

**Unaudited interim condensed consolidated financial statements  
of Energy Development Oman SAOC (“EDO”)  
for the three months ended 31 March 2026**

# Energy Development Oman SAOC

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# Energy Development Oman SAOC


## Board of Directors report

*Responsibilities of the Board of Directors for the Energy Development of Oman ("EDO") unaudited interim condensed consolidated financial statements*

The members of the EDO Board hereby declare that, to the best of their knowledge, the unaudited interim condensed consolidated financial statements for the three months ended 31 March 2026, which have been prepared in accordance with IAS 34 "Interim Financial Reporting", present fairly, in all material respects, the unaudited interim condensed consolidated financial position of EDO as at 31 March 2026 and the related unaudited interim condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended and explanatory notes.

The Board of Directors of EDO approved the information contained in the unaudited interim condensed consolidated financial statements of EDO on 24th May 2026.

On behalf of the Board



Mazin Al Lamki

Chief Executive Officer  
Energy Development Oman  
24th May 2026



Sultan Al Mamari

Chief Financial Officer  
Energy Development Oman  
24th May 2026





# Report on review of unaudited interim condensed consolidated financial statements to the Directors of Energy Development Oman SAOC

## Introduction

We have reviewed the accompanying unaudited interim condensed consolidated statement of financial position of Energy Development Oman SAOC (the "Company") and its subsidiaries (together the "Group") as at 31 March 2026 and the related unaudited interim condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the three months period then ended and explanatory notes. The Directors are responsible for the preparation and presentation of these unaudited interim condensed consolidated financial statements in accordance with International Accounting Standard 34 – 'Interim Financial Reporting'. Our responsibility is to express a conclusion on these unaudited interim condensed consolidated financial statements based on our review.

## Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unaudited interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 – 'Interim Financial Reporting'.



The image shows the official circular stamp of PricewaterhouseCoopers LLC, Muscat, Sultanate of Oman. The stamp contains the text: 'مراجعة وتدقيق كوتيرز ش.م.م. ١٢٣٨١٥', 'C.R. No 1230865', and 'PricewaterhouseCoopers LLC'. Below the stamp is a handwritten signature in blue ink that reads 'PricewaterhouseCoopers'.

Muscat, Sultanate of Oman  
9 June 2026

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**Energy Development Oman SAOC**  
**Unaudited interim condensed consolidated statement of profit or loss and other comprehensive income**

*For the three-month period ended*

	<i>Notes</i>	<i>Unaudited 31-Mar-26 US\$'000</i>	<i>Unaudited 31-Mar-25 US\$'000</i>
Revenue	3	3,655,483	3,768,257
Other operating income	5	39,847	6,204
Finance income		2,694	2,183
<b>Total revenues and other income</b>		<b>3,698,024</b>	<b>3,776,644</b>
Production expenses		(284,163)	(290,882)
Royalty expenses		(1,348,168)	(1,422,196)
Depreciation, depletion and amortisation		(1,075,165)	(971,742)
Exploration assets written off		(14)	-
Other expenses		(9,703)	(10,886)
Provision for settlement of net retirement benefit assets	12	-	(411,033)
<b>Profit before interest and tax</b>		<b>980,811</b>	<b>669,905</b>
Finance costs	6	(145,970)	(159,685)
<b>Profit before tax</b>		<b>834,841</b>	<b>510,220</b>
Income tax expenses	14	(642,810)	(568,307)
<b>Profit / (loss) for the period</b>		<b>192,031</b>	<b>(58,087)</b>
<b>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods</b>			
Re-measurement of pension fund obligation		-	35,397
<b>Total comprehensive income / (loss) for the period</b>		<b>192,031</b>	<b>(22,690)</b>

The attached notes 1 to 17 form part of these unaudited interim condensed consolidated financial statements

## Energy Development Oman SAOC

### Unaudited interim condensed consolidated statement of financial position

As at 31 March

		<i>Unaudited</i>	<i>Audited</i>
		<i>31-Mar-26</i>	<i>31-Dec-25</i>
	<i>Notes</i>	<i>US\$'000</i>	<i>US\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment	7	23,751,650	24,138,312
Right-of-use assets		660,728	648,817
Receivables and prepayments		12,790	16,101
Housing loans		6,563	6,853
Other non-current assets		2,809	2,762
<b>Total of non-current assets</b>		<b>24,434,540</b>	<b>24,812,845</b>
<b>Current assets</b>			
Inventories		546,323	523,748
Receivables and prepayments		69,532	56,498
Due from related parties		2,133,279	1,830,660
Housing loans		3,217	2,702
Cash and cash equivalents	10	389,297	606,071
Term deposits		13,121	-
<b>Total of current assets</b>		<b>3,154,769</b>	<b>3,019,679</b>
<b>Total assets</b>		<b>27,589,309</b>	<b>27,832,524</b>
<b>Shareholders' equity</b>			
Share capital		1,300	1,300
Retained earnings		7,048,448	8,176,348
Subordinated shareholder loan		3,311,721	3,311,721
Other equity contribution		137,714	137,417
<b>Total shareholders' equity</b>		<b>10,499,183</b>	<b>11,626,786</b>
<b>Non current liabilities</b>			
Provision for staff end-of-service and other retirement benefits		1,539	2,122
Lease liabilities		526,941	502,799
Abandonment provision	11	3,999,138	4,134,210
Deferred tax liabilities		3,602,771	3,642,241
Loans and borrowings		6,231,629	5,580,490
Due to related parties		88,694	94,325
<b>Total of non-current liabilities</b>		<b>14,450,712</b>	<b>13,956,187</b>
<b>Current liabilities</b>			
Payables and accruals		2,144,582	1,954,467
Income tax payables	14	264,593	45,326
Due to related parties		15,462	16,817
Lease liabilities		214,777	232,941
<b>Total of current liabilities</b>		<b>2,639,414</b>	<b>2,249,551</b>
<b>Total liabilities</b>		<b>17,090,126</b>	<b>16,205,738</b>
<b>Total equity and liabilities</b>		<b>27,589,309</b>	<b>27,832,524</b>

These unaudited interim condensed consolidated financial statements were approved and authorised for issue by the Board of Directors on 24th May 2026 and are signed on their behalf by:

  
Mazin Al Lamki  
Chief Executive Officer  
Energy Development Oman SAOC

  
Sultan Al Mamari  
Chief Financial Officer  
Energy Development Oman SAOC

The attached notes 1 to 17 form part of these unaudited interim condensed consolidated financial statements



**Energy Development Oman SAOC**  
**Unaudited interim condensed consolidated statement of changes in equity**  
*For the three-month period ended 31 March*

