



OQEP H1 2025 Investor Call Transcript



Slide 1: Opening Slide

Hello, and thank you all for attending OQEP's Investor Call for its first half 2025 financial results.

I'm Ridho Wahyudi from the Investor Relations team.

With me today, I have Mr. Jaber Al-Numani, Chief Financial Officer.

And Dr. Anwar al-Kharusi, Chief Executive Commercial.

We have an hour scheduled for today's call.

We will start with a brief presentation to review OQEP's results, and we will then go to a Q&A session.

Slide 2: Disclaimer

Before we start, a brief disclaimer. In this presentation, we make forward-looking statements that refer to our estimates, plans, and expectations.

Actual results and outcomes could differ materially due to a range of factors not on this slide and in our MSX filings.

Please refer to our annual report, MSX Filings, for more details, all of which are available on IR website.

And now, I will hand over to Mr. Jaber.

Slide 3: H1 Financial Results

Mr. Jaber, CFO, OQEP: Thank you, Mr. Ridho. Assalamu'alaikum Wa rahmatullahi Wa barakatuh, and good afternoon. And good morning to the valued investors for being with us today.

So, today we'd like to highlight the key achievements of OQ Exploration and Production for the first half of this year.

The company posted a very robust financial performance, driven from its operational excellence.

And cost discipline for the first half of 2025.



Despite the fact that the oil prices witnessed in the first half of 2025 were lower by around \$8, or around 11%, as compared to the first half of 2024.

However, the company managed to increase the volume of oil and condensate in the first half of this year, by around 1.1 million barrels.

And that really helped the company to sustain its top line.

Annual profitability, when it comes to operating profit and net profit, and gross profit, at the same level of H1 2024.

The company posted a net profit of around 167 million Omani Riyal.

An adjusted cash flow from operation of 289 million Omani Riyal.

Recently, the Board, they have recommended to their shareholders for the Ordinary General Meeting that the base dividends of around \$150 million to be paid for Q2 of this year, and another \$150 million to be paid for Q3 of this year.

As well as... the Board has proposed a performance dividend, fulfilling the commitment that the company made, in the IPO prospectus last year, at the listing, of paying performance-linked dividends for its operational performance.

The Board, they have approved performance dividends to be paid in two installments in Q3 and Q4 of this year, of \$ 115 million.

Recently, as well, the company has launched its share buyback program of buying 45 to 60 million shares really to emphasize on maximizing the shareholder value, creating long, sustainable growth, as well as gaining the investors' confidence in the company's performance in the long term.

Slide 4: Summary Financial Performance, Year-on-Year

So in here, we're providing our details of the operational performance, as well as the financial performance, H1 2025 compared to H1 2024, as I mentioned.

Our oil and condensate volumes, they have gone up by around 11% despite the fact that the oil prices they have dropped by around 9.5%.

Our gas volumes, more or less stays the same despite the fact that we had a turnaround in our major block that we are partnering up with bp in Block 61 in Q1 of this year, and accordingly, the average realized oil price, it was driven from that turnaround of the plant not being available for that specific period of 2 to 3 weeks.

Our revenue, more or less, remained flat, as well as our gross profit, our EBITDA as well.



And mainly, this comes from the volumes that were pushed, where it comes to oil condensate, but also from the cost discipline that we have exercised during this period.

Our capex dropped by around 20%, and that's due to rephasing in operations in Block 10.

And our return on capital employed was basically higher by around 3% as compared to H1 of last year.

Slide 5: Summary Financial Performance, Quarter-on-Quarter

So, comparing our results for Q1 of this year versus Q2.

So the main increases, again, the oil and condensate volume, they went up by around 10%. There are... witnessed the oil price decrease.

After Block 61, as I mentioned in the previous slide, the ramp-up was in Q2, and hence we pushed more volume when it comes to gas. But the gas price, more or less, remained flat.

And accordingly, our revenues have gone up.

We continue to exercise cost discipline when it comes to the impact on the gross profit and our, basically, net profit as well.

Our cash flow has increased.

Our capex, we started ramping up activities.

We continue to also have discipline where it comes to debt raising. So, accordingly, net debt has gone down.

And quarter on quarter return on capital employed has gone up by around 16%.

