 to 2022

Scaling Up

2019

Renamed **OQ Exploration and Production LLC**. Acquired the service agreement for Block 8 and an initial working interest in Block 65.



2020

Acquired a 10% working interest in Block 47, further expanding the exploration portfolio.

2022

Acquired a 20% working interest in Block 10 and a 10% interest in Block 11. Exercised Government participation rights to increase Block 65 working interest from 27% to 49%.

2023 to 2024

Preparing for a New Chapter

2023

Divested 40% working interests in Block 60 and Block 48, optimizing the portfolio ahead of the Company's next phase of growth.

2024

Final investment decision announced for the **Marsa LNG plant**.

Converted to a **public joint stock company** in July.

IPO the Muscat Stock Exchange in October, becoming **the largest publicly listed company in Oman**.

Each phase of the Company's development has built on the last, compounding operational capability and portfolio scale to create the platform that underpins its 2030 strategy today.

2025 and Beyond

Growth with Ambition

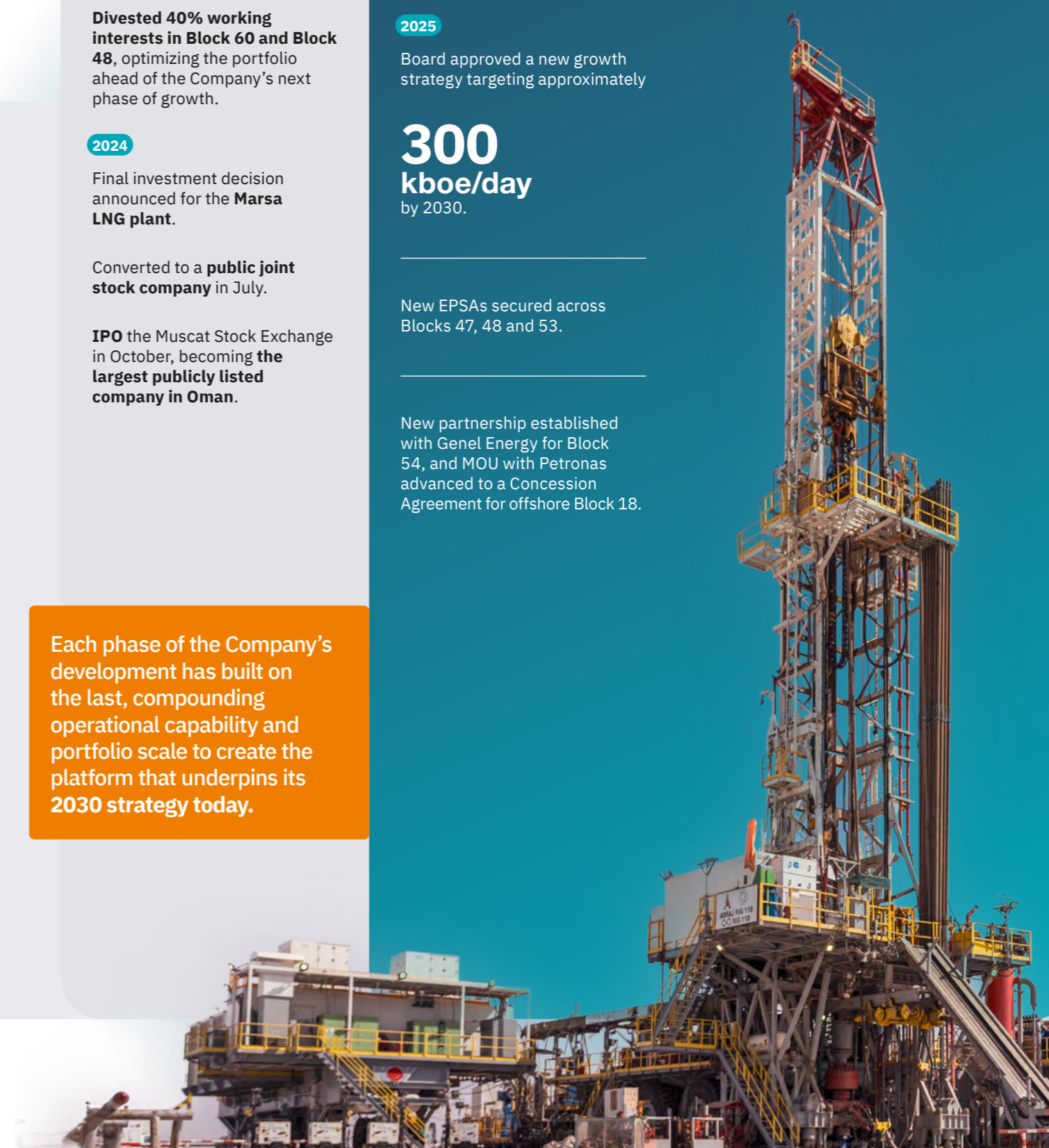
2025

Board approved a new growth strategy targeting approximately

300 kboe/day by 2030.

New EPSAs secured across Blocks 47, 48 and 53.

New partnership established with Genel Energy for Block 54, and MOU with Petronas advanced to a Concession Agreement for offshore Block 18.



Investment Case

OQEP offers a rare combination of sovereign backing, operational excellence and structural growth in one of the world's most important hydrocarbon basins.

As Oman's largest pure-play upstream operator and the only entity designated by the Government to exercise participation rights in new oil and gas developments, the Company occupies a position that is both strategically privileged and commercially distinctive.

Highly Strategic Position as Oman's Largest Pure-Play Upstream Operator

Majority Government-owned and a core part of the OQ Group, OQEP is among the top three operators in Oman by reserves and production. Its exclusive participation rights, exercised at historical cost upon declaration of commerciality, provide a de-risked route to reserve growth that no other operator in the country can replicate.

With 2P reserves of 923 mmbob and contingent resources of 977 mmbob, the asset base is substantial and well positioned for the long-term evolution of the energy mix. Reserves are 59% gas-weighted, aligning the portfolio with the fuel expected to show the greatest long-term demand resilience.

Top 3 operator in Oman

by reserves and production



Beneficiary of Oman as an Attractive Investment Destination

Oman offers a stable and competitive environment for upstream investment, backed by a long-term Government commitment to the oil and gas sector and an established fiscal and regulatory framework.

Its strategic location on the Arabian Sea, outside the Strait of Hormuz, makes it one of the most accessible export hubs in the region. OQEP is uniquely placed to benefit from Oman's position in one of the world's largest hydrocarbon basins and the depth of IOC investment it has consistently attracted.



A Top-Tier Portfolio of Operated and Non-Operated Assets

OQEP's 14 onshore and offshore assets are among the most strategically important fields in Oman, providing a balanced mix of oil and gas exposure with a stable revenue floor through long-term commercial arrangements. The portfolio's gas weighting positions the Company well for the energy transition. Projects such as Marsa LNGB offer further upside as LNG demand from Asian markets continues to grow.

14 onshore and offshore assets



Partner of Choice to Blue-Chip International Oil Companies

OQEP has the deepest IOC partnership network of any operator in Oman, with joint ventures across 14 concession areas including BP, Shell, Eni, Petronas, OXY and Medco. This reflects the Company's technical credibility and its proven ability to add value across the full E&P lifecycle.

New partnerships with Genel Energy, TPAO and CNPC, and the progression of the Petronas MOU to a Concession Agreement for offshore Block 18, demonstrate that this momentum continues to build.

Extensive IOC partnership network



Investment Case

Proven Track Record of Delivering Value and Growth

Since inception in 2009, OQEP has grown average daily production nearly 13 times, expanding organically through advanced technology while also capturing inorganic opportunities in proven hydrocarbon basins.

The Company's Government participation rights provide access to new developments at historical cost. This structural advantage has been a consistent driver of reserve growth and will remain so as Oman's upstream sector develops.

13x
average daily
production
since 2009



Strong Environmental, Health and Safety Commitments

OQEP targets net zero Scope 1 and 2 GHG emissions by 2050 from its currently producing operated assets, in line with Oman Vision 2040. Rigorous HSE standards are embedded across the business, supported by the HSE digital transformation programme and the 12 Life Saving Rules. Senior management provides direct oversight of safety culture, treating environmental stewardship as integral to operational excellence.



Seasoned Leadership Team with Significant Industry Experience

OQEP's leadership team brings an average of 25 years of experience across OQ Group entities, leading IOCs including Shell, MOL Group and Halliburton, and Government positions within the Ministry of Energy and Minerals.

As OQEP enters its most ambitious phase of growth, this depth of experience and institutional knowledge positions the Company to execute its 2030 strategy and establish itself as a leading regional energy champion.



Resilient Growth and Robust Cash Flow Generation

Operating expenditure of \$9.2/boe against an industry benchmark of \$10.6/boe places OQEP among the most cost-competitive upstream operators globally. This underpins strong free cash flow generation and a ROCE of 50.6% in 2025, top-quartile performance for the global E&P sector.

Long-term gas contracts and EPSA-linked production entitlements provide natural resilience across price cycles. Net Debt to EBITDA is maintained well below target 1.5x, preserving financial flexibility and supporting a sustainable dividend policy.

50.6%
ROCE

0.24x
Net Debt to EBITDA



Shareholder Information

SHARE INFORMATION

OQEP

Exchange
Muscat Stock Exchange (MSX)

Symbol
OQEP

ISIN
OM0000009759

Listing Date
28 October 2024

Currency
Omani Rial (﷮)

Shares in Issue
8,000,000

Market Capitalization
(as of 31 December 2025)
﷮ 3,856,000,000

Price Per Share
(as of 31 December 2025)
﷮ 0.360

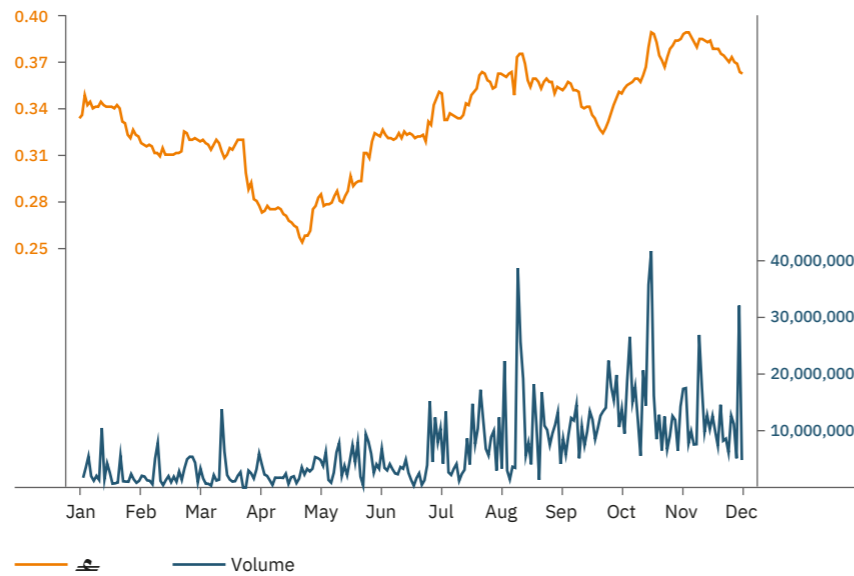
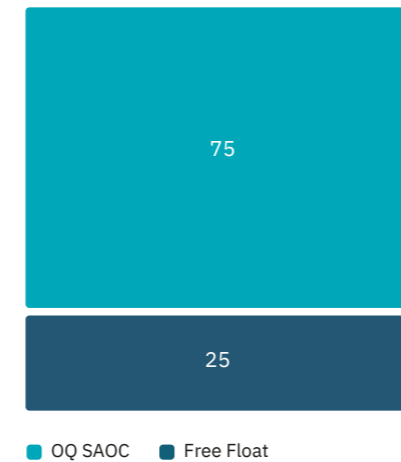


OUR FIRST YEAR AS A LISTED COMPANY

2025 marked OQEP's first full year as a publicly listed company, following its IPO on the Muscat Stock Exchange in October 2024, an event that established OQEP as the largest publicly listed company in Oman. The Company's debut year delivered meaningfully for shareholders, with strong dividend distributions, share price appreciation, and a share buyback program.

Listing has also sharpened OQEP's commitment to transparency, governance and long-term value creation. As OQEP grows into its role as a listed company, delivering sustainable returns to shareholders remains central to everything it does.

Shareholding Structure, %



Dividend Policy

OQEP is committed to delivering a robust and sustainable dividend policy that returns substantially all distributable free cash flow to shareholders while maintaining the financial flexibility to support growth.

Until the financial year ending 31 December 2026, dividends will be structured as a base dividend of ﷮ 230.7 million per annum, paid quarterly, and a performance-linked dividend equivalent to 90% of free cash flow plus net proceeds from asset disposals, less the base dividend.

Company Financial Position Considerations:

As per the approved Dividend Distribution Policy, the Company's ability to pay dividends is dependent on, among other things, the following factors:

- Free cash flow generation
- Market volatility and oil price levels
- Capital expenditure requirements
- Financing and operating obligations
- Overall financial position and outlook of the Company

Dividend History 2025

Cut-Off Date	Type	Amount
(﷮ per share)		
10 Dec 2024	Base Dividend – Q4 2024	0.00721
12 Mar 2025	Base Dividend – Q1 2025	0.00721
23 May 2025	Base Dividend – Q2 2025	0.00721
28 Aug 2025	Base Dividend – Q3 2025	0.00721
1 Sep 2025	Performance-Linked Dividend (1st instalment)	0.00276
13 Nov 2025	Performance-Linked Dividend (2nd instalment)	0.00276

Shareholder Returns 2025

Total Dividends Distributed	﷮ 275 million
Shares Repurchased (Buyback Program)	27.5 million shares (﷮ 9.5 million)
Total Shareholder Return	~20% ¹
Dividend Yield	6–7% ²

Investor Relations Activity 2025

Event	Date
Arqam Capital 12th Annual MENA Investor Conference	19–20 May 2025
HSBC GCC Exchanges Conference	16–19 June 2025
OQ Capital Markets Day in Partnership with Arqam	23 September 2025
MEIRA-Annual Conference, Oman	11–12 November 2025
MSX Corporate Investor Day in Partnership with Jefferies	9 December 2025

Investor Relations Contact

Company	OQ Exploration and Production SAOG (OQEP)
Website	www.oqep.om
Email	ir@oqep.om
Address	OQ Exploration and Production SAOG, Muscat, Sultanate of Oman

¹ Total Shareholder Returns 1/1/25 - 31/12/25.

² Approximate dividend yield based on last twelve months and current share price (from 31/12/2025).

Strategic Review



02

Enduring Momentum is earned through discipline.

A clear strategy, rigorous capital allocation and a strong operational foundation give OQEP the platform to pursue its most ambitious phase of growth with confidence.

+2.2%

global energy demand growth (2024)

+2.3%

economic acceleration in Oman (2025)

Market Review

GLOBAL ENERGY MARKET

A NEW ENERGY PARADIGM

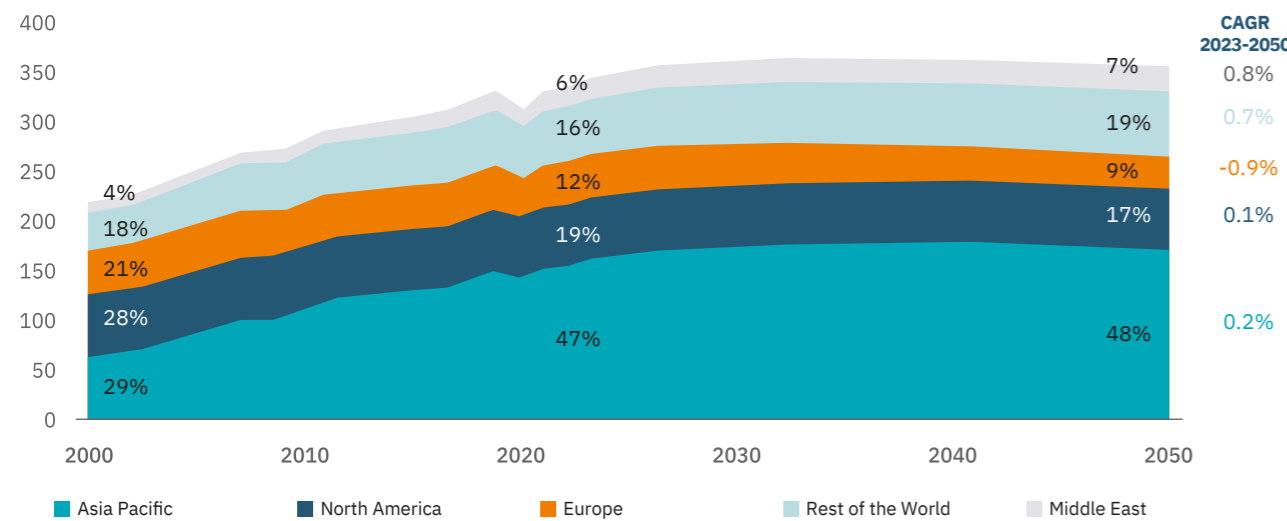
For much of the past decade, the dominant narrative for energy's future was the 'Energy Transition': the managed replacement of fossil fuels by renewables. In 2025, a new framework emerged – 'Energy Expansion' – reflecting the reality that growing demand will require all available energy sources, not just renewables.

Global energy demand grew by 2.2% in 2024, nearly double the annual average of the prior decade, with electricity demand rising even faster at 4.3%. The forces behind this were structural: rapid urbanization across Asia and Africa, the mass electrification of transport and industry, and the extraordinary power demands of AI and data center infrastructure.

In this environment, oil and gas will continue to play a fundamental role. Meanwhile LNG remains

the essential complement to intermittent renewables, and the IEA projects natural gas demand to grow by nearly 1.5% annually to 2030. Gas also underpins hydrogen production, the leading candidate for decarbonizing heavy industry. Companies with low-cost hydrocarbon assets and credible decarbonization strategies, such as OQEP, are well positioned to play a central role in meeting the world's growing energy needs.

Total Primary Energy Demand per Region, 2000-2050 (mmboe/d)



Source: Wood Mackenzie, H2 2023

GLOBAL OIL AND GAS MARKET

OIL MARKET

The global oil market in 2025 was defined primarily by the progressive unwinding of OPEC+ production restraint into a demand environment

that proved more fragile than expected. Brent crude averaged \$69 per barrel for the year, falling from a January high of approximately \$79 to a December low of \$63, the lowest monthly average since early 2021.

For OQEP, the average realized oil sales price declined by 12.5% to \$70.7 per barrel, a headwind that the Company

largely offset through successfully increasing sales volumes and cost management.

Oil demand rose by approximately 700,000 barrels per day for the full year, less than half of initial consensus forecasts, due to lower industrial activity and depressed consumer confidence in key economies.

OPEC+ POLICY

The single most consequential market decision of 2025 was OPEC+'s strategic pivot from price defense to volume recovery. In April, the group began unwinding 2.2 million barrels per day of voluntary production cuts ahead of the original schedule, with accelerated monthly additions through to September, completing the full reversal of cuts agreed in November 2023.

Oman, as one of the eight core participating nations, increased its own production quota in line with this schedule. OQEP's production plans are calibrated accordingly within the parameters set by the Ministry of Energy and Minerals of Oman.

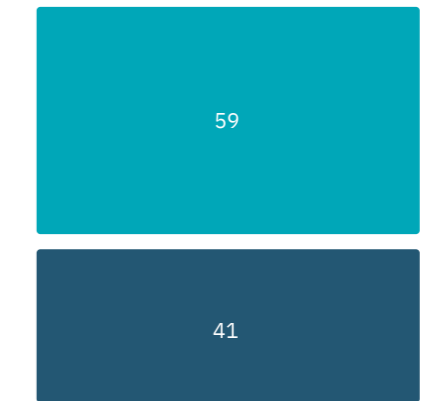
GLOBAL GAS AND LNG MARKETS

Gas and LNG markets in 2025 were characterized by tighter supply conditions in the first half of the year and a supply surge in the second half, with global LNG supply rising by almost 7% for the full year. New North American capacity was the primary driver, contributing to falling spot prices in both Europe and Asia. 2025 marked the highest year for LNG Final Investment Decisions on record, with the United States accounting for more than 90% of the total.

