

**KISTOS**

# **Credit Investor presentation**

**USD 300m Senior Secured bond issue**

22 April 2026

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# Summary of Risk Factors (1/3)

An investment in the Bonds involves inherent risks. The risk factors below are a summary of the risk factors included in this Presentation and no investor should make any investment decision without having reviewed and understood the risk factors included herein. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this Presentation. The order of appearance of the risk factors is not intended to indicate any likelihood of occurrence.

## RISKS RELATED TO THE BUSINESS OPERATIONS OF THE GROUP

- The Group's hydrocarbon production and offshore operations are subject to geological, mechanical, commercial and environmental factors which may materially affect the Group.
- The Group faces risks of delays in project delivery and higher costs due to schedule delays, cost inflation, contractor availability, supply chain constraints, and drilling performance uncertainties.
- Failure to obtain, renew, or comply with licenses across multiple jurisdictions could materially affect operations.
- Risks exist in participating in new operations in Oman, with no assurance of long-term profitability.
- Limited control over joint venture decisions may limit the Group's control over operations and reduce the Group's net production.
- The Group may suffer material losses from uninsurable, uninsured or insufficiently insured risks relating to different aspects of its operations.
- The Group's reserves and contingent resources are based on estimates that are inherently uncertain, and changes to reserves estimates may significantly impact depreciation charges, impairment testing results and the Group's ability to recover estimated levels of oil or gas.
- Decommissioning liabilities may be accelerated or increased due to earlier-than-expected cessation of production or default by other E&P license partners.
- Inability to replace reserves could materially adversely affect the Group's business and financial position.
- Loss of key personnel at critical junctures could negatively affect project delivery and increase costs.
- Adverse changes outside of the Group's control may affect available liquidity and refinancing possibilities, which may result in covenant breaches or insolvency.
- Sustained decline in oil and gas prices could adversely affect cash flow and debt service ability.
- The Group operates across multiple jurisdictions and currencies, and changes in exchange rates between USD, NOK, GBP and EUR could lead to significant changes in the Group's reported financial results.
- Factors beyond the Group's control, such as export route limitations or circumstances related to buyers, may limit its ability to sell produced oil and gas.
- The Group relies on external independent contractors for operational tasks, and supply chain disruptions or contractor issues may negatively affect operations.
- Unavailability of processing and transport capacity, including the unavailability of third-party infrastructure, could reduce the Group's income relating to the sale of oil and gas.
- Criminal or terrorist action could disrupt the Group's operations or increase operating costs.
- Non-compliance with health, safety, security and environment rules may result in regulatory actions and liabilities, including withdrawal of licenses, fines or penalties, and obligations to compensate for environmental damage.

# Summary of Risk Factors (2/3)

## LEGAL, POLITICAL AND REGULATORY RISKS

- Retrospective taxation or material changes to tax regimes may render currently economic projects unviable, forcing earlier cessation of production.
- Uncertainty relating to Dutch Solidarity Contribution Tax may lead to material fines or penalties, which could have a material impact on the Group's liquidity position.
- Changes in national government policies in different jurisdictions may affect the Group's ability to deliver its strategy, including through refusal of permitting applications, increased regulatory costs, and an inability to win new licenses.
- Regional conflicts could materially impact Oman operations and energy infrastructure.
- Difficulties in interpreting laws or enforcing judgments in Oman may affect operations.
- Emission-reducing measures in Oman could increase costs, reduce production, or prevent extension of current licenses.
- If the Central Bank of Oman cannot maintain the currency peg of the Omani Rial, it could adversely affect the Group's operations in Oman.
- Energy transition policies could lead to higher costs and reduced demand.

## FINANCIAL RISKS AND RISKS RELATED TO DEBT OBLIGATIONS

- The Group may be exposed to financial loss if counterparties to contracts fail to meet their obligations.
- Substantial indebtedness may limit financing ability and increase vulnerability to adverse conditions.
- The Group's ability to generate sufficient cash depends on factors beyond its control.
- The Group's working capital needs are difficult to forecast, which could affect the Group's ability to obtain required funds on satisfactory terms.

# Summary of Risk Factors (3/3)

## RISKS RELATED TO THE BONDS

- Enforcement of transaction security may be insufficient to cover the Bonds, and certain securities may not be created or enforceable.
- Enforcement of the mortgage over Norwegian petroleum licenses could be legally challenged.
- Enforcing judgments across jurisdictions may be time-consuming and uncertain.
- Shared transaction security and majority bondholder instructions may result in less favourable outcomes for individual bondholders.
- Under Dutch law, there is a risk that security interests cannot be validly created in favour of a person who is not the creditor of the secured claim, and the enforceability of the parallel debt concept used to address this remains uncertain under Dutch law.
- The claims of the Bondholders may be structurally subordinated to the claim of the creditors of the Issuer's subsidiaries.
- A breach of any financial covenant could trigger cross-defaults and accelerate repayment.
- The Bond Terms provide for optional redemption by the Issuer, which may limit the market value of the Bonds and prevent bondholders from reinvesting proceeds at comparable rates.
- The Bond Terms may be amended against the interests of the individual bondholder.
- The bonds are subject to significant transfer restrictions, including in the United States.
- Operating across multiple legal frameworks increases non-compliance risk.
- The security and guarantee package is subject to Agreed Security Principles which may limit instances in which guarantees or security are required, potentially resulting in Bondholders having less security than expected.
- The ability to enforce share pledges over Group Companies may be limited by change of control provisions and regulatory requirements across jurisdictions.
- Expansion into new regions carries uncertain legal, regulatory and political risks.
- If an Obligor becomes subject to insolvency or restructuring proceedings, Bondholders may recover materially less than expected due to local insolvency regulations.

# Issuer characteristics

## Issuer characteristics

### **Business overview:**

- Kistos Holdings Plc (the “**Issuer**”, “**Kistos**”, the “**Company**”, and together with its subsidiaries, the “**Group**”) is an independent E&P company established in October 2020. The company focuses on building a long-term portfolio with high-quality production and development assets, energy storage infrastructure and energy generation projects
- On 9 December 2025, Kistos announced that it had entered into a binding agreement to acquire 5% working interest in Block 9 and 20% working interest in Blocks 3&4 from Mitsui E&P Middle East B.V. (“**MEPME**”), both located onshore in the Sultanate of Oman (the “**Transaction**”)
- All necessary approvals for the transfer of Blocks 3 & 4 have been obtained, including Ministerial Approval, with completion expected following issuance of the Royal Decree. Block 9 expected to complete in the near term due to the different EPSA framework

### **Ownership:**

- Andrew Austin, the founder and Executive Chairman of the Company, controls 17.23% of the shares

### **Listing status:**

- The shares of the Issuer are listed on the Alternative Investment Market (AIM) where they have been listed since November 2020
- The outstanding bonds are listed on Nordic ABM, and the Company shall apply for the Bonds to be listed on Nordic ABM within 6 months of the first issue date

### **Capital market experience:**

- The Issuer has extensive capital markets experience from both equity and debt transactions
- Kistos has been a frequent issuer in the Nordic bond market

### **Other issuer characteristics:**

- Country of registry: England and Wales
- Country of operations: Norway, Netherlands, UK and Oman
- Auditor: BDO LLP

## Confirmatory work conducted in connection with the bond issue

- The Issuer has signed a Declaration of Completeness and concluded a bring down due diligence call, confirming to the Managers that, inter alia, the marketing materials in all material aspects are correct and complete and that all material matters relevant for evaluating the Issuer and the transaction are disclosed in the marketing materials
- In connection with the contemplated Transaction, Kistos has carried out the following due diligence of MEPME and Oman through an Omani law memorandum from local legal counsel (Al Busaidy, Mansoor Jamal & Co)
- The Issuer has engaged Welligence Energy Analytics to review the MEPME assets, and has based on its review made an Upstream Asset Report dated August 2025
- The law firm Advokatfirmaet Arntzen Grette, with support from Watson Farley Williams (UK), Baker McKenzie (the Netherlands) and Trowers & Hamlin (Oman), has acted legal counsel to the Managers and conducted a limited legal due diligence and has reviewed the risk factors prepared by the Issuer and its legal counsels
- The Managers and their legal counsels have conducted confirmatory discussions with the management of the Group during the preparation phase of the Bond Issue to gain a better understanding of, inter alia, the business, market position, and financial development of the Group

