



Directors Report

For the period ended 31 March 2025

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the un-audited results of OQ Exploration and Production SAOG ("OQEP" or the "Company") for the period ended 31 March 2025.

Market Overview for First Quarter 2025

As we stepped into 2025, Crude Oil prices have been strongly influenced by the new tariff announcements by the new US administration, occurring geopolitical events and the increase of Oil production by 450K from OPEC+. During this period, growing concern about the global economy caused by emerging trade wars and an unscheduled increase in future supply from OPEC+ drove the average of Oman crude price down to \$75.29 per barrel from the full year average price of US\$ 80.4 per barrel for 2024.

OQEP's performance in Q1 2025 reflects a balanced approach to growth and financial prudence, positioning the Company for sustained success in the evolving energy landscape.

Performance Highlights

Sales volumes of Crude Oil and Condensate and Gas for Q1 2025 as compared to Q1 2024, and average realized prices are as follows.

	January to March 2025	January to March 2024	Variation (%)
Crude Oil and Condensate Volume (mmbbl)	5.36	5.11	4.89%
Average realised sales price (US\$ per bbl)	75.29	79.71	-5.54%
Gas Volume (bcf)	30.5	32.17	-5.19%
Average realised sales price (US\$/mmcf)	3.21	3.36	-4.4%

Financial Highlights

	January to March 2025	January to March 2024	Variation (%)
Revenue "RO in '000"	205,470	209,527	-1.94%
Gross Profit "RO in '000"	75,465	78,778	-4.21%
Net Profit after tax "RO in '000"	74,867	82,160	-8.88%
Earnings Per Share (OMR)	0.009	0.010	-5.52%

Adjusting for discontinued operations (resulting from the transfer of Abraj Energy Services S.A.O.G. "Abraj"), OQEP delivered a robust set of financial results for the first quarter 2025.

Average realized Oil price in Q1 2025 was \$75.29 per barrel as compared to \$79.71 per barrel in Q1 2024, partially offsetted by higher sales volume in Q1 2025 of 5.36 mmbbl as compared to 5.11 mmbbl in Q1 2024.



In 2024, the shares of Abraj were transferred to OQ SAOC (OQEP's parent company) under a common control transaction. OQEP's financial results for Q1 2024 include RO 5.95 million of profit from Abraj as compared to nil in Q1 2025. Adjusting for Abraj, OQEP's Net Profit after tax was stable at RO 74,867, a 1.8% reduction compared to the first quarter of 2024.

The Company obtained new loan facilities of RO 384.5 million in September 2024 to refinance a subordinated loan. The new facilities finance cost of RO 5.35 million is included in Q1 2025 as compared to RO 1.5 million in Q1 2024.

Growth

In March 2025, OQEP entered into an Exploration and Production Sharing Agreement (EPSA) with the Ministry of Energy and Minerals and Genel Energy plc to develop Block 54 (also known as the Karawan Concession), spanning an area of 5,632 km² in Al Wusta Governorate. OQEP will hold 60% participating interest and will be the operator of Block-54. Genel Energy plc will join OQEP in Block-54 as a non-operating partner holding the remaining 40% participating interest. The EPSA will come into effect upon the issuance of a Royal Decree ratifying the EPSA. Block 54 will be under exploration and evaluation stage and geological studies, seismic, surveys and exploratory drilling will be carried out once the EPSA is ratified by the required Royal Decree.

Outlook

We will remain extremely vigilant about the ongoing market volatility. OQEP's management team continues to optimize the business for all eventualities. OQEP has met and overcome challenging economic conditions in the past and your Board remains confident in OQEP's ability to deliver value to its shareholders through the lows and highs of global economic cycles. Furthermore, the company is committed to its payout as set in the dividend policy in the prospectus for 2025 & 2026.

Acknowledgments

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

On behalf of the Board of Directors, the management and all our employees, we would like to express our sincere gratitude to His Majesty The Sultan Haitham bin Tariq— May Allah bless his spirit and may Almighty Allah endow Oman with continued prosperity. Under his wise leadership and guidance, Oman continues to be in the forefront path of prosperity, growth and development toward Oman vision 2040.

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


The Chairman of the Board of Directors

Ashraf Hamed Al Mamari