Europe sustained robust LNG demand as the region continued its structural shift away from Russian pipeline gas. Demand also grew across the MENA region, with countries such as Egypt ramping up imports to address domestic production shortfalls. China's LNG imports fell, reflecting higher domestic gas production, expanded pipeline supplies, and weaker industrial consumption. Indian demand softened in the first half as elevated spot prices prompted a switch to alternative liquid fuels.

OMAN'S GAS SECTOR AND RELEVANCE TO OQEP

Lower LNG prices are expected to stimulate demand in price-sensitive Asian markets and accelerate import market growth across South and Southeast Asia, expanding the addressable market for Omani LNG volumes. By 2030, APAC is anticipated to consume nearly half of the world's LNG supply, a structural trend that supports the long-term value of OQEP's gas assets.



MIDDLE EAST SUPPLY DYNAMICS

The Middle East holds 56% of the world's proven oil reserves and 40% of its gas reserves, cementing the region's position as the cornerstone of global hydrocarbon supply. As mature fields elsewhere decline, this concentration of resources will only grow in strategic importance.

Low production costs, supportive regulatory frameworks and competitive fiscal terms continue to attract major IOCs, reinforcing the region's role as the world's most strategically important upstream destination.

OMANI MACROECONOMIC ENVIRONMENT

Despite weaker oil prices, Oman's economy demonstrated resilience in 2025, supported by the government's sustained commitment to fiscal prudence and the ongoing diversification agenda of Vision 2040. Economic growth accelerated to 2.3% year-on-year in the first half of 2025, with non-hydrocarbon growth reaching 3.5%.

The fiscal balance remained in surplus despite declining oil prices, with the overall balance estimated at approximately 0.7% of GDP in 2025. All three main credit agencies either affirmed or upgraded Oman's sovereign credit rating to Investment Grade, and sovereign Credit Default Swaps tightened significantly, consistently trading below the GCC average. Meanwhile public debt fell from a peak of 68% of GDP in 2020 to approximately 35% by the end of 2025, materially expanding the government's capacity to absorb external shocks.

OUTLOOK FOR 2026

The broader regional risk environment is one that management will continue to monitor actively to ensure the safety of OQEP's people and its assets. The medium-term consequences of current geopolitical tensions, including potentially tighter LNG supply, accelerated supply chain diversification by Asian buyers and a renewed emphasis on energy security, are likely to persist regardless of how quickly the current situation is resolved.

For Oman, the medium-term outlook remains constructive. The IMF projects fiscal surpluses to persist even under a lower-price environment, and Oman's investment-grade status positions the Sultanate to attract the long-term foreign capital flows essential to Vision 2040's ambitions.

OQEP Business Model

★ **RESOURCE BASE**
~0.9 bnboe
2p Reserve | Balanced weighted portfolio

★ **PARTNERSHIP MODEL**
Petroleum contracts in forms of EPSA, Concession and Service Agreements | Strong government alignment | IOC partnerships

OPERATIONAL CAPABILITY
Advance EOR expertise | Horizontal drilling | Hydraulic fracturing | Digital oilfield | Offshore capability

★ **GROWTH ENGINE**
Track Record:
~13x production growth since inception

GROWTH STRATEGY
300 kboe/day
by 2030

- Organic Growth:** field expansion, recovery optimisation
- Inorganic Growth:** new blocks, partnerships, acquisitions
- Focused Low-Risk:** International expansion leveraging existing IOC's

Pure-Play Upstream Oil & Gas Company

Focused on exploration, development and production

Development

Convert discovered resources into commercially producing assets

Production

Deliver oil and gas efficiently

Field Maintenance and Optimization

Sustain output and maximize recovery

Exploration

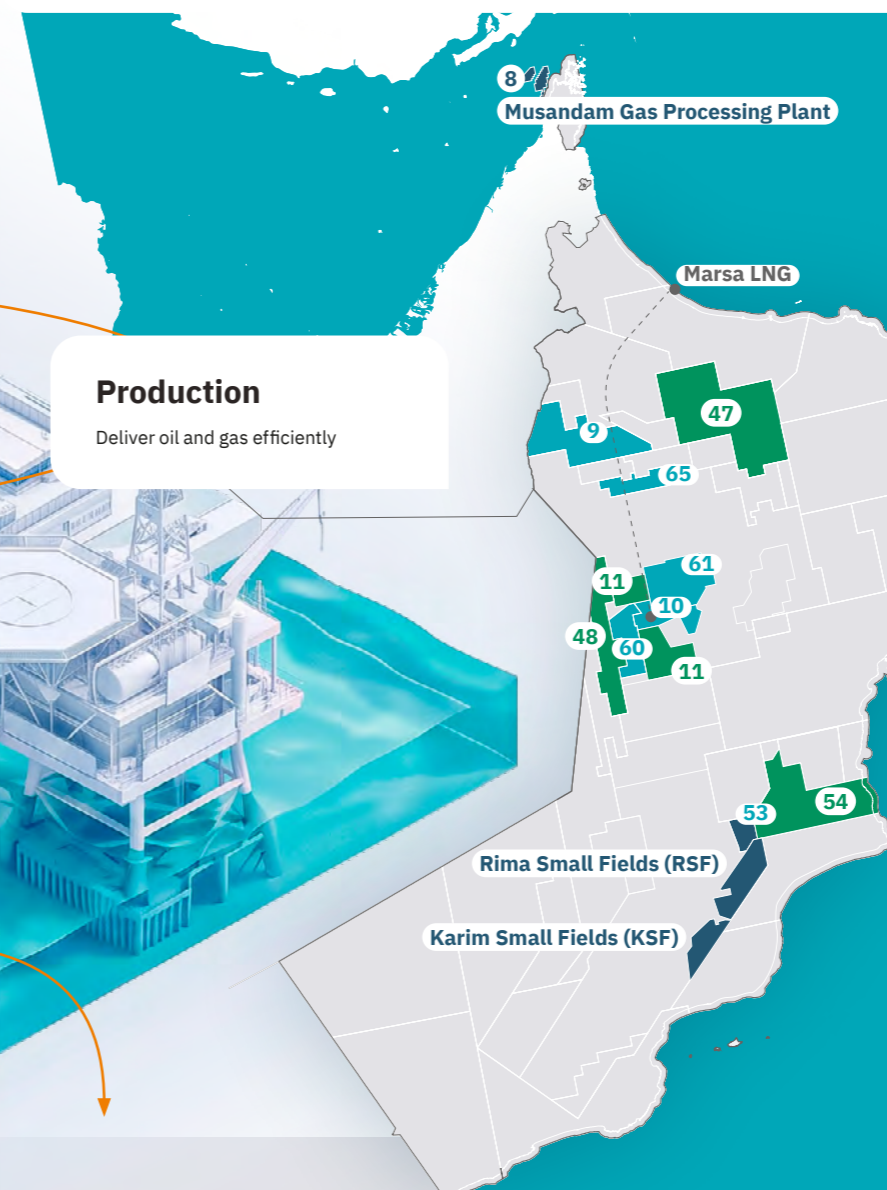
Discover and access hydrocarbon resources

VALUE CREATION ENGINE

3D imagery visualising OQEP's operational capabilities is provided for illustration purposes only and does not reflect the precise location or specifications of any depicted assets or sites

Oil & Gas Commercialization

Monetize via long-term contracts and through integrated projects such as Dolphin Gas



Key Producing Assets

- Block 60: Flagship onshore oil asset
- Block 61: ~33% of Oman's gas production
- Block 9: ~10% of Oman's oil production
- Block 53: Largest thermal EOR in the Middle East
- Block 10: First integrated gas-to-LNG
- Marsa LNG Bunkering: Integrated with B10, first LNG bunkering hub in Middle East
- Block 65: Fast-tracked production

Other Assets

- Block 8: First offshore producing asset
- Musandam Gas Processing Plant: Strategic processing and export infrastructure
- Rima Small Fields (RSF): EOR and appraisal underway
- Karim Small Fields (KSF): Long-term heavy oil development

Exploration Assets

- Block 11: High potential gas discovery
- Block 48: Active exploration, extended EPSA
- Block 54: New block, Genel Energy partnership
- Block 47: Exploration extension secured

VALUE CREATION



Financial

strong margins, high returns, dividend capacity



National

energy security and resource monetization



Partnership

preferred investment platform for IOCs



Sustainability

decarbonization and energy efficient operations: aligned with Oman's Net Zero Ambitions and an interim target to reduce GHG emissions intensity by 25% by 2030

REVENUE MODEL



Oil Revenue

Market-linked pricing (Oman Export Blend exposure)



Gas Revenue

Long-term contracted (stable, predictable cash flow)



Financial Framework

Capital efficiency, risk sharing and downside protection

OQEP Growth Strategy

OQEP's Board-approved growth strategy has the ambition to reach approximately 300 kboe/day by 2030, an increase of 34% from current production of 224 kboe/day. The strategy balances disciplined domestic development with selective international expansion, funded through operating cash flows and prudent debt.

2030 STRATEGY STRATEGIC DRIVERS

Three interconnected drivers define how OQEP will create and sustain value through to 2030 and beyond.



Grow Cash Flow

Enhance dividends and deliver sustainable shareholder returns through cost discipline and strong operating cash generation



Sustain Long-Term Growth

Maintain reserves replenishment at or above 100% through exploration, expanding the portfolio, EPSA extensions and participation rights



Diversify the Upstream Base

Enhance resilience across geographies and commodity mix

GROWTH MECHANICS



Organic Growth:

Building on exploration success at various blocks, OQEP continues to invest in production optimization and advanced recovery techniques to extract additional value from its existing asset base.



Participation Rights:

As the sole entity designated by the Government to exercise participation rights in Oman, OQEP has a privileged and recurring route to reserve growth built directly into its business model.



Disciplined M&A:

Acquisition opportunities are evaluated against rigorous strategic, financial and operational criteria, with shortlisted assets subject to independent third-party review.

The primary geographic focus is the Middle East, East Africa and North Africa, with Oman's government-to-government relationships a key lever for accessing new markets.

DOMESTIC AND INTERNATIONAL EXPANSION

OQEP's growth model is anchored in Oman and extended internationally, with each geography playing a distinct and complementary role in the overall portfolio.



Oman

- Active participation in licensing rounds for new blocks across different development types
- Gas production growth through integrated investments linked to LNG expansion programs
- Continued collaboration with the Ministry of Energy and Minerals to market and offer new oil and gas exploration concession areas



International

- Leveraging existing IOC partnerships to expand into key regions
- Focus on low-risk, cash-generative minority positions
- Transferring OQEP's operational capabilities into new geographies



KEY ENABLERS

Delivering on the 2030 ambition requires more than a strong asset base. Four structural advantages give OQEP the platform to execute with confidence.

Government Participation Rights:

The structural mechanism that gives OQEP privileged, de-risked access to new Omani developments at historical cost – a structural advantage no other operator can replicate.

IOC Partnership Network:

The deepest IOC partnership base of any operator in Oman, providing access to capital, expertise and new geographies as OQEP expands internationally.

Financial Strength:

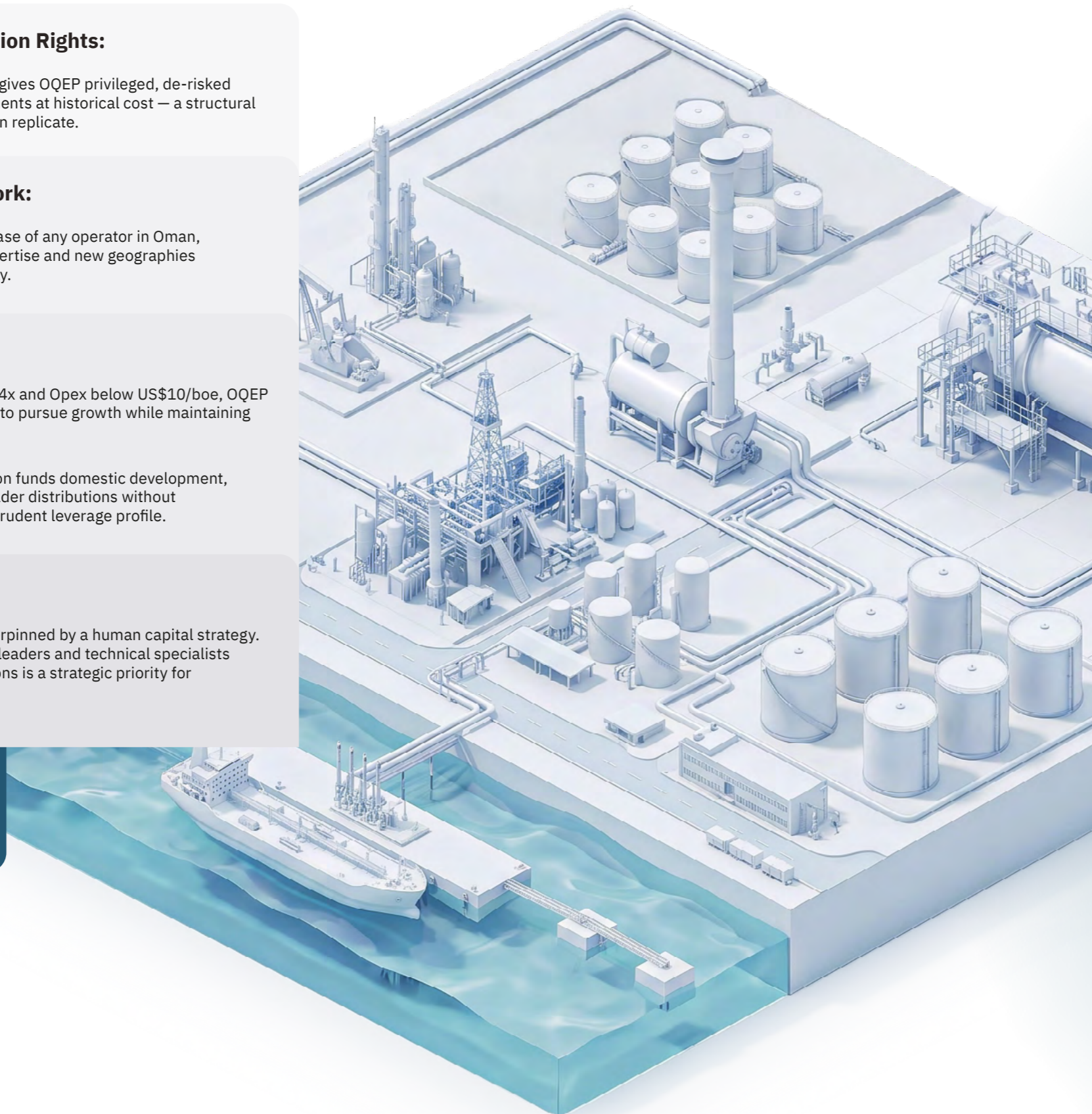
With Net Debt to EBITDA at 0.24x and Opex below US\$10/boe, OQEP has the balance sheet capacity to pursue growth while maintaining financial discipline.

Strong operating cash generation funds domestic development, international M&A and shareholder distributions without compromising the Company’s prudent leverage profile.

People and Talent:

OQEP’s growth strategy is underpinned by a human capital strategy. Building the next generation of leaders and technical specialists to execute international ambitions is a strategic priority for the Company.

3D imagery visualising OQEP’s operational capabilities is provided for illustration purposes only and does not reflect the precise location or specifications of any depicted assets or sites



OUTLOOK

OQEP’s near to medium-term priorities are organized around two parallel tracks: operational excellence to protect and grow value, and financial strategy to fund and capture opportunity.

Operational Priorities



Maintain 50/50 oil and gas mix as a structural price hedge



Cost leadership below US\$10/boe



Continuous operational excellence and efficiency improvement



Talent development to sustain performance as the Company grows

Financial Priorities



Credit facility refinancing to support growth phase



Structured capital allocation and disciplined leverage



Strong cash generation to fund growth and shareholder returns



Net Debt to EBITDA maintained within target range

Financial Review

2025 was a year that tested the resilience of OQEP’s business model and demonstrated its strength. Despite a 12.5% decline in average realized oil prices, the Company delivered robust cash generation, maintained its industry-leading cost position, and distributed **ﷲ 275 million** in dividends to shareholders.

Key Financial Metrics

Description ¹	2025	2024	Change
Revenue (ﷲ '000)	1,159,012	1,242,756	-6.7%
Gross Profit (ﷲ '000)	657,024	719,855	-8.7%
EBITDA (ﷲ '000)	941,084	1,010,969	-6.9%
EBITDA Margin	81%	81%	Stable
Net Profit after Tax (ﷲ '000)	278,036	326,563	-14.9%
Adjusted CFFO (ﷲ '000)	540,500	502,800	+7.5%
Return on Capital Employed	50.6%	49.9%	+0.7%
Earnings Per Share (ﷲ)	0.035	0.039	-10.0%
Net Debt to EBITDA	0.24x	0.22x	—



REVENUE

Revenue of **ﷲ 1.16 billion** reflected the impact of lower oil prices, partially offset by a 1.4-million-barrel increase in oil and condensate sales volumes. The Company’s ability to grow sales volumes in a weaker price environment demonstrates the operational effectiveness of its production base. It is also worth noting that a single shipment scheduled for 31 December 2025 was moved into January 2026; on a normalized basis, revenue was broadly in line with the prior year.

EBITDA

EBITDA of **ﷲ 941 million** was delivered at an 81% margin, consistent with 2024 and reflecting the Company’s disciplined cost management. Operating expenditure improvements on a per barrel basis, combined with better capital efficiency, supported the maintenance of margins despite the revenue headwind.