## Overview of advisors to the Managers and the Issuer

- ABG Sundal Collier and Fearnley Securities are acting as Joint Lead Managers to the Issuer (the “**Managers**”)
- The law firm Advokatfirmaet Thommessen acts as legal counsel to the Issuer
- The law firm Arntzen Grette (Norway), Watson Farley Williams (UK), Baker McKenzie (the Netherlands) and Trowers & Hamlin (Oman) have acted as legal counsels to the Managers in connection with the issuance of the Bonds

# Agenda

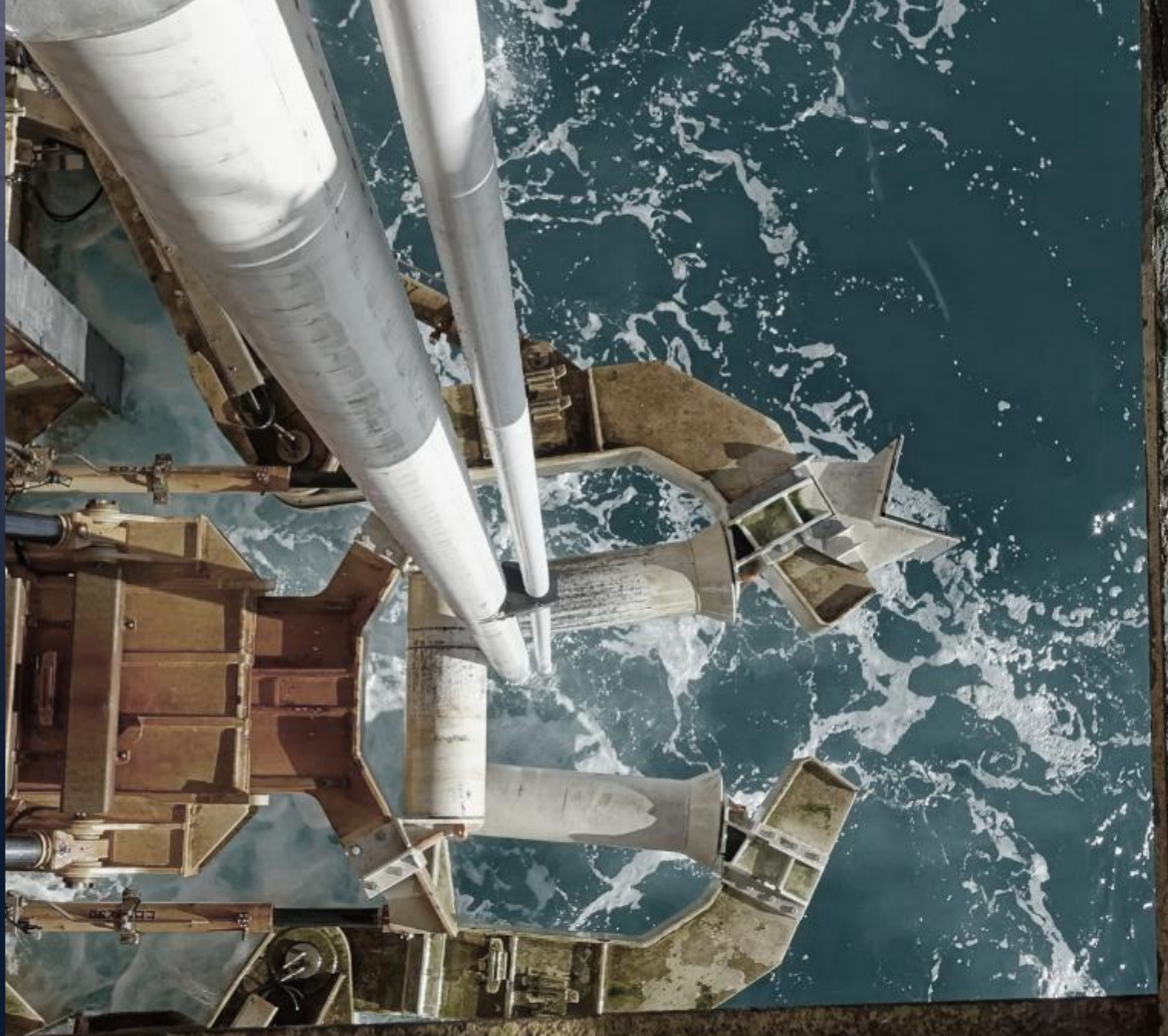
1. Transaction Overview
2. Introduction to Kistos
3. Financial overview
4. Asset Portfolio
5. Supporting Materials
6. Risk Factors





**KISTOS**

# Transaction Overview



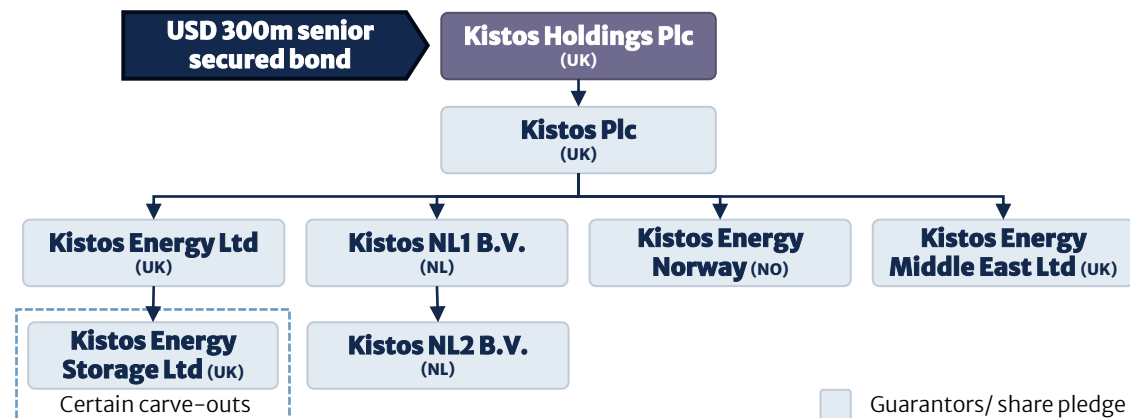
# Transaction summary

## Highlights

- Kistos, an independent, UK-based, E&P company focused on creating value in the energy sector, is contemplating issuing a Senior Secured Bond of USD 300m with a 4-year tenor
- Net proceeds from the contemplated bond issue will be applied towards refinancing of the outstanding bonds (ISIN NO0012867318 & NO0011142036) in Kistos Energy Norway in an aggregate amount of approximately USD ~280 million (plus accrued and unpaid interest), and general corporate purposes of the Group
- On 9 December 2025, Kistos announced that it had entered into a binding agreement to acquire 5% working interest in Block 9 and 20% working interest in Blocks 3&4 from MEPME, both located onshore in the Sultanate of Oman
- On 22 April 2026, Kistos announced that Blocks 3 & 4 has received ministerial Approval for the transfer which will now complete on receipt of Royal Decree, and Block 9 is expected to complete in the near term due to the different EPSA framework
- The Bonds will be secured by Kistos' asset portfolio in Norway, Oman, the Netherlands and the United Kingdom
  - Kistos' gas storage asset in the UK will have certain carve-outs

Sources	USDm	Uses	USDm
Senior secured bond	300	Refinancing of existing debt	289
		General corporate purposes <sup>1)</sup>	11
<b>Total</b>	<b>300</b>	<b>Total</b>	<b>300</b>

## Simplified pro forma corporate structure



## Key structuring metrics and pro forma capitalization

	31.03.2026	Adj.	31.03.26 PF
KEN001 & KEN002 (Kistos Energy Norway) <sup>2)</sup>	289	(289)	-
New senior secured bond (Kistos Holding Plc)	-	300	300
<b>Gross interest-bearing debt</b>	<b>289</b>		<b>300</b>
Cash position	176 <sup>3)</sup>		39 <sup>3)</sup>
Norway tax receivable	28		28
<b>Net interest-bearing debt (NIBD)</b>	<b>85</b>		<b>233</b>
EBITDA 2026 (pro forma) <sup>4)</sup>			300
<b>Net debt / EBITDA PF</b>			<b>0.8x</b>

