

OQEP Announces First Quarter 2025 Financial Results

Muscat, Oman – 7 May 2025 – Oman’s leading exploration and production company, OQ Exploration and Production SAOG (“OQEP” or “the Company”) (SYMBOL: OQEP.OM) today announced its financial results for the fiscal first quarter ended 31 March 2025.

Highlights:

- Revenue of OMR 205.5 million (USD 534.4 million).
- EBITDA of OMR 152.7 million (USD 397.1 million).
- Cash flow from operations excluding working capital OMR 141.8 million (USD 368.8 million).
- Return on Capital Employed 22.2%.
- Strong cash balance of OMR 118.8 million (USD 309.0 million) with low leverage ratio at 0.4x EBITDA.
- Production stable at 221.2 kboepd (Q124: 224.4 kboepd) at an average realized price for oil USD 75.3 per barrel (Q124: USD 79.7 per barrel) and gas USD 3.21 per mmscf (Q124: USD 3.36 per mmscf)
- Q1 2025 base dividend of OMR 57.7 million (USD 150 million) to be paid in May 2025.
- Bisat C expansion at Block 60 at 86% progress, adding 37 kboepd oil processing capacity.
- Granted six months extension by the Ministry of Energy and Minerals to complete exploration drilling of Block 47.
- Entered into an Exploration and Production Sharing Agreement for Block 54 (“**Block 54 EPSA**”) with the Government of Oman, represented by the Ministry of Energy and Minerals (“**MEM**”) and Genel Energy plc (“**Genel**”). OQEP will hold 60% participating interest and will be the operator of Block 54 with Genel holding 40% participating interest.
- Marketing open Blocks 18, 36, 43A and 66 with Scotiabank on behalf of MEM.

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

“OQEP has made a robust start to the year as we continue to execute against our strategy. We made good progress during the period with the Government and our IOC partners to develop the future potential of Oman’s energy resources. The recently signed Block 54 EPSA with the Government of Oman represented by the Ministry of Energy and Minerals and Genel for Block 54 marks a first investment for Genel in Oman and the opportunity to assess an under-explored block. We are also busy working with our partner, Scotiabank, to market some promising opportunities on behalf of the Government for Blocks 18, 36, 43A and 66. We received a six month extension to complete exploration drilling at Block 47, which we are working with our partner ENI. Indications so far are that this could unlock potentially good levels of gas resources in North Oman.

“Across the rest of our portfolio, we have continued to generate value in line with our strategy. Production was stable, although slightly reduced when compared to last year as we successfully undertook planned maintenance work at our key joint venture asset. At Block 60, we achieved 86% progression with our Bisat C Expansion project. The project is expected to be commissioned in Q3 2025 and will provide an additional oil processing capacity of 37,000 barrels of oil per day.

“Since the end of the first quarter, the outlook for the global economy has changed significantly. OQEP has successfully navigated several economic downturns in our history, and we are well positioned to manage what is likely be a challenging period. We have high quality assets from which we are able to produce at low cost to continue to meet the long-term growing demand for energy, enabling value generation for our shareholders.

“Our dividend policy remains unchanged, and we expect to be returning OMR 230.7 million (USD 600 million) this year and in 2026 to our shareholders in the form of a base and performance dividend subject to Board and shareholders’ approval. Our first quarter 2025 base dividend of OMR 57.7 million (USD 150 million) will be paid in May 2025.”

Financial Review

	Q1 2025		Q1 2024	
	OMR ‘000	USD ‘000	OMR ‘000	USD ‘000
Revenue	205,470	534,382	209,527	544,934
Gross Profit	75,465	196,268	78,778	204,884
EBITDA	152,692	397,118	151,050	392,848
EBITDA excluding ABRJ¹	152,692	397,118	145,101	377,376
Net Profit	74,867	194,713	82,160	213,680
Net Profit excluding ABRJ¹	74,867	194,713	76,211	198,208
ROCE²	22.2%	22.2%	20.8%	20.8%
Capex	57,438	149,384	65,922	171,449
Adjusted Cash Flow from Operations³	141,820	368,843	145,102	377,378

OQEP continued to deliver sustainable cash generation from its assets during the first quarter of 2025. Revenue and cash flow from operations remained stable despite a slight reduction in production and a lower average oil price realized compared to Q1 2024 at USD 75.3. EBITDA improved slightly by just over 1% to OMR 152.7 million (USD 397.1 million), achieving a margin of 74%. Excluding the contribution of the discontinued operation, Abraj Energy Services SAOG, net profit for the period was stable at OMR 74.9 million (USD 194.7 million), despite the increase in financing costs due to the refinancing of a subordinated loan with two new facilities totaling USD 1 billion. Return on capital employed increased to 22% with

¹ OQEP divested its ownership in Abraj in a transfer to OQ SAOC, OQEP’s Holding Company, in July 2024 as part of OQEP’s IPO.

