

Initial Public Offering of 2,000,000,000 Offer Shares

Category I

Subscription Price Range:

Bzs 370 to Bzs 390 per Offer Share

Category II Subscription Price:

For Omani Individuals at a Discounted Maximum Price of Bzs 351 per Offer Share, calculated as the Maximum Price of Bzs 390 less a discount of 10 per cent.

Category II Subscription Price for Non-Omani Individuals: at a Maximum Price of Bzs 390 per Offer Share

Category I Offer Period:

30 September 2024 to 10 October 2024

Category II Offer Period:

30 September 2024 to 9 October 2024

FSA Administrative Decision No. KH/54/2024
issued on 22 September 2024

OQ Exploration and Production SAOG (under transformation)

P.O. Box: 200, Postal Code: 102
Knowledge Oasis Muscat,
Sultanate of Oman

Issue Manager



Joint Global Coordinators







His Majesty Sultan Haitham bin Tarik



Offer Structure

	Category I Offer (For Non-Individual Applicants)	Anchor Investors	Category II Offer (small retail) (For Individual Applicants)	Category II Offer (large retail) (For Individual Applicants)
Offer Size	800,000,000 Offer Shares	400,000,000 Offer Shares	400,000,000 Offer Shares	400,000,000 Offer Shares
Percentage of Offer Size	40%	20%	20%	20%
Basis of Allotment	Proportionate. See section "Basis of Allotment" for more details.	Allotment confirmed by the Selling Shareholder before the commencement of the Offer Subscription. See "Chapter XX— Subscription and Sale" for more details.	Proportionate. See section "Basis of Allotment" for more details. The FSA may decide that a minimum number of Category II Offer Shares be distributed equally among Category II Applicants (small retail) and the remaining Category II Offer Shares shall be allocated on a pro-rata basis.	Proportionate. See section "Basis of Allotment" for more details. Category II Applicants (large retail) Offer Shares shall be allocated on a pro-rata basis.
Minimum Subscription	100,000 Offer Shares and thereafter in multiples of 100 Offer Shares	N/A	500 Offer Shares and thereafter in multiples of 100 Offer Shares	28,600 Offer Shares and thereafter in multiples of 100 Offer Shares
Maximum Subscription	No maximum subscription size	400,000,000 Offer Shares (20% of the Offer Size)	28,500 Offer Shares	No maximum subscription size
Terms of Payment	Applicant must make payment to the designated bank account of one of the Joint Global Coordinators or one of the Collection Agents and the Joint Global Coordinators and Collection Agents will transfer the subscription amount due against the Offer Shares allotted, at least one Oman business day prior to the Settlement Date to the designated bank account of the Issue Manager. For Category I Applicants placing orders through the Joint Global Coordinators, see section "Terms of Payment for Category I Offer" for details on terms of payment.	Anchor Investors must make payment to the designated bank account of the Collection Agents and the Collection Agents will transfer the subscription amount due against the Offer Shares allotted, at least one Oman business day prior to the Settlement Date to the designated bank account of the Issue Manager.	100% of the Category II (small retail) Application Money to be paid at the time of submission of the Application.	100% of the Category II Application (large retail) Money to be paid at the time of submission of the Application.
Offer Subscription Period	30 September 2024 to 10 October 2024	N/A	30 September 2024 to 9 October 2024	30 September 2024 to 9 October 2024

Anchor Investors

On 18 September 2024, each of the Anchor Investors entered into an Anchor Investment Agreement with the Company and OQ (together, the "Anchor Investment Agreements" and each an "Anchor Investment Agreement").

The Company has received irrevocable commitments from the Anchor Investors, subject to the terms and conditions contained within the Anchor Investment Agreements, to subscribe to the Offer. The following table provides details regarding such subscriptions:

Name of Anchor Investor	Number of Offer Shares Subscribed	Subscription Amount at the Maximum Price (OMR)	% of Offer
Social Protection Fund	160,208,062	62,481,144	8.01%
Al-Hosn Investment Company SAOC	120,156,047	46,860,858	6.01%
Mars Development and Investment LLC	52,015,605	20,286,086	2.60%
Salim & Partners LLC	26,007,802	10,143,043	1.30%
Bank Dhofar SAOC	20,806,242	8,114,434	1.04%
Oman National Investments Development Company SAOC	20,806,242	8,114,434	1.04%
Total	400,000,000	156,000,000	20%



About the company

Largest pure-play oil and gas exploration and production company and its only upstream oil and gas operator wholly owned by the government of Oman (the "Government"). 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. The Company, founded in 2009, is a wholly owned subsidiary of OQ, Oman's flagship energy company, and is one of its core assets, with its Adjusted EBITDA accounting for approximately 40 per cent. of OQ's adjusted EBITDA¹ in 2023.