Slide 6: Superior Shareholder Returns Attractively Priced

Whereas we come to our share performance and the dividend yield.

I mean, OQ Exploration & Production today, as compared to its peers, is one of the most attractive companies I would say not only in Oman, in MSX, but also within the region and worldwide compared to its peers within the oil and gas industry.

Our dividend yield is ranging around 9.7% as compared to our peers. I mean, at the current share price, which makes it very attractive, basically, for investors to come and invest.

And that's one thing that we always aim for in maximizing the shareholder returns, ensuring that we sustain dividends, when it comes to the long term, focusing on growth and looking



and scouting for more opportunities to sustain our operation, while focusing on cost discipline, and operational efficiency.

With this I'll hand over to my colleague, Dr. Anwar, to talk you through more operational insights when it comes to our operations in the different blocks that we are in.

Slide 7: Portfolio Review

Dr. Anwar, CEC, OQEP: Thank you, Jaber. I'm going to take you through our latest updates in the various blocks that we have in the portfolio, starting from our flagship asset that we operate internally, Block 60.

We are happy to announce that, Block 60 expansion has been delivered, ahead of time and on budget, and now we have added an extra oil capacity of about 37,000 barrels of oil per day, which will be used to connect our wells into the system and will increase production around 10%.

In our Block 53, which is a joint venture with Occidental in Oman, I would like to highlight that we have signed the agreement amendment with the government which led to improved fiscal terms for OQEP and its partners. It also led to a lower gas cost in the agreement, and that improves the cash flow and financials for Block 53, for OQEP.

We move on to our Block 61. That block, which is operated by bp in Oman, where we are partners, we have updated the FDP (field development plan) with the operator bp, and are now getting ready to basically take the discussion forward for additional gas production, which goes into an additional, basically, LNG capacity, inshallah. That project is currently under finalization with the government to be FID (final investment decision), I hope, early 2026.

When we go to our Block 10 Marsa project, as we have updated you before, is a flagship gas LNG project whereby gas from Block 10 is going to be used for an LNG Bunker in Sohar. The project has been inaugurated, the construction is ongoing, and the plan is to finalize the plant, inshallah, in 2028 when we start the LNG bunker facility arrangement.

In Block 8, which we operate on behalf of the government on a service-level agreement, we have drilled a new well which is currently being analyzed, and, tested, and that will, hopefully add new gas to the portfolio in the Musandam region.

I would also highlight on the growth and exploration.

We have signed within the first half of this year, a new agreement with the government on Block 54, and with a new partner, Genel Energy, which is based in London. The agreement,



the so-called EPSA agreement has been signed and activities have started basically ramping up to conduct an early well test by the end of this year or early next year.

On Block 47, which is an exploration asset operated by the Italian ENI, and where OQEP is also a partner, the well has been drilled, and at the moment, the results are being analyzed. The logs are being re-looked at, to ascertain, the results and the outcome of this exploration well.

Block 11 has been under appraisal scheme. There are more wells which are to be drilled in the upcoming half year of 2025, and also in early 2026. With these wells, we will be finalizing the so-called field development plan, which will ascertain the development mechanism for the block.

I want to highlight also that...

We have been working closely with the government on the so-called Project Sun, Oman border blocks. So for the onshore Blocks 36, 43A, and 66 we have now obtained, basically, offers from selective, potential operators and partners, and at the moment, the government, with OQEP and Scotiabank, are looking at the assessment of these offers. We also have received an offer on the offshore Block 18, and similarly, we are now analyzing the offer. Hopefully, all of these four blocks would lead to an investment, hopefully by early 2026, late 2025.

We did also additionally sign a Cooperation Agreement with Turkish Petroleum to look at potential collaborations in Oman and elsewhere with Turkish Petroleum and OQEP, going forward.

Slide 8: Proven Strategy Delivering Shareholder Value

Here, I would like to highlight and reiterate our strategy, delivering value for the shareholder. It's based on three pillars. One of them is resilience, the second is agility, and the third is delivering value for our shareholders.

In terms of resilience, as you have seen by my colleague, Mr. Jaber, we have achieved very strong financial output. We have delivered on our production promises. We have been growing the company for the past 15 years, and will continue to do so.

We have delivered on the return on the capital employed, 24%, which is, you know, a very good result for OQEP.