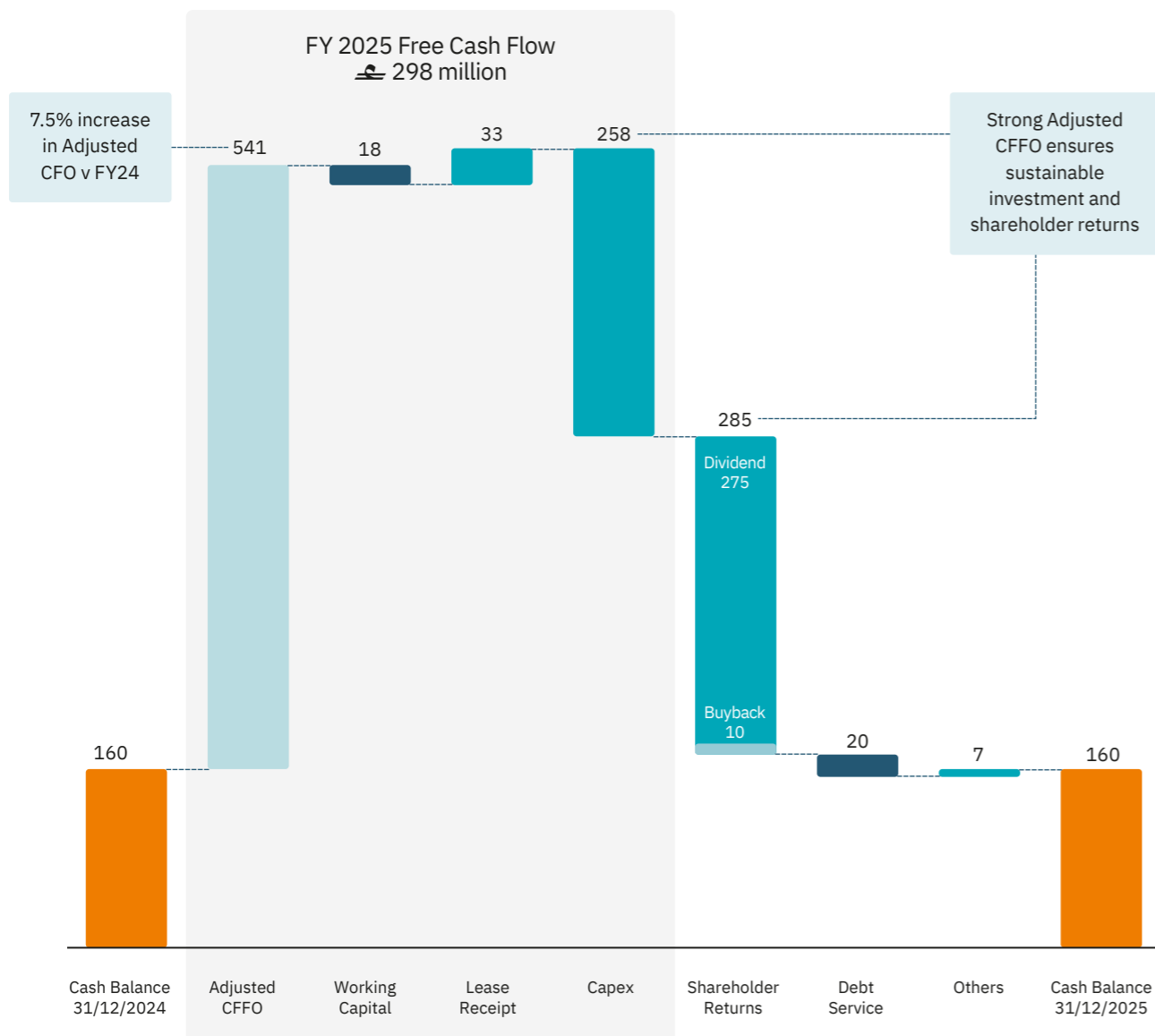
NET PROFIT

Net Profit after Tax of **ﷲ 278 million** reflects two one-time items. The transfer of the Company’s 51% stake in Abraj to OQ SAOC in mid-2024 removed the contribution from Discontinued Operations that had supported the prior year result. In addition, a new loan facility secured in September 2024 carried its full financing cost for the first time in 2025. Excluding these items, the underlying earnings performance was resilient.



¹ The Company has revised the presentation of taxes under its EPSAs. Effective 2025, this notional tax is presented as an income tax in accordance with IAS 12, resulting in a gross-up of revenue (as EPSA Tax Revenue) with a corresponding tax expense; the change has no impact on Net Profit and EPS.

CASH FLOW AND BALANCE SHEET



Adjusted cashflow from operations increased 7.5% to **541** million, a strong result given the lower oil price environment and one that underpins both the Company's investment programme and its shareholder distributions. Free cash flow of **298** million was generated after capital expenditure

of **258** million, which increased 5% year on year in line with ongoing development activity, though it remained approximately **76** million below the original 2025 plan.

The balance sheet remains solid, with a closing cash position of **160** million, unchanged from

the prior year end despite the lower oil price environment. Net Debt to EBITDA of 0.24x provides significant headroom against OQEP's self-imposed ceiling of 1.5x and preserves substantial capacity to fund the growth strategy through to 2030.

RETURN ON CAPITAL EMPLOYED

OQEP delivered a ROCE of 50.6% in 2025, up from 49.9% in the prior year. This places the Company in the top quartile of the global exploration and production sector and reflects the combined effect of disciplined capital deployment, a low-cost operating base and high-quality producing assets. Maintaining ROCE at this level while investing in future growth is a key financial objective for OQEP.

SEGMENT REPORTING

OQEP reports across two operating segments: blocks operated by OQEP and blocks operated by other entities. The below table summarises performance by segment for the year ended 31 December 2025.

Blocks operated by other entities contribute the majority of revenue and EBITDA, reflecting the scale of assets such as Block 61, which alone accounts for approximately 40% of OQEP's working interest production. OQEP-operated blocks delivered meaningful EBITDA at notably lower operating expenditure, reflecting the efficiency of the Company's directly managed assets.

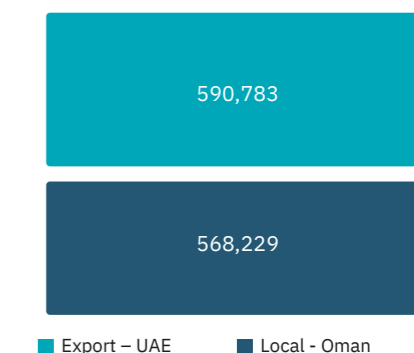
(m '000)	OQEP Operated	Other Operated	Total 2025	Total 2024
Revenue	329,680	829,332	1,159,012	1,242,756
EBITDA	317,356	623,728	941,084	998,860
Capital Expenditure	107,293	149,106	256,399	245,392
Operating Expenditure	22,882	190,461	213,343	234,993

REVENUE BY GEOGRAPHY

Revenue is broadly split between export and domestic markets. Export revenues are generated through oil and condensate sales routed via OQ Trading at the Mina

Al Fahal terminal, while local revenues reflect gas sales to Integrated Gas Company under long-term agreements.

Revenue Split, m '000



Operational Review

2025 was a strong operational year for OQEP. The Company exceeded its production target, delivered two major capital projects, achieved a reserves replacement ratio of 160%, reduced operating costs per barrel by 8% year on year, and secured several strategically significant agreements that underpin future growth.

KEY OPERATIONAL HIGHLIGHTS

Bisat C Expansion Facility, Block 60

Commissioned in June 2025, the Bisat C Expansion Facility significantly increased Block 60's total oil processing capacity to 95,000 bbl/day and water processing capacity to over 800,000 bbl/day. Total production from Block 60 reached over 70,000 boe/day by year end.



Bisat Permanent Power Supply, Block 60

Energized in November 2025, the Bisat Permanent Power Supply connects Block 60 to the national grid via a 100 MW system with 107 km of 132 kV overhead transmission lines.

The project significantly reduces diesel and gas generation, lowering operational costs and reducing greenhouse gas emissions.



Marsa LNG Bunkering Project, Block 10

Construction progressed on plan and on budget, with more than 39% completion achieved by year end.

The project is set to establish the Middle East's first LNG bunkering facility at the Port of Sohar, supplying LNG as marine fuel to vessels on major east-west shipping routes, due online in 2028.

Gas Sales Agreements

Long-term Gas Sales Agreements were signed with Integrated Gas Company for Block 65 and to supply the Marsa LNG facility with gas from Block 10, securing future gas revenues across two strategically important assets.

EPSA Agreements

Four new and amended EPSAs were secured during the year. Block 53's EPSA was extended to 2050 with improved fiscal terms.

Block 48's exploration period was extended to 2029 with enhanced cost recovery terms. Block 47's EPSA was extended. A new EPSA for Block 54 exploration was signed with Genel Energy as partner.

New Partnerships and Exploration Pipeline

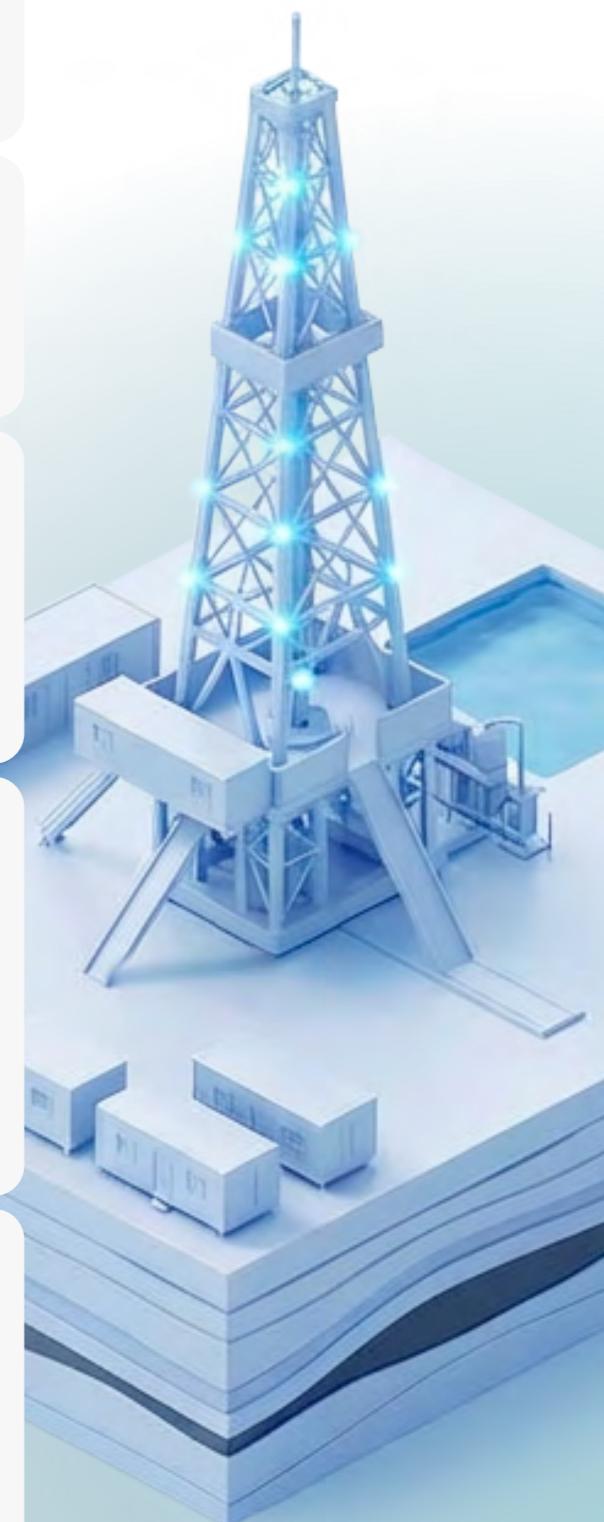
MOUs were signed with Turkish Petroleum Corporation, Petronas and CNPC, opening pathways to new technical collaboration and potential future joint ventures.

Domestically, OQEP advanced block marketing in partnership with the Ministry of Energy and Minerals, an initiative to market 15 exploration blocks in Oman, with the Petronas relationship representing one of the first tangible steps toward new concession activity under the program.

Exploration Successes

Two successful exploration wells were drilled in Block 48, with an extended well test underway and an appraisal program planned for the second half of 2026.

A further exploration success was recorded at the Haushi prospect in Block 60, with long-term testing underway and an appraisal program being prepared for 2026.



PRODUCTION AND SALES

Metric	2025	2024	2023	Change
Crude Oil and Condensate Volume (mmbbl)	21.7	20.3	26.8	+6.9%
Average Realized Sales Price (US\$/bbl)	70.7	80.8	84.0	-12.5%
Gas Volume (bcf)	121.2	124.2	110.1	-2.4%
Average Realized Sales Price (US\$/MMBTU)	3.46	3.46	3.21	0.0%

Oil and condensate volumes increased by 6.9% to 21.7 mmbbl, driven by production growth at Block 60 following the commissioning of the Bisat C Expansion Facility. This volume growth was a critical factor in partially offsetting the impact of a 12.5% decline in realized oil prices.

unchanged year on year at US\$3.46/MMBTU, reflecting the stability of OQEP's long-term gas contract arrangements.

Operating costs per barrel fell by approximately 8% compared to 2024, reflecting the benefits of the Bisat Permanent Power Supply

project, improved capital efficiency and disciplined cost management across the portfolio.

Capital expenditure of ~~2~~ 256 million came in approximately ~~2~~ 76 million below the original 2025 plan, demonstrating the Company's focus on capital discipline alongside growth.

Gas volumes declined modestly by 2.4%, remaining broadly stable at 121.2 bcf, with gas pricing

OPERATIONAL HSSE

OQEP embeds Health, Safety, Security and Environmental excellence at the core of its operations, guided by its HSSE Management System and an integrated strategy targeting zero harm to people, the environment and assets.

Performance is driven through an annual HSSE business plan with clear, measurable objectives across seven focus areas: occupational health and industrial hygiene, workplace safety, road safety, sustainability, contractor management, emergency preparedness and security.

The Company has delivered sustained improvement in safety performance over the past five years, with the Total Recordable Incident Frequency rate reducing from 0.65 in 2021 to 0.47 in 2025, and the Motor Vehicle Incident Frequency rate reducing from 0.40 to 0.03 over the same period.

Key initiatives include the 12 Life Saving Rules program, contractor safety training and pre-qualification processes, and regular third-party audits. The Company's Caring for People strategy addresses occupational medicine, medical emergency response, industrial hygiene and ergonomics.

OQEP holds or is in the process of obtaining the following international management system certifications:



Environmental Management



Occupational Health and Safety Management



Quality Management

PORTFOLIO PERFORMANCE

OQEP's 14 assets span exploration, appraisal, development and production, with the six key producing blocks accounting for the substantial majority of output.

RESERVES

OQEP achieved a 2P reserves replacement ratio of 160% in the beginning of 2025, well above its stated target of 100% and a strong indicator of the portfolio's long-term sustainability. Key contributors included the Block 53 EPSA extension to 2050, exploration successes at Blocks 48 and 60, and the Gas Sales Agreements secured for Block 65 and the Marsa LNG facility.

With reserves replenishment at or above 100% a core commitment of the 2030 growth strategy, the 2025 outcome provides a strong foundation for the production ambitions that lie ahead.

60%

Operated

Block 60

OQEP's flagship asset delivered production of over 70,000 boe/day by year end following the commissioning of the Bisat C Expansion Facility and the Bisat Permanent Power Supply.

Two exploration successes at the Gharif and Haushi prospects provide a further pipeline of near-term development opportunities. Block 60 accounted for approximately 16% of total working interest production and remains central to OQEP's domestic growth plans.

30%

BP Operated

Block 61

A major non-associated gas and condensate asset, Block 61 contributed approximately 40% of OQEP's total working interest production in 2025, achieving its production target for the year.

The block accounts for approximately 33% of Oman's total gas production, making it one of the most significant gas assets in the country.

Detailed technical evaluation of recoverable gas resources is underway to support future growth projects.

45%

OXY Operated

Block 9

Contributing approximately 20% of OQEP's working interest production, Block 9 delivered broadly in line with expectation. Active seismic reinterpretation and exploration drilling continued during the year to support reserves replacement and future production growth.

49%

OXY Operated

Block 65

Block 65 continued to demonstrate strong production growth potential. Associated gas monetization commenced in November 2024 through an interim Gas Sales Agreement with IGC, and a long-term GSA was signed in 2025, securing the block's gas revenue stream and adding a new dimension to the asset's commercial profile.

20%

OXY Operated

Block 53

One of the largest thermal Enhanced Oil Recovery fields in the Middle East, Block 53's EPSA was extended to 2050 with improved fiscal terms.

The extension adds material reserves to OQEP's portfolio, with partners envisaging potential for an additional 800 million gross oil barrels over the life of the agreement.

20%

2050 EPSA extension

20%

Shell/Marsa LNG Operated

Block 10

Block 10 successfully reached planned production in 2024 and performed in line with expectations through 2025.

Marsa LNG Bunkering Project

The Marsa LNG Bunkering project, sanctioned in 2024 and now more than 39% complete, is set to establish the Middle East's first LNG bunkering facility at the Port of Sohar in 2028, adding a significant new revenue stream to the asset.

Risk Management

Disciplined risk management is key part of OQEP’s operational excellence and financial resilience. By identifying and mitigating risks proactively across all levels of the organization, the Company protects its ability to deliver consistent performance through changing market conditions.



Oil Price Volatility

Exposure to oil price movements can materially affect revenue and profitability.

- Business planning incorporates multiple price scenarios
- Balanced oil and gas portfolio enables disciplined project prioritization
- EPSA entitlement mechanism provides a natural hedge in lower price environments



Reserves Estimation

Reserves estimation involves technical judgment and downward revisions are possible.

- Qualified in-house team conducts regular technical assessments
- Independent external experts engaged periodically for validation
- Formal reserves certification obtained every one to three years



Operational and HSSE

Upstream operations expose the Company to hazards that may cause disruption, costs or liabilities.

- Robust HSSE governance framework embedded across all operations
- Emergency response plans in place and routinely tested
- Continuous improvement driven through annual HSSE business plan



Energy Transition

Structural shifts in energy demand and climate-related requirements may increase costs or reduce hydrocarbon demand.

- Growing gas weighting reduces overall portfolio carbon intensity
- Climate risk integrated within the HSSE Control Framework
- Net zero target for Scope 1 and 2 emissions by 2050



Cyber Security

Reliance on IT systems creates exposure to disruption or cyber-attack.

- Dedicated IT team monitors and maintains infrastructure
- Cyber controls continuously enhanced against evolving threats
- Regular penetration testing and employee awareness programs

ERM FRAMEWORK

OQEP operates a structured Enterprise Risk Management framework that is embedded across all business functions. Risks are identified at departmental level, recorded in a corporate risk register with assigned owners, and tracked against mitigation plans to ensure they remain within acceptable levels. The framework covers strategic, operational, financial, HSSE and reputational risks, applying a consistent set of controls across the business.

GOVERNANCE AND REPORTING

Risk oversight follows a clear escalation structure. Departments report risks to the ERM function, which consolidates and analyzes the information on a quarterly basis. Critical risks are escalated to senior management and the Board’s Audit and Risk Committee, ensuring appropriate oversight at the highest level of the organization.

RISK MITIGATION APPROACH

The Company applies four response categories across its identified risks: treatment, transfer, termination and tolerance. Controls are embedded within business processes as preventive, detective and corrective measures, reducing both the likelihood and potential impact of adverse events. Regular risk reviews and management follow-up ensure mitigation plans remain on track.

Principal Risks and Mitigations

ESG Summary



03

Cultivating a Growth Mindset and a Sustainable Culture means recognizing that OQEP's ambitions will be delivered by its people.

Developing the leaders, capabilities and values to carry the Company forward is a strategic commitment that runs through everything we do.