# Summary of bond terms

<b>Issuer:</b>	Kistos Holdings PLC
<b>Guarantors:</b>	Each group company
<b>Status:</b>	Senior Secured
<b>Amount:</b>	USD [300] million
<b>Framework:</b>	USD [400] million
<b>Amortization:</b>	None, bullet at maturity
<b>Tenor:</b>	4 years
<b>Interest Rate:</b>	[●]%, payable semi-annually in arrears
<b>Call Options:</b>	Make-whole 24 months, then callable at <i>par</i> plus 50/ 37.5/ 25/ 0% of the Coupon after 24/ 30/ 36/ 42 months, and 100.5% last six months
<b>Use of Proceeds:</b>	Net proceeds to (i) refinance KEN001, (ii) refinance KEN002, and (iii) general corporate purposes
<b>Security:</b>	First priority charge over all shares owned by each Obligor (incl. the Issuer) in its direct Subsidiaries; Downstream Loan; Escrow Account; Charged Accounts; Qualified Intra-Group Claims; monetary rights and claims under insurances related to Hydrocarbon Assets and associated infrastructure; Norwegian law floating charges over (i) trade receivables, (ii) operating assets and (iii) inventory; and Hydrocarbon Assets in the UK. No transaction security shall be taken over the assets of Kistos UK Gas Storage. See Bond Terms for complete and detailed description of the Security Package
<b>Undertakings and Restrictions:</b>	Customary information undertakings including but not limited to financial reporting; Reserves reporting; compliance certificate and notifications. General undertakings on authorisations; compliance with laws; continuation of business; mergers and de-mergers; ownership; disposals; pari passu ranking; corporate status; nature of business; operations; arm's length transactions; dividend restrictions; financial indebtedness; negative pledge; financial support; investments; hedging; anti-corruption and sanctions; security documents; license documents; insurances; the downstream loan; subsidiary distribution and dissolution of holding companies
<b>Financial Covenants:</b>	The Issuer shall ensure that the Group companies comply with the following financial covenants: <i>(a) Liquidity:</i> minimum Liquidity of no less than an amount equal to the higher of (i) USD 15 million and (ii) 5% of the Group's Gross Interest Bearing Debt <i>(b) Leverage:</i> maintain a Leverage Ratio not exceeding 2.25x
<b>Incurrence Test:</b>	The incurrence test is satisfied with respect to: (a) Tap Issue or issuance of Permitted Pari Passu Bonds if (i) Leverage Ratio does not exceed 1.50x, and (b) Permitted Distribution if (ii) Leverage Ratio does not exceed 1.25x; and Liquidity exceeds an amount equal to the higher of (A) USD 45 million and (B) 15% of the Group's Interest Bearing Debt
<b>Permitted Financial Indebtedness:</b>	Means the Bonds; Downstream Loans and any Intra-Group Claims; any Permitted Pari Passu Bonds; Offtaker Credit Facility; Non-Recourse Debt; Subordinated Loan; Financial Indebtedness incurred by Kistos UK Gas Storage, provided that no recourse to or financial support from any other Group Company; Hedging; Financial Indebtedness in relation to letter of credits, surety bonds, insurance bond indemnities and/or similar guarantees; finance or capital leases; any loan, guarantee or indemnity permitted by the definition of Permitted Financial Support; any deferred payment obligation of acquisition costs to a seller of a Hydrocarbon Asset; forward sale of hydrocarbons; Acquired Financial Indebtedness which is repaid within 90 days; Financial Indebtedness arising as a result of a refinancing of the Bonds; general basket of USD 5 million
<b>Distributions:</b>	Subject to satisfaction of the Incurrence Test, maximum 50% of the Adjusted Free Cashflow to Equity for the previous financial year
<b>Put Option:</b>	Bondholder put option @ 101% upon the occurrence of Change of Control Event or a Share De-Listing Event
<b>Listing:</b>	The Issuer shall apply for a listing of the bonds within 6 months of the Issue Date, the Bonds are to be listed on the Nordic ABM
<b>Governing Law:</b>	Norwegian law bond agreement, applicable law security documents
<b>Bond Trustee:</b>	Nordic Trustee
<b>Managers:</b>	ABG Sundal Collier ASA and Fearnley Securities AS

# Key credit highlights

- 1 Proven track record of creating value in the energy sector**
  - Since establishment in 2020, the Company completed 5 successful acquisitions and has built a solid, diversified portfolio across Europe and onshore Oman
  - Through a disciplined and agile investment approach, Kistos has managed to produce 15 mmboe to date with ~49 mmboe of pro forma 2P Reserves at 31 December 2025 exhibiting material remaining potential
- 2 Diversified and integrated portfolio of low risk, high quality assets**
  - High-quality, long-life assets will provide stable, low-risk production and diversify Kistos' portfolio into a proven supportive Middle East jurisdiction, outside the Strait of Hormuz
  - Good visibility on production from the North Sea with the Balder Area being the primary driver of production from the region
  - Expansion of UK gas storage capacity towards c.36m therms, which will be fully operational by 2028
- 3 Robust cash flow generation**
  - Pro forma production guidance of 19–21kboepd for 2026 supporting strong cash flow generation
  - Multiple Balder projects ongoing to sustain 70–80kboepd gross through 2030s
  - Oman acquisition is expected to be immediately cash generative
- 4 Strong financial resilience and conservative strategy**
  - Acquisition significantly strengthens cash flow from operations on a pro forma basis
  - Net leverage ratio expected to be materially below the net leverage coverage ratio throughout the bond tenor and extending the maturity profile
  - Continued focus on maintaining ample liquidity available to execute on strategic objectives
- 5 Led by a highly experienced management team**
  - The management team has extensive experience in the oil and gas industry, with Kistos being the third business the team has started and built
  - Significant track record of participating and completing numerous M&A transactions across Europe and the MENA region both onshore and offshore
  - Kistos' strategy has proven highly successful in Europe, and the Group's objective is to replicate it in the MENA region

# Today's presenters



**Andrew Austin**

Executive Chairman



**Peter Mann**

Chief Executive Officer



**James Thomson**

Chief Financial Officer



KISTOS

# Introduction to Kistos



# Strong value creation achieved from asset acquisitions

## The Kistos value proposition



### Repeatable track record of value creation

Disciplined investment approach isolating genuinely low-risk, high-value opportunities



### Fast decision-making enabled by a long-standing, cohesive team

Solution-oriented mindset that keeps transactions moving through complexity



### Accretive focus

Target mid-life assets that deliver instant cash-flow and identify upside others overlook



## Key strategic priorities for 2026



### Deliver operational performance

- ✓ Deliver guidance of 19–21 kboepd
- ✓ Continued focus on cash flows
- ✓ Ensure safe, reliable operations with strong HSE performance across all assets



### Maximise organic growth across the portfolio

- ✓ Integrate Omani assets and progress 2C developments
- ✓ Continue delivery of Balder Phase V wells, achieve first oil Balder phase VI and mature Balder Next project
- ✓ Sanction Glendronach and increase UK Gas storage capacity to 36m therms



### Strengthen platform and enhance M&A upside

- ✓ Refinance Kistos Norway debt
- ✓ Strengthen the balance sheet and deepen credibility within the MENA region
- ✓ Advance EMEA-wide pipeline for growth

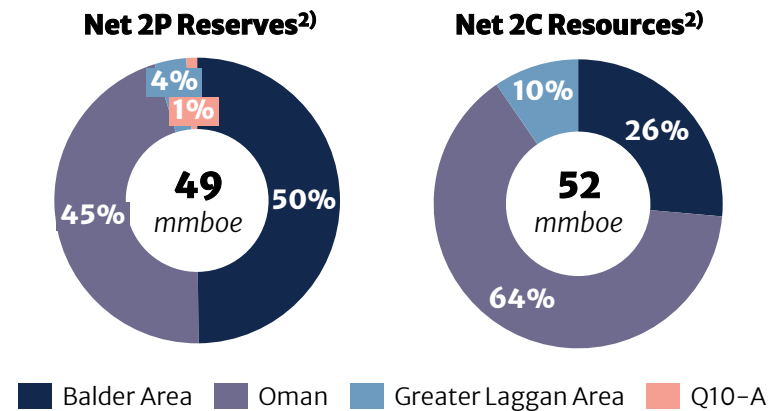
# Kistos at a glance

Independent UK-based energy company with a successful track record of value creation