		<i>Share capital</i>	<i>Retained earnings</i>	<i>Other equity contribution</i>	<i>Subordinated shareholder loan</i>	<i>Total equity</i>
	<i>Notes</i>	<i>US\$ 000</i>	<i>US\$ 000</i>	<i>US\$ 000</i>	<i>US\$ 000</i>	<i>US\$ 000</i>
<b>Balance at 31 Dec 2025 (audited)</b>		1,300	8,176,348	137,417	3,311,721	11,626,786
<b>Profit for the period</b>		-	192,031	-	-	192,031
<b>Other comprehensive income</b>		-	-	-	-	-
<b>Total comprehensive income for the period</b>		-	192,031	-	-	192,031
<b>Transactions with shareholder</b>						
Interim dividend	13	-	(1,307,000)	-	-	(1,307,000)
Distribution of assets in specie	13	-	(12,931)	-	-	(12,931)
Capital contribution - land fees waiver		-	-	297	-	297
<b>Balance at 31 Mar 2026 (unaudited)</b>		<b>1,300</b>	<b>7,048,448</b>	<b>137,714</b>	<b>3,311,721</b>	<b>10,499,183</b>
Balance at 31 Dec 2024 (audited)		1,300	10,075,354	121,041	-	10,197,695
Loss for the period		-	(58,087)	-	-	(58,087)
Other comprehensive income		-	35,397	-	-	35,397
<b>Total comprehensive loss for the period</b>		-	<b>(22,690)</b>	-	-	<b>(22,690)</b>
<b>Transactions with shareholder</b>						
Distribution of assets in specie		-	(12,265)	-	-	(12,265)
Capital contribution - land fees waiver		-	-	6,330	-	6,330
<b>Balance at 31 Mar 2025 (unaudited)</b>		<b>1,300</b>	<b>10,040,399</b>	<b>127,371</b>	<b>-</b>	<b>10,169,070</b>

The attached notes 1 to 17 form part of these unaudited interim condensed consolidated financial statements

## Energy Development Oman SAOC

### Unaudited interim condensed consolidated statement of cash flows

For the three-month period ended

	Notes	Unaudited 31-Mar-26 US\$'000	Unaudited 31-Mar-25 US\$'000
<b>Operating activities:</b>			
Profit before tax		834,841	510,220
<b>Adjustments for:</b>			
Depreciation and depletion on property, plant and equipment	7	1,055,254	954,435
Depreciation on right of use assets		19,911	17,307
Royalty expense		1,348,168	1,422,196
Reversal of provisions for obsolete stock		(11)	-
Gain on changes in abandonment estimates	5	(184)	-
Gain on disposals of property, plant and equipment	5	(2)	(66)
Exploration assets written off	7	14	-
Finance cost	6	145,970	159,685
Finance income		(2,694)	(2,183)
Provision for settlement of net retirement benefit asset	12	-	411,033
Net movement in provision for staff end-of-service and other retirement benefits		(583)	(2,801)
		<u>3,400,684</u>	<u>3,469,826</u>
<b>Working capital changes:</b>			
Changes in inventories		(22,564)	(4,510)
Changes in receivables and prepayments		(9,723)	9,852
Changes in amounts due from related parties		(302,619)	(109,663)
Changes in payables and accruals		(93,774)	(105,663)
Net movement in housing loans and other non-current assets		(272)	2,788
Changes in amounts due to related parties		(6,986)	162
Change in restricted cash		22,621	(2,792)
		<u>2,987,367</u>	<u>3,260,000</u>
Income tax paid		(463,013)	(577,637)
Royalty paid		(1,046,774)	(1,375,348)
Cost associated with distribution of assets in specie	13	(12,931)	(12,265)
<b>Net cash from operating activities</b>		<u>1,464,649</u>	<u>1,294,750</u>
<b>Investing activities:</b>			
Acquisition of property, plant, and equipment		(773,896)	(867,696)
Expenditure on exploration and evaluation assets	7	(57,664)	(62,152)
Proceeds from disposal of property, plant, and equipment	7	8	66
Investment in term deposits		(13,121)	-
Finance income received		2,694	2,183
<b>Net cash used in investing activities</b>		<u>(841,979)</u>	<u>(927,599)</u>
<b>Financing activities:</b>			
Loans and borrowings repaid		-	(329,000)
Loans and borrowings drawn down		649,296	-
Dividend paid	13	(1,307,000)	-
Finance cost paid		(94,896)	(91,689)
Payment of lease liabilities		(64,520)	(63,126)
Capital contribution - land fees waiver		297	6,330
<b>Net cash used in financing activities</b>		<u>(816,823)</u>	<u>(477,485)</u>
<b>Decrease in cash and cash equivalents</b>		<u>(194,153)</u>	<u>(110,334)</u>
<b>Cash and cash equivalents at beginning of the period</b>	10	<u>577,110</u>	<u>428,570</u>
<b>Cash and cash equivalents at end of period</b>	10	<u>382,957</u>	<u>318,236</u>

For details of non-cash transactions refer note 7, 11 and 13.

The attached notes 1 to 17 form part of these unaudited interim condensed consolidated financial statements.

**Notes to the unaudited interim condensed consolidated financial statements**

**1. Background and Basis of Preparation**

**1.1 Background**

**Formation of EDO**

Energy Development Oman SAOC (“EDO” or the “Company”) was established on 3 December 2020 in the Sultanate of Oman. EDO was registered on 24 December 2020 through Royal Decree as a 100% owned subsidiary of the Government of the Sultanate of Oman (the “Government”). The Company together with its subsidiaries (hereinafter referred to as “the Group”) has a presence in the Sultanate of Oman.

The Ministry of Energy and Minerals (the “MoEM”) 60% interest in Petroleum Development Oman LLC (“PDO”), a limited liability company registered in the Sultanate of Oman in accordance with the Commercial Companies Law, as amended, and 100% interest in Gas Operations were transferred to the Group on 24 February 2021 and 6 May 2021, respectively (also referred to as the “Royal Decree”). Gas Operations are managed by PDO.

PDO is responsible for the following activities:

- i. undertaking all projects, operations, and activities directly or indirectly related to the exploration, development, extraction, transportation, storage, and delivery of crude oil in accordance with the terms of an “Oil Concession Agreement” (see below) for Block 6 (the “Oil Operations”); and
- ii. undertaking all projects, operations, and activities directly or indirectly related to the exploration, development, extraction, and transportation of NAG in accordance with the terms of “Gas Agreements” (see below) between the Government and PDO (the “Gas Operations”).

After the formation of EDO, the following subsidiaries were incorporated by EDO:

<b>Legal name &amp; CR</b>	<b>Date of incorporation</b>	<b>Business description/objective</b>
Hydrogen Oman SPC (“Hydrom”) CR - 1428787	13 June 2022	Hydrom objective is to structure and accelerate the development of the green hydrogen sector in Oman
Oman New Energies SPC (“ONE”) CR – 1458799	24 November 2022	ONE is incorporated to explore future power-related business. As of 31 December 2025, ONE is not operational, and no transactions are recorded in its books.
EDO Gas SPC (“GasCo”) CR - 1491751	25 June 2023	GasCo has taken over the participating right/interest of the Gas Operations of Block 6 from EDO (w.e.f. 1 July 2023).
EDO Sukuk Limited CR – not applicable	26 June 2023	EDO Sukuk Limited is a special-purpose vehicle incorporated in the Cayman Islands. It was established to act as an issuer and trustee of the Sukuk trust certificates relating to the trust certificates issuance programme.
EDO InfraCo SPC (“Infra”) CR – 1521732	11 December 2023	As of 31 December 2025, Infra is not operational, and no transactions are recorded in its books.
One Supply Oman SPC (formerly ECO SPC) CR - 1587365	3 September 2024	One Supply Oman SPC is established for the handling of the inventory of surplus and scrap equipment and materials from operations under the Block 6 Petroleum Agreements, the Block 6 Gas Concession Agreement, and other oil and gas operations in the Sultanate of Oman.
Energy Development Sukuk SPC CR – 1620227	25 August 2025	EDO Sukuk has been established as a special-purpose entity to raise funds through the issuance of Sukuk to investors in Oman.