We shall maintain and continue to maintain our cost competitiveness. We are now operating below \$10 per barrel oil equivalent. And we shall maintain that going forward, basically adhering to the best and most robust, standards when it comes to operations, cost competitiveness and financial delivery.



In terms of agility, I would like to highlight that we have a superb portfolio that gives strength to our balance sheet. We have low leverage, at the moment, we are sitting at 0.27 times EBITDA, which is really robust.

We have a flexible capex model, where if there are challenges in oil prices, we can quickly adapt in an agile form to basically continue delivering shareholder value.

In terms of shareholder value, as you heard from my colleague, Mr. Jaber, we have maintained and continued to pay the base dividend, but also, we are now moving into the new payment for the first time of the performance-linked dividend, and as also the CFO highlighted, we are embarking on a program to buy back our shares to help basically retain value for the shareholders.

Well, here, I will hand over to Mr. Ridho.

Q&A Session

Mr. Ridho, OQEP Investor Relations:

Thank you so much, Dr. Anwar, Mr. Jaber. Okay, before we start our Q&A session, we want to update you briefly that we have launched our IR website as a primary source of information for our investor.

You will find all of our disclosures, announcements, reports, and presentations here. Please check it out, and if you have any feedback, please let us know.

Also, you will be able to find our annual report and sustainability report on the website.

More recently, OQEP also has been recognized by Forbes as one of the top 100 listed companies in the Middle East.

Okay, please note that we will have two Investor Relations events in September. First, we will join our OQ Group Capital Market Day, and continue with the MEIRA 2025 Annual Conference. Both events will be held in Muscat.

And now we will start our Q&A session. Please raise your hand using the feature in Zoom, or write your question in the Q&A box.



Manna Thomas, United Securities:

Good afternoon, this is Manna from United Securities. I have a question regarding the oil production and sales volume. So, the oil production during the first half, it declined by 5% to 120,000 barrels per day from 126,000, but the sales volume actually increased by 10% to 11.3 million barrels. So, if you look at the second quarter specifically, the sales have grown by 9%. So, could you help us understand the drivers behind the higher sales volume while the production was lower?

Mr. Jaber, OQEP Chief Financial Officer:

So maybe I'll comment on this, and maybe, also from an operational point of view, Dr. Anwar can, also chip in. So, we have part of our portfolio, we are having three blocks which are sensitive to oil price, and these blocks, basically, it has a mechanism in their exploration production sharing agreement that the contractors or the partners in the blocks, whenever the oil prices goes lower, they get more... they get more, basically, entitlement to barrels. They're lifting from the barrels, and cost recovery increase when oil prices drop to a certain level.

And maybe Dr. Anwar can...

Dr. Anwar, OQEP Chief Executive Commercial:

Maybe I will also highlight that, indeed, this is a good observation and partly it is also attributed to the very latest, indeed, amendment, which we signed for Block 53. It gives rise to, basically, also more oil intake, if you like, by the contractor group, including OQEP. So this has led to more sales volume to OQEP.

Ildar Khaziev, HSBC:

Yes, thank you so much. I have a couple of questions, please. First, on Block 53, you announced the changes in the fiscal terms for the contract, and lower gas costs in the agreement. Can you tell us whether this has been already enacted? And if not, when do you expect these new terms to start? That's my first question. And secondly, on Block 60, after the completion of Bisat C expansion, can you tell us what was the impact on production so far? Thank you.



Mr. Jaber, OQEP Chief Financial Officer:

The impact block 53? Yeah, so the impact 53, yes, it has been captured in our financials, so the effective date, of basically the new terms, it was 1 March, despite the fact that the agreement was signed in May. But it was backdated to the 1 March, so... so, and hence, as mentioned by Dr. Anwar, that we captured the results, or the impact of that, into our financials of H1 2025.

Ildar Khaziev, HSBC:

Any chance you could possibly quantify the impact of the improved terms of block 53 on your financial results in Q2?

Mr. Jaber, OQEP Chief Financial Officer:

Yeah, we can come back to you with the, with that at the later stage.

Mr. Ridho, OQEP Investor Relations:

Okay, thank you, Ildar. There was another question on Block 60. Okay, so for the second question, it will be answered by Dr. Anwar.