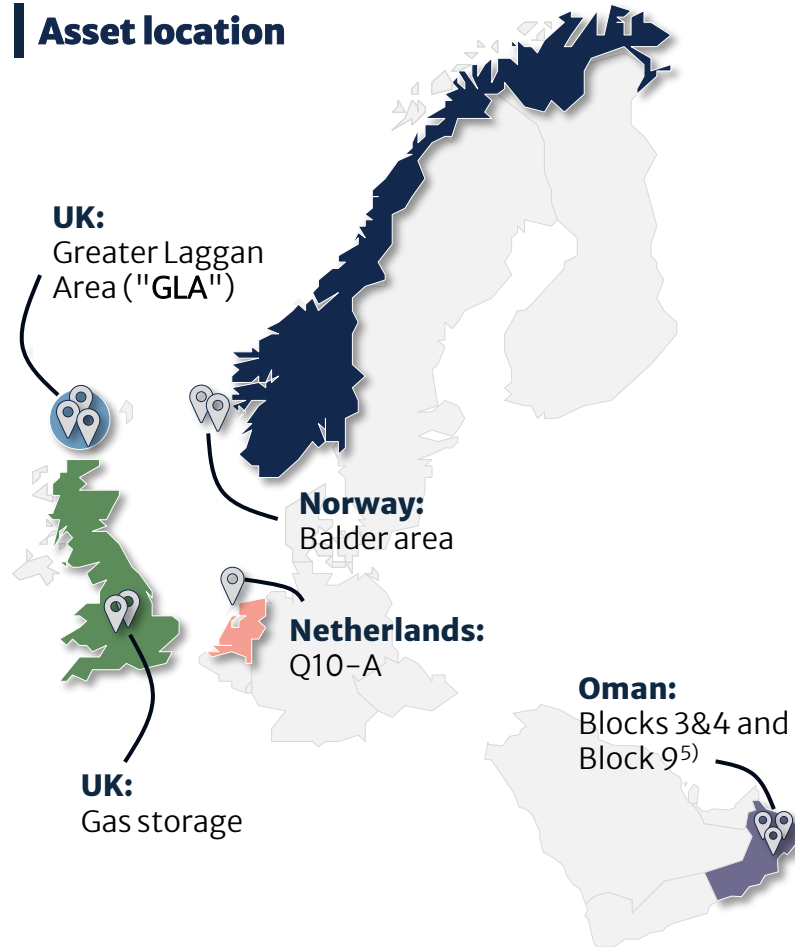
## Company snapshot

<b>2020</b> Established	<b>London, UK</b> Headquarters
<b>53</b> Full time employees <sup>2)</sup>	<b>53</b> Producing wells <sup>1),2)</sup>

## Reserves and Resources by asset



## Asset location



## Key group metrics

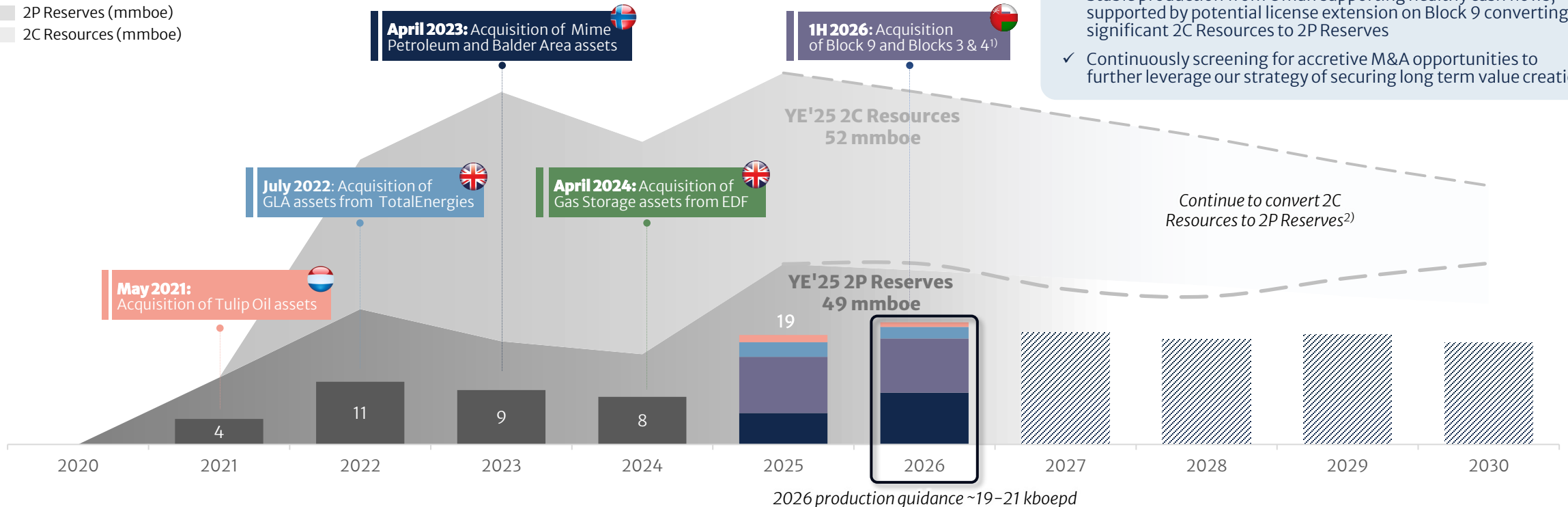
<p><b>USD ~330m</b> Cumulative CFADS (2026e-2030e)</p>	<p><b>~19-21 kboepd</b> Avg. net production level (2026e)</p>
<p><b>USD ~17</b> Opex per boe<sup>3)</sup></p>	<p><b>USD ~13</b> Capex per boe<sup>3)</sup></p>
<p><b>USD 298m</b> Market cap.<sup>4)</sup></p>	<p><b>0.8x</b> PF NIBD/EBITDA</p>

# Clear visibility on future production and cash flow generation

Proven ability to execute on strategic objectives to be continued in the Balder Area and Oman

## Historical and future production, Reserves and Resources<sup>1)</sup>

- Total production (boepd)
- Balder
- Oman
- GLA
- Q10-A
- 2P Reserves (mmboe)
- 2C Resources (mmboe)















**Average production to exceed 18kboepd net to Kistos over the contemplated bond tenor**

- ✓ Significant near-term growth expected from Balder with additional drilling phases and extension of field life beyond 2045
- ✓ Unlocking further production potential in the GLA through infill drilling and tie-backs
- ✓ Stable production from Oman supporting healthy cash flows, supported by potential license extension on Block 9 converting significant 2C Resources to 2P Reserves
- ✓ Continuously screening for accretive M&A opportunities to further leverage our strategy of securing long term value creation

# Stable operating base with significant low-risk upside

Upcoming triggers align with M&A compounding strategy

Core producing assets

	Norway			Oman			United Kingdom		Netherlands
Asset									
	<b>Balder</b>	<b>Blocks 3&amp;4</b>	<b>Block 9<sup>1)</sup></b>	<b>GLA</b>	<b>Hill Top &amp; Hole House</b>	<b>Q10-A</b>			
Description	<ul style="list-style-type: none"> <li>✓ Core production hub</li> <li>✓ Expected production through 2045</li> </ul>	<ul style="list-style-type: none"> <li>✓ Long life producing asset</li> <li>✓ Multi-year, multi-phase field development</li> </ul>	<ul style="list-style-type: none"> <li>✓ Conventional oil field</li> <li>✓ 4% of Oman's total daily output</li> </ul>	<ul style="list-style-type: none"> <li>✓ Major gas-condensate development</li> <li>✓ Tie-back to Shetland Gas plant</li> </ul>	<ul style="list-style-type: none"> <li>✓ Fast-cycle storage capacity</li> <li>✓ Gas price volatility upside</li> </ul>	<ul style="list-style-type: none"> <li>✓ Late life producing asset</li> <li>✓ 5 wells producing</li> </ul>			
Operator	 <b>vår energi</b>	 مسي سي ايزي ديڤالوپمنت CC ENERGY DEVELOPMENT	 <b>OXY</b> Occidental of Oman Inc. اوكسيدنتال عمان انكروپريتيد		 <b>KISTOS</b>	 <b>KISTOS</b>			
Short-term focus	Conversion of resources to reserves	Enhance recoveries and increase production	License extension <sup>2)</sup>	Tie-back opportunities to extend field life	Increase storage capacity to 36m therms	Cost reduction initiatives Platform sale being explored			
	Non-operated			Operated					

# The Balder Area is a strategic asset for Vår Energi

Stable production with significant upside potential from the 8<sup>th</sup> largest oil field offshore Norway<sup>1)</sup>