Under the Fiscal Protocol, which applies to the Group’s share of crude oil and gas production, including the applicability of royalties and taxes under the pre-existing Block 6 Oil Concession agreement, various additional agreements have been entered into between the Government and the Group. The agreements define the fiscal terms applicable to the Group’s revenue from the Block 6 Operations. The key agreements entered between the Government and the Group are as follows:

**Notes to the unaudited interim condensed consolidated financial statements (continued)**

**1. Background and Basis of preparation (continued)**

**1.1 Background (continued)**

**Formation of EDO (continued)**

- Oil concession agreement
- Oil operating agreement
- PDO shareholders' agreement
- the Block 6 Gas Concession Agreement which applies to Non-Associated Gas ('NAG') and condensate, including its related taxes
- the Oman Export Blend sale and purchase agreement
- the Natural gas sales agreement
- Fiscal Protocol
- Shareholder's bridge facility agreement and subordinated shareholder loan agreement; and
- Block 6 scrap transfer agreement

**Oil Concession Agreement:**

The Government and Private Oil Holdings Oman Limited ("POHOL") had entered into an Oil Concession Agreement for Block 6, effective 1 January 2005 and expiring on 31 December 2044. The Government had novated the Oil Concession Agreement in favour of the Group, effective 24 February 2021.

Under this agreement, PDO operates as a cost centre, wherein all costs related to the Block 6 oil operations are incurred. PDO has no entitlement to proceeds from crude oil. The property, plant, and equipment ("PPE") relating to the Oil Operations are recognised in the books of PDO. The investment in PPE, operational costs, and other costs is funded 60% by the Government and 40% by POHOL as shareholders' contributions. The Oil Concession Agreement includes the right to use associated gas, which is internally consumed by PDO as part of the production process relating to the Oil Operations.

**Oil Operating Agreement:**

The Government and POHOL (acting in their capacities as participants in the Oil Concession Agreement) and PDO (acting in its capacity as the Block 6 operator) entered into an operating agreement for Block 6, which took effect on 1 January 2005 (the "Oil Operating Agreement"). The Oil Operating Agreement will remain in effect for as long as the Oil Concession Agreement remains in force. On 24 December 2020, the Government transferred its rights and obligations under the Oil Operating Agreement to EDO with effect from 24 February 2021 in accordance with the terms of the Oil Operating Agreement.

Under the terms of the Oil Operating Agreement, PDO is authorised to act as operator of the Block 6 operations under the terms of the Oil Concession Agreement.

**PDO Shareholders' Agreement:**

The Government, Shell, TotalEnergies, and PTTEP entered into the Petroleum Development Oman LLC shareholders' agreement (the "PDO Shareholders' Agreement"). The PDO Shareholders' Agreement became effective on 1 January 2005. On 24 December 2020, the Government transferred its rights and obligations under the agreement to EDO with effect from 24 February 2021 in accordance with the terms of the PDO Shareholders' Agreement.

The purpose of the PDO Shareholders' Agreement is to regulate the parties' respective rights and obligations with respect to the management and operation of PDO, which is classified as a joint operation.

**Gas Concession Agreements:**

In the capacity of the manager of the Gas Operations, PDO undertook all projects, operations, and activities directly or indirectly related to the exploration, development, extraction, and transportation of NAG in accordance with the directions of the Government. PDO had no entitlement to the proceeds from the sale of NAG. The gas sales agreements were entered into by the MoEM with the end customers. PDO had no ownership of the PPE relating to the Gas Operations. The investment in PPE, operational costs, and other costs was fully funded by the Government. The Government has granted the Group the rights to explore, search and drill for, produce, develop, and sell NAG and Condensate in the Gas Concession Area in accordance with the terms of this Gas Concession Agreement effective 6 May 2021 and expiring on 31 December 2044. By virtue of this Gas Concession Agreement, the Group has exclusive ownership of all NAG at the point of gas production, exclusive ownership of condensate, and exclusive ownership of all gas assets, in accordance with the terms of this Gas Concession Agreement.

**Notes to the unaudited interim condensed consolidated financial statements (continued)**

**1. Background and Basis of preparation (continued)**

**1.1 Background (continued)**

**Formation of EDO (continued)**

**Gas Concession Agreements (continued):**

On 16 July 2023, EDO Board approved the amendment and novation of the Gas Concession Agreement and the NAG sales agreement, and the transfer thereof to GasCo by the Company.

**Oman Export Blend Sale and Purchase Agreement:**

The Group has entered into an agreement with the Government for the sale of 'Oman Export Blend' crude oil (OEB). Under the terms of this agreement, the Group shall sell its share of crude oil and condensate production to the MoEM or designated MoEM customers at the Mina Al Fahal ("MAF") terminal or at the designated delivery point. The MoEM maintains all the contracts with the end customers. The sale price for OEB is set out in the relevant oil sales agreement between the MoEM and the MoEM's customers. The Group will deliver the OEB to the relevant MoEM customer at the vessel's permanent manifold flange connection.

**Natural Gas Sales Agreement:**

Following the expiry of the previous Natural Gas Sales Agreement, which was effective until 31 December 2025, the Group entered into a new agreement with a Government entity to sell its entire NAG production at fixed prices for a period of five years, effective from 1 January 2026, as stipulated in the agreement. Thereafter, the price shall be calculated using a blended transfer price calculation methodology, as defined in the agreement.

**Fiscal Protocol:**

The Government has issued a fiscal guideline in relation to the Group's participating interest in the concession agreement for Block 6. This guideline (referred to as the "Fiscal Protocol"), also provides detailed information on royalties and taxes relevant to the Group.

**Shareholder's bridge facility agreement and subordinated shareholder loan agreement:**

The Group's funding policy requires Block 6 capital costs to be funded (i) through debt up to the debt capacity of FFO (Funds From Operations) / Debt of 45%, and (ii) the remaining balance of the Block 6 capital cost through Block 6 revenue.

The Group ("Borrower") entered into a shareholder bridge facility agreement ("Shareholder Loan Agreement" or "the bridge facility") with the Government of the Sultanate of Oman represented by the Ministry of Finance ("Government" or "Lender" or "MOF"). Under this agreement, Government makes available to the Group a finance facility. Any amounts drawn down pursuant to the Bridge Facility may be effected by way of cash funds transfer or through Offsets (Offsets means any Bridge Loan or part thereof which, rather than being paid by way of a funds transfer, is satisfied / paid by way of making an adjustment / offset agreed by the Parties against funds payable by the Borrower to the Lender).

In the meeting held on 26 February 2023, the EDO Board approved the treatment of residual cash paid to MOF as a repayment of the shareholder loan balance. This decision was communicated to MOF and has been accepted by them.