Dr. Anwar, OQEP Chief Executive Commercial:

So, so indeed, for Block 60, as I described, the Bisat C station provides additional capacity to process both oil and water. And this is where the upside comes to OQEP. Now we can, connect more and more of the, let's say, high water cut wells, wells which produce oil with a lot of water, so now all of these wells can be connected into the station, and we can benefit from the oil that these wells bring. And this is where the upside, you know, comes in for OQEP.

Ildar Khaziev, HSBC:

Thank you so much. Do you think, you were maybe in a position, later this year, maybe to update your guidance for the production for 2025, or this is too early?



Yes, so basically, I just was wondering if you could tell us whether your full year guidance already captures this potential upside, or maybe you may be in the position later this year to update us.

Mr. Jaber, OQEP Chief Financial Officer:

I think in that regard, I think it's a bit too early to basically revise our guidance for this year. Now, we are in the process of stabilizing the station, and seeing basically how it performs for the next few months. And we'll be basically updating our guidance for next year accordingly, once we have the station stabilized and running at full swing.

Ildar Khaziev, HSBC:

Understood, thank you so much.

Mr. Ridho, OQEP Investor Relations:

Thank you, Ildar. Now, the third question coming from Boris.

Boris Sinitsyn, Oman Investment Bank:

Good afternoon, it's Boris Sinitsyn from Oman Investment Bank. Basically, I have just one question. In the presentation, you gave the guidance for gross OPEX. It was, like, below \$10 per equivalent barrel for 2025. I'm just wondering, what was the level in the first half of 2025?

Mr. Jaber, OQEP Chief Financial Officer:

Yeah, so when it comes to the OPEX guidance, we are in the... around the \$9.5 to \$10 per boe for the OPEX, so we are in the same range that we indicated in the guidance, if not slightly lower.

And that's why I said in the beginning of the presentation that we are really focusing on cost discipline, and hence, despite that, our sale volume has increased in the first half, our cost in general, remains flat as compared to last year.



Boris Sinitsyn, Oman Investment Bank:

Okay, that's clear. Thank you so much, and congratulations on decent results.

Mr. Ridho, OQEP Investor Relations:

Thank you, Boris. Now, I will read a question from the chat box from **Colin Smith, Oman Investment Bank**. The question is, can you advise on the working interest production and the related oil and gas split?

Dr. Anwar, OQEP Chief Executive Commercial:

You, you mean for OQEP, or for some certain blocks? For, for all... OQEP, for the consolidated.

Mr. Ridho, OQEP Investor Relations:

So, for Colin, the production is 222 kboepd. There is a slide. Later, you will, we will share the presentation, so you can see the production and then the split, yeah.

I will remain again, if you have any questions, please, raise your hand, okay? Now, we received question from Kausik Ramamisan.

Kaushik Ramamisan:

Yeah, hi. Thank you for the call, and congrats on a very good set of numbers. I just had a couple of clarification. The first is I want some information on block 60. See, we know that, the production will rise by around 10% post that Bisat C. And, also, it'll add another 4,000 on your working interest production. So, is this the maximum that can happen, or can we see any further growth in production from this, from this block, block 60?

Dr. Anwar, OQEP Chief Executive Commercial:

Maybe I can take that. Not, of course. Block 60-base plan is what you see today. Block 60 is working on additional growth projects and these projects are yet to be, basically, introduced in the system. They need to be discussed with the government, they need to be approved and then there is, additional, basically, production and projects that will be utilizing the upgraded capacity that we have seen.



Kaushik Ramamisan:

And just one more. So, I just wanted to... can you please share with us the, you know, the updated working interest output numbers for the different blocks? Block 60, 61, 10, 9, 53 and 65, is it possible?

Mr. Ridho, OQEP Investor Relations:

We have production in consolidated number. So, if you want the detail, please contact us.

Kaushik Ramamisan:

Sure, sure. Thank you.

Mr. Ridho, OQEP Investor Relations:

Okay, the next question will come from, Mr. Bisen, please go ahead.

Bishen Bhalla, Salim & Partners:

You mentioned about Block 53 and an extra capacity of 37,000 barrels a day, which would lead to a production growth of 10%. You know, on a firm-wide basis, if you could, you know, just say on an organic basis, what sort of increased production do you see firm-wide, if you could give us some insight into that for the second half and beyond? That's the first question, please.