-31.9%

water consumption
in 2025

Net zero by

2050

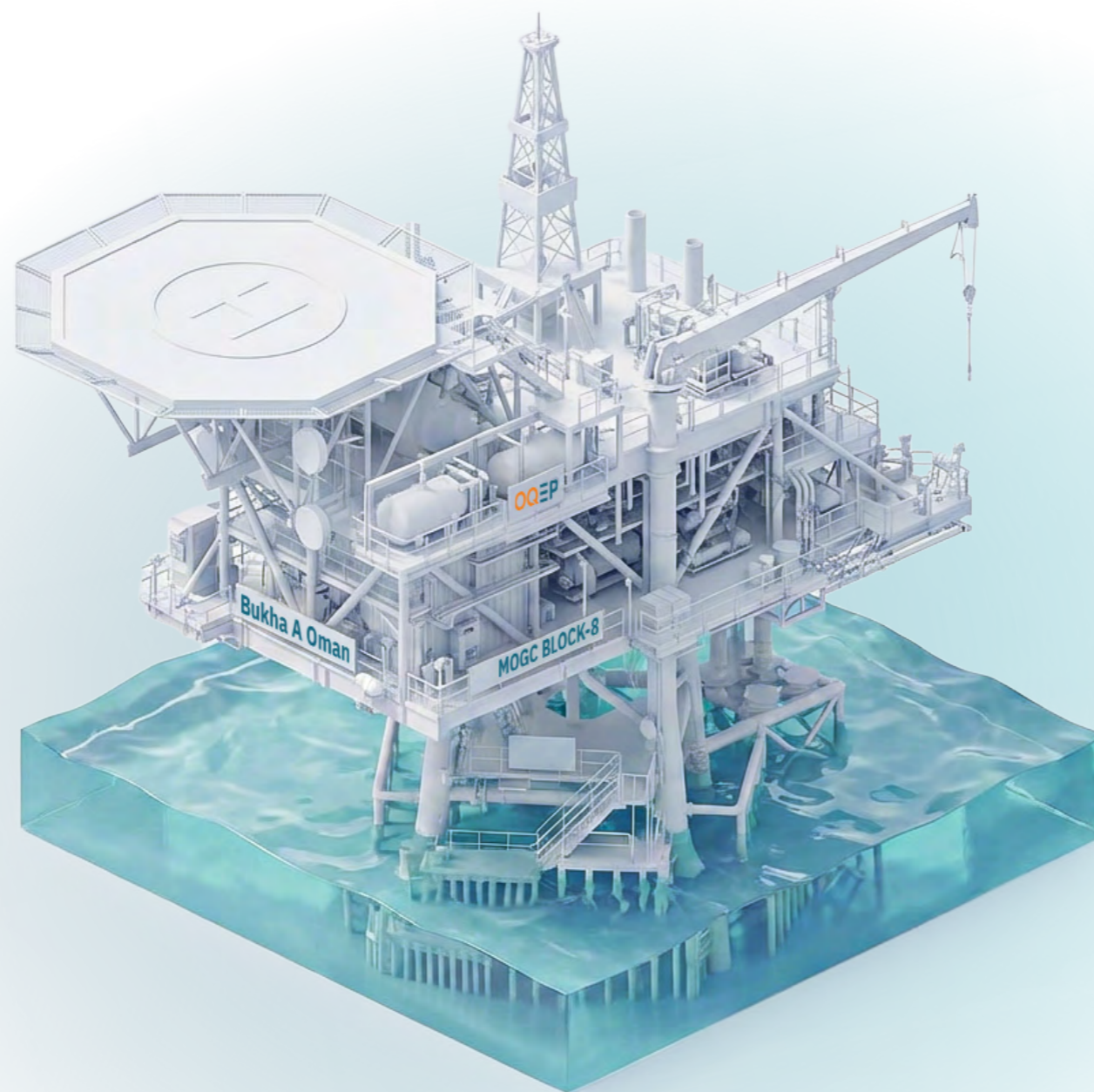
ESG at OQEP

Sustainability at OQEP is embedded in the way the Company operates, grows and creates long-term value. As Oman’s national upstream operator, OQEP approaches sustainability as a business imperative that supports responsible resource development, operational resilience and a positive contribution to Oman’s economic, environmental and social priorities.

The Company’s approach is shaped by a combination of national priorities, global sustainability principles, sector-specific guidance and internal governance requirements. In particular, OQEP’s sustainability agenda is grounded in:

- Oman Vision 2040
- UN Sustainable Development Goals (UN SDGs)
- Oman Governance and Sustainability Centre’s Sustainability National Code of Conduct
- ISO Standards
- Applicable Omani laws and regulations, including environmental requirements

In 2025, OQEP published its Sustainability Policy, setting out the Company’s core commitments to responsible business practice. The Policy is publicly available on the Company website.



SUSTAINABILITY FRAMEWORK

At the core of OQEP’s internal approach sits the Sustainability Framework, which structures the Company’s ESG agenda around three defined areas of action. These pillars provide the organizing structure for how sustainability priorities are embedded into operations and performance management.



**Exploring Green Solution
(Environmental)**



**Discovering Shared Value
(Social)**



**Unlocking Responsible
Growth (Governance)**

Exploring Green Solution

The 2025 was marked by tighter environmental governance, continued rollout of decarbonization initiatives, measurable reductions in water consumption, as well as further progress in circularity and biodiversity stewardship.

Environmental Initiatives by Asset Location

Onshore (Block 60, inland concessions)

- Water efficiency
- Drilling mud recycling
- Packaging waste
- Diesel displacement
- Native planting
- Land disturbance control

Offshore (Musandam, Block 8, MGP)

- Marine discharge control
- Desalination
- Oily sludge recovery
- Air monitoring
- Coral habitat and marine biodiversity

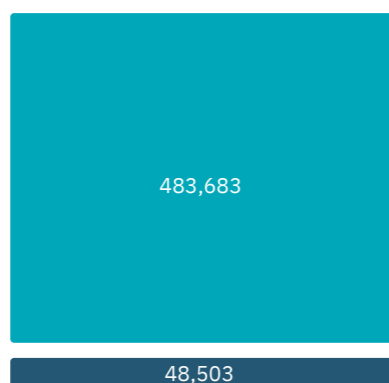
Zero

zero environmental fines and non-monetary sanction recorded during the year

CLIMATE AND ENERGY TRANSITION

In 2025, OQEP advanced fuel substitution and energy efficiency across its operations. At Block 60, the Company deployed the Diesel Engine Performance Optimizer on two rigs, consolidated land rig camp power generation and commissioned the Bisat Permanent Power project, enabling electricity imports from the national grid. Grid-based infrastructure now supports up to 100 MW of cleaner power at Block 60.

GHG Emissions in 2025, tCO₂e



■ Scope 1 ■ Scope 2

Total
532,186

0.022

tCO₂e/boe

GHG emissions intensity

0.27

GJ/boe

energy intensity

~250

litres per day

fuel savings through rig power optimization

WASTE AND CIRCULAR ECONOMY

OQEP applies the waste hierarchy across operations, prioritizing reduction, reuse, recycling and recovery. At Block 60, drilling mud recycling cut demand for virgin chemicals and freshwater while eliminating waste. Bulk packaging formats replaced conventional chemical packaging, significantly reducing packaging waste across drilling operations.

~62

tonnes

of drilling-related packaging waste eliminated to date

WATER MANAGEMENT

OQEP focused water management on reducing freshwater demand and maintaining strict wastewater controls. Inland operations at OQEP use reverse osmosis, while offshore assets rely on seawater desalination. At Block 60, 319 million litres of domestic sewage were treated and recycled for irrigation and dust suppression.

31.9%

reduction of water consumption in 2025

0.0359

m³/boe

water intensity

BIODIVERSITY

Onshore, OQEP preserves existing vegetation and enhances landscapes through irrigation of native species with treated sewage. Offshore, the Company supports marine ecosystem restoration in Musandam through coral habitat enhancement and biodiversity monitoring.

1,300+

native trees, shrubs and flowering plants planted at Block 60

~8,000 m²

of coral habitat structures were established in Musandam

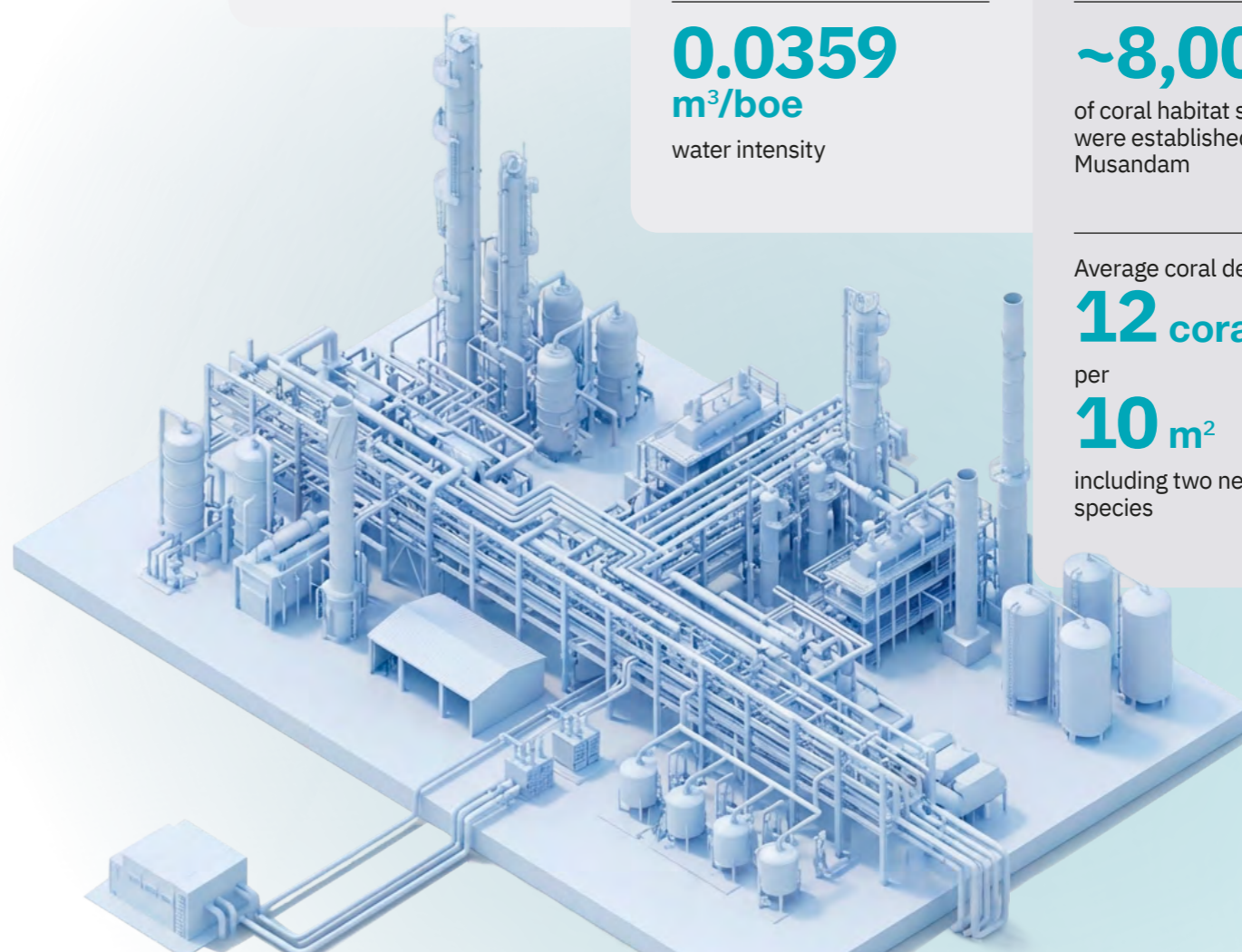
Average coral density of

12 corals

per

10 m²

including two newly recruited species



Discovering Shared Value

At OQEP, long-term business performance is strengthened by protecting people, developing talent and creating positive social impact in the communities where we operate.

OCCUPATIONAL HEALTH AND SAFETY

OQEP's occupational health and safety management approach is built on a risk-based, prevention-led framework embedded across operations, contractor management and emergency preparedness.

KEY OHS INITIATIVES IN 2025

- Release of the OQEP QHSSE Policy
- Strengthening of contractor HSSE oversight through compliance monitoring, audits and engagement
- Rollout of targeted injury prevention campaigns based on incident trend analysis
- Commissioning of the Permanent Bisat Fire Station and mobilization of a second Rapid Intervention Vehicle to strengthen emergency response readiness

0.47

contractor recordable injury rate

0

employee and contractor fatalities

4,669

hours

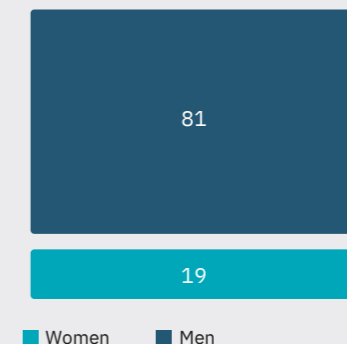
of health and safety training delivered



OUR PEOPLE

OQEP ended 2025 with 751 employees, maintaining a strong national talent base with a 93.3% Omanization rate. The Company invested in well-being through health monitoring, wellness programmes and access to medical services, while delivering more than 64,000 training hours across the organization during the year.

Workforce by Gender, %



93.3%

Omanization rate

People development sits at the heart of OQEP's growth strategy. As the Company pursues its 2030 ambitions, building the next generation of leaders and technical talent is an important strategic priority. The focus is on equipping people with the skills, experience and mindset to lead OQEP's expansion.

86.8

average training hours per employee

COMMUNITIES AND SOCIAL INVESTMENT

OQEP's social investment agenda focuses on delivering long-term value in the communities where it operates. In 2025, the Company scaled up its contribution to local development through projects in education, health, tourism, youth development and community infrastructure, alongside sponsorships and employee volunteering activities.

3.5

million

invested in community development

6+

social investment programmes launched

203

employee volunteers

Unlocking Responsible Growth

At OQEP, growth is unlocked through disciplined governance, ethical business conduct, responsible procurement and digital resilience that protects performance, trust and long-term value creation.

GOVERNANCE AND BOARD OVERSIGHT

OQEP's sustainability governance is led at Board level and executed through clear management accountability.

The Board of Directors holds ultimate responsibility for sustainability and ESG oversight, approving key policies and validating the annual Sustainability Report. Meanwhile executive accountability sits with the Chief Executive Officer.

ESG risks and performance are reviewed through the Audit and Risk Committee and tracked through the corporate scorecard.

ETHICAL BUSINESS PRACTICES

OQEP's approach to business ethics is built around its Code of Conduct, conflict-of-interest controls, whistleblowing channels, and anti-corruption requirements that apply to employees, suppliers, contractors and other business partners.

During 2025, the Company delivered a structured ethical awareness programme on these topics for external stakeholders, primarily governmental entities, reinforcing expectations around integrity, responsible conduct and reporting mechanisms.



SUSTAINABLE PROCUREMENT

OQEP's procurement activities are governed by the Procurement Policy and the Supplier Code of Conduct, which apply across its supplier and contractor base.

In 2025 the Company continued to integrate environmental and social expectations into supplier onboarding and engagement. OQEP further expanded its contribution to local economic development through supplier localization, SME development, and stronger In-Country Value (ICV) performance.

175.74 million

ICV Contribution
Driving measurable national economic value

41.93 million

Spent on 'Made in Oman' goods
Reinforcing local industry development

89%

Spent with local suppliers
Strengthening in-country value and partnerships

DIGITAL TRANSFORMATION

Digital capability and cyber resilience are increasingly central to how OQEP operates, protects value and scales its business. The Company continued to advance its digital agenda in 2025 while strengthening the governance frameworks that protect data integrity and system security

OQEP advanced a range of enterprise-wide digital initiatives during the year, spanning automation, analytics and operational intelligence:

- JV Stream, improving joint venture data management and reporting
- Copilot for Enterprise, enhancing productivity and decision support across the business
- ILTIZAM, supporting contractor HSSE performance monitoring
- MURSHID and Daleel, strengthening operational guidance and knowledge management
- Continued development of Digital Twin capabilities across key assets

DATA PRIVACY AND CYBER SECURITY

OQEP maintained its ISO 27001-certified Information Security Management System throughout 2025, conducting regular vulnerability, penetration and cloud risk assessments. Compliance with Oman's Personal Data Protection Law was strengthened, including formal assignment of the PDPL programme to the People Team and rollout of a dedicated e-learning course for employees.

Corporate Governance Report



04

Built on Trust and the structures that protect it.

Consistent action, transparent reporting and accountable leadership define how OQEP governs itself, maintaining trust and credibility.

57%

independent directors

24

Board committee meetings in 2025

Governance At A Glance

As the largest listed company on the Muscat Stock Exchange, OQEP is committed to the highest standards of transparency, accountability and Board oversight.

Clear structures, independent oversight and disciplined decision-making give the Company the confidence to pursue its ambitions and the credibility to be held accountable for them.

Key Highlights

A majority-independent Board (4 of 7 members)

A 100% non-executive Board

Separation of Chairman and CEO roles

Diverse experience across energy, finance and governance

Board Leadership and Structure

OQEP maintains a Board-led oversight model with a clear separation between strategic direction and executive management. The Board's composition reflects a strong independent presence, supporting unbiased decision-making and effective supervision of the Company's operations.

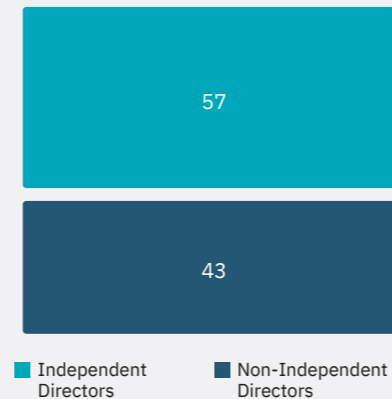
At a Glance

7
Board members

57%
independent directors

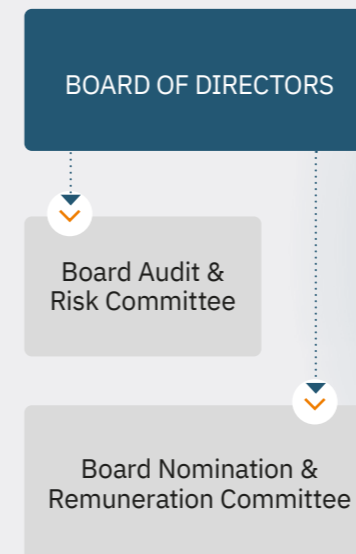
1
female Board member

Board Independence, %



Board Committees

The Board is supported by specialized committees that provide focused oversight on financial reporting, risk management, and remuneration. These committees enhance the effectiveness of Board decision-making and strengthen accountability across key governance areas.



Key Highlights

Audit & Risk Committee overseeing financial integrity and risk

Nomination & Remuneration Committee overseeing Board composition and incentives

Regular committee engagement throughout the year

Clear delegation of responsibilities from the Board

Governance Activities in 2025

During 2025, the Board and its committees remained actively engaged in overseeing the Company's strategic priorities, operational performance, and risk environment. Governance practices continued to evolve in line with regulatory expectations and organizational needs.

Key Highlights

Regular Board and Committee meetings held during the year

Delegation of Authority (DOA) framework reviewed and updated



Shape the future with confidence

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C.R. No. 1224013
PR No. HMH/15/2015; HMA/9/2015

Tax Card No. 8218320

Agreed-upon Procedures Report on Corporate Governance Report to the Shareholders of OQ Exploration and Production SAOG

SCOPE AND PURPOSE

We have performed the procedures agreed with you pursuant to the Financial Services Authority's (FSA) circular no. E/4/2015, dated 22 July 2015, with respect to the Board of Directors' Corporate Governance Report (the "Report") of OQ Exploration and Production SAOG (the "Company") as at and for the year ended 31 December 2025 and its application of the corporate governance practices in accordance with amendments to FSA's Code of Corporate Governance issued under circular no. E/10/2016 dated 1 December 2016 (collectively the "Code").

RESTRICTED USE

This agreed-upon procedures report ("AUP Report") is intended solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose. This report relates only to the accompanying corporate governance report of the Company to be included in its annual report for the year ended 31 December 2025 and does not extend to any financial statements of OQ Exploration and Production SAOG, taken as a whole.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board of Directors have acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement and are responsible for identifying and ensuring that the contents of the Report comply with the Code on which the agreed-upon procedures are performed. The sufficiency of these procedures is solely the responsibility of the Company and its Board of Directors.

RESPONSIBILITIES OF THE PRACTITIONER

We have conducted the agreed-upon procedures engagement in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), Agreed-Upon Procedures Engagements. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with the Company, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness, or the sufficiency of the agreed-upon procedures described below either for the purpose for which this AUP Report has been requested or for any other purpose.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance

conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

OUR INDEPENDENCE AND QUALITY MANAGEMENT

In performing the Agreed-Upon Procedures engagement, we complied with the ethical requirements in the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA) and the independence requirements in accordance with the relevant regulations in the Sultanate of Oman. We are the independent auditor of the Company and therefore we also complied with the independence requirements of the IESBA Code that apply in the context of the financial statement audit.