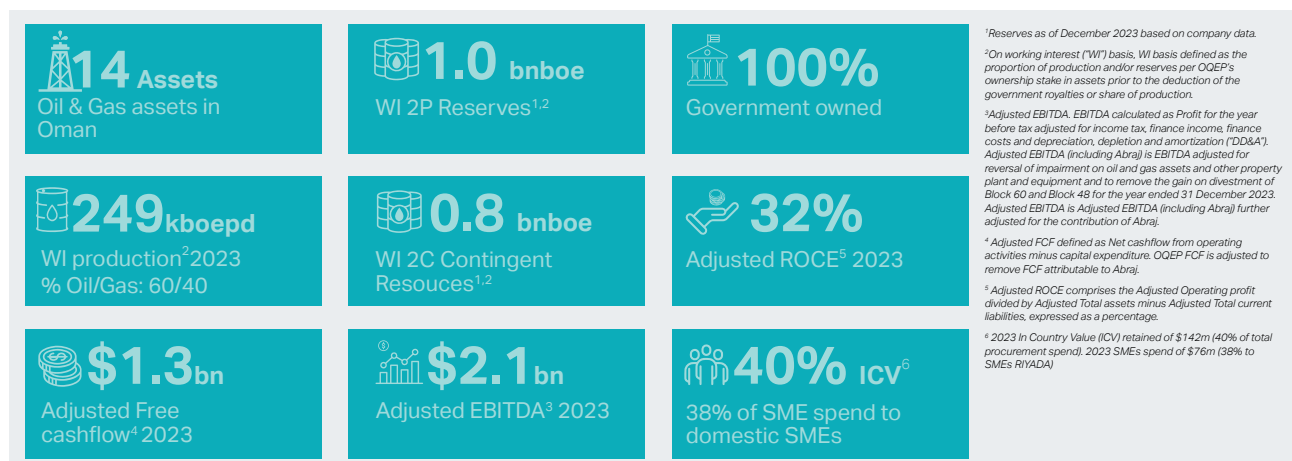
Since 2009, the Company has witnessed significant growth, expanding its average daily production nearly 14 times, averaging 249 kboe/d on a working interest basis by 2023. Its total production in 2023 constituted approximately 14 per cent. of Oman's total oil, gas and condensate production for that year. As at 30 June 2024, based on Company estimates, it had 2P working interest reserves of approximately 974 mmboe and 2C working interest contingent resources of 820 mmboe.

The Company benefits from Oman's fundamental advantages, including: (i) its strategic location in a prolific hydrocarbon province with direct access to global shipping routes and logistics hubs; (ii) its well-developed oil and gas sector, which is a major driver of macro-economic fundamentals and a significant contributor to Oman's GDP; (iii) a stable and highly prospective oil and gas operating environment which has attracted many international investors; (iv) the Government's encouragement of investment in gas-intensive industries to support economic diversification and hydrocarbon value optimisation across several industrial cities and zones; (v) an established and competitive regulatory and fiscal framework for the hydrocarbon sector; and (vi) its stable currency, with the Omani Rial having been pegged to the U.S. Dollar since 1973.

The Company has benefited from being the only entity since 2009 assigned or nominated by the Government to exercise its right to economically participate ("participation rights") in prospective oil and gas developments in Oman when a declaration of commerciality ("DOC") is made by the incumbent explorer and holder of an oil and gas contract area in the country.

The Company has also been supported and strategically positioned by the Government as a participant in several key oil and gas projects. These range from the development of new major oil and gas discoveries, the renewal or extension of an international oil and gas company's development and production license of a legacy contract area, to the redevelopment of small peripheral fields or the deployment of technology at scale to enhance production and maximise the recovery of a field's reserves.

The Company has a high-quality portfolio of 14 upstream oil and gas assets in Oman (excluding those assets that it is relinquishing or otherwise exiting). These assets range from those in the development and production phase to others being appraised for commerciality or undergoing exploration programmes. Some assets are operated by the Company, while in others, the Company is a participant/non-operator alongside one or more joint venture partners.



¹ For a discussion of how Adjusted EBITDA is calculated, see "Presentation of Financial, Industry and Market Data—Non-IFRS Information and Certain Other Financial and Operational Data—Non-IFRS Information" and "Chapter XIII—Selected Historical Financial, Operating and Other Information—Other Financial and Operational Data".

Board of Directors

The current Board was elected by the Selling Shareholder at the constitutive general meeting (CGM) held on 9 July 2024 and its members' term of office will remain in force for a period of three years and until the third AGM, which follows this date. In the event that the date on which the third AGM is held is more than three years following the date on which the current Board was elected, then the term of the Board shall be extended up to the date of the relevant AGM.

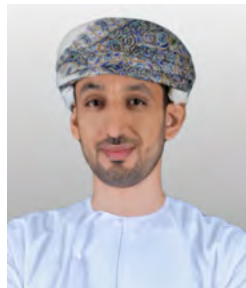
The current composition of the Board, in accordance with Articles is as follows:

S/N	Name	Position	Independent ¹ / Non-Independent
1	Ashraf Al Mamari	Chairman	Non-Independent
2	Abdulwahhab Al Hinai	Deputy Chairman	Non-Independent
3	Aflah Al Lawati	Member	Non-Independent
4	Dr. Sulaiman Al Toubi	Member	Independent
5	Al Waleed Al Shukaili	Member	Independent

¹ A director is deemed independent pursuant to FSA Code.



Ashraf Al Mamari
Chairman



Abdulwahhab Al Hinai
Deputy Chairman



Aflah Al Lawati
Member



Dr. Sulaiman Al Toubi
Member



Al Waleed Al Shukaili
Member



Management

Senior Management Team

The current composition of the Management is as follows:

Name	Position
Ahmed Al Azkawi	Chief Executive Officer
Jaber Al Noumani	Chief Financial Officer
Anwar Al Kharusi	Chief Executive – Commercial
Mahmoud Al Hashmi	Chief Operating Officer
Said Al Hashmi	Chief Executive for People, Technology and Culture
Yaman Samman	General Counsel
Mohammed Al Habsi	Vice President of Joint Ventures



Ahmed Al Azkawi
Chief Executive Officer



Jaber Al Noumani
Chief Financial Officer



Anwar Al Kharusi
Chief Executive – Commercial



Mahmoud Al Hashmi
Chief Operating Officer



Said Saif Al-Hashmi
Chief Executive for People,
Technology and Culture



Yaman Samman
General Counsel



Mohammed Al Habsi
Vice President of Joint Ventures

Key Investment Highlights

The Company holds a differentiated and highly strategic position in the Sultanate of Oman as the largest pure-play upstream company in the country and the only wholly-Government-owned operator

