

OQEP Announces Strong Results for Financial Year 2024

Muscat, Oman – 26 February 2025 – Oman’s leading exploration and production company, OQ Exploration and Production SAOG (“OQEP” or “the Company”), which was listed on the Muscat Stock Exchange (SYMBOL: OQEP.OM) in October 2024, has announced its financial results for the fiscal year ended 31 December 2024. The financial results for the year demonstrate OQEP’s continued ability to generate strong and predictable cash flows from its high-quality asset base.

Highlights:

- Delivered full year production of 228 kboepd
- Revenue of RO 841 million (USD 2,188 million), generating EBITDA of RO 614 million (USD 1,596 million).
- Free cash flow of RO 251 million (USD 654 million).
- Generated industry leading ROCE of 24%.
- Listed 25% of equity on Muscat Stock Exchange in October 2024, raising approximately RO 780 million (USD 2 billion).
- Announced planned return of capital base target dividend for 2025 and 2026 of RO 230.7 million (USD 600 million) plus a performance dividend.
- RO 173 million of dividends distributed in 2024; Board proposal for an additional cash dividend of RO 57.7 million.
- Increased Block 60’s reserves through improved recovery techniques including infill drilling; new discovery indicates increased throughput into 2025.
- Final Investment Decision made for USD 1.6 billion joint project (TotalEnergies 80%, OQEP 20%) Marsa LNG Bunkering Project with construction underway in Sohar.
- Successful exploration of North Gharif, Block 60, leading to early commercialization in 2025.
- Musandam Plant decompression facility generating higher gas production.
- Reduction in emissions: Block 60 reported emission intensity of 14.33kg CO₂/boe, below Oil and Gas Climate Initiative’s target of 17kg CO₂/boe.
- Appointed by Government to jointly market multiple bid rounds in Oman for 11 concession areas.
- In Country Value (ICV) increased 19% to USD 168 million (41% of total procurement spend).

Ahmed Al Azkawi, Chief Executive Officer, OQEP, commented:

“OQEP has delivered a strong set of results for the year, built upon our position as a low-cost operator of high-quality assets, generating industry-leading returns. During the year, OQEP listed its shares on the Muscat Stock Exchange. The Offer generated strong investor demand and raised RO 780 million. As part of our strategy to deliver shareholder value we announced a planned return of capital in the form of dividends, with a target base dividend of RO 230 million for 2025 and 2026, subject to company performance and Board approval. The proposed return of capital can also be enhanced with a performance dividend.

“We continue to be the partner of choice for the Omani Government and for many IOCs who choose to partner with us to develop Oman’s energy resources. Our location, and our mix of product means that OQEP is well placed to meet the demand for oil, and increasingly gas, to the global market.

“We continue to develop our assets in line with our strategy. We were able to increase the reserves of our key asset, Block 60, through improved recovery techniques, including infill drilling, and new discoveries. We are also discussing with our partners the opportunities to unlock further growth across our portfolio, as well as pursuing new licensing opportunities.

“Our decarbonization strategy continues to be implemented successfully with Block 60 emission intensity already below the Oil and Gas Climate Initiative’s target of 17kg CO₂/boe at 14.33kg CO₂/boe for 2024. Safety is a critical aspect of our strategy; the investment in OQEP’s Health and Safety accountability programme continues to deliver a declining trend in its Lost Time Incident Rate.

“OQEP’s strategy will continue to generate value for its shareholders and help secure a sustainable and secure energy future for Oman.”

Financial Review*

	2024		2023	
	RO ‘000	USD ‘000	RO ‘000	USD ‘000
Revenue	841,265	2,187,945	1,063,281	2,761,052
Gross Profit	318,364	827,995	449,108	1,166,211
EBITDA	613,687	1,596,065	1,059,213	2,750,488
Net Profit after Tax	326,563	849,319	627,010	1,628,175
ROCE	24.01%	24.01%	29.23%	29.23%
Capex	245,633	638,837	265,011	668,162
FCF	251,288	653,545	541,636	1,406,481
EPS (baizas / cents)	40.82	10.6	78.38	20.4

OQEP continued to deliver sustainable cash generation from its assets during 2024. Revenue was supported by stable production levels during the year, with revenue attributable to gas increasing by 20% due to increased market demand. The reported figures for financial year 2024 were negatively affected by the sale of 40% of Block 60 in 2023. The 2023 full year financials include 100% production from Block 60 and a resultant gain of RO 274.6 million on divestment. Excluding the impact of Block 60 divestment, the net profit for 2024 would have been 2.4% lower compared to 2023. In addition, a slight oil price decrease of USD 3.2/bbl in 2024 compared to 2023, further impacted the 2024 results.