Mr. Ridho, OQEP Investor Relations:

Yeah, for this question, Dr. Anwar, can you answer?

Dr. Anwar, OQEP Chief Executive Commercial:

So, yeah, it's the same question as we answered just now. There are, immediate new projects which are utilizing the additional capacity in Block 60, and these are, indeed, the high water cut wells and there are some other additional projects that are coming in the pipeline. Each project is taking its course. There is, of course, as well, all the exploration, which is going on in both block 60 and 48 on the same, let's say similar reservoirs as well, and this additional



capacity will aid testing these wells. If you need maybe more detailed information, I guess that can be provided offline.

Bishen Bhalla, Salim & Partners:

Noted, thank you. Apologies for the rhetoric. Okay, you know, next question is with regards to the dividend. You know, one of the key factors you mentioned about the stock is the dividend, and the dividend yield looks quite attractive, especially with the performance dividend kicking in from this half onward. Now, if you could just give us some insights in terms of any guidance on what a break-even oil price is? You know, we had... I had specifically asked this question on the last one, and you said you'll be in a better position to give us some rough idea once H1 numbers are out. So, we've seen the average oil price, US\$ 75 and US\$ 74 respectively, which is US\$ 74 for the first half. We've seen the declaration for the performance dividend. Now, there are different ways of asking the same question, but I'll start with the basic one, in terms of, has the entire excess cash flow above base dividend been declared as performance dividend for first half? That's the first question.

Mr. Jaber, OQEP Chief Financial Officer:

So, when it comes to, the way how the performance-linked dividends is calculated and as stipulated in the prospectus. So, normally we look into the H1 generated cash flow and then we take 90% of that, minus the base dividends for the two quarters, let's say in the H1, and then the remaining would be basically available for distribution as dividends. That's the formula, as stated, as I mentioned, in the dividends policy set in the prospectus.

Of course, looking into the, the future, I would say, beyond 2026, something that, the company is, is reviewing, and basically with the board, and there will be, basically, a communication, maybe towards next year, on the dividends guidance and policy beyond 2026.

Mr. Ridho, OQEP Investor Relations:

Thank you, Bisen. So now I will, read from the chat book. The question coming from, **Sandesh Seti from Uber Capital**. They have two questions. First, OQEP secured an agreement with MEM to extend phase 1 of Block 47 by 6 months. Could you provide an update on the progress? So far, that's first. And second, OQEP also entered into an exclusivity agreement with MEM and Turkish Petroleum Corporation. Could you share any updates on the development and outcomes under this arrangement? I think for these two questions, Dr. Anwar can explain.



Dr. Anwar, OQEP Chief Executive Commercial:

Yes, so block 47, as I was explaining in the highlights, we have been drilling a well with the operator, ENI, the well has, just, reached the TD, the depth, of, for, for the, target that we have planned for. Now, we need to analyze and study and the analysis will take a few months. The block contract expires in September, so we need to add at least 6 months beyond September to allow the operator and the partner, OQEP, to basically conclude the way with the study of the well results, either go and conduct re-testing, or well testing, basically, of the well, or basically leave the block altogether. So, at the moment, this study is going on, and we hope, inshallah, that we will have good results. So we need the extension for that.

On the other part of the question about the Cooperation Agreement with Turkish Petroleum: this is a normal course of business whereby OQEP, signs agreements with multiple, companies to basically invest together, collaborate on potential investments in Oman. So, at the moment we are basically brainstorming and studying which blocks should we basically look at jointly together. Some of it, of course, comes from the ongoing initiatives that we are discussing with the Ministry of Energy and Minerals and we cannot disclose at this moment in time, but at the right time soon, we will be announcing and publishing, inshallah.

Mr. Ridho, OQEP Investor Relations:

Thank you, Dr. Anwar. So, I will read again a question from chatbox.

Mr. Ridho, OQEP Investor Relations:

From **Saleh Al-Wayan**. Can you please share how many shares have been bought back so far?

Mr. Jaber, OQEP Chief Financial Officer:

So, when it comes to our share buyback program, now we are in the process of working out, I mean, on the details of the program with our partners, with our brokers, so that we can start executing the program in the stock exchange.