The Company is the largest pure-play exploration and production company in Oman, the only wholly-Government-owned operator and the third largest overall in Oman by reserves and production. Possessing significant hydrocarbon assets, the Company has 2P working interest reserves of 0.974 bboe and 2C working interest contingent resources of 820 mmbob as at 30 June 2024, based on Company estimates. The Company lies at the centre of the wider OQ Group ecosystem – one of the largest conglomerates in Oman – the Sultanate of Oman's largest integrated energy company. The Company's Adjusted EBITDA contributed 40 per cent. of the adjusted EBITDA of OQ Group in 2023 and contributed approximately 14 per cent. of Oman's total oil, gas and condensate production in 2023. The Company employs more than 655 people as at June 2024 and supports the Government's overall Omanisation strategy, with 91 per cent. of its workforce being Omani nationals. The Company is committed to supporting the national economy and, in 2023, had an In-Country Value ("ICV") Index (as defined below) of approximately 40 per cent., which was equivalent to US\$142 million of ICV (which is defined as the total spend retained in-country that benefits business development, contributes to human capability development and stimulates productivity in Oman's economy), and allocated 38 per cent. of its total SME spend of US\$76m to domestic SMEs.

Beneficiary of Oman's attributes as an attractive investment destination, underpinned by stability, economic growth and long-term commitment to the oil and gas sector

The Company benefits from Oman's many advantages. The country enjoys a young population with a growing GDP and holds a strategic location as an export hub on the Arabian Sea and outside the Strait of Hormuz. Its stable Government and regulatory regime have fostered a fiscal turnaround in recent years, with external debt-to-GDP levels falling from 70 per cent. in 2020 to 37

per cent. in 2023. As a result, Oman's credit rating was upgraded by Moody's, S&P and Fitch during the third and fourth quarters of 2023 and the first quarter of 2024. The Omani Rial has been pegged to the U.S. dollar since 1973, reducing currency risk exposure. In order to transform Oman into an attractive investment destination, Oman has consolidated most national assets under OIA, announced its accelerated divestment programme, and implemented favourable regulatory changes supporting FDI inflows, which has supported the growth of FDI as a percentage of GDP from 3.0 per cent. in 2016 to 4.8 per cent. in 2022. The Government maintains its long-term commitment to the oil and gas sector as a key pillar of the Omani economy, backed by an established and competitive regulatory and fiscal framework for the upstream oil and gas industry. Oman benefits from its geographical position in one of the world's largest hydrocarbon basins. This has attracted significant in-country investment by some of the largest oil and gas companies, including BP, Eni, MedcoEnergi, Occidental, Petronas, PTTEP, Shell and TotalEnergies, among others. It has well-established oil and gas infrastructure, including processing facilities, transportation networks and supporting services sector.

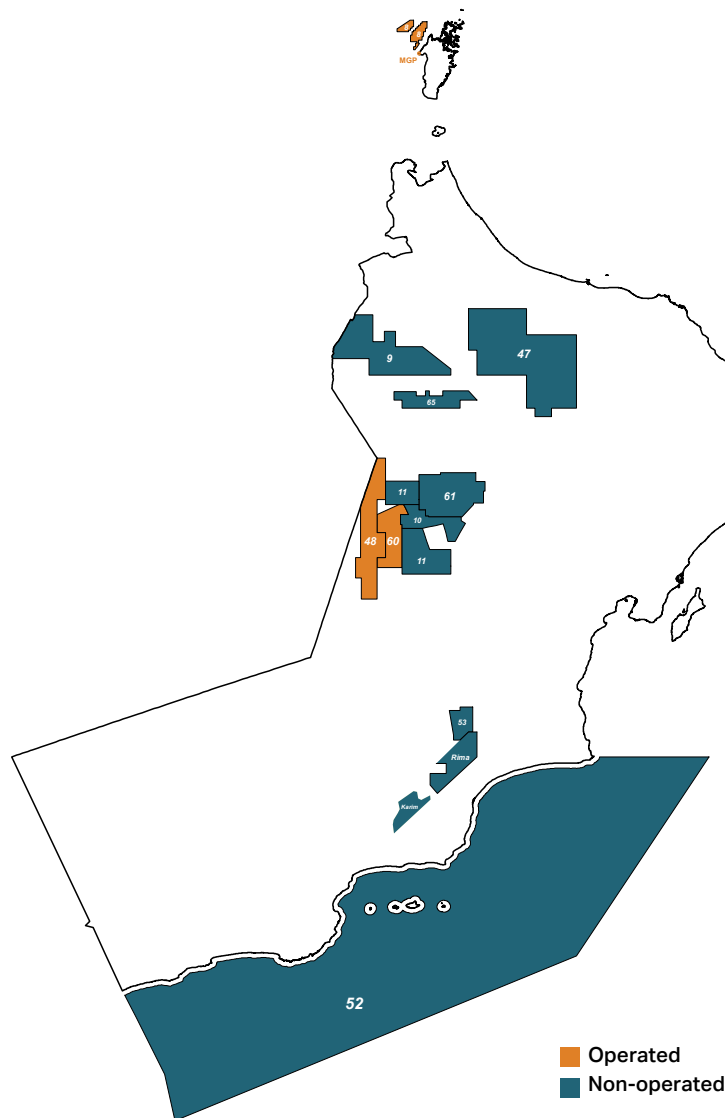
A top-tier portfolio of operated and non-operated assets

The Company's assets are among the most strategically important fields in Oman and include Block 61 which accounted for 33 per cent. of Oman's total gas production in 2023, and Block 9 which accounted for 10 per cent. of Oman's total oil production in 2023. In Block 60, the Company has a clear track record of exploration, commercialisation and development, and it exemplifies the Company's ability to implement continual improvement across technical and commercial KPIs in hydrocarbon exploration and production. The Company's assets also include Block 8, the only offshore production contract area in the Company's portfolio and the first offshore producing asset in Oman, and MGP, which is the Company's oil and gas processing plant and oil export terminal that is currently serving Block 8 in Musandam. MGP also has the capacity to process production from other assets in the Musandam region, providing strategic energy infrastructure with fixed returns.