EY applies International Standard on Quality Management 1, which requires us to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

DESCRIPTION OF PROCEDURES PERFORMED

We have performed the procedures described below, which were agreed upon with you on the compliance of the Report with the Code for the year ended 31 December 2025.

Our procedures and findings included:

No.	Procedures	Findings
(a)	We obtained the Corporate Governance Report issued by the Board of Directors and checked that the Report of the Company includes at minimum all items suggested by FSA to be covered by the report as detailed in the Annexure 3 of the Code.	No exceptions noted.
(b)	We obtained from the Company details regarding areas of non-compliance with the Code identified by the Company's Board of Directors for the year ended 31 December 2025 and compared these with those included in the Report in the section "Board of Directors Acknowledgment". Additionally, we obtained written representations from the Board of Directors that there were no other areas of non-compliance with the Code for the year ended 31 December 2025 of which they were aware.	No exceptions noted.

24 February 2026
Muscat



Governance Framework and Philosophy

OQ Exploration & Production S.A.O.G. (“**OQEP**” or the “**Company**”) adopts the Code of Corporate Governance for Public Listed Companies (the “**Code**”) as its governance framework, underscoring the Company’s commitment to transparency, accountability, and ethical conduct. The governance framework supports effective oversight of OQEP’s upstream operations, promotes disciplined decision-making and reinforces long-term value creation for shareholders. In line with the Code and applicable Capital Market

and Commercial Companies regulations, OQEP maintains governance arrangements that support regulatory compliance, investor confidence and responsible corporate behavior. Governance practices are reviewed on an ongoing basis to ensure continued alignment with regulatory developments, industry standards and stakeholder expectations.

Therefore, this governance report provides a comprehensive overview of the corporate governance practices, board composition, committee activities

and stakeholder engagement policies in compliance with the regulatory requirements outlined by the Financial Services Authority (“**FSA**”) and the Commercial Companies Law (“**CCL**”). This report demonstrates the Company’s dedication to maintaining high governance standards, fostering transparency and aligning with the best practices prevalent in Oman’s energy sector. Additionally, the report highlights the Company’s commitment to environmental sustainability and social responsibility, consistent with Oman’s Vision 2040.



Board of Directors

Following the successful listing of OQEP in the year 2024 on the Muscat Stock Exchange (MSX), shareholders have elected the Board of Directors (the “Board”) to oversee the Company’s governance, while strengthening its leadership and strategic direction further.

The Board, as currently constituted, will serve to ensure stability and continuity in guiding the Company’s growth and compliance with regulatory requirements. The Board is responsible for the overall supervision and corporate vision of OQEP and is constituted in accordance with the CCL, the SAOG Executive Regulations and the Code.

The Board operates within a clearly defined governance framework that supports independence, objectivity, and effective oversight of management. Any amendment to the composition of the Board is undertaken in strict compliance with applicable laws and regulations and is disclosed in accordance with the disclosure of obligations prescribed by the FSA.

Composition of the Board: The Board comprises of seven directors, including four independent members, in compliance with the Code. Five (5) members were elected at the Constitutive General Meeting on 9 July 2024, and two (2) members were elected at Ordinary General Meeting 10th December 2024, for a term of three years.

Member Profiles: The Board members bring a wealth of expertise across energy, finance, and management sectors, ensuring strategic oversight and operational excellence.

The following table provides a summary of the Board members and their participation in other boards and committees, as well as their attendance at recent shareholder and Board meetings.



Ashraf Al Mamari

Chairman & Group CEO

Non-Executive, Shareholder

Ashraf Al Mamari is **the Group Chief Executive Officer of OQ**, bringing nearly **21 years of experience** in various organizational leadership roles. He has held multiple leadership positions in the energy sector both in Oman and abroad. Ashraf joined OQ in 2013 as a Learning and Development Manager in one of the Company’s legacy entities, Takatuf Oman.

He has also worked with OQEP and OQ Chemicals in Germany, before leading the People, Technology and Culture function at OQ. Ashraf currently serves as a board member for Abraj Energy Services and OQ Trading. He has also been **a board member for Marafiq, OPAL, InstOG, and TRANSOM Catering.**

He holds **a Bachelor of Science (BSc) degree** in General Management from Sultan Qaboos University (Oman) and is currently enrolled in **the DBA program** at Coventry University (UK).

Membership of Board and other Committees outside OQEP **5**

Membership of Board of other public Joint Stock Companies **×**

Date of Last AGM Attended **12/3/2025**

Date of Last OGM Attended **Not Attended**

Date of Last EOGM Attended **24/6/2025**

Date of Last Board Meeting Attended **14/12/2025**



Abdulwahhab Al Hinai

Deputy Chairman & OQ General Counsel

Non-Executive, Shareholder

Abdulwahhab Al Hinai currently serves as **the General Counsel for OQ**. He previously held the position of Director General of Licensing and Legal Affairs at the Authority for Public Services Regulation from 2014 to 2021. In 2021, he assumed the role of **Lead Regulatory Employment & Litigation at OQ**.

With **over 20 years of experience** in legal and regulatory practice, Abdulwahhab has played a key role in significant projects within the utility sectors and the development of new legislation, while also providing internal legal advice to various organizations. His extensive experience includes leadership roles in the legal departments of regulatory bodies.

He holds **a Master of Laws (LLM) degree** from King’s College London and **a Master of Business Administration (MBA)** from the University of Strathclyde (UK).

Membership of Board and other Committees outside OQEP **1**

Membership of Board of other public Joint Stock Companies **2**

Date of Last AGM Attended **Not Attended**

Date of Last OGM Attended **28/8/2025**

Date of Last EOGM Attended **Not Attended**

Date of Last Board Meeting Attended **14/12/2025**



Aflah Al Lawati

Non-Independent Member

Non-Executive, Shareholder

Aflah Al Lawati joined OQ in December 2013 and serves as **the Vice President – Treasury and FP&A**. His role encompasses Treasury, Financial Planning & Analysis (FP&A), budget management, financing strategy, capital allocation, insurance, and cash management for OQ SAOC. With **18 years of experience** in financial advisory, corporate finance, treasury management, and a strong understanding of the commercial energy value chain, he supports prudent financial management and the Company’s long-term strategic objectives.

He holds **a BSc in Commerce (Finance)** from the University of Northern British Columbia (Canada) and **an Executive Diploma in Strategic Management and Leadership** from the Chartered Management Institute (CMI), UK.

He also serves as a Board Member of Nama Power and Water Procurement Company (PWP) and is the Chairman of its Board Audit Committee.

Membership of Board and other Committees outside OQEP **2**

Membership of Board of other public Joint Stock Companies **×**

Date of Last AGM Attended **12/3/2025**

Date of Last OGM Attended **28/8/2025**

Date of Last EOGM Attended **Not Attended**

Date of Last Board Meeting Attended **14/12/2025**



Dr. Sulaiman Al Toub
Independent Member

Non-Executive,
Not Shareholder

Dr. Sulaiman Al Toubi has over **45 years of professional experience**, with 40 years of those years dedicated to the oil and gas sector in Oman and with Shell Nigeria. His career encompasses a variety of technical positions, including maintenance/utilities, commissioning, production operations, asset management, planning, and economics. In addition to his technical expertise, he has also served in **leadership roles within PDO and Shell Nigeria**, such as Engineering & Operations Director and South Director at PDO, with a focus on safe and cost-effective oil and gas development and production.

Sulaiman is known for driving technical excellence, managing diverse teams and ensuring adherence to laws and regulations. He has led various significant business projects and is academically engaged as an Honorary Visiting Industrial and Academia Relations Fellow and part-time lecturer at Muscat University. Currently, he serves as **a senior adviser to EJAAD Program with Oman Research and Innovation Authority and JMC member** at SLPG (OQB).

Membership of Board and other Committees outside OQEP **1**

Membership of Board of other public Joint Stock Companies **×**

Date of Last AGM Attended **12/3/2025**

Date of Last OGM Attended **28/8/2025**

Date of Last EOGM Attended **24/6/2025**

Date of Last Board Meeting Attended **14/12/2025**



Intisar Al Kindi
Independent Member

Non-Executive,
Not Shareholder

Intisar Al Kindi is a distinguished professional with **over 31 years of technical and leadership experience** in the oil and gas industry, both in Oman and internationally. She has an impeccable record of achievements, including significant discoveries such as the Khazzan, Kauthar, and Mabrouk NE fields, which have significantly boosted Oman's hydrocarbon resource base.

Intisar is recognized for her natural ability to unite teams and promote collaboration toward shared objectives. As a change agent, she has transformed mindsets regarding safety, efficiency, simplicity and speed over the past decade.

Intisar holds **a Master's degree in Petroleum Geology** from Imperial College, London, and **a Bachelor in Geology** from Tulsa University, USA.

Membership of Board and other Committees outside OQEP **1**

Membership of Board of other public Joint Stock Companies **×**

Date of Last AGM Attended **Not Attended**

Date of Last OGM Attended **Not Attended**

Date of Last EOGM Attended **24/6/2025**

Date of Last Board Meeting Attended **14/12/2025**



Alwaleed Al Shukaili
Independent Member

Non-Executive,
Not Shareholder

Alwaleed Al Shukaili has **22 years of professional experience** in notable energy and petroleum companies in Oman, such as OQ and PDO. He currently serves as **the Investment Director at Oman Investment Authority (OIA)**, overseeing OIA's national portfolio in the energy and mining sectors, including assets like OQ, Oman Liquefied Natural Gas (OLNG) and Minerals Development Oman (MDO).

Alwaleed has held various technical and leadership roles and has worked in a subject matter expert capacity with the Ministry of Energy and Minerals on energy transition policy development. Additionally, he has contributed to the Society of Petroleum Engineers and chaired sessions at oil and gas forums.

He holds **a Bachelor of Engineering (BEng) degree** in Chemical Engineering from Manchester University (UK) and **a Master of Engineering (MEng) degree** in Petroleum Engineering from Heriot-Watt University (UK).

Membership of Board and other Committees outside OQEP **×**

Membership of Board of other public Joint Stock Companies **×**

Date of Last AGM Attended **12/3/2025**

Date of Last OGM Attended **28/8/2025**

Date of Last EOGM Attended **24/6/2025**

Date of Last Board Meeting Attended **14/12/2025**



Khalid Al Kamyani
Independent Member

Non-Executive,
Not Shareholder

Khalid Al Kamyani has **more than 22 years of experience** in the field of investment, finance and accounting. He was the CIO of one of the leading government investment entities in the Sultanate of Oman. He is **a chairman, deputy chairman and a board member** in different companies in services, public and private Equity Market Fund, industrial, food, telecommunication, real estate and investment sectors.

He holds **a Master's degree** in Investment Banking from Reading University and **a Bachelor's degree** in Accounting from Sultan Qaboos University. Currently, he is in the professional level of both ACCA and Chartered Islamic Finance professional from INCEIF University plus he has been enrolled in the Etimad leadership program conducted by the Royal Academy.

Membership of Board and other Committees outside OQEP **2**

Membership of Board of other public Joint Stock Companies **2**

Date of Last AGM Attended **12/3/2025 (Online)**

Date of Last OGM Attended **Not Attended**

Date of Last EOGM Attended **24/6/2025**

Date of Last Board Meeting Attended **14/12/2025**

The Board's Role: The Board is responsible for setting up the Company's strategic direction, overseeing management

performance and ensuring sound corporate governance in accordance with applicable laws and regulatory requirements. The

Board also safeguards shareholders' interests by ensuring transparency, accountability and sustainable

Board Diversity	
Total number of Board members	7
Total number of independent Board members	4
Total number of non-independent Board members	3
Total number of executive members	None
Total number of non-executive members	All 7
Total Board seats occupied by women	1
Total Board seats occupied by men	6
Total number of Board members under 30 years of age	0
Total number of Board members between 30-50 years of age	5
Total number of Board members over 50 years of age	2
Percentage of committee chairs held by women	33
Percentage of committee chairs held by men	66
Does the Company prohibit the CEO from serving as Board chair?	Yes

Criteria for Board Membership:

Nominees for Board memberships are subject to rigorous criteria outlined by the CCL, the Code, and Article 115 of the SAOG Executive Regulations. These criteria include:

1. Be a natural person.
2. Be of good conduct and sound reputation.
3. Be at least 25 years old.
4. Have a registered shareholder number with MDCD.
5. Not be unable to settle his indebtedness to the same company to which he is a candidate for membership of its board of directors.

6. Not be convicted of a felony or dishonorable crime or adjudicated as bankrupt or insolvent unless rehabilitated.
7. Not having caused the bankruptcy of a company by his sole act or as joint liability of directors.
8. Present, if nominating himself as an independent director, a declaration to that effect and acknowledgement that he will lose his membership if he loses his independence capacity.
9. Not be a director in more than four (4) public joint-stock companies based in the Sultanate of Oman once appointed to the board in question. He may not be the Chairman of the board of more than two (2) companies.

10. Not be an employee or a member of the board of directors of a public or closed joint-stock company which is carrying out similar objectives to that of the company which he intends to nominate himself to the membership of its board.

These qualifications ensure that Board members possess the necessary integrity, experience, and commitment to uphold the Company's Governance standards and contribute to its strategic vision. The selection process adheres to strict compliance measures, ensuring that the Board comprises individuals capable of overseeing OQEP's operations and long-term growth in alignment with its business objectives and regulatory requirements.

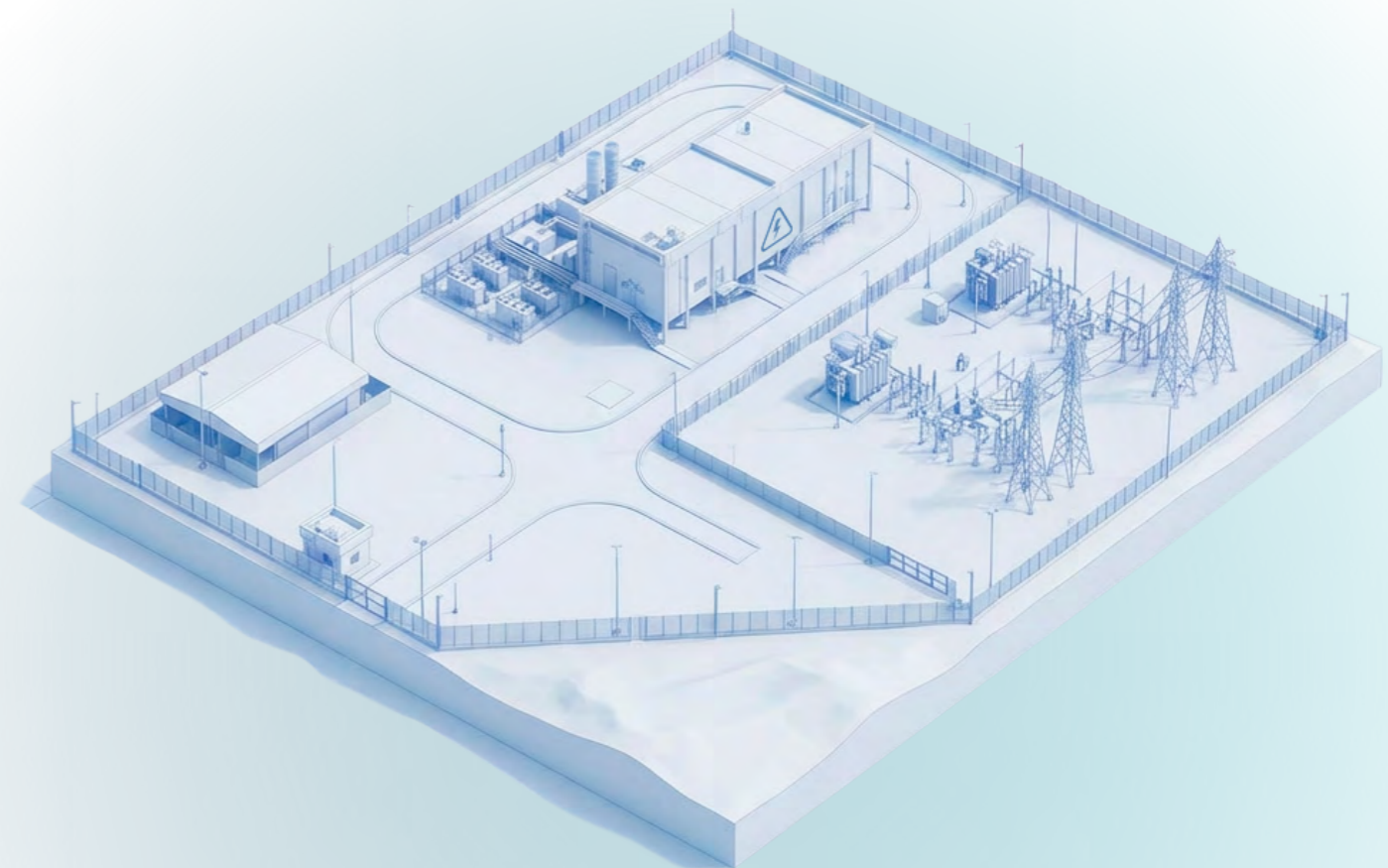
Election of the Board: The Board is appointed through a transparent election process conducted during the Annual/Ordinary General Meeting, adhering to direct and confidential ballot principles. This procedure ensures that each shareholder exercises voting rights proportionate to their shareholding, allowing for either a unified allocation of votes towards a single nominee or a distribution across several nominees, with the caveat that the total votes cast do not exceed their share ownership. The election outcome, based on the highest number of votes received, exemplifies a commitment to a democratic selection process.

Board Tenure: The elected nominees assume their roles on the Board for a designated term of

three years. This tenure is marked by a committed dedication to the shareholders, to whom the Board is primarily accountable.

Responsibilities of the Board: The Board's responsibilities include providing detailed reports at the Annual General Meeting (AGM) or any specially convened shareholder meetings, reflecting a transparent approach to corporate governance. These meetings, announced in advance along with comprehensive agenda notes, ensure robust participation and foster meaningful dialogue among the shareholders. In these meetings, the attendance of all Board members is expected, which reinforces open communication channels between the Board, the shareholders and OQEP's Senior Management.

Board Authority: The Board has full authority to manage the affairs of the Company in accordance with its objectives and applicable laws, except for matters reserved for Shareholders under the Articles of Association or relevant legislation. The Board is responsible for appointing senior executive management, establishing Board committees, overseeing performance, and ensuring that material decisions and disclosures comply with legal and regulatory requirements prior to public release. Certain fundamental matters, including significant asset transactions or structural changes, are subject to shareholder approval in accordance with the CCL.



BOARD MEETINGS

Frequency: The Board convened quarterly during the fiscal year, with additional ad hoc meetings as needed to address urgent matters.

Meeting Type/No.	Board Meeting Date	NRC Meeting Dates	BARC Meeting Dates
Meeting 1	23-Feb-25	17-Feb-25	16-Feb-25
Meeting 2	06-May-25	23-Mar-25	18-Feb-25
Meeting 3	20-Jul-25	14-May-25	17-Mar-25
Meeting 4	12-Aug-25	13-Jul-25	27-Apr-25
Meeting 5	24-Aug-25	21-Aug-25	01-May-25
Meeting 6	23-Sep-25	01-Sep-25	10-Jul-25
Meeting 7	11-Nov-25		10-Aug-25
Meeting 8	14-Dec-25		16-Oct-25
Meeting 9			05-Nov-25
Meeting 10			08-Dec-25

Attendance: Attendance records reflect full participation by all members, demonstrating the Board's commitment to fulfilling their fiduciary duties.