Mr. Ridho, OQEP Investor Relations:

Thanks Mr. Jaber, so now I'm back to, live question. The next question will come from Abbas Muslemi.



Abbas Muslemi, Ubraj Capital:

Thank you for the opportunity. Couple of questions. One on the buyback. When you do finalize with your brokers would you be announcing a maximum price for the buyback? And on a weekly basis, would you be announcing how many shares have been bought back?

Mr. Jaber, OQEP Chief Financial Officer:

So, the details of the execution plan, now we are in discussion, as I mentioned, with our broker, but, I mean, we are not most probably going to announce any pricing or maximum price. I mean, we're working now in the program, and that will be, detailed and deliberated internally.

Abbas Muslemi, Ubraj Capital:

Okay, and the second question is, are there any plans for a stake sale similar to what you had in Block 60 a year or so, a couple of years ago? Is there... are there any divestments on the table?

Mr. Jaber, OQEP Chief Financial Officer:

No, they are not.

Abbas Muslemi, Ubraj Capital:

Thank you.

Mr. Ridho, OQEP Investor Relations:

Now, the next question coming from, Joice Mathew. Joice, please go ahead.

Joice Mathew, United Securities:

Good afternoon, gentlemen. Thank you for the presentation. A question on your capex guidance. During the time of the IPO, you said that your gross capex for 2025-2026 would be around \$4 billion, which equates to your working interest capex of around OMR 250 million. So now your updated capex guidance now stands at around \$700-900 million, which is around OMR 270-350 million. Why are you seeing this increase in spending right now?



On that too, you know, you're shifting your lower end by another OMR 20 million. So, during this year, so far, you have spent around OMR120 million, and as per this guidance, should we be looking at an accelerated spending of around OMR 150 million during the second half?

And also, I wanted to check, you know, how will this have an impact on your dividend, which is scheduled for the second half of this year, which will be distributed in the first half next year.

Mr. Jaber, OQEP Chief Financial Officer:

Maybe I can take the second question, and maybe Dr. Anwar can chip in for the first one. Where it comes to the impact of the capex on the dividends, we don't see really, any, I would say any impact, or that is hindering our ability to pay dividends. I mean, we have been managing our capex spend and our capex programs over the last few years, as well as, even at a low oil price environment, we didn't face any struggle or any constraint where, I mean, where it comes to cutting our capex expenditure due to, any, I mean, reduced oil price environments. To the contrary, the company is really progressing its capex spend, looking into different ways, and modern ways, basically, of managing our projects, coming up with unconventional approaches where we execute our projects, not the traditional way, the EPC way, but more... going more into, what we call a DBOOM concept, where we're basically contracting with our partners, the contractors running these facilities with us to design, operate, maintain, and own these facilities on a lease basis, and that really gives us the opportunity to lower the upfront capex spend on these facilities and phase them out over the later parts of the years.

And, looking into different ways as well when it comes to delivering these projects and making sure that we deliver our projects on time, on budget, as promised, with the quality and HSE standards that we have. So all these elements really didn't impact our ability to manage projects, make sure that we deliver, but also not to face any, cost cutting when it comes to capex spend that impacts our dividends ability.

Mr. Ridho, OQEP Investor Relations:

Thank you, Mr. Jaber. So, the next question, will come from Ahmad Salim. Please go ahead.

Ahmed Salim:

Yeah, thank you. Mr. Jaber, quick question on your recent announcement for dividends and bonus. Are they both linked? The September payment and November, are they both linked to the shareholders' [meeting] on 28 August?

Mr. Jaber, OQEP Chief Financial Officer:

Yes, indeed. So, inshallah, once we have the approval, on the ordinary general meeting, on the meeting that's planned now, on the 28 August, so we'll have the approval from the shareholders for both Q2 and Q3 base dividends and also, we'll have the approval for the performance linked dividends to be paid in Q3 and Q4.

And accordingly, the payment will take place for the base and the performance dividend in September, and respectively for Q3, it will happen, insha'Allah, in November for both the base and the performance dividend.

Ahmed Salim:

Insha'Allah. Thank you.

Mr. Ridho, OQEP Investor Relations:

So, now I'm back to chatbox question. There is question from **Meena Mahamdoof**. What do you think is the reason of the stock price falling down? And the second question, when is the company buyback will happen? I think for the second question, it's same with the previous question. For the first question, Mr. Jaber, why, the share price going down?