The Company's assets provide an attractive and balanced mix of commodity exposure, with Company estimates showing a 59 per cent. gas-weighted exposure based on 2P reserves as at 31 December 2023, positioning it well for the future energy transition. Key gas demand markets for the Company are expected to grow significantly in the medium term, predominantly driven by increasing LNG and local industry demand for gas. Oman gas demand is expected to increase by 11 per cent. between 2024 and 2030 and global gas demand is expected to increase by 8 per cent. over the same period. In addition, the Company's assets include Block 10, a gas-focused asset which is associated with the Marsa project. Marsa is Oman's first integrated gas to LNG project in which the Company,

together with its joint venture partner, TotalEnergies, has approved the construction of the Middle East's first LNG bunkering facility which also will have the option to export LNG, and will be located at the Port of Sohar.

This balanced commodity exposure, combined with the respective commercial arrangements for hydrocarbon sales (whereby oil and condensate is sold to OQ Trading based on the OSP for OEB, which is the monthly mean of the "Marker Price" for OEB as traded two months ahead for the relevant month on the DME, and gas is sold via long-term, U.S. dollar-denominated GSAs with take or pay features), provides the Company with a stable revenue floor and exposures to market-linked upside.



This map is not an authority on international boundaries.

Partner of choice to blue-chip IOCs

The Company has joint venture arrangements in respect of many of its assets, including with 10 IOCs, more than any other competitor in Oman, across seven contract areas, and counts among its partners some of the most recognisable names in the industry. The Company has been the local partner of choice for several IOCs when they entered the Oman market, including bp, Eni, MedcoEnergi, Oxy, PTTEP, Petrogas E&P, Petronas, Shell and TotalEnergies.

Eni partnered with the Company in the joint bidding and acquisition of Block 52. Petronas partnered through the Company's partial divestment of Block 61, and Shell, in their first upstream venture beyond PDO, in Block 42.

The breadth and depth of partners showcases the Company as the partner of choice for major IOCs and evidences the Company's experience in attracting and working with sophisticated hydrocarbon producers for more than a decade. Furthermore, in light of the breadth and variety of its asset portfolio, the Company is able to add considerable value and continual operational improvement as a partner through its knowledge of the exploration characteristics, costs and success rates at analogous and/or adjacent reservoirs, which it intends to continue to leverage in order to further enhance and expand its relationships with its existing and new joint venture partners as part of its strategy to expand its exploration and production portfolio.



Proven track record of delivering value and growth, including through its selection for Government participation rights

The Company has demonstrated a track record of growth, with average daily production volumes on a working interest basis being nearly 14 times higher in 2023 than in 2009, its year of inception. It has organically expanded at its existing contract areas by closing the “gap to potential” and leveraging advanced technologies to realise additional production, as well as by actively unlocking new geologies in existing investments. It has also acquired additional resources by investing early in proven hydrocarbon basins and leveraging various inorganic growth opportunities.

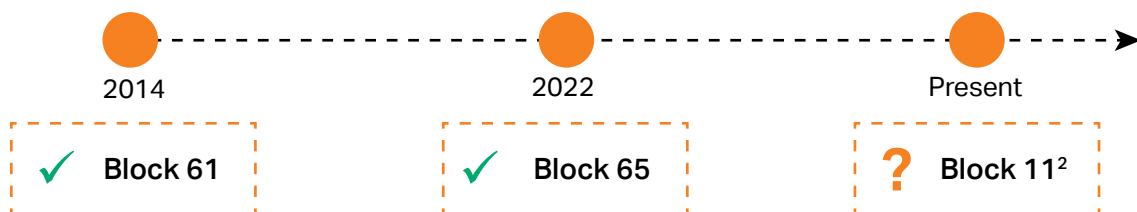
Furthermore, since the Company’s foundation in 2009, it has been the only entity through which the Government has exercised its participation rights in respect of oil and gas developments that achieve a DOC. This provides an

avenue for increased resources and de-risked growth, as the participation interest is acquired at historical cost and can be a profitable acquisition and valuable source of growth. The Company was the beneficiary of participation rights exercised by the Government in respect of Block 61 in 2014 and Block 65 in 2022, with both assets substantially increasing the Company’s gross production thereafter, the Company expects that Block 11 will be a potential candidate for exercise of Government participation rights based on the anticipated DOC of the recent gas discovery at the Jaleel field. The Company’s exercise of Government participation rights is not an obligation but an option. The Company reviews each participation right on a case-by-case basis and, if not satisfied with the economic viability of the contract area in question following a commercial assessment, may elect to decline the Government’s request to exercise its participation right through the Company.

Participation Rights Mechanism



History of OQEP Participation Rights



²Potential candidate for participation rights

Resilient growth and robust cash flow generation to support self-funded growth and shareholder returns

The Company has demonstrated strong resilience through oil cycles, with a 14 per cent. revenue compound annual growth rate since 2010 and a 19 per cent. Adjusted EBITDA (including Abraj) compound annual growth rate over the same period.