² Using annualized operating profit

³ Operating cashflows before working capital changes

capex at a reduced level compared to Q1 2024 at OMR 57.4 million (USD 149 million). Cash flow from operations excluding working capital was OMR 141.8 million (USD 368.8 million).

Operational Review

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

During the first quarter of 2025, OQEP struck several agreements to further develop its portfolio of assets. In February 2025, the Ministry of Energy and Minerals announced the launch of new oil and gas investment opportunities in Blocks 36, 43A and 66. OQEP, as part of its co-operation with the Ministry, together with its partner Scotiabank, will market these opportunities to bring further new investment into Oman's exploration and production sector. These blocks form part of the 11 blocks the Ministry intends to market during the course of 2025 and 2026 with the support of OQEP.

In March 2025, OQEP entered into the Block 54 EPSA with the Ministry of Energy and Minerals and Genel. OQEP also entered into a Joint Operating Agreement ("JOA") with the UK based, London-listed Genel, whereby OQEP will operate the asset with 60% ownership and Genel Energy will own 40% of the equity as a non-operating partner. Block 54 marks Genel Energy's first investment in Oman, driven by Oman's stable regulatory environment and the investment the Government has made into the development of the sector. Block 54 (the "Karawan Concession") is located onshore on the eastern site of the South Oman Salt Basin and immediately adjacent to existing production. The Block 54 covers an area of 5,632km² and is largely underexplored. Over the next three years, the initial phase of the exploration, both parties expect to invest up to approximately USD 25 million gross in direct costs to undertake testing accessible wells, drilling and 3D seismic acquisition.

Post-period, OQEP announced in April 2025 that together with its Block 47 partner, ENI Oman B.V. ("ENI"), it had secured an agreement with the Ministry of Energy and Minerals to extend Phase 1 of the Block 47 by six months from 24 March 2025 to allow drilling of the exploration well Najid-1. Block 47 has five well penetrations drilled by previous operators with some reported good hydrocarbon indications. The spudding of the Najid-1 well commenced in February 2025. ENI and OQEP anticipate that this could unlock significant prospective gas resources. If so, ENI and OQEP will consider a new second phase for the block.

OQEP achieved 86% progression at its Bisat C Expansion project, part of Block 60, OQEP's flagship asset, an onshore contract area producing primarily oil accounting for nearly 17% of OQEP's total working interest production in Q1 2025. The Bisat C Expansion will provide an additional oil processing capacity of 37,000 barrels of oil per day and 400,000 barrels of water per day. It is expected to be commissioned in Q3 2025.

During the period, OQEP worked with its partner, BP, to update the field development plan for Block 61, which generated approximately 40% of the Company's working interest production in Q1 2025. The field development plan will evaluate additional recoverable gas resources for future growth projects.

OQEP is currently engaged with its partners in Block 53, an oil asset, which accounted for approximately 7% of the Company's working interest production in Q1 2025, to enhance technical plans and fiscal terms, which includes the potential extension of the block.

OQEP retained its exploration assets in Blocks 48, 11 and 47 during the period. Block 8 continued to add offshore production in Musandam; 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; a new well is being drilled in Block 8 and expected to add gas and condensate in 2025.

Post-period, the groundbreaking ceremony for the Marsa LNG plant in Sohar, Oman, took place on 1st May, marking a year since the Final Investment Decision. This pioneering LNG bunkering facility, developed in partnership with TotalEnergies (80%) and OQEP (20%), integrates natural gas production from Block 10 with a fully electric liquefaction plant and a dedicated solar power facility, making it one of the lowest GHG emission LNG plants in the world at 3kg CO₂/boe. Construction is set to intensify in Q2 2025, with the start-up date scheduled for 2028. The project will serve the growing demand for LNG as a marine fuel, reducing shipping GHG emissions whilst strengthening Oman's position in the global energy sector.

Dividend

OQEP's dividend policy is linked to sustainable cash flow generation for its shareholders and is expected to comprise a base dividend of OMR 230.7 million (USD 600 million) for both 2025 and 2026, 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.

OQEP's first quarter dividend for 2025, OMR 57.7 million (USD 150 million), will be paid to eligible shareholders in May 2025.

Outlook

OQEP expects production for the full year 2025 to be within the range of 220 - 230 kboepd net working interest; Operating Expenditure to be less than USD 10/boe; and Capital Expenditure to be within the range of USD 0.7 - 1.0 billion.

Ends

Q1 2025 Financial Results Documents

The Q1 2025 results documents can be found on OQEP's Investor Relations page at <https://oqep.om/ir.html>

Q1 2025 Investor Call

OQEP's Q1 2025 Investor Call will be held on 8 May 2025 at 2 – 3 pm Oman time. A recording and transcript of the call will be posted afterwards.

Contact

For enquiries and additional information, please email our Investor Relations team at ir@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 221.2 kboepd in Q1 2025.

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/>