Mr. Jaber, OQEP Chief Financial Officer:

Yeah, I think, I mean, share price going down, I think it's the market dynamics. I mean, that's what we have basically been seeing in the market. So, despite the fact that, I mean, the company performance has been, I would say, very robust. Our operational performance, financial performance, our dividend yield is the proof of that. We are, I think, the top-notch companies, as I mentioned, in the country, if not even at the GCC, paying a dividend yield of over 10% which is very attractive for investors, basically even the short-term or even long-term.



Mr. Ridho, OQEP Investor Relations:

Thank you, Mr. Jaber. So, now back to live question.

Ildar Khaziev, HSBC:

Yes, thank you so much. I have one more question about Block 53, and the changes in the fiscal term. So you said that these terms have, you know, were applicable from the 1 March. Can I just double-check whether the first quarter results captured the benefits of it, or rather, in 2Q, yeah, captured the... retroactively, the impact of the improved terms for the month of March of 1Q? Thank you.

Mr. Jaber, OQEP Chief Financial Officer:

Again, thank you, Ildar, for your question. So, indeed, the results, or the, I mean, for the new fiscal terms for Block 53, they have been captured, part of our H1 results. So, as I mentioned, the signing date was in May. However, the agreements were backdated to 1 March. So, indeed, the revised fiscal, revised gas price, and the improved production, they have been captured as part of our H1 results.

Ildar Khaziev, HSBC:

Understood, thank you so much.

Mr. Ridho, OQEP Investor Relations:

Thank you, Mr. Jaber and Ildar. So, I will read again from the chat box the question from **Ahmad Salim**. In percentage, how do you envision the impact of the operational growth on your profitability for the coming few years? Can you quantify the impact, please?

Dr. Anwar, OQEP Chief Executive Commercial:

I mean, I can comment on that, indeed. I mean, OQEP has demonstrated tremendous growth in production, in reserves, in cash flow and financial metrics, EBITDA since inception 15 years ago. So we, you know, increased our production from below 20,000 barrels to today's more than 220,000 barrels of oil equivalent per day. The idea is to, you know, stay the course and continue the growth trajectory, and that's why we are working jointly with the government on several blocks, we are working on the government to amend some of the contracts, extend



some of the contracts, and all of this leads to the growth that OQEP expects to bring, basically, to the table, basically on the same pace as was demonstrated in the past few years. So we have plenty of projects in the, let's say, growth opportunity funnel that we are assessing as we go through be it operated, be it intrinsic growth from existing assets, and growth from new projects. All of it is being looked at and assessed, and the idea is to continue on that growth pace as we move forward.

Mr. Ridho, OQEP Investor Relations:

Okay, thank you so much, Dr. Anwar. And now, back to live question.

Joice Mathew, United Securities:

Yeah, thank you. This is on Block 61. Your current reserves are around 10 TCF, and you have a run rate of around 1.5 BCF, which essentially matches with the term of your EPSA right now. Now, you mentioned that you'll be looking at an additional 2 TCF additional resources. So I wanted to check, you know, how will your production rate will be impacted? Are you planning to work within the current EPSA by lifting 20% more, or extend the EPSA beyond the current 2043 deadline because I know that the field is already tested for 1.8 BCF, so you can, you know, essentially lift it, but at the same time, you mentioned that there is a train which the FID has to come next year. So, you know, how... how are we matching... how are you matching this? Is it contingent on... is the additional production contingent on the train coming on stream?

Dr. Anwar, OQEP Chief Executive Commercial:

OK, I can take that. So, Block 61, the gas block, which is a major gas asset, not only for OQEP, but also for the government. Currently is being monetized via two gas sale agreements and selling basically 1.5 BCF per day gas. The idea is that this will be... this will continue as per plan, and the idea is to increase the production from, basically, increased FDP, or updated FDP from 1.5 BCF per day to 1.8 BCF per day, basically adding 300 million scf per day additional, production. And this will be, additionally, basically produced for the next 15, 20 years, dependent upon the agreement that will basically regulate, if you like, the LNG train for investment.

So, the government has announced indeed an additional train, whereby gas will be utilized from Block 61, and from other blocks, by the way, but some gas will come from Block 61, the 300 million scf a day which will be additional to the current production. I hope this answers your query.