The Company is focused on maintaining a low-cost operating asset base that, combined with the underlying quality of the Company’s asset base, allowed it to record operating costs of US\$9.4/boe in 2023, versus a universe of peers selected by Wood Mackenzie of US\$12.5/boe and total costs of \$12.8/boe versus its select peer group’s median of US\$19.6/boe. This low operating cost base relative to the Company’s peers, coupled with a stable and attractive fiscal regime, supported the Company’s Adjusted Free Cash Flow generation of US\$16.0/boe in 2023, which compares favourably to its select peer group’s median of US\$11.0/boe in 2023.

The Company’s dividend policy is also linked to robust and sustainable cash flow generation and is expected

to comprise a base dividend of US\$600 million and a performance-linked dividend equal to 90 per cent. of the Company’s expected free cash flow plus the net proceeds from any potential asset disposals, net of the base dividend for financial year 2025 and 2026. For the second half of 2024, the Company intends to distribute OMR 115.3 million (approximately US\$300 million) of dividends (equating to an annualised dividend of OMR 230.7 million (approximately US\$600 million)). The Company distributed an aggregate of US\$3.05 billion in dividends in 2022 and 2023.

Strong environmental, health and safety commitments and culture

The Company’s environmental strategy is in line with Oman’s Vision 2040 and its commitment to net zero by 2050. Its overarching goal is supported by specific quantitative targets, including:

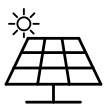
- achieve net zero greenhouse gas emissions (Scope 1 and 2) by 2050 from its currently producing operated assets (i.e., Block 60 and Block 8) and MGP, its operated processing facility and export terminal; and
- eliminating routine flaring by 2027.

Decarbonisation commitments and levers


Net zero in operations by 2050¹

Zero routine flaring by 2027


Key decarbonisation levers:



Use of renewable energy generated by OQAE



Energy efficiency initiatives



Flare reduction and recovery

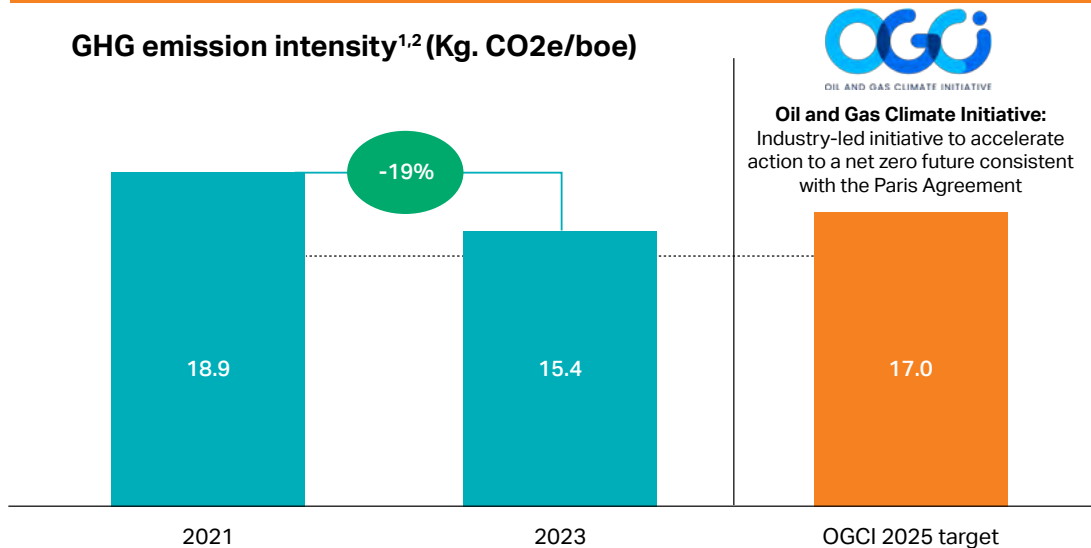
¹Scope 1 and 2 emissions

The Company’s operational Scope 1 and 2 CO₂ intensity for currently producing operated assets, Block 60 and Block 8, and from MGP, its operated processing facility and export terminal, in 2023 of 15 kgCO₂e/boe is already below the market recognised Oil and Gas Climate Initiative target of 17 kgCO₂e/boe by 2025, and the Company has already reduced its operational Scope 1 and 2 CO₂ intensity by 19 per cent. in 2023 as compared to 2021. The Company’s commitments are aligned with OQ’s

decarbonisation plan and are a critical component of its strategy to enhance environmental, social and governance (“ESG”) practices and reduce the OQ Group’s environmental impact. Moreover, the Company plans to increase visibility regarding its ESG-related performance indicators, including by preparing its first sustainability report, which is expected to be published from 2025 onward.

Emission intensity outpacing OGI 2025 target

GHG emission intensity^{1,2} (Kg. CO2e/boe)



¹ Scope 1 and 2 emissions

² GHG intensity of OQEP operated assets, i.e. Block 60, Block 8 and MGP

The Company is pursuing a wide range of initiatives to reduce its upstream carbon intensity and achieve net zero in Scope 1 and 2 emissions by 2050 from its currently producing operated assets (i.e., Block 60 and Block 8) and MGP, its operated processing facility and export terminal, including:

- renewable energy plans for operated assets and indirect renewable energy projects via joint ventures;
- energy efficiency initiatives
- flare reduction and recovery projects.