Subsequently, under the Subordinated Shareholder Loan Agreement, the shareholder loan, together with the outstanding interest as of 31 December 2024, amounting to US\$ 3,311,721 ('000), has been fully subordinated to all current and future financial debt of the Group. In accordance with the Subordinated Shareholder Loan Agreement, no further interest shall accrue on the shareholder loan and repayment of the loan is entirely at the discretion of the Group, and the Shareholder has no right to demand repayment (in whole or in part) at any time. The shareholder's loan was converted into equity as per the agreed terms in the Subordinated Shareholder Loan Agreement. As a result, the shareholder loan has been reclassified as an equity instrument and is presented within equity as a subordinated shareholder loan. From 1 January 2025, residual cash paid to MOF is now accounted for as a dividend to shareholder.

**Notes to the unaudited interim condensed consolidated financial statements (continued)**

**1. Background and Basis of preparation (continued)**

**1.1 Background (continued)**

**Formation of EDO (continued)**

**1.2 Basis of Preparation**

The unaudited interim condensed consolidated financial statements as of and for the three months ended 31 March 2026 have been prepared in accordance with International Accounting Standard IAS 34, *Interim Financial Reporting* ("IAS 34"). These unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the complete set of annual consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") accounting standards as issued by the International Accounting Standards Board ("IASB") ("IFRS Accounting Standards") and should be read in conjunction with the consolidated financial statements of the Group as of and for the year ended 31 December 2025. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements. In addition, results for the three-month period ended 31 March 2026 are not necessarily indicative of the results for the year ending 31 December 2026.

**1.3 Going Concern**

As of 31 March 2026, the Board of Directors and management believe that the Group generates sufficient free cash flows to meet its liabilities and has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period. Accordingly, the unaudited interim condensed consolidated financial statements have been prepared on the basis that the Group will continue to operate as a going concern.

**2. Material accounting policy information**

The accounting policies and significant judgments, estimates, and assumptions adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the consolidated financial statements of the Group for the year ended 31 December 2025.

There are no new standards, amendments or interpretations that are effective on or after 1 January 2026 that have a material impact on the unaudited interim condensed consolidated financial statements. The Group has not early adopted any new accounting standards, interpretations or amendments that are issued but which are not effective.

**3. Disclosure segment information**

The Group is a combination of the following components:

- exploration and production of crude oil from Oil Operations, and
- exploration and production of NAG and condensate from the Gas Operations,

For the purpose of the unaudited interim condensed consolidated financial statements, the operating segment is organised into business units based on the types of products and various activities in which the Group is engaged and thus has three reportable segments, as follows:

- Crude oil segment - includes all activities related to the crude oil exploration, production, sales and marketing. This segment is further split into export and domestic sales categories. This segment also includes the associated gas (AG) produced from oil reserves that are developed.
- NAG & Condensate segment - includes activities related to:
  - the non-associated gas reserves that are developed;
  - the liquefied petroleum gas reserves that are developed; and
  - the condensate exploration, production, sales and marketing, which is blended with crude oil and sold at the same price.
- Corporate & others – includes leading strategic initiatives for new business streams, raising external debt, etc.

Segment performance is evaluated based on profit or loss before tax and is measured consistently with profit or loss in the unaudited interim condensed consolidated financial statements.

**Notes to the unaudited interim condensed consolidated financial statements (continued)**

**3. Disclosure segment information (continued)**

The following tables present revenue and profit information for the Group's operating segments for the three-months period ended 31 March 2026 and 31 March 2025:

	<i>Crude oil</i> <i>US\$'000</i>	<i>NAG &amp;</i> <i>condensate</i> <i>US\$'000</i>	<i>Corporate</i> <i>and others</i> <i>US\$'000</i>	<i>Adjustments</i> <i>&amp;</i> <i>eliminations</i> <i>US\$'000</i>	<i>Total</i> <i>US\$'000</i>
<b>31 March 2026 (unaudited)</b>					
Crude oil	2,662,447	-	-	-	2,662,447
NAG	-	475,251	-	-	475,251
Condensate	-	517,147	-	-	517,147
LPG	-	638	-	-	638
<b>Total revenue</b>	<b>2,662,447</b>	<b>993,036</b>	<b>-</b>	<b>-</b>	<b>3,655,483</b>
Production expenses	(217,129)	(67,034)	-	-	(284,163)
Royalty expenses	(1,106,905)	(241,263)	-	-	(1,348,168)
Depreciation on property, plant and equipment	(746,737)	(308,517)	-	-	(1,055,254)
Depreciation on right-of use assets	(16,520)	(3,391)	-	-	(19,911)
Finance income	708	-	1,986	-	2,694
Interest expense on lease liabilities	(5,144)	(893)	-	-	(6,037)
Interest expense on loans and borrowings	-	-	(79,234)	-	(79,234)
<b>Profit / (loss) before tax</b>	<b>532,931</b>	<b>354,321</b>	<b>(52,411)</b>	<b>-</b>	<b>834,841</b>
<b>31 March 2025 (unaudited)</b>					
Crude oil	2,785,341	-	-	-	2,785,341
NAG	-	447,788	-	-	447,788
Condensate	-	529,375	-	-	529,375
LPG	-	787	-	-	787
AG	4,966	-	-	-	4,966
<b>Total revenue</b>	<b>2,790,307</b>	<b>977,950</b>	<b>-</b>	<b>-</b>	<b>3,768,257</b>
Production expenses	(236,308)	(54,574)	-	-	(290,882)
Royalty expenses	(1,193,566)	(228,630)	-	-	(1,422,196)
Depreciation on property, plant and equipment	(696,606)	(257,829)	-	-	(954,435)
Depreciation on right-of use assets	(13,933)	(3,374)	-	-	(17,307)
Finance income	634	-	1,549	-	2,183
Interest expense on lease liabilities	(4,990)	(1,087)	-	-	(6,077)
Interest expense on loans and borrowings	-	-	(99,413)	-	(99,413)
<b>Profit / (loss) before tax</b>	<b>198,905</b>	<b>419,914</b>	<b>(108,599)</b>	<b>-</b>	<b>510,220</b>

**Notes to the unaudited interim condensed consolidated financial statements (continued)**

**3. Disclosure segment information (continued)**

The following table presents assets and liabilities information for the Group's operating segments as at 31 March 2026 and 31 December 2025, respectively:

	<i>Crude oil</i> <i>US\$'000</i>	<i>NAG &amp;</i> <i>condensate</i> <i>US\$'000</i>	<i>Corporate</i> <i>and others</i> <i>US\$'000</i>	<i>Adjustments</i> <i>&amp;</i> <i>eliminations</i> <i>US\$'000</i>	<i>Total</i> <i>US\$'000</i>
<b>31 March 2026 (unaudited)</b>					
Segment assets	15,511,033	9,565,386	2,514,607	(1,717)	27,589,309
Segment liabilities	6,899,485	3,028,222	7,164,136	(1,717)	17,090,126
<b>Other disclosures</b>					
Capital expenditure*	655,162	209,041	-	-	864,203
<b>31 December 2025 (audited)</b>					
Segment assets	15,726,382	9,788,259	2,320,168	(2,285)	27,832,524
Segment liabilities	7,681,432	2,856,446	5,670,145	(2,285)	16,205,738
<b>Other disclosures</b>					
Capital expenditure*	2,963,429	1,128,325	-	-	4,091,754

\* excluding abandonment assets

**Adjustments and eliminations**

The Group's organisational structure reflects the various activities in which the Group is engaged. On 31 March 2026 and 31 March 2025, the Group had three reportable segments: crude oil, NAG & Condensate, and corporate & others.