## Commentary

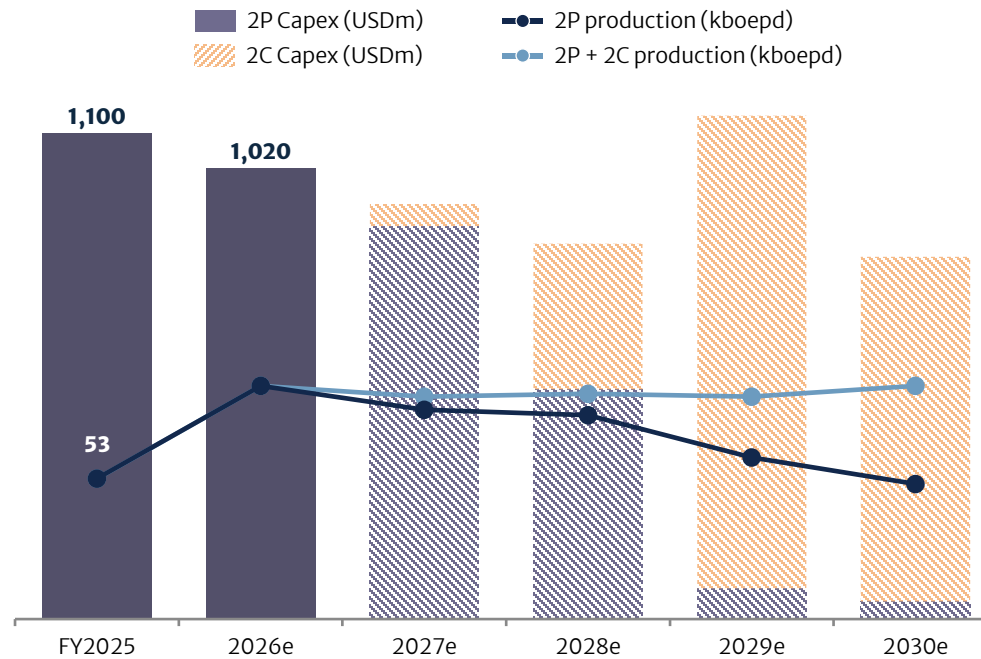
Balder Area is transitioning from tail production to hub-led second-phase life

The 2020 PDO reset + Jotun FPSO start-up flips the asset from late-life decline management to a multi-phase redevelopment and tie-back platform

### Forward trajectory is phased and repeatable:

- I. Balder X established host
- II. Phase V/VI sustain and grow
- III. Balder Next and additional tie-backs extend the runway into the late 2040s and beyond
- IV. ~70k tonnes annual reduction of CO2 emissions from 2028 through removal of Balder FPU

## Capex program to yield stable production<sup>3)</sup>



## Asset highlights (Gross)



**USD 3.8bn**  
Invested to date



**70-80 kboepd**  
Production towards 2030

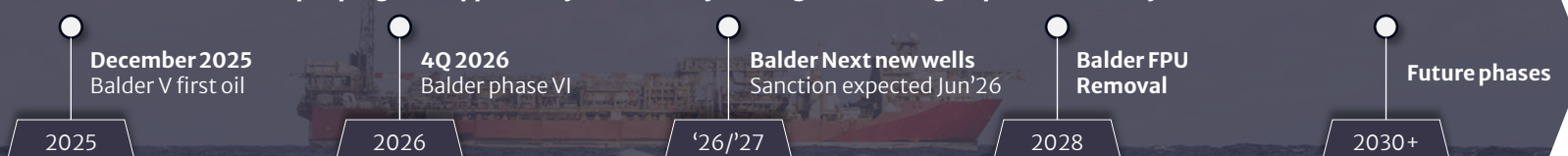


**USD ~19/ boe**  
2P capex over the bond tenor<sup>2)</sup>



**USD 14/ boe**  
Opex over the bond tenor<sup>2)</sup>

### Capex program supported by ~78% "carry" through the Norwegian petroleum tax system



# Balder JV – developing high margin barrels fast

Advancing the next wave of resource growth

## Advanced Balder development

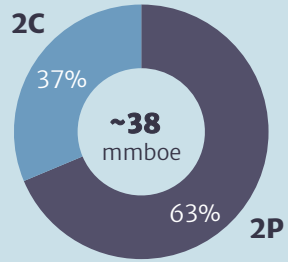
### Balder Phase V & VI (Production and development)

- Phase V targeting ~3.5 mmboe net is in production with first 3 wells producing and 2 more expected on-stream during 2026
- Phase VI targets ~1.5 mmboe net and is under development with planned start-up by end-2026, payback of less than one year

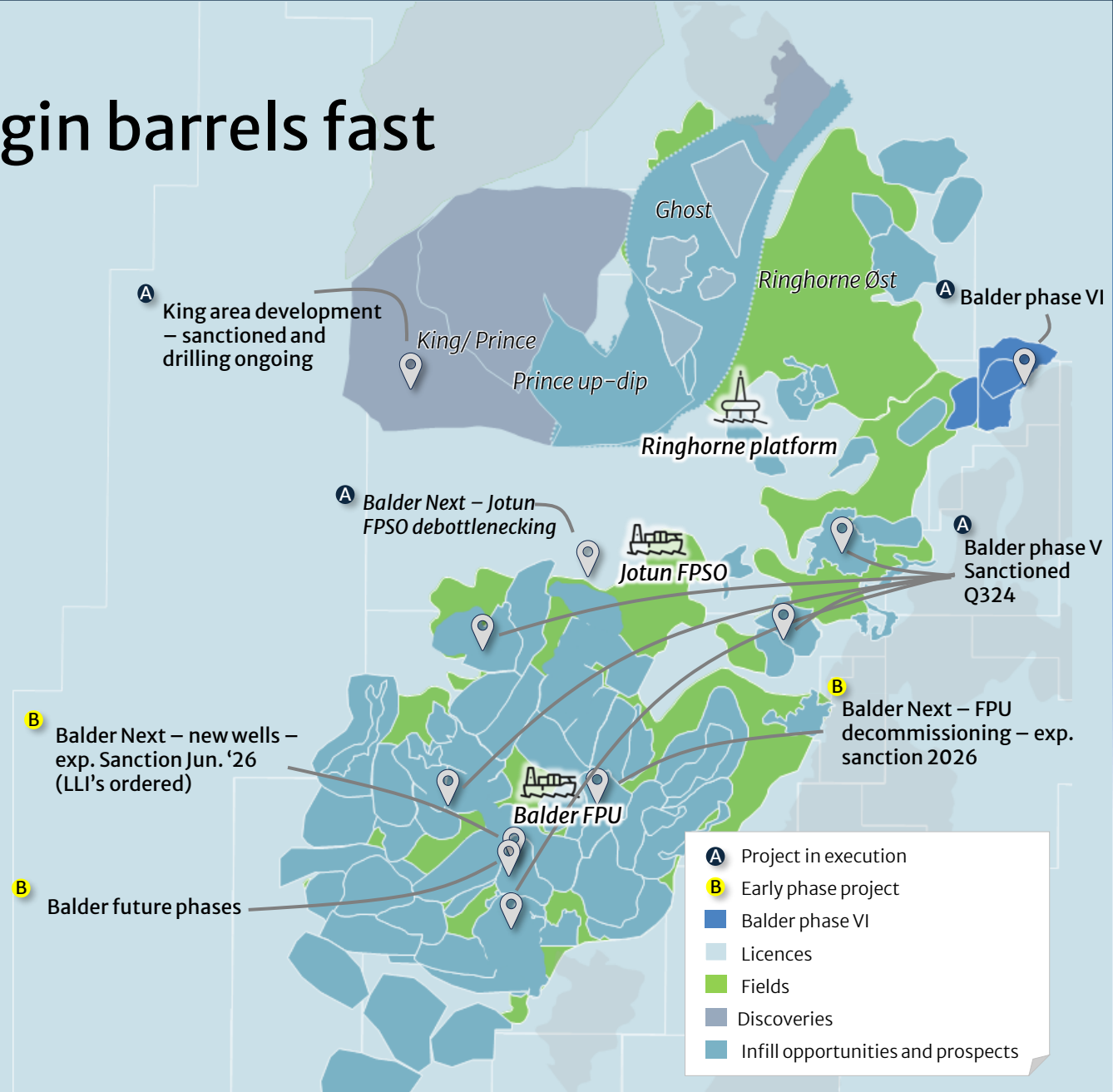
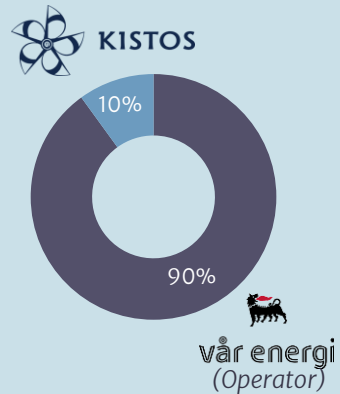
### Balder Next (In maturation)