The Company is also committed to upholding strong and holistic health and safety practices and recognises their importance as an integral part of its business performance. The Company’s senior management provides oversight of, and is committed to, upholding an HSE culture and implementing the related policies. It seeks to ensure that rigorous HSE standards are met by implementing extensive training and awareness campaigns, such as its HSE digital transformation and the implementation of the 12 Life Saving Rules programme, to increase safety knowledge within the organisation for its employees and contractors, and minimize time lost to injuries and permanent disabilities. The Company is currently working towards obtaining ISO 45001:2018 on Occupational Health and Safety Management Systems accreditation. Moreover, the Company complies with applicable laws, regulations and best practices on labour and occupational health and safety standards. The Company believes its strong safety culture has delivered tangible results, most notably by reducing its LTIF from 0.30 in 2020 to 0.08 in 2023.

Seasoned leadership team with significant industry experience and a track record of project delivery and growth

The Company boasts a leadership team with significant experience and unique capabilities, having worked within the industry for an average of 25 years within various OQ entities as well as IOCs, such as Shell, MOL Group and Halliburton. Management experience also includes Government positions in MEM. Members of the management team have delivered numerous growth projects at the Company as well as other organizations, and are well positioned to lead the business into the next phase of growth. The Company is led by the CEO, Mr. Ahmed Al Azkawi, the CFO, Mr. Jaber Al Noumani, the Chief Executive – Commercial, Mr. Anwar Al Kharusi, the Chief Operating Officer, Mr. Mahmoud Al Hashmi, the Chief Executive for People, Technology and Culture, Mr. Said Saif Al-Hashmi, the General Counsel, Yaman Al Samman and the Vice President of Joint Ventures, Mr. Mohammed Al Habsi. They are complemented by other senior management team members who have been involved in the Company’s evolution as the Sultanate of Oman’s strategic energy asset. Together, the Company’s management team has overseen its expansion through the execution of major production and exploration projects, the acquisition of new contract areas and the disposal of working interests in Blocks 61, 60 and 48.

Key Financials: OMR mn

The following table sets out certain key financial metrics of the Company as at and for the years ended 31 December 2021, 2022 and 2023 and the six months ended 30 June 2023 and 2024.

	As at and for the year ended 31 December			As at and for the six months ended 30 June	
	2021	2022	2023	2023	2024
Adjusted Revenue¹ (OMR '000)	843,873	1,266,290	1,087,762	554,884	427,892
of which oil and condensate sales (OMR '000)	642,172	1,027,140	867,181	456,617	321,416
of which gas sales (OMR '000)	169,964	199,525	136,044	73,040	80,696
Adjusted Profit before tax¹ (OMR '000)	491,044	619,426	690,396	217,759	179,161
Adjusted EBITDA¹ (OMR '000)	648,304	1,025,474	789,774	416,416	317,365
Adjusted Free Cash Flow¹ (OMR '000)	326,542	767,466	510,958	258,808	85,388
Adjusted Total assets¹ (OMR '000)	1,867,240	1,960,658	1,770,663		1,781,072

¹ For a discussion of how Adjusted Revenue, Adjusted Profit before tax, Adjusted EBITDA, Adjusted Free Cash Flow and Adjusted Total assets are calculated, see "Presentation of Financial, Industry and Market Data—Non-IFRS Information and Certain Other Financial and Operational Data—Non-IFRS Information" and "Chapter XIII—Selected Historical Financial, Operating and Other Information—Other Financial and Operational Data". Non-IFRS information presented for the years ended 31 December 2021, 2022 and 2023 is derived primarily from the Annual Financial Statements, which are presented on a consolidated basis. Non-IFRS information presented for the six months ended 30 June 2023 and 2024 is derived primarily from the Interim Carve-Out Financial Statements, which are presented on a carve-out basis, excluding Abraj.



Dividend Policy

The Company intends to maintain a robust dividend policy designed to return to Shareholders substantially all of its distributable free cash flow² after providing for growth opportunities and investments. The Company's ability to pay dividends is dependent on several factors, including the availability of distributable reserves, its capital expenditure plans and other cash requirements in future periods, and there is no assurance that the Company will pay dividends or, if a dividend is paid, what the amount of such dividend will be. See "Chapter IV—Risk Factors—Risks Relating to the Offer and to the Shares—The Company may not pay dividends or declare dividends in the future". Any level or payment of dividends will depend on, among other things, the future profits and the business plan of the Company at the discretion of the Board and will be subject to the approval of the OGM.

Furthermore, the Company's dividend policy is subject to restrictions contained in the CCL and covenants of facility agreements. These are summarised as follows:

- In accordance with Article 132 of the CCL, the Board must deduct 10 per cent. from the net profits of each financial year, after the deduction of taxes, to form a legal reserve until the legal reserve reaches at least one-third of the Company's capital. Such reserve may be used to cover the Company's losses and to increase its capital by issuing shares. Such reserve, however, may not be distributed as dividends to shareholders except where the Company reduces its capital, provided the legal reserve shall not be less than one-third of the capital after the capital reduction.
- Distribution of dividends may be made only from net profits after the deduction of all the necessary costs and setting aside required depreciation and amortisations, allocations and reserves including allocations made by the Company from the profits to increase its capital, pursuant to Article 131 of the CCL.
- The remaining profit thereafter may be distributed as an additional dividend to Shareholders or be carried forward to the following year on the Board's recommendation and the approval of the Shareholders through an OGM.

Subject to the foregoing, following the Offer, the Company intends to adopt a quarterly dividend distribution policy to pay dividends in cash in March, June, September and December of each year (subject to Board and EGM approval). The Company expects to pay a first dividend distribution of OMR 57.7 million (approximately US\$150 million) for the three months ended 30 September 2024 in or around December 2024 and expects to pay a second dividend distribution of OMR 57.7 million (approximately US\$150 million) for the three months ending 31 December 2024 in or around March 2025. This would indicatively equate to an annualised dividend payment of OMR 230.7 million (approximately US\$600 million). In September 2024, the Company paid a pre-IPO dividend in respect of first half 2024 financial results of US\$300 million.