The outstanding balances between the crude oil segment and the NAG & condensate segment for three months ended 31 March 2026 amounted to US\$ 1,717 ('000) (31 December 2025: US\$ 2,285 ('000)).

**4. Staff cost**

	<i>Unaudited</i> <i>31-Mar-26</i> <i>US\$'000</i>	<i>Unaudited</i> <i>31-Mar-25</i> <i>US\$'000</i>
Basic salaries and allowances	(146,886)	(140,397)
Retirement benefit costs	(756)	(831)
Staff pension scheme	(14,384)	(13,608)
Variable pay	(40,119)	(33,435)
Overtime and others	(5,623)	(4,125)
	<u>(207,768)</u>	<u>(192,396)</u>

During the three- months ended 31 March 2026 and 2025, staff costs of US\$ 69,100 ('000) and US\$ 58,092 ('000) respectively, were capitalised in "Production wells & production facilities" and "Work in progress".

Staff costs of US\$ 138,668 ('000) and US\$ 134,304 ('000) for the three months ended 31 March 2026 and 2025, respectively, are included within production expenses.

**Notes to the unaudited interim condensed consolidated financial statements (continued)**

**5. Other operating income**

	<i>Unaudited</i>	<i>Unaudited</i>
	<i>31-Mar-26</i>	<i>31-Mar-25</i>
	<i>US\$'000</i>	<i>US\$'000</i>
OBRDA compensation	4,994	5,988
Scrap sale	33,383	-
Changes in abandonment estimates	184	-
Gain on disposals of property, plant and equipment (Note 7)	2	66
Foreign exchange gain	273	-
Tender, other fees	1,011	150
	<u>39,847</u>	<u>6,204</u>

**6. Finance costs**

	<i>Unaudited</i>	<i>Unaudited</i>
	<i>31-Mar-26</i>	<i>31-Mar-25</i>
	<i>US\$'000</i>	<i>US\$'000</i>
Unwinding cost on abandonment provision	(60,698)	(54,195)
Interest expense on lease liabilities	(6,037)	(6,077)
Bank interest	(46,120)	(40,202)
Shareholder's loan interest	-	(33,962)
Profit on Sukuk bond	(33,115)	(25,249)
	<u>(145,970)</u>	<u>(159,685)</u>

Notes to the unaudited interim condensed consolidated financial statements (continued)

7. Property, plant, and equipment

	<i>Production wells &amp; production facilities</i>	<i>Concession &amp; preliminary expenses</i>	<i>Building, repair shop, airport and instrumentation</i>	<i>Movables, vehicle, software, computing &amp; communication</i>	<i>Main Oil/Gas Line &amp; other facilities</i>	<i>Exploration and evaluation assets</i>	<i>Work in progress</i>	<i>Abandonment assets</i>	<i>Total</i>
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
<b>Cost</b>									
At 31 Dec 2025 (audited)	68,177,771	4,620	2,031,584	1,131,957	769,425	237,923	1,382,925	2,655,770	76,391,975
Additions (unaudited)	434,694	-	2,856	4,411	6,224	57,664	358,354	63,939	928,142
Change in estimates (unaudited)	-	-	-	-	-	-	-	(243,946)	(243,946)
Transfer within assets classes / to other assets (unaudited)	487,054	-	16	-	-	-	(487,070)	-	-
Assets written-off and / or disposed (unaudited)	(47)	-	(5)	-	(4)	(14)	-	(15,580)	(15,650)
<b>At 31 Mar 2026 (unaudited)</b>	<b>69,099,472</b>	<b>4,620</b>	<b>2,034,451</b>	<b>1,136,368</b>	<b>775,645</b>	<b>295,573</b>	<b>1,254,209</b>	<b>2,460,183</b>	<b>77,060,521</b>
<b>Depreciation</b>									
At 31 Dec 2025 (audited)	(48,307,465)	(4,620)	(1,062,655)	(974,736)	(552,377)	-	-	(1,351,810)	(52,253,663)
Charge for the period (unaudited)	(945,130)	-	(19,508)	(32,331)	(4,292)	-	-	(53,993)	(1,055,254)
Assets written-off and / or disposed (unaudited)	42	-	-	-	4	-	-	-	46
<b>At 31 Mar 2026 (unaudited)</b>	<b>(49,252,553)</b>	<b>(4,620)</b>	<b>(1,082,163)</b>	<b>(1,007,067)</b>	<b>(556,665)</b>	<b>-</b>	<b>-</b>	<b>(1,405,803)</b>	<b>(53,308,871)</b>
<b>Net book value at 31 Mar 2026 (unaudited)</b>	<b>19,846,919</b>	<b>-</b>	<b>952,288</b>	<b>129,301</b>	<b>218,980</b>	<b>295,573</b>	<b>1,254,209</b>	<b>1,054,380</b>	<b>23,751,650</b>

- The net book value of assets written off and/or disposed (excluding abandonment assets and exploration and evaluation assets) for the period ended 31 March 2026 amounted to US\$ 10 ('000) and the sale consideration received against the disposal of the assets is US\$ 8 ('000). The gain on disposals of property, plant, and equipment amounting to US\$ 2 ('000) is charged to 'other operating income' in the unaudited interim condensed consolidated statement of profit or loss and other comprehensive income (Note 5).
- Work-in-progress also includes depreciation expenses on right-of-use assets and interest expenses on lease liabilities that were capitalised, amounting to US\$ 27,933 ('000) and US\$ 4,706 ('000) respectively. These are considered as non-cash transactions and therefore, excluded from the unaudited interim condensed consolidated statement of cash flows.

Notes to the unaudited interim condensed consolidated financial statements (continued)