Members	Board Attended : Held	NRC Attended : Held	BARC Attended : Held
Ashraf Al Mamari	7:8	4 ¹ :6	Not Member
Alwaleed Al Shukaili	7:8	Not Member	10:10
Sulaiman Al Toubi	8:8	4 ¹ :6	10:10
Abdulwahhab Al Hinai	8:8	6:6	Not Member
Aflah Al Lawati	8:8	Not Member	10:10
Intisar Al Kindi	8:8	2 ¹ :6	Not Member
Khalid Al Kamyani	8:8	2 ¹ :6	Not Member

BOARD SITTING FEES

Members	Board	NRC	BARC	Total
Sitting Fees (ﷲ)				
Ashraf Al Mamari	5,600	1,200 ¹		6,800
Alwaleed Al Shukaili	4,900		3,000	7,900
Sulaiman Al Toubi	5,600	1,200 ¹	3,000	9,800
Abdulwahhab Al Hinai	5,600	1,800		7,400
Aflah Al Lawati	5,600		3,000	8,600
Intisar Al Kindi	5,600	600 ¹		6,200
Khalid Al Kamyani	5,600	600 ¹		6,200

¹ Following NRC Meeting in April 2025, the composition of the Committee was updated, with Ms. Intisar and Mr. Khalid joining the NRC in place of Mr. Ashraf and Dr. Sulaiman, respectively.

Board Committees

Audit & Risk Committee (BARC):

- Members:** Alwaleed Rashid Awadh Al Shukaili (Chair), Aflah Al Lawati and Dr. Sulaiman Al Toubi.

Key Responsibilities:

- Oversee internal audit processes to ensure alignment with the regulatory framework.
- Review and approve financial statements and audit plans, ensuring compliance with IFRS.
- Ensure the independence and effectiveness of external auditors.
- Support the Board in validating Executive Management's effectiveness in implementing Board directives.
- Evaluate the adequacy and effectiveness of the internal control framework.
- Monitor the Company's risk profile and the measures taken by management to mitigate risks.
- Ensure appropriate policies are in place to safeguard human, material and intellectual resources.
- Review management's arrangements for ensuring compliance with regulatory and financial reporting requirements.
- Investigate any activity within its mandate using internal or external resources at the Company's cost.
- Receive all explanatory information required to discharge its responsibilities.
- Approve all special audit engagements (internal or external), including scope, terms and non-audit services.

Nomination and Remuneration Committee (NRC):

- Members:** Intisar Al Kindi (Chair), Abdulwahhab Al Hinai and Khalid Al Kamyani.

Key Responsibilities:

- Develop and oversee succession plans and policies for the Board, its Chairperson and executive management, to ensure leadership continuity.
- Identify and nominate qualified candidates for Board positions (including interim directors) and senior executive roles, as required or directed by the Board.
- Prepare and maintain detailed role descriptions for directors and the Chairperson to support orientation, performance evaluation and effective governance.
- Develop and periodically review remuneration, bonus, allowance and incentive policies for executive management, considering Company performance and market conditions, and seek external advice where necessary with Board approval and without conflicts of interest.

Executive Management & Delegation of Authorities (DOA)



Mahmoud Al Hashmi

Acting CEO (till end of 2025) & COO

Mahmoud is the **Acting Chief Executive Officer of OQEP** since his predecessor stepped down in the August of 2025 and he also serves as the **Chief Operating Officer at OQEP**, having been with the OQ Group Companies since 2010.

He has **more than 28 years of experience** in quasi-private and private companies and has worked in multidisciplinary and diverse environments, both onshore and offshore. Mahmoud has extensive experience in technical, managerial and commercial aspects.

Prior to his current role, Mahmoud held positions at the Company as **Vice President** (Operated Assets), **Managing Director** at Musandam Oil & Gas Company LLC, **Deputy General Manager** at MEDCO LLC and **Well Delivery Senior Manager** at OOCEP.

He holds a **Bachelor of Science (BSc) degree** in Mechanical Engineering from Sultan Qaboos University (Oman), a **Master of Science (MSc) degree** in Petroleum Engineering from Heriot-Watt University (UK) and a **Master of Business Administration (MBA) degree** from the University of Strathclyde (UK). Additionally, he has completed the **National Collaborative Leadership Programme "National CEO"**, organized by the Royal Academy of Management at Oxford Business School (UK) and IMD Business School (Switzerland).



Ahmed Al Azkawi

Chief Executive Officer

Ahmed Al Azkawi served as the **Chief Executive Officer of OQEP** from Sept 2022 until he stepped down in August 2025. Having **28 years of experience** in senior management roles, particularly in the upstream industry in Oman, Ahmed started his career in oil and gas with PDO in 1997. Prior to being CEO of OQEP, he was the **VP of Procurement at OQ**.

He holds a **Bachelor of Science (BSc) degree** in Physics from Imperial College London (UK) and a **Master of Engineering (MEng) degree** in Petroleum Engineering from Heriot-Watt University (UK).



Jaber Al Noumani

Chief Financial Officer

Jaber Al Noumani serves as the Chief Financial Officer for the Company. He has **more than 22 years of industry experience**, 15 of which are in downstream and mid-stream projects with Oman Refineries and Petrochemicals Company (ORPC/ORPIC/OQ), OQ Liquefied Petroleum Gas (LPG) and OQ Methanol. He has served in various management roles across the Company and has **3 years of experience in auditing and accounting**, having previously worked for PricewaterhouseCoopers (PwC).

Jaber has received several awards in recognition of his performance, including the **Chairman Excellence Award** in 2018 for implementing Robotic Process Automation in OQ and **PwC's Effective Board Member Programme** under OIA Award. He was previously a board member of OQ Logistics LLC.

He holds a **Bachelor of Science (BSc) degree** in Accounting from Sultan Qaboos University, College of Commerce and Economics (Oman) and a **Diploma in Management and Leadership** from the Chartered Management Institute (UK).



Anwar Al Kharusi

Chief Executive – Commercial

Anwar Al Kharusi serves as Chief Executive – Commercial for the Company. He has been employed with the Company since 2009 and has **more than 33 years of executive petroleum experience**. He has built technical and commercial capabilities through roles at PDO, Shell, MEM, MOL Group and the UK-based consulting firm Knowledge Reservoir.

Anwar holds a **Bachelor of Science (BSc) degree** in Physics from the University of Bristol (UK), a **Doctorate (PhD)** in Petroleum Engineering from the University of London (Imperial College London, Royal School of Mines) (UK), and an **Executive Master of Business Administration (MBA)** from the University of Szent István (Hungary).



Said Al-Hashmi

Chief Executive for People, Technology and Culture

Said Al-Hashmi joined the Company in 2023. He is a senior human resources practitioner with **more than 21 years of experience** in the energy sector and in Oman's government sector. He has worked in Oman, the Middle East, Southeast Asia and Europe.

He holds a **Master's in E-(HR) Training** from the University of Technology Sydney, a **BSc** from SQU and a **Diploma in Education** among several major qualifications. Said has led the integration of Oman's pension funds into one sustainable scheme.

Ethics, Integrity and Compliance

The Company adheres to the provisions of the CCL and Capital Market Law Executive Regulations relating to conflicts of interest, insider trading and ethical conduct. Members of the Board, the executive management, the Company employees and related parties are required to avoid situations that may give rise to actual or potential conflicts of interest and to comply with disclosure and approval requirements where applicable.

POLICIES AND PROCEDURES:

Code of Ethics/ Code of Conduct and Conflicts of Interest:

OQEP has adopted a Business Code of Conduct applicable to all employees and contractors, with strict rules prohibiting personal gain from Company positions and requiring disclosure and abstention in conflicts of interest.

Anti-Corruption & Bribery:

OQEP enforces strict anti-bribery policies. Employees, contractors and partners must act with integrity, comply with laws and reject improper benefits. Due diligence, oversight, training and reporting systems ensure accountability and ethical conduct.

Fraud Prevention:

The Company enforces strict internal controls and monitoring mechanisms to detect and prevent financial fraud, forgery and misconduct.

Risk Management:

Regular evaluations of the Company's risk management framework ensure a proactive approach to mitigating financial, operational and strategic risks.

Regulatory Compliance:

Internal audits, external reviews and independent assessments uphold compliance with governance regulations and enhance corporate accountability.

Insider Trading & Abuse:

OQEP has adopted a Business Code of Conduct applicable to all employees and contractors, with strict rules prohibiting personal gain from Company positions and requiring disclosure and abstention in conflicts of interest.

Financial Integrity:

OQEP adopts internationally recognized accounting policies and principles in line with IFRS to ensure transparent and accurate financial reporting.

Whistleblowing and Reporting Mechanism/Platform:

OQEP maintains a formally governed whistleblowing mechanism that enables employees to confidentially report illegal, unethical or improper conduct without risk of reprisal.



Yaman Al Samman
General Counsel

Yaman Al Samman serves as the General Counsel for the Company. He has been employed by the Company since 2012.

He holds a **Bachelor of Arts of Law** from the University of Damascus (Syria), a **Diploma in Graduate Studies majoring** in Private Law, a **University Diploma majoring** in Diplomatic and International Relations, and a **Master's degree in Law** from Beirut Arab University (Lebanon), a **Master's Degree in Economics and Social Sciences, majoring** in Banking, Finance and International Trade from the University of Bordeaux IV (France), and an **MA in Law (Common Law)**, University of Law (UK).



Qais Al Sariri
VP, Internal Audit

Qais Al Sariri serves as Vice President of Internal Audit at the Company. He was **previously Head of Assurance Upstream at OQ** and is a certified Energy Auditor (CEA) with **over 17 years of experience in the oil and gas sector**, spanning internal audit, operations integrity, and quality management. Earlier in his career he held a series of audit and operations roles at Schlumberger across Oman and Qatar.

He holds a **Bachelor's degree in Power Systems and Energy Engineering** from Sultan Qaboos University and is a **member of several professional engineering and auditing associations**.

Management Remuneration:

The remuneration package of the executives is made up of a fixed and variable component. The fixed component includes a salary, valued perquisites and retirement benefits. The variable component is a performance-linked incentive, which is calculated based on pre-determined parameters of performance.

During the year 2025, the total salary of the top executives of the Company was **₹ 803,000**.

Employment Contract:

OQEP enters a formal Contract of Employment with each employee, and such contracts are in line with the regulations of the Ministry of Manpower and Omani Labour Law.

Directors Remuneration:

- The Directors' remuneration comprises annual compensation. Total remuneration for the fiscal year remained within the **₹ 200,000** cap. The compensation per member is calculated on a prorata basis considering their terms and appointment. The total payable remuneration is **₹ 100,000**.
- Transparency:** Detailed remuneration disclosures were presented in the Company's [Financial Statements](#).

Corporate Governance Framework Policy:

OQEP has adopted a Corporate Governance Framework Policy that sets out the rules, roles, responsibilities and policies

governing the Company and its fully owned subsidiaries, ensuring effective management, sound oversight and compliance with applicable laws.

Delegation of Authorities:

OQEP operates within its DOA matrix, originally approved by the Board in 2024 and subsequently updated in 2025. The DOA establishes the financial and non-financial approval limits and the decision-making authorities delegated to the Board and the management. It clarifies who can approve what, within defined thresholds, while ensuring appropriate escalation to various committees and the Board.

RISK MANAGEMENT AND INTERNAL CONTROL

OQEP's risk management framework is designed to anticipate, evaluate and mitigate risks that could affect its financial results, operations and long-term resilience. Key exposures include commodity price fluctuations, reserves estimation uncertainty, operational and HSE risks, climate-related transition impacts, and IT and cybersecurity threats.

Additional information on risk management, including specific risks, can be found in the [Risk Management](#) section of the Strategic Review.

OQEP also maintains a structured and disciplined internal control environment to support effective governance, reliable reporting and compliant operations. The Company applies the COSO 2013 Internal Control – Integrated Framework, embedding controls across strategic direction, governance and accountability, operational execution, and assurance activities. Clear policies, defined responsibilities and consistent procedures approved by the Board ensure controls are applied uniformly and reviewed regularly, including those required by the FSA, to promote transparency, risk discipline and organizational integrity.

DISCLOSURE, TRANSPARENCY AND CAPITAL MARKET COMPLIANCE

OQEP ensures transparency and regulatory compliance by preparing and disclosing its quarterly and annual financial statements in accordance with IFRS in a timely manner. All stakeholders receive equitable access to material information through announcements on the MSX platform. Additionally, the Company provides comprehensive disclosures covering financial risks, related party transactions and corporate strategies, reinforcing its commitment to corporate governance and accountability.

LIABILITY AND ACCOUNTABILITY

Board members are accountable to the Company, its shareholders, and third parties for any breach of their duties, including violations of applicable laws, misuse of authority, negligence or failure to act prudently. Legal actions against Board members may be initiated within the timeframes and conditions prescribed under the CCL. OQEP's governance framework reinforces accountability while supporting informed, responsible and transparent decision-making at Board and management levels.

RELATED PARTY TRANSACTION POLICY

OQEP enters transactions with companies and entities that fall within the definition of a related party as contained in IAS 24 Related Party Disclosures. OQEP maintains balances with these related parties which arise in the normal course of business.

OQEP also explicitly complies with all relevant approval regulations, ensuring transparency and maintaining robust governance practices to manage and disclose such transactions appropriately.

OQEP is disclosing that the following companies below qualify as related parties:

- Abraj Energy Services S.A.O.G. – Drilling Rigs and Services
- Oman Oil Marketing Co S.A.O.G. – Fuel & Diesel Supply Services
- OQ S.A.O.C. – Sublease agreement, IT Services, SLA & TMLA
- Ministry of Energy and Minerals – Supplemental Tariff Agreement
- Takatuf Oman LLC – Human Capital Service
- OQ Refineries & Petroleum Industries (OQRPI) – Support Services
- OQ Trading – Oil Lifting & Sale
- Integrated Gas Company S.A.O.C. – Gas Sale
- OQ Alternative Energy LLC – Technical Support Service

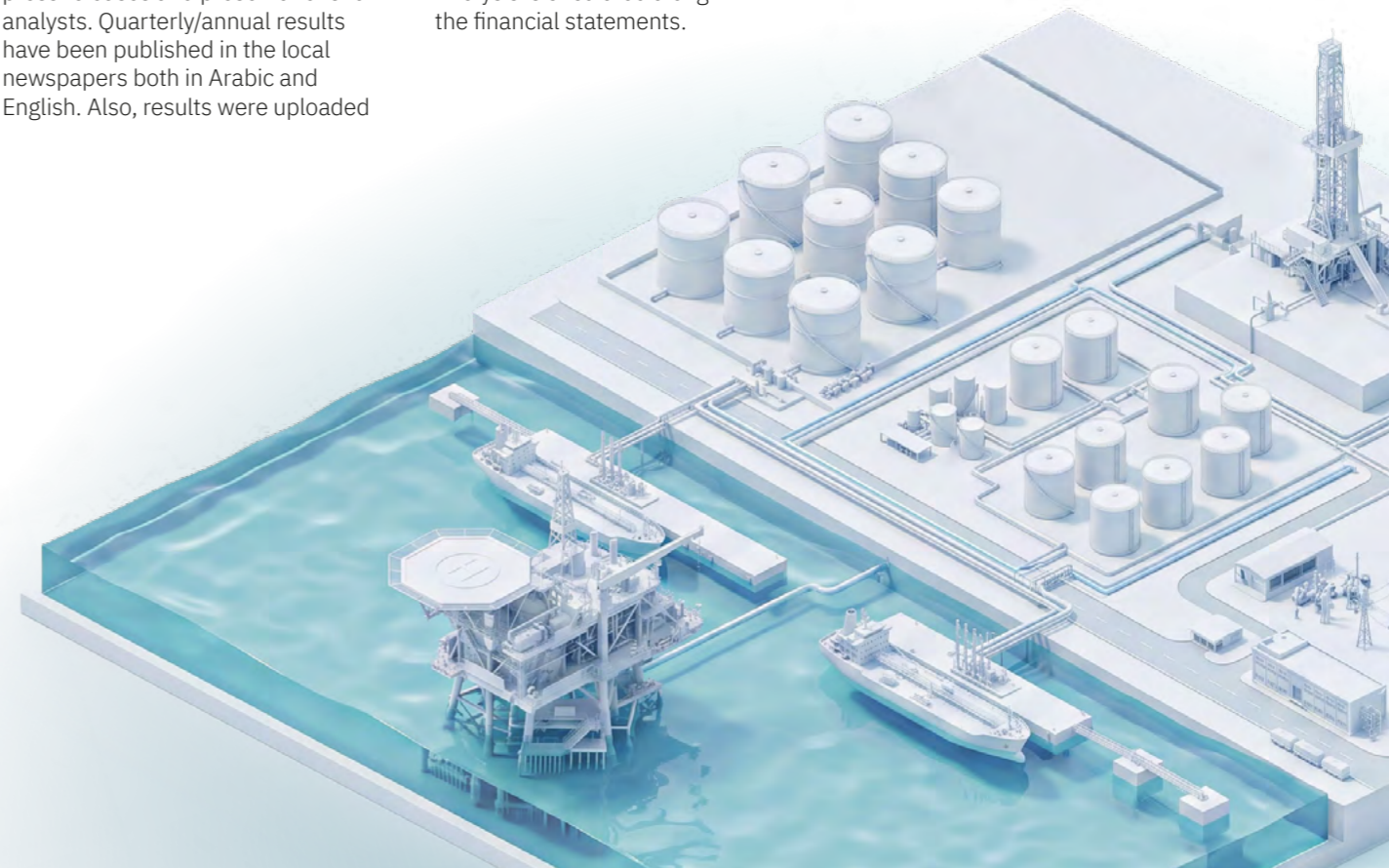
In 2025, there is a total net transaction of approximately **588,596** with related companies. The below figure provides the breakdown of 2025 payments and received.

Related Party Vendor	Total Amount spent in ₹ (000)	Total Amount Received in ₹ (000)
Abraj Energy Services S.A.O.G.	(20,879)	-
Oman Oil Marketing Co S.A.O.G.	(13,516)	-
OQ S.A.O.C.	(4,755)	179
Ministry of Energy and Minerals	(2,380)	38,546
Takatuf Oman LLC	(563)	-
OQ Refineries & Petroleum Industries (OQRPI)	(33)	11
OQ Trading	-	586,408
Integrated Gas Company S.A.O.C.	-	4,937
OQ Alternative Energy LLC	-	5
Total	(41,490)	630,086
Net Total		₹ 588,596

SHAREHOLDERS RIGHTS AND COMMUNICATIONS

OQEP has its own website at the URL <https://oqep.om/>, which was built for our worldwide customers and partners. The website contains detailed specifications on the various product ranges manufactured, along with timely updates on all the vital information relating to the Company, yearly financial results, official press releases and presentations to analysts. Quarterly/annual results have been published in the local newspapers both in Arabic and English. Also, results were uploaded

onto the Muscat Stock Exchange <https://msx.om/> website. The results were not sent individually to the shareholders in view of the above. Shareholders wishing to acquire a set of results can download them from the MSX website or are advised to contact our offices directly. A copy of the Management Discussion and Analysis is circulated along with the financial statements.