- The Balder Next projects consist of Next New Wells, Jotun FPSO debottlenecking, and Balder FPU decommissioning
- The project aims to leverage existing infrastructure, enabling short-cycle developments
- Balder Next New Wells is being matured and aims for capital-efficient infill drilling and tie-backs targeting ~5.5 mmboe net in the first phase
- The ongoing Jotun FPSO debottlenecking project will increase gas and water handling capacity to replace the current capacity at the Balder FPU
- The Balder FPU will be decommissioned in 2028 realising significant CO<sub>2</sub> reduction and OPEX savings of USD 130 million per year from 2028 and onwards

## Net Resource base<sup>1)</sup>



## Working interest



# Oman acquisition complements the portfolio

The Omani assets offer low-cost, liquids-weighted production and resilient cash flows – Outside Hormuz

## Commentary

Blocks 3&4 are multi-phased developments for production with ongoing infill, appraisal and exploration drilling

Block 9 is a high-quality, long-life asset with significant historical output and material potential upside from ongoing license extension negotiations

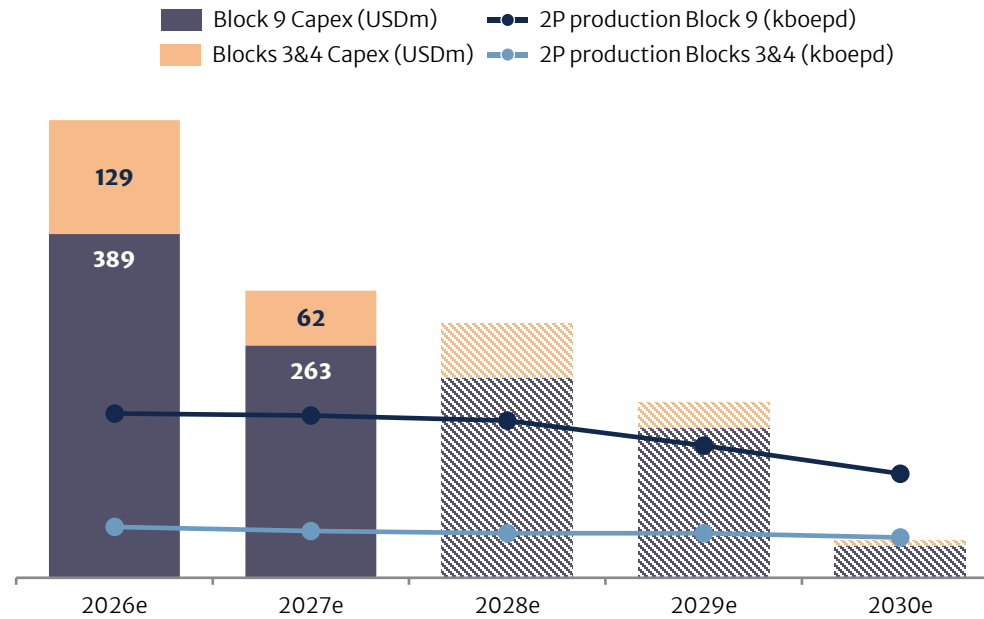
### Stable base production with upside potential

- Efficiency upgrades on Blocks 3&4 and offsetting decline via continued drilling
- Block 9 license extension will enable further investments in developments utilizing existing infrastructure

### Limited disruptions

- The only Gulf state whose hydrocarbon exports do not depend on the Strait of Hormuz, significantly reducing its vulnerability to maritime disruption

## Conservative 2P Capex profile enables low-cost production<sup>1)</sup>



## Portfolio highlights (Gross)



**USD 539m**  
Invested in 2025



**~42 mmboe**  
Produced in 2025



**USD ~7/ boe**  
2P capex over the bond tenor<sup>2)</sup>



**USD 14/ boe**  
Opex over the bond tenor<sup>2)</sup>

### Core focus areas for the operators

**Going from growth to sustain/optimize**  
Continue infill + appraisal around proven hubs

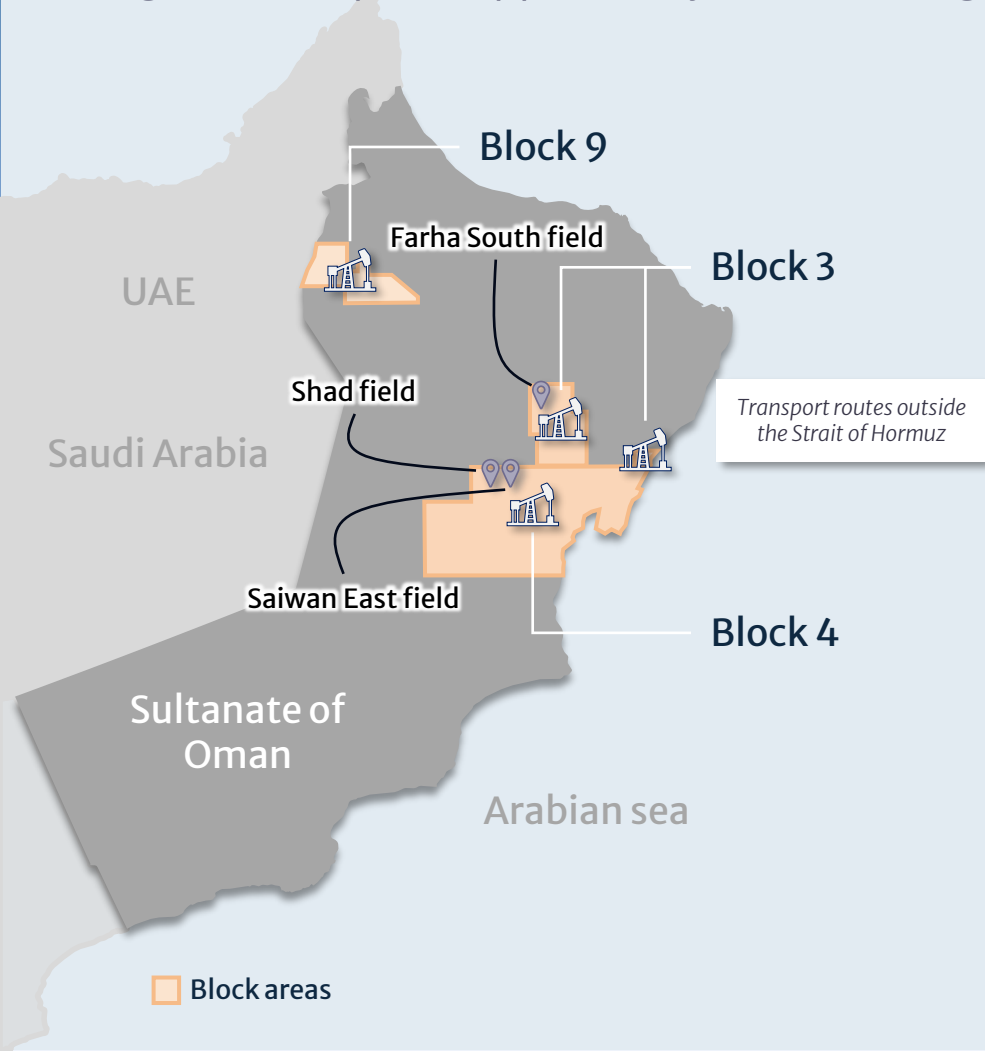
**Extension to unlock next recovery phase**  
Sustaining base production while adding incremental barrels

Blocks 3&4

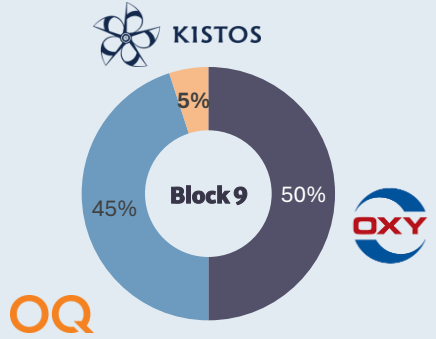
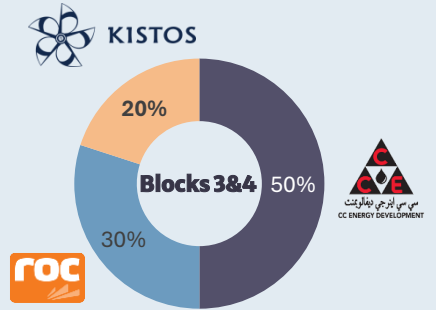
Block 9

# Omani acquisition provides stable cash flow generation

Significant upside opportunity exists through commercial and technical disciplines



## Working interests



## Continued stable cash flow generation

### Seasoned, cash-generative producing assets under stable EPSAs

- Blocks 3&4 and 9 are long-producing, onshore Omani assets providing contractual cost recovery and fiscal stability