7. Property, plant, and equipment (continued)

	<i>Production wells &amp; production facilities</i>	<i>Concession &amp; preliminary expenses</i>	<i>Building, repair shop, air port and instrumentation</i>	<i>Movables, vehicle, software, computing &amp; communication</i>	<i>Main Oil Line &amp; other facilities</i>	<i>Exploration and evaluation assets</i>	<i>Work in progress</i>	<i>Abandonment Assets</i>	<i>Total</i>
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
<i>Cost</i>									
At 31 December 2024 (audited)	64,846,716	4,620	1,909,489	1,084,178	745,373	115,211	994,552	2,110,736	71,810,875
Additions	1,645,656	-	20,730	42,157	13,200	236,151	2,133,860	248,200	4,339,954
Change in estimates	-	-	-	-	-	-	-	329,238	329,238
Transfer within assets classes / to other assets	1,703,452	-	101,365	6,419	10,870	(76,619)	(1,745,487)	-	-
Assets written-off and / or disposed	(18,053)	-	-	(797)	(18)	(36,820)	-	(32,404)	(88,092)
At 31 December 2025 (audited)	<u>68,177,771</u>	<u>4,620</u>	<u>2,031,584</u>	<u>1,131,957</u>	<u>769,425</u>	<u>237,923</u>	<u>1,382,925</u>	<u>2,655,770</u>	<u>76,391,975</u>
<i>Depreciation</i>									
At 31 December 2024 (audited)	(44,779,352)	(4,620)	(971,789)	(863,345)	(482,283)	-	-	(1,115,505)	(48,216,894)
Charge for the year	(3,675,048)	-	(70,846)	(56,458)	(16,670)	-	-	(236,305)	(4,055,327)
Transfer within assets classes / to other assets	129,179	-	(20,020)	(55,730)	(53,429)	-	-	-	-
Assets written-off and / or disposed	17,756	-	-	797	5	-	-	-	18,558
At 31 December 2025 (audited)	<u>(48,307,465)</u>	<u>(4,620)</u>	<u>(1,062,655)</u>	<u>(974,736)</u>	<u>(552,377)</u>	<u>-</u>	<u>-</u>	<u>(1,351,810)</u>	<u>(52,253,663)</u>
Net book value at 31 Dec 2025 (audited)	<u>19,870,306</u>	<u>-</u>	<u>968,929</u>	<u>157,221</u>	<u>217,048</u>	<u>237,923</u>	<u>1,382,925</u>	<u>1,303,960</u>	<u>24,138,312</u>

1. The net book value of assets written off and/or disposed (excluding abandonment assets and exploration and evaluation assets) for the year ended 31 December 2025 amounted to US\$ 310 ('000) and the sale consideration received against the disposal of the assets is US\$ 11 ('000). The loss on disposals of property, plant, and equipment amounting to US\$ 299 ('000) is charged to 'other operating income' in the unaudited interim condensed consolidated statement of profit or loss and other comprehensive income (Note 5.b).
2. Work-in-progress also includes depreciation expenses on right-of-use assets and interest expenses on lease liabilities that were capitalised, amounting to US\$ 136,330 ('000) and US\$ 24,103 ('000) respectively. These are considered as non-cash transactions and therefore, excluded from the unaudited interim condensed consolidated statement of cash flows.

**Notes to the unaudited interim condensed consolidated financial statements (continued)**

**8. Inventories**

As of 31 March 2026, the provision for obsolete inventories is US\$ 45,725 ('000) (31 December 2025: US\$ 46,211 ('000)).

**9. Risk management**

Management believes that the fair values of the Group's financial assets and liabilities that are measured and recognised at amortised cost are not materially different from their carrying amounts at the end of the reporting period

**Market risk**

The risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

Market risk comprises three types of risk: commodity price risk, interest rate risk, and foreign currency risk.

**Commodity price risk**

Based on the assumption that the crude oil price moves +/- 20% this would result in a change of US\$ 13/bbl for the three-month period ended 31 March 2026 (31 March 2025: US\$ 15/bbl), with a consequent:

- increase in profit before tax of US\$ 353,300 ('000) in case of a 20% increase in crude oil price for the three-month period ended 31 March 2026 (31 March 2025: US\$ 202,649 ('000)) and
- decrease in profit before tax of US\$ 56,107 ('000) in case of a 20% decrease in crude oil price for the three-month period ended 31 March 2026 (31 March 2025: US\$ 187,161 ('000)), respectively, where all other variables are held constant.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk from changes in interest rates that affect the fair value or future cash flows of financial instruments, is significant for the Group as there are material interest-bearing instruments.

The sensitivity analyses below have been determined based on the exposure to interest rates for instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the floating rate term loans, with all other variables held constant, of the Group's profit before tax for the period (through the impact on floating rate borrowings rates). There is no direct impact on the Group's equity.

<b>31 March 2026 (Unaudited)</b>	<b>Increase/Decrease in basis points</b>	<b>Effect on profit before tax US\$ 000</b>
	<b>+50</b>	<b>(3,438)</b>
	<b>-50</b>	<b>3,438</b>
<b>31 March 2025 (Unaudited)</b>	<b>Increase/Decrease in basis points</b>	<b>Effect on profit before tax US\$ 000</b>
	<b>+50</b>	<b>(2,500)</b>
	<b>-50</b>	<b>2,500</b>

**Foreign currency risk**

Currency risk in respect of the Group is mitigated significantly via a policy of awarding contracts and purchase orders mainly in US\$ or Omani Rials only. The Omani Rial is effectively pegged to the US\$. Only in exceptional cases, based on a commercial evaluation, are contracts/purchase orders awarded denominated in other currencies and therefore are not considered to have significant impact on the Group.

**Notes to the unaudited interim condensed consolidated financial statements (continued)**

**9. Risk management (continued)**

**Credit risk**

Credit risk is the risk that counterparties might not fulfil their contractual payment obligations towards an entity.

The Group is exposed to credit risk in respect of its trade and other receivables, housing loans, due from related parties and bank balances. Credit risk is controlled as balances are regularly reviewed and, where necessary an appropriate recovery action is taken.

The expected credit loss model is applied for recognition and measurement of impairments in financial assets measured at amortised cost. Such credit losses have historically been nominal. The financial assets include cash and cash at bank held with leading and reputed banks (refer note 10).

**Liquidity risk**

This is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Management regularly monitors future liquidity requirements. Royalty payables, trade payables, accrued expenses, other payables and due to related parties are generally settled within 30 to 45 days of receipt of invoice, based on the contractual terms. For loans and borrowings and lease liabilities, it is based on the term and conditions of respective agreements with relevant counter parties.

**10. Cash and cash equivalents**

	<i>Unaudited</i>	<i>Audited</i>
	<i>31-Mar-26</i>	<i>31-Dec-25</i>
	<i>US\$'000</i>	<i>US\$'000</i>
Cash at bank	<u>389,297</u>	<u>606,071</u>
	<u>389,297</u>	<u>606,071</u>
Restricted cash	<u>(6,340)</u>	<u>(28,961)</u>
Cash and cash equivalents for cash flow purposes	<u>382,957</u>	<u>577,110</u>

Cash at bank includes US\$ 6,340 ('000) (31 December 2025: US\$ 28,961 ('000)) balances relating to the following:

- US\$ nil (31 December 2025: US\$ 23,280 ('000)) received from the OPF following the discontinuation of OPF operations. The amount is held for the settlement of OPF's remaining obligations and for transfer to SPF.
- US\$ 6,340 ('000) (31 December 2025: US\$ 5,681 ('000)) Block 10 & 11 under the Master Services Agreement between EDO and Shell Development Oman LLC (SDO).

The Group is voluntarily maintaining a balance in a separate bank account to service the next 3 months of interest and installment obligations on its loan facilities. Currently, the Group is maintaining this balance to cover interest and installment obligations associated with the US\$ 2,000,000 ('000) term loan, 375,000 ('000) term loan, US\$ 1,000,000 ('000) term loan and Sukuk trust certificates. There is no restriction on the usage of this balance.

For the Group, cash equivalents comprise cash at bank (in current accounts). These balances earn some small amount of interest and can be withdrawn on demand. Considering the macroeconomic factors, the management has not assumed any probability of default relating to these financial assets.