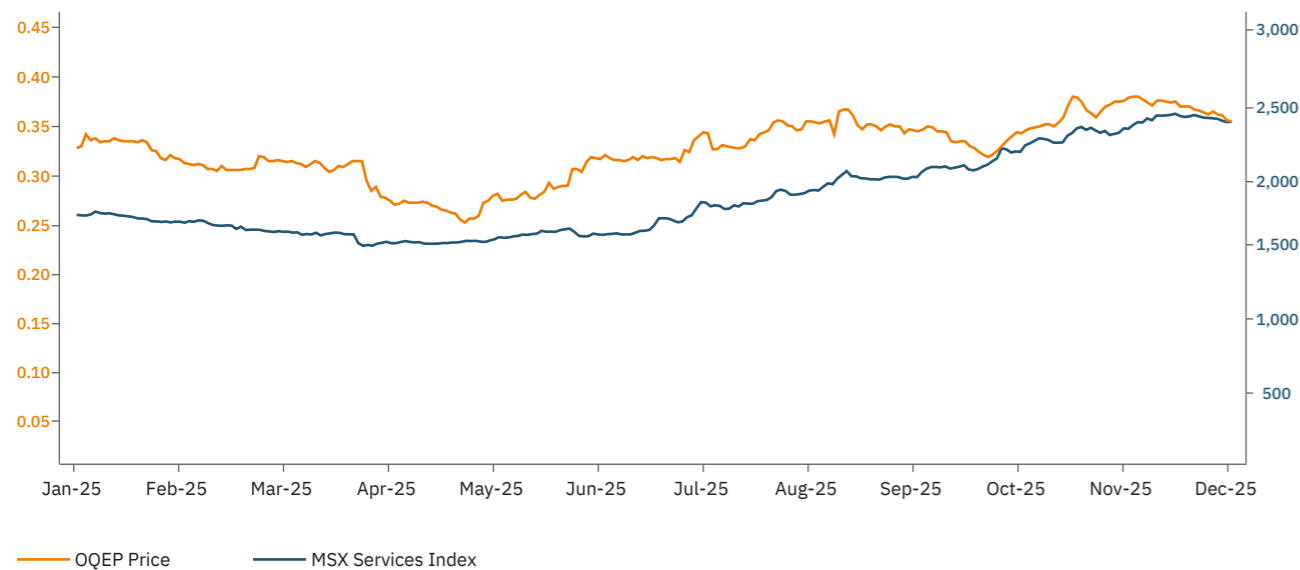
Market Price data

Market price data for the year 2025-High/Low.

Month	Company Share Price		MSX Service Index	
	High	Low	High	Low
Jan-25	0.347	0.321	1,762	1,689
Feb-25	0.326	0.310	1,700	1,631
Mar-25	0.324	0.309	1,624	1,592
Apr-25	0.300	0.268	1,552	1,518
May-25	0.298	0.258	1,625	1,537
Jun-25	0.326	0.292	1,641	1,585
Jul-25	0.349	0.319	1,831	1,599
Aug-25	0.361	0.333	1,965	1,799
Sep-25	0.372	0.348	2,081	1,991
Oct-25	0.354	0.324	2,269	2,057
Nov-25	0.385	0.355	2,368	2,255
Dec-25	0.385	0.360	2,462	2,355

Performance of the Company's share price in comparison to MSX Index of the Services sector in Oman during the year 2025 based on daily closing is illustrated in the below chart:

Performance of OQEP's Share vis-a-vis MSX Service Sector 1 January – 31 December 2025 (based on the daily closing)



OQEP Price	MSX Services Index
OQEP share price in	MSX Index for Service Sector
0.050	500
0.100	1,000
0.150	1,500
0.200	2,000
0.200	2,500
0.300	3,000
0.350	
0.400	
0.450	

Distribution of Shareholding

Distribution schedule of each class of equity security with number of holders and percentage in the following categories as at 31 December 2025 is as follows on the below table:

Categories	Number of Shares	Number of Shareholders	% of Share Capital
Less than 1% ¹	1,375,780,567	57,336	17.2%
1% to less than 5%	624,219,433	3	7.8%
5% to less than 10%	0	0	0.0%
More than 50%	6,000,000,000	1	75.0%
Total	8,000,000,000	57,340	100.0%

The shareholding pattern of shareholders holding more than 5% as at 31 December 2025 was:

Name of Shareholder	Number of Shares	Number of Shareholders
OQ SAOC	6,000,000,000	1

Annual General Meeting

The Annual General Meeting was held on 12th of March 2025.

¹ Note: Including treasury shares 27.5 million shares.

INVESTOR RELATIONS AND STAKEHOLDER ENGAGEMENT

OQEP is committed to providing shareholders, investors and analysts with clear, reliable and meaningful information to support informed investment decisions. The Company recognizes that accurate, coherent and balanced communication enhances its reputation and ensures compliance with the disclosure requirements outlined in Part VII of the FSA Executive Regulations issued in 2009. To uphold high standards of corporate transparency, and in line with MSX Investor Relations

Circular No. MSM/379/2019, OQEP has established an internal Investor Relations (“IR”) function and hired an Investor Relations Officer to support structured engagement with investors and analysts. The IR function is responsible for maintaining an IR calendar, facilitating engagement with the investment community, participating in relevant capital market events and ensuring ongoing compliance with MSX disclosure and communication requirements.

Investor-related information, including financial reports, presentations, press releases and corporate governance disclosures, is made available through the Company’s official website and the MSX platform.

Additionally, OQEP’s Executive Management remains accessible to meet with shareholders and analysts upon request, reinforcing its commitment to investor engagement and transparency.

SUSTAINABILITY AND ESG GOVERNANCE

OQEP is regulated by the Environment Authority under Oman’s Law on Environment, overseeing environmental affairs and upstream operations. The Company acquires and maintains necessary environmental licenses for operated assets, while joint venture partners do so for non-operated assets.

OQEP tracks environmental KPIs such as GHG emissions, flaring, energy intensity, spills, water use and waste.

Sustainability efforts are driven by regular planning and monitoring, with the sustainability team executing initiatives within broader Company strategy. The Board reviews

performance to ensure alignment with governance standards and strategic goals, while the CEO oversees accountability for these initiatives.

For further information on sustainability, refer to the [ESG Summary section](#) of the Annual Report, as well as the OQEP’s Sustainability Report.

EXTERNAL AUDITORS

The Shareholders of the Company appointed EY as the external auditor for the financial year 2025.

help build trust and confidence in the capital markets and in economies the world over.

to quality. Globally, EY operates in more than 150 countries and employs over 400,000 professionals. EY operates as one firm, with 3 geographic areas, and EY member firms are grouped into 10 regions.

EY is a global leader in assurance, tax, strategy, transactions and consulting services. EY is committed to doing its part in building a better working world. The insights and quality services which EY delivers

The MENA practice of EY has been operating in the region since 1923. For over 100 years, EY has grown to over 8,500 people united across 27 offices and 14 countries, sharing the same values and an unwavering commitment

The total fee for audit related services paid to auditors for the year ended 31 December 2025 was **156,990**.

Board of Directors’ Acknowledgment

The Board affirms its commitment to maintaining the highest standards of corporate governance, financial transparency, and operational integrity. In this regard, the Board confirms the following:

All Board members are fully aware of and adhere to the requirements of the Code of Corporate Governance.

The Board collectively assumes responsibility for establishing, maintaining and reviewing a robust internal control system that provides reasonable assurance of operational efficiency, financial control and compliance with all applicable laws and regulations.

A well-defined management structure has been established, clearly outlining roles, responsibilities and reporting lines. The Board has also approved updated policies related to credit, expenditure, disclosure, energy, process safety and corporate governance.

The Company’s financial position, operational performance and business activities are regularly reported to the Board. Performance is closely monitored against budgets and prior periods, with financial information prepared using appropriate and consistently applied accounting policies.

The Board is committed to maintaining a strong control environment, with regular reviews encompassing financial, operational, compliance and risk management controls.

The Board is committed to ensuring that all material information related to the Company’s business operations is communicated transparently and regularly to stakeholders and the investment community.

The Board ensures that all financial statements comply with the provisions of the CCL of the Sultanate of Oman (18/2019) and meet the disclosure requirements stipulated by the FSA.

OQEP has established and formally documented systems and procedures to ensure the accurate, complete and timely processing of transactions, as well as the safeguarding of assets. Compliance with policies and procedures manuals is continuously monitored.

No material events have been identified that could impact the Company’s continuity and operations in the next financial year.

There have been no instances of material non-compliance with FSA Regulations during the year.

Consolidated and Separate Financial Statements

05





Shape the future with confidence

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C.R. No. 1224013
PR No. HMH/15/2015; HMA/9/2015

Report on the audit of the consolidated and separate financial statements

OPINION

We have audited the consolidated and separate financial statements of OQ Exploration and Production SAOG (the "Company") and its subsidiaries (together referred as the "Group"), which comprise the statement of consolidated and separate financial position as at 31 December 2025, and the consolidated and separate statement of comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Group and the Company as at 31 December 2025 and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in the Sultanate of Oman. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OTHER MATTER

The consolidated and separate financial statements of the Group and the Company, for the year ended 31 December 2024, were audited by another auditor, who expressed an unmodified opinion on those consolidated and separate financial statements on 26 February 2025.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

Key audit matter	How our audit addressed the key audit matter
Estimation of crude oil and non-associated gas (NAG) reserves	
<p>Oil and gas reserves are an indicator of the future potential of the Group's performance. Crude Oil and Non-Associated Gas (NAG) reserves estimates are used in the calculation of depreciation, depletion and amortisation (DD&A), impairment testing and in the estimation of abandonment provisions of oil and gas properties.</p> <p>The principal risk is the impact of the crude oil and NAG reserves estimate on the consolidated and separate financial statements through DD&A, impairment testing, and provision for decommissioning estimate.</p> <p>Auditing the estimation of crude oil and NAG reserves is complex. There is significant estimation uncertainty in assessing the quantities of reserves and resources in place. The estimates are based on the Group's petroleum engineers as well as independent third-party specialists (together, the "experts") assessments of petroleum initially in place, production curves and certain other inputs, including forecast production volumes, future capital and operating cost assumptions and estimated life of field. Also, technical uncertainties are involved in determining the level of reserves in each field. Due to significant estimation uncertainty involved, we have considered estimation of Crude Oil and NAG reserves as a key audit matter.</p> <p>Proved and probable reserves, which are estimated by the experts in accordance with industry best practice (as set forth in Note 4 (b) to the consolidated and separate financial statements entitled "Significant judgments, estimates and assumptions"), change according to production, hydrocarbon prices, and assumptions relating to future capital and operating expenditures.</p> <p>The accounting policies relating to estimation of crude oil and NAG reserves, DD&A and provision for decommissioning are set out in Note 3 to the consolidated and separate financial statements entitled "Material accounting policy information".</p>	<p>We obtained an understanding of the controls over the Group's crude oil and NAG reserves' estimation process. We then evaluated the design of these controls and tested their operating effectiveness.</p> <p>We involved professionals with crude oil and NAG reserves audit experience for evaluating the key assumptions and methodologies applied by the experts.</p> <p>Our audit procedures in this area included the following, but were not limited to:</p> <ul style="list-style-type: none"> Testing whether significant additions or reductions in crude oil and NAG reserves were made in the period in which the new information became available, by understanding the changes in circumstances that drove the change; Assessing that reserve movements were in compliance, in all material respects, with the Group's reserves and resources guidance; Evaluating the professional qualifications, competence and objectivity of the experts who are responsible for crude oil and NAG reserves estimation; We assessed the assumptions used by the experts and compared the assumptions to the macroeconomic indicators, hydrocarbon production, operating costs, capital expenditures forecasts and other performance indicators, approved by the Group's and the Company's management. We compared the estimates of reserves to the estimates included in the DD&A, impairment and provision for decommissioning. On a sample basis, performing look back analysis of historical data to identify indications of estimation bias, if any, over time.

OTHER INFORMATION INCLUDED IN THE GROUP'S AND THE COMPANY'S 2025 ANNUAL REPORT

Other information consists of the information included in the Group's and the Company's 2025 Annual Report other than the consolidated and separate financial statements and our auditor's report thereon. Management is responsible for the other information. We obtained the following information prior to the date of our auditor's report, and we expect to obtain the published 2025 Annual Report after the date of our auditor's report:

- Director's report
- Corporate Governance Report
- Management discussion and analysis report

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND AUDIT COMMITTEE FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the IASB and their preparation in compliance with the relevant requirements of the Commercial Companies Law of 2019 and the Financial Services Authority (the "FSA") of the Sultanate of Oman, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Audit committee is responsible for overseeing the Group's and the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated audit committee, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

We report that the consolidated and separate financial statements comply, in all material respects, with the relevant requirements of the Commercial Companies Law of 2019 and FSA of the Sultanate of Oman.

Imtiaz Ibrahim

Muscat

24 February 2026



Consolidated and separate statement of profit or loss and other comprehensive income

for the year ended 31 December 2025

	Notes	Consolidated		Separate	
		31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
		ﷵ '000	ﷵ '000	ﷵ '000	ﷵ '000
			Restated (note 2.2)		Restated (note 2.2)
Continuing operations					
Revenues	5	1,159,012	1,242,756	738,248	780,920
Cost of sales	6	(501,988)	(522,901)	(406,006)	(415,309)
Gross profit		657,024	719,855	332,242	365,611
Lease income	27	20,454	21,509	20,454	21,509
Other income	7.3	5,739	11,562	39,410	19,055
Administrative expenses	7.1	(39,683)	(36,822)	(37,341)	(36,798)
Operating profit		643,534	716,104	354,765	369,377
Finance income	7.2	9,337	10,851	9,841	10,889
Finance cost	8	(25,501)	(14,414)	(24,566)	(12,559)
Share of profit of joint venture	29	8,905	7,622	-	-
Profit before tax		636,275	720,163	340,040	367,707
Income tax expense	10	(358,239)	(404,270)	(171,456)	(197,597)
Profit from continuing operation		278,036	315,893	168,584	170,110
Discontinued operations					
Profit from discontinued operation	35	-	10,670	-	-
Profit for the year		278,036	326,563	168,584	170,110

	Notes	Consolidated		Separate	
		31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
		ﷵ '000	ﷵ '000	ﷵ '000	ﷵ '000
			Restated (note 2.2)		Restated (note 2.2)
Other comprehensive income:					
Other comprehensive income (expense) that may be reclassified to profit or loss in subsequent years					
Effective portion of changes in fair value of cash flow hedges – net of tax		-	(1,554)	-	(1,554)
Other comprehensive income (expense) that will not be reclassified to profit or loss in subsequent years					
Remeasurements of the defined benefit liability	23	95	(31)	95	(31)
Other comprehensive income / (expense) for the year		95	(1,585)	95	(1,585)
Total comprehensive income for the year		278,131	324,978	168,679	168,525
Profit for the year attributable to:					
Equity holders of the Parent Company		278,036	321,335	168,584	170,110
Non-controlling interest		-	5,228	-	-
Total comprehensive income for the year attributable to:					
Equity holders of the Parent Company		278,131	319,750	168,679	168,525
Non-controlling interest		-	5,228	-	-
Earnings per share					
Basic and diluted earnings per share (Rial Omani)	34	0.035	0.040	0.021	0.021
Earnings per share - continuing operations					
Basic and diluted earnings per share (Rial Omani)	34	0.035	0.039	0.021	0.021

The attached notes 1 to 40 form part of these consolidated and separate financial statements

Consolidated and separate statement of financial position

	Notes	Consolidated		Separate	
		31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
		₹ '000	₹ '000	₹ '000	₹ '000
Assets					
Non-current assets					
Oil and gas properties	12	854,691	866,172	402,058	385,219
Exploration and evaluation assets	13	15,043	8,362	7,321	2,820
Other property, plant and equipment	14	1,376	240	1,376	240
Right of use assets	26	42,773	22,267	42,773	22,267
Lease receivable	27	197,939	204,858	197,939	204,858
Deferred consideration	18	23,697	30,990	23,697	30,990
Interest in joint venture	29	52,004	43,099	-	-
Deferred tax assets	10	1,691	998	267	256
Investments in subsidiaries	28	-	-	1,793	128,745
Total non-current assets		1,189,214	1,176,986	677,224	775,395
Current assets					
Inventories	16	73,216	76,665	62,998	67,814
Trade and other receivables	17	97,136	120,156	78,962	104,125
Advances and prepayments	19	4,474	5,365	4,436	350
Deferred consideration	18	9,613	7,690	9,613	7,690
Lease receivable	27	6,919	12,682	6,919	12,682
Due from related parties	33	-	-	64,641	114,421
Cash and cash equivalents	20	159,836	160,154	127,773	111,270
Total current assets		351,194	382,712	355,342	418,352
Total assets		1,540,408	1,559,698	1,032,566	1,193,747

	Notes	Consolidated		Separate	
		31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
		₹ '000	₹ '000	₹ '000	₹ '000
Equity and liabilities					
Equity					
Share capital	21.1	80,000	80,000	80,000	80,000
Statutory reserve	21.2	26,667	17,094	26,667	17,094
Other reserves		20,997	20,997	33,333	33,333
Capital reserve	21.3	102,880	102,880	102,880	102,880
Treasury shares	21.4	(10,316)	-	(10,316)	-
Retained earnings		685,089	691,409	211,393	327,165
Total equity		905,317	912,380	443,957	560,472
Non-current liabilities					
Bank borrowings	22	190,360	382,806	190,360	382,806
Employees' end of service benefits	23	1,064	995	988	956
Provision for decommissioning	24	75,318	42,532	68,725	36,792
Lease liabilities	26	17,558	11,062	17,558	11,062
Provision for over-lifting	30	448	4,783	448	4,783
Total non-current liabilities		284,748	442,178	278,079	436,399
Current liabilities					
Bank borrowings	22	192,250	-	192,250	-
Lease liabilities	26	8,143	4,963	8,143	4,963
Accounts payables and accrued liabilities	25	144,736	188,766	108,100	186,296
Income tax payable	10	5,214	11,411	2,037	5,617
Total current liabilities		350,343	205,140	310,530	196,876
Total liabilities		635,091	647,318	588,609	633,275
Total equity and liabilities		1,540,408	1,559,698	1,032,566	1,193,747

Chairman

Board Member

Chief Financial Officer

The financial statements were approved by the Board of Directors and authorized for issue on 23/02/2026.

The attached notes 1 to 40 form part of these consolidated and separate financial statements.

Consolidated statement of changes in equity

for the year ended 31 December 2025

	Share capital	Statutory reserve	Hedging reserve	Other reserves	Capital reserve	Subordinated loans	Treasury shares	Retained earnings	Equity attributable to equity holders	Non- controlling interest (NCI)	Total equity
	₹ '000	₹ '000	₹ '000	₹ '000	₹ '000	₹ '000	₹ '000	₹ '000	₹ '000	₹ '000	₹ '000
At 1 January 2024	250	84	1,554	24,505	103,041	532,774	-	637,419	1,299,627	71,431	1,371,058
Total comprehensive income									-		-
Net profit for the year	-	-	-	-	-	-	-	321,335	321,335	5,228	326,563
Transfer of hedging reserve	-	-	(1,554)	-	-	-	-	-	(1,554)	-	(1,554)
Remeasurements of the defined benefit obligation (note 23)	-	-	-	-	-	-	-	(31)	(31)	-	(31)
Currency translation differences	-	-	-	(33)	(161)	-	-	(999)	(1,193)	-	(1,193)
Transactions with owners of the Company									-		-
Increase in share capital (note 21.1)	79,750	-	-	-	-	-	-	(79,750)	-	-	-
Adjustment of sub-ordinated loan against transfer of 51% shares of Abraj to Holding Company (note 35.1)	-	-	-	-	-	(71,461)	-	-	(71,461)	-	(71,461)
Repayment of subordinated loan	-	-	-	-	-	(461,313)	-	-	(461,313)	-	(461,313)
Dividends paid (note 11)	-	-	-	-	-	-	-	(173,030)	(173,030)	(8,001)	(181,031)
Elimination of NCI on transfer of 51% shares of Abraj to Holding Company (note 35.1)	-	-	-	-	-	-	-	-	-	(68,658)	(68,658)
Other movements									-		-
Transfer to retained earnings	-	-	-	(3,475)	-	-	-	3,475	-	-	-
Transfer to legal reserve (note 21.2)	-	17,010	-	-	-	-	-	(17,010)	-	-	-
At 31 December 2024	80,000	17,094	-	20,997	102,880	-	-	691,409	912,380	-	912,380
At 1 January 2025	80,000	17,094	-	20,997	102,880	-	-	691,409	912,380	-	912,380
Total comprehensive income											
Net profit for the year	-	-	-	-	-	-	-	278,036	278,036	-	278,036
Other comprehensive income											
Remeasurements of the defined benefit obligation (note 23)	-	-	-	-	-	-	-	95	95	-	95
Transactions with owners of the Company									-		-
Dividends paid (note 11)	-	-	-	-	-	-	-	(274,878)	(274,878)	-	(274,878)
Other movements											
Transfer to legal reserve (note 21.2)	-	9,573	-	-	-	-	-	(9,573)	-	-	-
Treasury shares	-	-	-	-	-	-	(10,316)	-	(10,316)	-	(10,316)
At 31 December 2025	80,000	26,667	-	20,997	102,880	-	(10,316)	685,089	905,317	-	905,317

The attached notes 1 to 40 form part of these consolidated and separate financial statements.