### Strong near-term liquids heavy production

- Gross production of 114kboepd in 2025, of which 90+% liquids, supporting operating margins and free cash flow resilience

### Low-risk forward plan: decline management over exploration

- Activity going forward will be focused on infill drilling, reservoir optimization and decline mitigation with experienced operators

### Downside protection from scale, diversification and fiscal design

- Multiple producing fields, long reserve life (Block 9), liquids weighting and EPSA cost-recovery materially dampens downside risk in lower-price scenarios in an investment grade jurisdiction

### Block 9 license extension ("LE") yields significant upside trigger

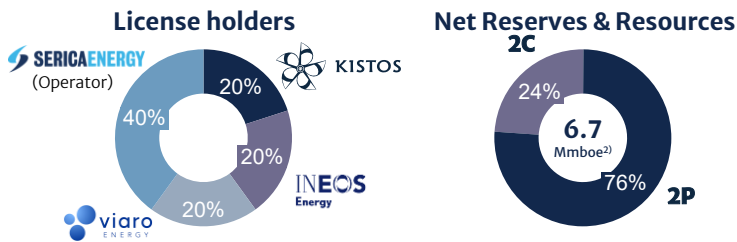
- Extending the time horizon to monetize remaining resources to execute higher-return programs
- Improves infrastructure utilization and de-risks long-cycle capex improving cash flow visibility
- Continues to offer significant long-term production and exploration opportunities

# Additional assets underpin the value of the security package

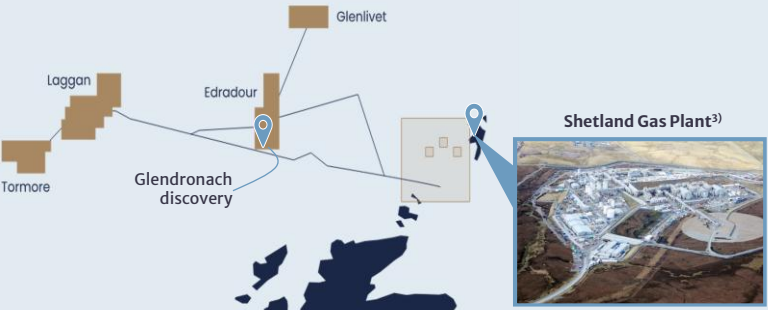
Producing gas fields and gas storage facility yielding diversified revenue streams

## Greater Laggan Area (“GLA”)

- Proven, infrastructure-led gas hub with established UK export routes, high utilization and low technical risk, underpinned by long operating history
- Serica Energy has a cash yield focused strategy, prioritizing returns and extended asset life through low-risk brownfield optimization<sup>1)</sup>
- Upside potential through progress to extend field life and increase throughput “principally” with development of Glendronach



### Four producing subsea fields tied back to the Shetland Gas Plant



## Hill Top and Hole House gas storage

- Midstream optionality and gas price volatility upside from strategic, fast-cycle gas storage assets
- Offers flexible capacity, critical to balancing gas markets, particularly in high volatility pricing environments
- Economics driven by trader optimization rather than production and capex risk
- Funded through third-party prepayment under a profit-share agreement, further strengthening our long-standing relationship with a leading multinational gas trading house
- Work has commenced on returning the Hole House gas storage facility to service, which will increase gas storage capacity by 63%

**Hole House FID**

Estimated CAPEX USD ~25m<sup>4)</sup>

**140m therms<sup>5)</sup>**

Equivalent to >6 full-to-empty cycles

## Q10-A

- Established offshore hub with producing history and infrastructure available
- Current strategic focus is to work with HUB partners to maximise throughput and reduce unit costs ahead of cessation of production (COP) which is expected to be in year end 2027
- Currently advancing works and scheduling to minimize abandonment costs in 2027/28

Map of the Southern North Sea showing production and exploration licenses. Licenses include Q07a, Q10a, Q10b, Q11b, M10a, and M11. The Q10-A offshore hub is highlighted.



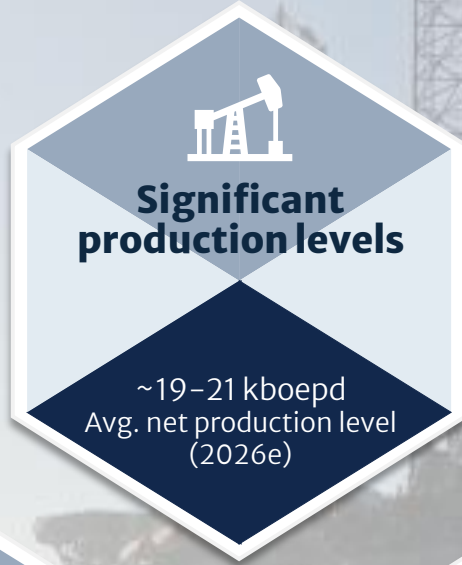
**KISTOS**

# Financial Overview



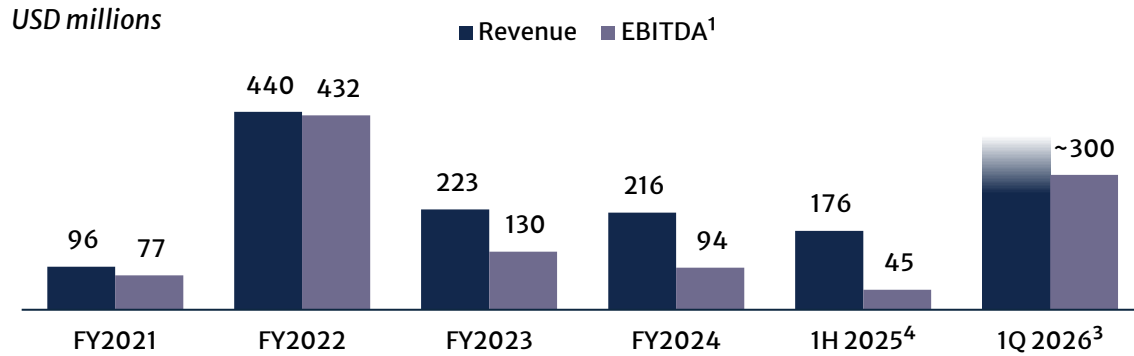
# Robust and attractive financial metrics