**Notes to the unaudited interim condensed consolidated financial statements (continued)**

**11. Abandonment provision**

	<i>Unaudited</i>	<i>Audited</i>
	<i>31-Mar-26</i>	<i>31-Dec-25</i>
	<i>US\$'000</i>	<i>US\$'000</i>
<b>Non-current</b>		
At 1 January	4,134,210	3,373,794
Additions in provision due to asset acquisition (Note 7)	63,939	248,200
Reduction in provision due to disposals (Note 7)	(15,580)	(32,404)
Remeasurements and change in estimates	(244,129)	329,238
Unwinding of interest cost	60,698	215,382
	3,999,138	4,134,210

The Group makes full provision for the future cost of the decommissioning of oil and gas wells and production facilities on a discounted basis on the installation of those wells and infrastructure. The abandonment provision represents the present value of the abandonment costs relating to oil and gas properties, which are expected to be incurred up to 2044 for oil and gas when the producing oil and gas properties are expected to cease operations. These provisions have been created based on the Group's internal estimates. Assumptions are based on the current economic environment adjusted for suitable inflation, which management believes forms 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.

Changes in existing decommissioning, restoration, and similar liabilities, are deducted from the cost of related abandonment assets and shall not exceed the carrying amount of the related abandonment asset. If a decrease in the liability exceeds the carrying amount of the related abandonment asset, the excess shall be recognised in the statement of profit or loss and other comprehensive income.

During the three-month period ended 31 March 2026, the Group has recorded remeasurements and change in estimates of abandonment provision of US\$ 244,130 ('000). This change resulted from revisions to discount rates and estimated well restoration costs. The discount rate reflected a 5.7% increase in percentage change during the period from 31 December 2025 to 31 March 2026

The additions, reductions and remeasurements and change in estimates are non-cash transactions.

The utilization of the provision in the next twelve months period is not expected to be significant and therefore, the entire abandonment provision is classified as non-current liabilities.

**12. Net retirement benefit assets**

The Omani Staff Pension Scheme (the "Pension Scheme") was a defined benefit retirement scheme and was a separately administered unregistered pension scheme maintained by PDO for the benefit of its Omani staff. Contributions by Omani staff were 7% of their basic salaries plus allowances, while contributions made by PDO were 36.6% of their basic salaries plus allowances. The Pension Scheme ended on 31 December 2023.

No actuarial valuation of the Omani Staff Pension Scheme was performed as at 31 March 2026 and 31 December 2025.

The following tables summarise the components of the pension expense recognised in the consolidated statement of profit or loss and other comprehensive income and the funded status and amounts recognised in the consolidated statement of financial position for the pension scheme.

**Notes to the unaudited interim condensed consolidated financial statements (continued)**

**12. Net retirement benefit assets (continued)**

	<i>Unaudited</i>	<i>Audited</i>
	<i>31-Mar-26</i>	<i>31-Dec-25</i>
	<i>US\$'000</i>	<i>US\$'000</i>
Fair value of Pension Scheme net assets	-	2,685,314
Present value of funded obligations	-	(2,274,281)
Write-off of net retirement benefit assets	-	(411,033)
<b>Net retirement benefit assets</b>	-	-

**Settlement of net retirement benefit assets**

In April 2021, Royal Decree 33/2021 was issued, in which the subject of integration of pension funds was addressed. The decree stipulated that all local pension funds be merged into two funds, one concerned with civil funds and the other with military and security funds.

In July 2023, Royal Decrees 50/2023 and 52/2023 (the "Royal Decrees"), establishing the Social Protection Fund ("SPF"), and concurrently, the Social Protection Law (the "Law") has been enacted. The Law, in line with the Royal Decrees, took effect on 1 January 2024. The PDO Omani Pension Fund ("OPF") is mandated to transfer a segment of the OPF's assets and liabilities to the Social Protection Fund. Under SPF, the contribution by Omani staff is 7.5% of their basic salaries plus allowances whilst the contributions made by PDO are 11% of their basic salaries plus allowances.

As of 31 December 2023, the Omani Staff Pension Scheme, previously a defined benefit retirement scheme, was discontinued, and the PDO Omani Pension Fund (OPF) was mandated to transfer a portion of its liabilities and equivalent assets to the Social Protection Fund (SPF). However, as of 31 December 2024, discussions between PDO and SPF were still ongoing to finalize the exact amount of liabilities and related assets to be transferred.

Subsequently, on 14 April 2025, PDO received and acknowledged Royal Directives issued by His Majesty the Sultan, as communicated via Private Office Letter Ref. No. 159/2025 dated 20 March 2025 and confirmed through Board Circular BC/2025/007. These Directives mandated the full transfer of all the assets and liabilities maintained at OPF to SPF.

In accordance with the Royal Directives, all residual pension-related obligations and associated employee liabilities, including any existing or potential legal claims arising from the merger of the pension funds, are to be transferred to SPF. SPF will assume full responsibility for the payment of accrued and residual pension entitlements to eligible employees.

As a result of the above, the Group will effectively and irrevocably extinguish all present and future obligations upon the full transfer of all the assets and liabilities maintained at OPF to SPF. Accordingly, the Group has written off the net retirement benefit assets, as the net retirement benefit assets are not expected to be recoverable. As per IAS 19, loss on settlement is the difference between the present value of the defined benefit obligation being settled and the fair value of the plan assets transferred.

During 2025, the Group and SPF signed an agreement for the Transfer of Obligations and Assets from the Fund to SPF. Under the terms of the agreement, the Group is committed to transferring all pension related obligations and assets to SPF.

As at 31 December 2025, the transfer of pension-related assets had been completed.

**13. Related party transactions**

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 elected to take the exemption available under IAS 24 Related Party Disclosures, to disclose only the key transactions and outstanding balances, including commitments, with the Government of the Sultanate of Oman and any other entity that is considered to be a related party because the same government has control, joint control or significant influence over itself and the other entity.

**Notes to the unaudited interim condensed consolidated financial statements (continued)**

**13. Related party transactions (continued)**

The Group has transactions with other government-related entities, including but not limited to sales and purchases of goods, rendering and receiving services, and use of public utilities. These transactions are conducted in the ordinary course of the Group on terms comparable to those with other entities that are not government related.

The nature of the related party transaction with the Government entities that are considered to be significant transactions and that have significant balances outstanding as at the end of the reporting periods are detailed below:

**Revenue**

The Group's 100% NAG revenue is from an entity 100% owned by Government, amounting to US\$ 475,251 ('000) for the three months ended 31 March 2026 (31 March 2025: US\$ 447,788 ('000)) with corresponding receivables of US\$ 318,968 ('000) as at 31 March 2026 (31 December 2025: US\$ 319,225 ('000)).

With respect to crude oil, 100% of revenue is from Government, amounting to US\$ 2,662,447 ('000) during the three-month period ended 31 March 2026 (31 March 2025: US\$ 2,785,341 ('000)) with a corresponding receivable of US\$ 1,404,746 ('000) as at 31 March 2026 (31 December 2025: US\$ 1,199,979 ('000)).

With respect to condensate revenue, 100% of the revenue is from the Government, amounting to US\$ 517,147 ('000) during the three-month period ended 31 March 2026 (31 March 2025: US\$ 529,375 ('000)) with a corresponding receivable of US\$ 407,086 ('000) as at 31 March 2026. (31 December 2025: US\$ 290,958 ('000)).