For the fiscal years ending 31 December 2025 and 31 December 2026, the Company currently expects to pay quarterly dividends for each financial year, comprising:

- a base dividend equivalent to OMR 230.7 million (approximately US\$600 million) per year; and
- a performance-linked dividend equal to 90 per cent. of expected free cash flow³, plus net proceeds from any potential asset disposals, minus the base dividend.

The Company expects to pay the performance-linked dividend equally over the next two subsequent quarters, beginning in respect of the first half results for 2025. For example, the Company expects to pay OMR 57.7 million (approximately US\$150 million) for the three months ending 31 March 2025 in or around June 2025. For the three-month periods ending 30 June 2025 and 30 September 2025, the base dividend of OMR 57.7 million (approximately US\$150 million) will be payable in or around September 2025 and December 2025, respectively. In addition, a performance-linked element related to the first half results for 2025 will be split equally between these two dividend payments.

Similarly, for the three-month periods ending 31 December 2025 and 31 March 2026, the base dividend of OMR 57.7 million (approximately US\$150 million) will be payable in or around March 2026 and June 2026, respectively.

² For the purposes of the dividend calculations, "free cash flow" means cash flow from operations minus capital expenditure (including any potential investments in new assets and exercising Government participation rights plus net proceeds from any potential asset disposals).

³ For the purposes of the dividend calculations, "free cash flow" means net cash flow from operations minus capital expenditure. "Capital expenditure" includes any potential investments in oil and gas and the exercising of Government participation rights.

In addition, a performance-linked element related to the second half results for 2025 will be split equally between these two dividend payments.

Overall, the Company aims to maintain a total dividend that is no less than the base dividend. This dividend policy is designed to reflect the Company's expectation of strong cash flow and expected long-term earnings potential while allowing the Company to retain sufficient capital to fund ongoing operating requirements and continued investment for long-term growth. This dividend policy is subject to the consideration of the Board in relation to

the cash management requirements of the Company's business for operating expenses, financing expenses and anticipated capital expenditures. In addition, the Company expects that the Board will also consider market conditions, the current operating environment in the Company's market and the Board's outlook for the Company's business.

During the years ended 31 December 2021, 2022 and 2023, the Company distributed US\$1,897 million, US\$2,250 million and US\$800 million in dividends, respectively.



Subscription Procedure

Applicants should have an account with MCD in order to subscribe in the offer and can provide their particulars in the E-IPO Platform on the MCD website (www.mcd.om).

Please contact MCD or any brokerage house in Oman for assistance regarding opening of an investor account.

Category II Applicants can subscribe in the offer via E-IPO channels of the Collections Agents.

Please contact any of the Collection Agents for assistance.

Proposed Timetable

The following table shows the expected timetable for completion of the subscription procedures:

Procedure	Date
Category I Offer Opening Date	30 September 2024
Category II Offer Opening Date	30 September 2024
Category I Offer Closing Date	10 October 2024
Category II Offer Closing Date	9 October 2024
Due date for Collection Agent to receive subscription amounts from Category II Applicants	Immediately upon subscription
Due date for the Issue Manager to receive the subscription data and final registers from the Collection Agent	14 October 2024
Finalisation of the Offer Price and notification to the FSA of the outcome of the subscription and the proposed allotments	16 October 2024
Approval of the FSA on the proposed allotment	17 October 2024
Announcement of Offer Price on the MSX and notification of investor allotments/Pricing Date	17 October 2024
Commencement of refund for Category II Applicants	20-22 October 2024
Due date for Issue Manager to receive Category I subscription amounts from Collection Agents	23 October 2024
Settlement Date	24 October 2024
Commencement of refund for Category I Applicants and dispatch of the notices regarding allotment	27 October 2024
Listing Date	28 October 2024

Application Money and Refunds

Application Money

Along with submission of the Application, all Category II Applicants must make a payment of 100 per cent. of the subscription amount.

For Omani Individuals who are Category II Applicants, this is calculated as the total number of Offer Shares applied for multiplied by the Discounted Maximum Price, which is Bzs 351 per Share; and, for Non-Omani Individuals who are Category II Applicants, this is calculated as the total number of Offer Shares applied for multiplied by the Maximum Price, which is Bzs 390 per Share (the **"Category II Application Money"**).

Terms of Payment for Category II

The Collection Agents will open an escrow account for the collection of the Category II Application Money.

This account will be managed by each Collection Agent, who will within the next one Oman business day after the receipt of Category II Application Money transfer the collection proceeds to the common escrow account maintained by the MCD.

Each Category II Applicant can pay by cash, drawing a demand draft issued by a bank in Oman or instruct an account transfer for the amount payable at the time of submission of the Application.

Refunds

Omani Individuals who are Category II Applicants will be allotted Offer Shares at the Offer Price less a discount of 10 per cent. Non-Omani Individuals who are Category II Applicants will be allocated Offer Shares at the Offer Price. The Offer Price will be determined by the outcome of the bookbuilding offering to Category I Applicants.

Any refunds due to an Omani Individual who is a Category II Applicant will be calculated based on the difference between (i) the Category II Application Money paid by such Category II Applicant and (ii) the number of Offer Shares allotted to such Category II Applicant multiplied by the Offer Price less a discount of 10 per cent.