Joice Mathew, United Securities:

So, if I understand that correctly, the additional production will happen only if the train comes on stream, is that right? Because you don't have another GSA right now.

Dr. Anwar, OQEP Chief Executive Commercial:

Well, theoretically, you are right, so the additional production, indeed, will be tied with the LNG when it is ready. However, there are some other discussions going on possibilities to monetize maybe part of the gas in a special way. I cannot comment more on that, but we are in discussion on some early monetization.

Joice Mathew, United Securities:

When you say early monetization, when is it expected to come?

Dr. Anwar, OQEP Chief Executive Commercial:

So, something that could come as early as next year, perhaps.

Joice Mathew, United Securities:

Alright, appreciate it, thanks. A quick question on Block 61 again. See, you mentioned in your report that Block 61 contributes to around 40% of your working interest production. This means, you know, somewhere around 90,000 barrels boe per day. But last year, when you came up with the IPO, you mentioned that the block was producing around 101,000 barrels per day. So, you know, why is there a lower output during this year? I know it's not the lower output, because, you know, Block 61 should be producing equally, and it has plateaued. So, you know, why is the difference in numbers?

Dr. Anwar, OQEP Chief Executive Commercial:

So, the only thing that we have seen in 2025, when we have turnaround, basically for maintenance in Block 61 in Q1 to 2025. That would have caused a slight reduction to the output from Block 61. Otherwise, there is no change from last year, apart from the turnaround for maintenance.



Joice Mathew, United Securities:

So, second half, we should be looking at around 101.

Dr. Anwar, OQEP Chief Executive Commercial:

Yeah.

Joice Mathew, United Securities:

Alright, thanks.

Mr. Ridho, OQEP Investor Relations:

Okay, yeah, we are okay now, we are about to finish, but I think we can still accept one question, the last question from Jasim Hamdan. Please go ahead, Jasim.

Jasim Hamdan:

Assalamu alaykum. May God bless you my brother Jaber and Dr. Anwar, I wish you and your colleagues success. In fact, I just joined the meeting. I hope that some of the Omanis have participate in the discussions, as I see the attendance of over 80 participants approximately. This is the first time I see a company with such attendance, which is something that we are really proud of.

My question is really simple about the in-country value, of course OQEP is a big company and its assets are large and have a big role in the economy, we hope if you can give us an idea about small and medium enterprises and companies that are a role model for Omani youth and how SMEs can take advantage of opportunities at OQ Exploration & Production.

Mr. Jaber, OQEP Chief Financial Officer:

Thank you, my brother Jassim, for your question.

Of course, with regard to in-country value, OQ E&P has committed to launching several initiatives in cooperation with the Oman Investment Authority (OIA), aligned with the programs introduced by the OIA over the past two to three years to support SME development. These initiatives include awarding tenders valued at less than OMR 10,000



exclusively to SMEs, as well as accelerating the payment process to ensure that SME dues are settled within 15 days or less.

We have also introduced programs to support SMEs in building their internal capabilities, helping them establish governance frameworks, prepare financial statements, and develop procurement policies. Each year, we work closely with two to three companies to enable them to participate in tenders issued by OQ E&P or other operators in the oil and gas sector.

Another initiative is being implemented in collaboration with the Ministry of Energy and Minerals, contributing to various national projects. In parallel, the company is executing a number of initiatives aimed at promoting local development in concession areas. Currently, three to four projects are under implementation, with a total value of OMR 3.5 million, in cooperation with the Office of His Excellency the Governor of Musandam. These projects are expected to be completed by the end of this year.

Such initiatives have played a key role in enabling and developing a wide range of SMEs. We are also working closely with contractors and partners to create more opportunities and award contracts to SMEs - helping to qualify these enterprises, build their capabilities, and empower them to compete with international companies both within and beyond the Sultanate.

Jasim Hamdan:

Thank you Mr. Jaber and this is a good initiative from the company

Mr. Ridho, OQEP Investor Relations:

Thank you all, and that is the conclusion of our call today. Thanks again for your participation. If you have any follow-up questions, please contact investor relations teams. You can find our details on the IR website. And a transcript of this call will also be made available on our website soon this week.

Thanks again, and goodbye. Thank you.