Parent statement of changes in equity

for the year ended 31 December 2025

	Share capital	Statutory reserve	Hedging reserve	Other reserve	Capital reserves	Treasury Shares	Subordinated loan	Retained earnings	Total equity
	₹ '000	₹ '000	₹ '000	₹ '000	₹ '000	₹ '000	₹ '000	₹ '000	₹ '000
At 1 January 2024	250	84	1,554	3,475	103,041	-	532,774	424,065	1,065,243
Other comprehensive income									-
Net profit for the year	-	-	-	-	-	-	-	170,110	170,110
Transfer of hedging reserve	-	-	(1,554)	-	-	-	-	-	(1,554)
Remeasurements of the defined benefit obligation (note 23)	-	-	-	-	-	-	-	(31)	(31)
Currency translation difference	-	-	-	-	(161)	-	-	(664)	(825)
Transactions with owners of the Company									-
Increase in share capital (note 21.1)	79,750	-	-	-	-	-	-	(79,750)	-
Adjustment of sub-ordinated loan against transfer of 51% shares of Abraj to OQ SAOC	-	-	-	-	-	-	(71,461)	-	(71,461)
Repayment of subordinated loan	-	-	-	-	-	-	(461,313)	-	(461,313)
Dividends paid (note 11)	-	-	-	-	-	-	-	(173,030)	(173,030)
Reserve on transfer of 51% shares of Abraj to OQ SAOC (note 35)	-	-	-	33,333	-	-	-	-	33,333
Other movements									
Transferred to the retained earning	-	-	-	(3,475)	-	-	-	3,475	-
Transfer to legal reserve (note 21.2)	-	17,010	-	-	-	-	-	(17,010)	-
At 31 December 2024	80,000	17,094	-	33,333	102,880	-	-	327,165	560,472
At 1 January 2025	80,000	17,094	-	33,333	102,880	-	-	327,165	560,472
Total comprehensive income									
Net profit for the year	-	-	-	-	-	-	-	168,584	168,584
Other comprehensive income									
Remeasurements of the defined benefit obligation (note 23)	-	-	-	-	-	-	-	95	95
Transactions with owners of the Company									
Dividends paid (note 11)	-	-	-	-	-	-	-	(274,878)	(274,878)
Other movements									
Transfer to legal reserve (note 21.2)	-	9,573	-	-	-	-	-	(9,573)	-
Treasury shares (note 21.4)	-	-	-	-	-	(10,316)	-	-	(10,316)
At 31 December 2025	80,000	26,667	-	33,333	102,880	(10,316)	-	211,393	443,957

The attached notes 1 to 40 form part of these consolidated and separate financial statements.

Notes to the consolidated and separate 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.
- 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 Liquefied Natural Gas LLC (Marsa LNG, 33.19%) and Shell Development Oman LLC (SDO, Operator).
- Block 11 EPSA was entered on 15 September 2022 between Shell Integrated Gas Oman BV (67.5% participating interest), and Alizz Gas Development LLC (10% participating interest) (a subsidiary of OQEP) and Total Energies EP Oman (22.5% participating interest).
- The Parent Company has gas purchase and sale arrangements with Dolphin Energy Limited (Dolphin) related to the Dolphin field, under which it purchases gas from Dolphin and sells it onward to the Government of Oman, in accordance with IFRS 15 guidelines, OQ EP has been considered as an agent in this arrangement.
- Block 54 EPSA was entered on 10 March 2025 between OQ Exploration & Production SAOG (60% participating interest, operator) and Genel Energy plc (40% participating interest), with the Ministry of Energy and Minerals of the Sultanate of Oman. The initial phase of the agreement, lasting three years, will involve investments of up to US\$ 25 million. This includes the execution of 3D seismic surveys, the drilling of exploration wells, and the re-evaluation of existing wells

1.3 ACTIVITIES OF THE GROUP

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

Participating interest	31 December 2025	31 December 2024	Operator	Activity
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 (“IASB”), 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.

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.

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.

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 IFRS ACCOUNTING STANDARDS

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.

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 rising 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.

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.

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.

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.

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.

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.

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 sub-category 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.

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.

3.7 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.

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.

3.9 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.

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."

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 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.

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.

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:

- 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.

3.10 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.

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.

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 transfer 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.

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.

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.

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 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.

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.

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.

Type of product / service	Nature and timing of satisfaction of performance obligations	Revenue recognition policies
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 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.	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 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.

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 OQEP 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.

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.

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.

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.

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
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 ¹	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.

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

¹ 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).

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

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

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	578	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) ¹	14,800	15,083	14,800	15,083
	288,645	277,913	218,259	199,165

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

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
	₹ '000	₹ '000	₹ '000	₹ '000
Current liability				
Current tax	5,214	11,411	2,037	5,617

¹ 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.

Following is recognised in the statement of comprehensive income:

	Consolidated		Separate	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	₹ '000	₹ '000	₹ '000	₹ '000
		Restated (note 2.2) ¹		Restated (note 2.2) ¹
Current tax – EPSA ²	354,986	401,281	170,791	196,732
Current tax – Non EPSA	3,946	3,808	676	943
Deferred tax – profit or loss	(693)	(819)	(11)	(78)
Tax expense charge to profit and loss	358,239	404,270	171,456	197,597
Deferred tax – other comprehensive income	-	(226)	-	(226)
Tax charge for the year	358,239	404,044	171,456	197,371

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 1 January 2025	Movement	31 December 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 1 January 2024	Movement	31 December 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

	Separate		
	As at 1 January 2025	Movement	31 December 2025
	₹ '000	₹ '000	₹ '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	Movement	31 December 2024
	₹ '000	₹ '000	₹ '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.

¹ 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).

² 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.

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

	Consolidated		Separate	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	₪ '000	₪ '000	₪ '000	₪ '000
Profit before tax	636,275	720,163	340,040	367,707
Income tax @ 15%	95,441	108,025	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

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	Separate
	₪ '000	₪ '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 ¹	(36,782)	-
Currency translation differences	(5,279)	(3,677)
As at 31 December 2024	3,580,149	2,541,092
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) ²	(17,393)	(17,393)
Change in provision for decommissioning (note 24) ⁷	30,033	29,552
As at 31 December 2025	3,842,507	2,761,384

	Consolidated	Separate
	₪ '000	₪ '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 ⁶	2,488	-
Currency translation differences	3,829	3,077
As at 31 December 2024	(2,713,977)	(2,155,873)
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	854,691	402,058
As at 31 December 2024	866,172	385,219

¹ The reversal pertains to the Almuzn assets due to change in accounting treatment from joint operations to joint venture.

² 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.

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	Separate
	₹ '000	₹ '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	8,362	2,820
As at 1 January 2025	8,362	2,820
Additions made during the year	6,681	4,501
As at 31 December 2025	15,043	7,321
Net book value		
As at 31 December 2025	15,043	7,321
As at 31 December 2024	8,362	2,820

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	Capital work in progress (CWIP)	Total
	₹ '000	₹ '000	₹ '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 ¹	(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

	Separate		
	Other property, plant and equipment	CWIP	Total
	₹ '000	₹ '000	₹ '000
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

¹ Charge for the year in 2024 includes ₹ 10,014 thousand pertaining to Abraj which was transferred to OQ SAOC under common control transaction.

15. INTANGIBLE ASSETS

	Consolidated	Separate
	₹ '000	₹ '000
Cost		
As at 1 January 2024	7,713	6,964
Adjustment under common control transaction (note 35.1)	(748)	-
Currency translation adjustment	(12)	(11)
As at 31 December 2024	6,953	6,953
As at 1 January 2025	6,953	6,953
As at 31 December 2025	6,953	6,953

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

¹ 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	31-Dec-24	31-Dec-25	31-Dec-24
	₹ '000	₹ '000	₹ '000	₹ '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	(1,331)	(1,236)	(1,331)	(1,236)
	73,216	76,665	62,998	67,814
Provision for obsolescence movement:				
Opening balance	1,236	1,074	1,236	571
Charge for the year (note 6) ¹	95	665	95	665
Abraj common control adjustment (note 35.1)	-	(503)	-	-
Closing balance	1,331	1,236	1,331	1,236

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.

¹ 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.

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
		₹ '000	₹ '000	₹ '000
31 December 2025				
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.

Ageing	Weighted average loss rate	Gross carrying amount	Expected life time credit loss	Net carrying amount
		₹ '000	₹ '000	₹ '000
31 December 2024				
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
		95,977	(258)	95,719

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

Ageing	Weighted average loss rate	Gross carrying amount	Expected life time credit loss	Net carrying amount
		₹ '000	₹ '000	₹ '000
31 December 2025				
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	7.34%	3,517	(258)	3,259
		42,528	(258)	42,270

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.

Ageing	Weighted average loss rate	Gross carrying amount	Expected life time credit loss	Net carrying amount
		₹ '000	₹ '000	₹ '000
31 December 2024				
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
		61,930	(258)	61,672

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.

	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.

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 27,487,307 of its own shares from the market. These shares are held as treasury shares under the cost method and are intended for future reissuance.

In addition, a licensed liquidity provider engaged by the Company on the Muscat Securities Exchange purchased 1,836,143 shares of the Parent Company, which are held on behalf of the Company. These shares have also been classified as treasury shares and are measured at the cost of purchase. No subsequent remeasurement or movement in value has been recognised.

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.

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 35.1)	-	(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

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.

Movement in liability is as follows:

	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	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	31-Dec-24	31-Dec-25	31-Dec-24
	₹ '000	₹ '000	₹ '000	₹ '000
Service cost ¹	178	777	141	527

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

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

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

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)

¹ 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.

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.

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.

	Consolidated					
	Drilling and land rigs	Equipment and tankers	Vehicles	Oil and gas facilities	Head office	Total
	₹ '000	₹ '000	₹ '000	₹ '000	₹ '000	₹ '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

Independent auditors' report on consolidated and separate financial statements

Consolidated and separate statement of profit or loss and other comprehensive income

Consolidated and separate statement of financial position

Consolidated and separate statement of changes in equity

Consolidated and separate statement of cash flows

Notes to the consolidated and separate financial statements

	Consolidated					
	Drilling and land rigs	Equipment and tankers	Vehicles	Oil and gas facilities	Head office	Total
	₹ '000	₹ '000	₹ '000	₹ '000	₹ '000	₹ '000
Accumulated depreciation and impairment						
As at 1 January 2024	6,054	3,015	9,816	29,217	-	48,102
Charge for the year	161	2	1,258	15,083	-	16,504
Abraj common control adjustment (note 35.1)	(592)	(2,878)	(9,744)	-	-	(13,214)
Currency translation adjustment	(10)	(5)	(15)	(46)	-	(76)
As at 31 December 2024	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 ¹	-	-	-	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

	Separate					
	Drilling and land rigs	Equipment and tankers	Vehicles	Oil and gas assets	Office	Total
	₹ '000	₹ '000	₹ '000	₹ '000	₹ '000	₹ '000
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

¹ 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.

	Separate					
	Drilling and land rigs	Equipment and tankers	Vehicles	Oil and gas assets	Office	Total
	₹ '000	₹ '000	₹ '000	₹ '000	₹ '000	₹ '000
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

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				
Presented as:				
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	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 35.1)	-	(5,779)	-	-
Currency translation adjustment	-	(37)	-	(37)
As at 31 December	25,701	16,025	25,701	16,025

27. LEASE RECEIVABLES

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

Lease income	Consolidated & Separate	
	31-Dec-25	31-Dec-24
	₹ '000	₹ '000
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
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

¹ 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.

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.

28. INVESTMENT IN SUBSIDIARIES

Subsidiary	Principal activities	Country of incorporation	Ownership interest (%)	Ownership interest (%)
			31-Dec-25	31-Dec-24
			₹ '000	₹ '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 Liquefied Natural Gas LLC	Exploration and production	Sultanate of Oman	99	99
Alizz Gas Development LLC	Exploration and production	Sultanate of Oman	99	99
OQ Exploration and Production Block 54 LLC	Exploration and production	Sultanate of Oman	100	-

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

	31-Dec-25	31-Dec-24
	₹ '000	₹ '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) ¹	249	127,451
Almajd Gas Development LLC	248	248
Almuzn Liquefied Natural Gas LLC (AMLNG LLC)	248	248
Alizz Gas Development LLC	248	248
OQ Exploration and Production Block 54 LLC	250	-
	1,793	128,745

29. INTEREST IN JOINT VENTURE

	31-Dec-25	31-Dec-24
	₹ '000	₹ '000
Opening balance / initial cost ²	43,099	3,025
Sub-ordinated loan ³	-	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.

¹ 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.

² 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

³ 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.

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	31-Dec-24
	₹ '000	₹ '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 ¹	32,452	32,452
Total	52,004	43,099

Statement of profit and loss and other comprehensive income:

	31-Dec-25	31-Dec-24
	₹ '000	₹ '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

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.

¹ 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.

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 35.1)	-	(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.
- 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	100 bp	100 bp	100 bp
	Increase	Decrease	Increase	Decrease
	₹ '000	₹ '000	₹ '000	₹ '000
Profit before tax	2,523	(2,523)	3,828	(3,828)

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					
	Carryin amount	Contractual cashflows	6 months or less	6 – 12 months	1 – 2 years	More Than 2 years
	₹ '000	₹ '000	₹ '000	₹ '000	₹ '000	₹ '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
	553,047	609,816	159,685	206,392	46,238	197,502
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	-
	587,597	660,531	202,104	13,423	234,967	210,037

	Separate					
	Carryin amount	Contractual cashflows	6 Months or less	6 – 12 months	1 – 2 years	More than 2 years
	₹ '000	₹ '000	₹ '000	₹ '000	₹ '000	₹ '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
	516,411	573,180	123,049	206,392	46,238	197,502
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	-
	585,127	658,061	199,634	13,423	234,967	210,037

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:

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

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

Bank Name	Banks rating	Consolidated		Separate	
		31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
		₹ '000	₹ '000	₹ '000	₹ '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	31-Dec-24	31-Dec-25	31-Dec-24
	₹ '000	₹ '000	₹ '000	₹ '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.

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.

Relationship		Consolidated		Separate	
		31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
		₹ '000	₹ '000	₹ '000	₹ '000
Sale of goods and services					
Subsidiary	Processing fee	-	-	4,614	4,614
Entity under common control	Sale of oil and condensate	590,783	630,194	510,651	532,809
Purchase of goods and services					
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
Dividend related					

		Consolidated		Separate	
		31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
		₹ '000	₹ '000	₹ '000	₹ '000
Entity under common control*	Dividend income	-	-	-	8,327
Financing related					
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

	Consolidated			
	Receivables		Payables	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	₹ '000	₹ '000	₹ '000	₹ '000
Year end balances arising from sale / purchase of goods and services:				
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
Year end balances arising from sale / purchase of goods and services:				
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.

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.

	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	278,036	321,335	168,584	170,110
Number of shares for basic and diluted EPS (no. in "000")	7,970,676	8,000,000	7,970,676	8,000,000
Basic and diluted earnings per share-₹	0.03488	0.04017	0.02115	0.02126
EPS - 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")	7,970,676	8,000,000	7,970,676	8,000,000
Basic and diluted earnings per share-₹	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-₹	-	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.

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	66,715
Expenses	(65,265)
Elimination of expenses related to intercompany sales	11,206
External expenses	(54,059)
Results from operating activities	12,656
Income tax	(1,986)
Results from operating activities, net of tax	10,670

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)

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.

	Note	31-Dec-24
		₹ '000
Other property, plant and equipment	14	203,442
Right of use asset	26	4,073
Intangible asset	15	190
Cash and cash equivalent		4,236
Current assets		85,174
Provision against the inventory	16	(503)
Deferred tax liabilities	10	(3,823)
Deferred income	30	(1,869)
Borrowings	22	(85,291)
Employees' end of service benefits	23	(2,440)
Lease liability	26	(5,779)
Current liabilities		(57,291)
Non-controlling interest		(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	Current assets	Total liabilities	Current liabilities	Net assets	Revenue	Profit for the year
		₹ '000	₹ '000	₹ '000	₹ '000	₹ '000	₹ '000	₹ '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
Others¹	1	546,237	196,760	(231,599)	(51,650)	314,638	310,356	34,492
		1,540,408	351,194	(635,091)	(369,505)	905,317	1,159,012	278,036

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

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

		As at 31 December 2024						
		Total assets	Current assets	Total liabilities	Current liabilities	Net assets	Revenue	Profit for the year
		₹ '000	₹ '000	₹ '000	₹ '000	₹ '000	₹ '000	₹ '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 ¹	1	572,627	227,238	(373,660)	(17,490)	198,967	121,876	50,377
		1,658,960	481,974	(746,580)	(304,402)	912,380	1,242,756	326,563

37. SEGMENT REPORTING

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

- Blocks operated by OQEP
- Blocks operated by other entities

	Consolidated					
	Blocks operated by OQ EP		Blocks operated by other entities		Total	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	₹ '000	₹ '000	₹ '000	₹ '000	₹ '000	₹ '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
	329,659	344,842	829,353	897,914	1,159,012	1,242,756
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

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

	Parent					
	Blocks operated by OQ EP		Blocks operated by other entities		Total	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	₹ '000	₹ '000	₹ '000	₹ '000	₹ '000	₹ '000
Revenue (note 5)						
Export	309,058	328,485	372,394	396,845	681,452	725,330
Local	18,244	16,357	38,552	39,233	56,796	55,590
	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	10,028	1,764	2,531	24,566	12,559
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.

38. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Consolidated			Parent		
	Subordinated loan	Term loan	Lease liabilities	Subordinated loan	Term loan	Lease liabilities
	₹ '000	₹ '000	₹ '000	₹ '000	₹ '000	₹ '000
At 1 January 2025	-	382,806	16,025	-	382,806	16,025
Changes from financing cash flows						
Repayment	-	-	(8,237)	-	-	(8,237)
Proceeds from loan	-	-	-	-	-	-
Additions during the year	-	-	3,822	-	-	3,822
Lease modification	-	-	14,091	-	-	14,091
Interest paid	-	(20,269)	(1,232)	-	(20,269)	(1,232)
Total changes from financing cash flows	-	362,537	24,469	-	362,537	24,469
Other changes: liability related						
Interest expense	-	20,269	1,232	-	20,269	1,232
Changes in unamortised financing cost (note 22.3)	-	(196)	-	-	(196)	-
Total liability related changes	-	20,073	1,232	-	20,073	1,232
Balance as at 31 December 2025	-	382,610	25,701	-	382,610	25,701

	Consolidated			Parent		
	Subordinated loan	Term loan	Lease liabilities	Subordinated loan	Term loan	Lease liabilities
	₹ '000	₹ '000	₹ '000	₹ '000	₹ '000	₹ '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 2024	-	382,806	16,025	-	382,806	16,025

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 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.