Any refunds due to a Non-Omani Individual who is a Category II Applicant will be calculated based on the difference between (i) the Category II Application Money paid by such Category II Applicant and (ii) the number of Offer Shares allotted to such Category II Applicant multiplied by the Offer Price.

Contact Details of Collection Agents

Collection Agent	Contact Names	Postal Address	Contact Details
Sohar International SAOG	Hussain Al Lawati Amina Al Busaidi Mohammed Al Sharji	PO Box 44, Postal Code 114, Hai Al Mina, Muscat, Sultanate of Oman	Hussain.ALLawati@soharinternational.com; +9682473 0125 InvestmentSettlementOps@soharinternational.com; +968 2473 0372
Sohar Islamic	Hussain Al Lawati Amina Al Busaidi Mohammed Al Sharji	PO Box 44, Postal Code 114, Hai Al Mina, Muscat, Sultanate of Oman	Hussain.ALLawati@soharinternational.com; +9682473 0125 InvestmentSettlementOps@soharinternational.com; +968 2473 0372
Ahli Bank SAOG	Mohamed Al Abri Amin Al Balushi	PO Box 545, Postal Code 116, Mina Al Fahal, Muscat, Sultanate of Oman	mohammedg.alabri@ahlibank.om; +968 2465 3180 amin.albalushi@ahlibank.om; +968 2457 7830
Ahli Islamic	Mohamed Al Abri Amin Al Balushi	PO Box 545, Postal Code 116, Mina Al Fahal, Muscat, Sultanate of Oman	mohammedg.alabri@ahlibank.om; +968 2465 3180 amin.albalushi@ahlibank.om; +968 2457 7830
Bank Dhofar SAOG	Hamid Said Hashmat Parag Mathur	PO Box 1507, Postal Code 112, Ruwi, Muscat, Sultanate of Oman	InvestmentBackOffice@bankdhofar.com; +968 97027773 p.mathur@bankdhofar.com
Bank Muscat SAOG	Sarah Kalbani Al Muaiyad Al Sabti	PO Box 134, Postal Code 112, Muscat, Sultanate of Oman	BrokerageBackOffice@bankmuscat.com; +968 2476 8044 +968 2480 1065
Bank Nizwa SAOG	Ismail Al Suqri	PO Box 1423, Postal Code 133, Al Khuwair, Muscat, Sultanate of Oman	ismail.alsuqri@banknizwa.om; +968 2465 5530 +968 9329 1608
Dhofar Islamic	Hamid Said Hashmat Mohammed Qassim Al Lawati	PO Box 1507, Postal Code 112, Ruwi, Muscat, Sultanate of Oman	InvestmentBackOffice@bankdhofar.com; +968 97027773 DI-BranchOperations@dhofarislamicbank.com; +968 22653045
Horizon Capital Markets SAOC	Hamed Al Salti Lubna Al Lawati	PO Box 856, Postal Code 115, Muscat, Sultanate of Oman	hamed.mo@hcmoman.com; +968 24826053 lubna@hcmoman.com; +968 24826036
Jabal Asset Management LLC	Haneen Al Bulooshi Dawood Alali	PO Box 2209, Postal Code 133, North Alkhuwair, Bousher, Muscat, Sultanate of Oman	+968 21027811 +968 21027821 brokerage.products@jabal.om
Meethaq Islamic Banking	Maryam Abdallah Al Balushi	PO Box 134, Postal Code 112, Muscat, Sultanate of Oman	mib@bankmuscat.com; +968 24801937
National Bank of Oman SAOG	Salim Al Musallami Wadhah Al Hooti	PO Box 751, Postal Code 112, Ruwi, Muscat, Sultanate of Oman	nbobackoffice@nbo.om; +968 2477 8075 +968 2477 8662
Oman Arab Bank SAOG	Saqar Al Harrasi Ghada Al Raisi	PO Box 2240, Postal Code 130, Al Ghubrah North, Sultanate of Oman	Saker.AI-Harasi@oman-arabbank.com; +968 2475 4526 Ghada.AIRaisi@oman-arabbank.com; +968 2475 4653

Collection Agent	Contact Names	Postal Address	Contact Details
Ubhar Capital SAOC	Ibrahim Nasser Al Hasani Ahmed Al Ajmi	PO Box 1137, Postal Code 111, Muscat, Sultanate of Oman	i.al-hasani@u-capital.net; +968 24949004 ahmed.alajmi@u-capital.net; +968 024949006
United Securities LLC	Ayman Al Lawati Osama Shihab	PO Box 2566, Postal Code 112, Sultanate of Oman	Ayman@usoman.com; +968 2476 3337 Osama@usoman.com; +968 2476 3329
Vision Securities LLC	Mohammad Gouda Mohammed Mehrezi	PO Box 712, Postal Code 131, Muscat, Sultanate of Oman	mohd.gouda@visioncapital.om; +968 2476 0017 mohammed.m@visioncapital.om; +968 2476 0015

This document has been prepared for information purposes only and is for the benefit of investors who may subscribe under the Prospectus. The Prospectus is the formal offering document pursuant to which the offering is being made. You must obtain, and read in full, a copy of the Prospectus, before deciding whether to invest in Shares of the Company. Such a decision is subject to certain risks, which are set out in detail in the Prospectus and any decision to subscribe for shares must be based solely on the Prospectus and not on this document. This document is not, and is not intended to be, a substitute for the Prospectus. Copies of the Prospectus will be available to investors through the Collection Agents, on the Company's IPO microsite or can be downloaded from the websites of the FSA and MSX, as follows: www.fsa.gov.om and www.msx.om, respectively. Subscription for shares in Category II of the offering must be through E-IPO platform only pursuant to the subscription terms and conditions set out in the Prospectus.



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