Dividend

OQEP's dividend policy is linked to sustainable cash flow generation for its shareholders and is expected to comprise a base dividend of RO 230.7 million (USD 600 million) and a performance-linked dividend equal to 90% of the Company's expected free cash flow plus the net proceeds from any potential asset disposals, minus the base dividend. Dividend policy is subject to considerations including the prevailing market conditions and the operating environment outlook for the Company's business.

OQEP has already distributed an aggregate dividend of RO 173 million in 2024, and the Board of Directors has proposed an additional cash dividend of RO 57.68 million. Shareholders will receive a cash dividend of 7.21 Baizas per ordinary share. The proposed cash dividend is subject to formal approval of the Annual General Meeting of shareholders, scheduled to be held on 12 March 2025.

Operational Review

OQEP has a high-quality portfolio of fourteen upstream oil and gas assets in Oman. These assets range from those in the development and production phase to others being appraised for commerciality or undergoing exploration programmes. OQEP either operates these assets or acts as a participant or non-operator alongside one or more joint venture partners.

Of its fourteen assets, six are key producing assets. Block 60 is OQEP's flagship asset, an onshore contract area producing primarily oil, accounting for nearly 16% of OQEP's total working interest production in 2024. During the year, production strategies were carefully designed to maximize recovery while ensuring the long-term sustainability of Block 60's resources. Operating costs were carefully managed, achieving a cost per barrel of USD 5.94. New discoveries at North Gharif are expected to increase throughput for Block 60 in 2025.

Other significant assets include Block 61, a non-associated gas and condensate asset, which contributed about 40% of the Company's working interest production in 2024. A Field Development Plan is being updated to evaluate the block's full potential recoverable gas resources for future growth projects.

Block 10, a non-associated gas and condensate asset which started production in 2023, reached production target levels in July 2024. Block 9, an oil and gas asset, accounted for approximately 20% of the Company's working interest production. Seismic reinterpretation work was undertaken on Block 53, the largest thermal EOR (Enhanced Oil Recovery) project in the Middle East, paving the way for future exploration activities. Block 65, an oil and gas asset which has been operational since late 2022, continued to demonstrate production growth potential.

OQEP retained its exploration assets in Blocks 48, 11 and 47 during the period. It also continued to operate its offshore production contract in Block 8; MGP, an oil and gas processing facility, which processes the production from Block 8 and is well positioned to service new oil and gas discoveries in the Musandam region; and two service agreements for producing areas in Block 6.

The Marsa LNG Bunkering Project commenced construction in Sohar and is running according to set budget and plan.

Ends

** Note: The 2023 and 2024 comparative information has been adjusted to account for the divestment of Abraj, an oil services company, which OQEP owned and transferred to OQ SAOC, its Holding Company, in July 2024 as part of OQEP's IPO process.*

FY 2024 Results Documents

The FY 2024 results documents can be found on OQEP's Investor Relations page at <https://oqep.om/ir.html>

FY 2024 Earnings Call

The FY 2024 earnings call will be conducted on 5 March 2025

Contact

For enquiries and additional information, please email our Investor Relations team at ep.investor@oqep.om

About OQEP

OQEP was incorporated on 20 May 2009 and registered in the Sultanate of Oman as a limited liability company and was then converted to an SAOC on the Commercial Register on 15 July 2024. On October 28, 2024, OQEP successfully listed its shares, and become a public joint stock Company.

The Company's core business activities include extraction of crude petroleum and natural gas, drilling of oil and natural gas wells, service activities incidental to the extraction of petroleum and natural gas (excluding surveying) and exploration and prospecting activities for oil or gas fields.

The Company is Oman's largest pure-play oil and gas exploration and production company. It is also one of the largest holders of oil and gas reserves in Oman, producing approximately 14% of Oman's total oil, gas and condensate production in 2023.

The mission of the Company is to safely and efficiently explore commercially viable oil and gas opportunities across its contract areas in a way that can be monetised efficiently to support the Company's growth aspirations. The Company's exploration programme is designed to drive reserves replenishment to support its future growth.

<https://oqep.om>