With respect to AG revenue, 100% revenue is from the Government entity, amounting to US\$ nil during the three-months period 31 March 2026 (31 March 2025: US\$ 4,966 ('000)) with a corresponding receivable of US\$ nil as at 31 March 2026 (31 December 2025: US\$ 14,166 ('000)).

**Royalty**

The Royalty is paid by the Group to the Government on its weekly revenue. For the three-months period ended 31 March 2026 the Group has recognised royalty expenses of US\$ 1,348,168 ('000) and US\$ 1,422,196 ('000) for the three-months period ended 31 March 2025 with a corresponding payable of US\$ 862,298 ('000) as of 31 March 2026. (31 December 2025: US\$ 560,904 ('000)).

**Distribution of assets in specie**

During the three-month period ended on 31 March 2026, out of the total Group's share of oil production, the Group transferred production volumes of 450 ('000) barrels (31 March 2025: 450 ('000)) to the Government (non-cash transaction). This arrangement amounting to US\$ 12,931 ('000) for the three-months period ended 31 March 2026 and US\$ 12,265 ('000) for the three-months period ended 31 March 2025 is considered as an equity transaction and accounted for as a distribution of asset in specie to the Government under retained earnings.

**Interim dividend**

During the three months period ended 31 March 2026, the Group declared and paid interim dividends amounting to US\$ 1,307,000 ('000) (31 March 2025: US\$ nil).

**Transactions with Key managerial personnel\* ("KMP")**

	<i>Unaudited</i>	<i>Unaudited</i>
	<i>31-Mar-26</i>	<i>31-Mar-25</i>
	<i>US\$'000</i>	<i>US\$'000</i>
Salaries and other benefits	<b>7,062</b>	<b>6,306</b>

\*KMP are those persons having authority and responsibility for planning, directing, and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of that Group. The Group considers the Chief Executive Officer, Chief Financial Officer, the directors, and the senior members of EDO / PDO / Gas operations as KMP.

**Notes to the unaudited interim condensed consolidated financial statements (continued)**

**14. Income tax**

The Group's obligation to pay current tax is defined in the Fiscal Protocol and shall be recurring in nature. The Group is liable to pay tax at an amount equal to fifty-five percent (55%) of its income chargeable to tax from 24 February 2021 for oil operations and from 06 May 2021 for NAG & condensate operations.

Since the taxes were applicable only from the financial year 2021 there is an opening non-deductible element arising on account of the difference between the accounting base ("IFRS Accounting Standards") and continuing tax base (as per concession agreement) of depreciation on property plant and equipment as the Group availed the initial recognition exception under IAS 12 - 'Income Taxes'. Accordingly, the effective tax rate is expected to be significantly higher than the tax rate of 55% due to the non-deductible element on initial recognition. The major components of income tax expense in the interim condensed consolidated statement of profit or loss and other comprehensive income are:

	<i>Unaudited</i>	<i>Unaudited</i>
	<i>31-Mar-26</i>	<i>31-Mar-25</i>
	<i>US\$'000</i>	<i>US\$'000</i>
<b>Income taxes</b>		
Current income tax expense	<b>(682,281)</b>	<b>(756,938)</b>
<i>Deferred income tax expense relating to origination and reversal of temporary differences:</i>		
- Deferred tax asset	140,557	327,648
- Deferred tax liabilities	<b>(101,086)</b>	<b>(139,017)</b>
	<b>39,471</b>	<b>188,631</b>
<b>Income tax expense recognised in consolidated statement of profit or loss</b>	<b>(642,810)</b>	<b>(568,307)</b>

Income tax liability amounting to US\$ 264,593 ('000) is payable as of 31 March 2026 (31 December 2025: US\$ 45,326 ('000)).

**Deferred tax**

Deferred tax related to items recognised in OCI during the period:

	<i>Unaudited</i>	<i>Unaudited</i>
	<i>31-Mar-26</i>	<i>31-Mar-25</i>
	<i>US\$'000</i>	<i>US\$'000</i>
Re-measurement of pension fund obligation	-	35,397
<b>Deferred tax liability recognised in OCI during the period</b>	<b>-</b>	<b>35,397</b>

**Notes to the unaudited interim condensed consolidated financial statements (continued)**

**14. Income tax (continued)**

**Reconciliation of effective tax rate:**

	<i>Unaudited</i>	<i>Unaudited</i>
	<i>31-Mar-26</i>	<i>31-Mar-25</i>
	<i>US\$'000</i>	<i>US\$'000</i>
Accounting profit before tax:	<b>834,841</b>	510,220
Tax using Company's statutory tax rate of 55% (2025: 55%)	459,163	280,621
Less: tax effect items which are taxed at a lower rate	(13,976)	(873)
Add: tax effect on permanent difference expenses in accordance with Fiscal Protocol	-	54,677
Add: tax effect of the unwinding of the permanent difference on IRE of PPE	204,527	205,230
Less: tax effect on special arrangement	(7,112)	(6,746)
Add: items not taxed (HDO)	208	-
Add: adjustment of deferred tax amount (OCI) on reversal of net retirement benefit assets to statement of profit or loss	-	35,398
	<b>642,810</b>	568,307
<b>At the effective income tax rate of 77% (2025: 111%)</b>	<b>642,810</b>	568,307
<b>Income tax expense reported in the statement of profit or loss</b>	<b>642,810</b>	568,307

**15. Capital commitments**

	<i>Unaudited</i>	<i>Audited</i>
	<i>31-Mar-26</i>	<i>31-Dec-25</i>
	<i>US\$'000</i>	<i>US\$'000</i>
Future capital expenditure authorised by the Board of Directors of PDO and Gas Operations	<b>23,400,350</b>	23,401,800

**16. Loans and borrowings**

On 22 January 2026, the Group completed the issuance of senior unsecured Sukuk certificates with an aggregate principal amount of US\$ 650,000 ('000). The issuance was done under the International Trust Certificate Issuance Programme wherein EDO is the guarantor. The Sukuk has a ten-year tenor and will mature in January 2036. The Sukuk carries a fixed profit rate of 5.14% per annum, payable on a semi-annual basis. The Sukuk trust certificates are listed on the London Stock Exchange's International Securities Market.

At initial recognition, the Company recorded an amount of US\$ 649,296 ('000) for the issuance proceeds net of transaction costs.

During the three-month period ended 31 March 2025 the Group has repaid US\$ 329,000 ('000), towards shareholder loan. During the six-month period ended 30 June 2025, the shareholder loan was reclassified as an equity instrument and is presented within equity as a subordinated shareholder loan.

**Notes to the unaudited interim condensed consolidated financial statements (continued)**

**17. Subsequent events**

Subsequent to the reporting date, on 13 May 2026, the Group completed the issuance of additional senior unsecured Sukuk trust certificates with an aggregate principal amount of US\$ 200,000 ('000) under the Trustee's Trust Certificate Issuance Programme. The additional trust certificates are due in January 2036 and have been consolidated and form a single series with the US\$ 650,000 ('000) trust certificates issued on 22 January 2026.

The additional trust certificates carry the same terms and conditions as the original issuance, including a fixed profit rate of 5.14% per annum payable semi-annually, and mature in January 2036.