Strong production, strong cash generation

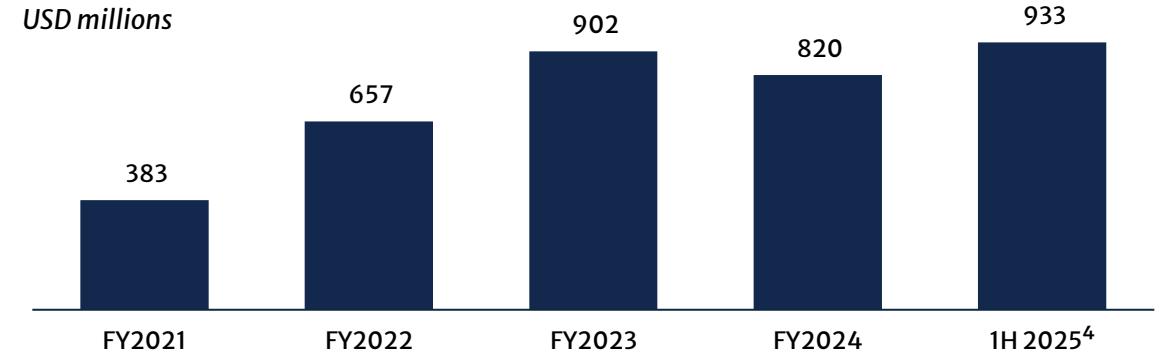


# Ensuring prudent financial profile through growth phase

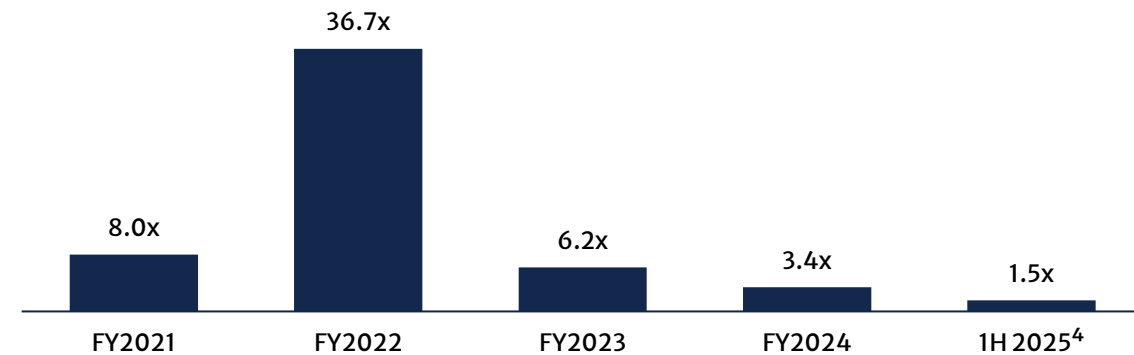
## Revenue and EBITDA



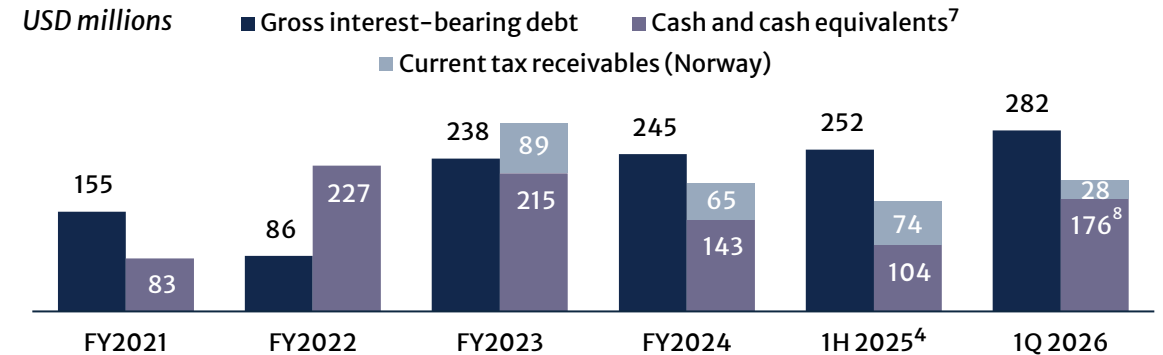
## Book value of assets<sup>6)</sup>



## Net interest coverage ratio<sup>2)</sup>



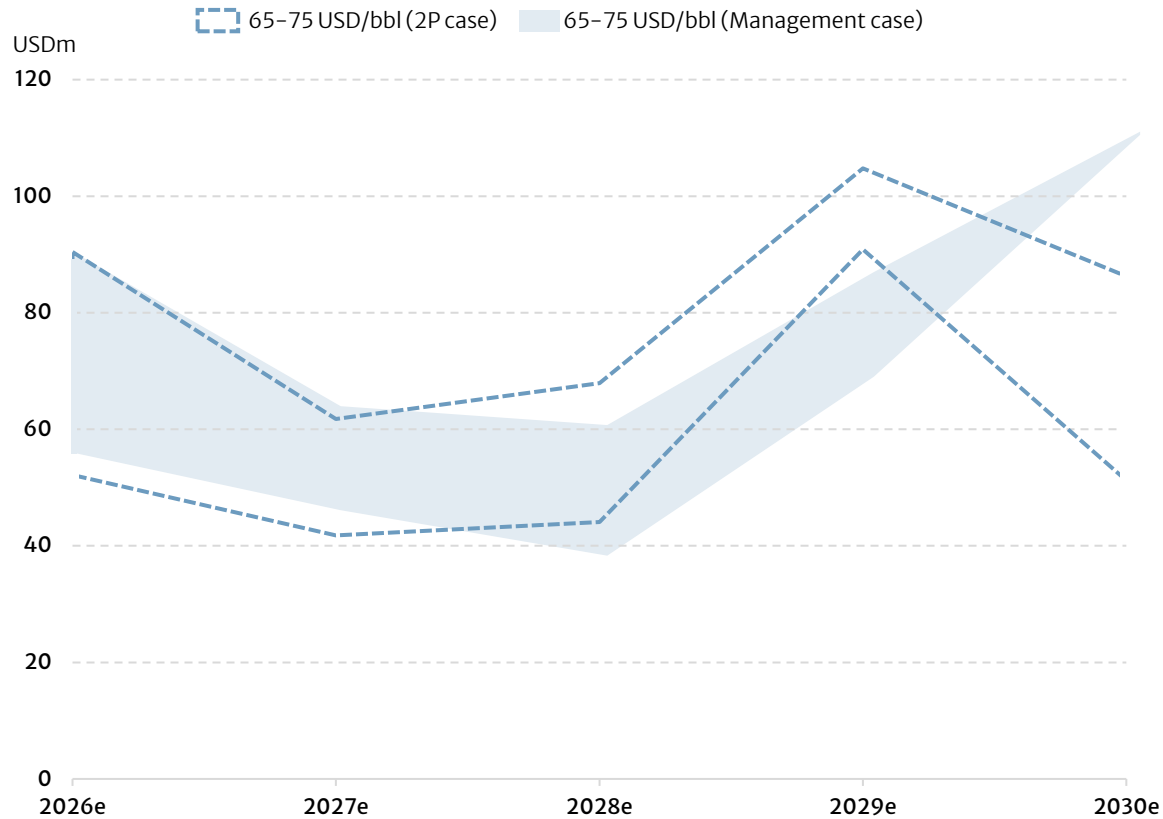
## Debt and cash position<sup>6)</sup>



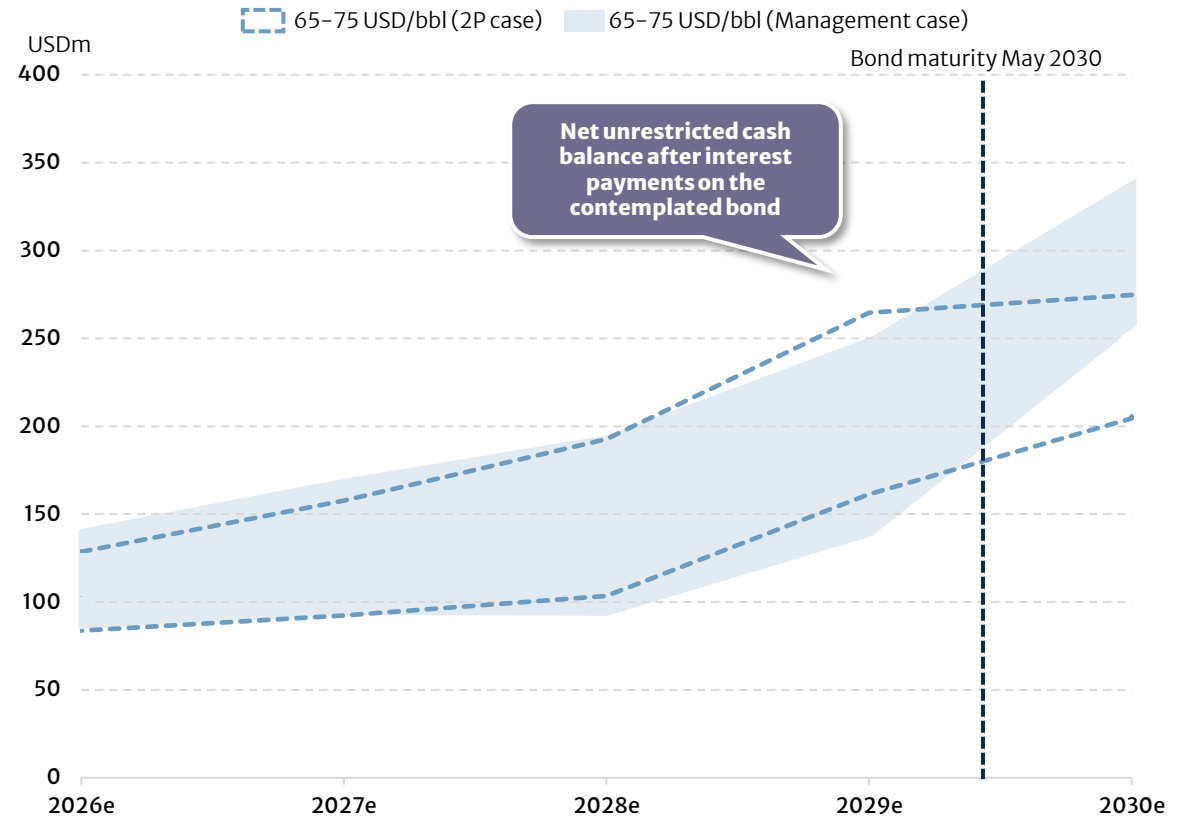
# Projected cash flow shows a strong cash build-up

Beneficial market conditions and strong operational metrics to drive significant cash accumulation

## Cash Flow Available for Debt Service (“CFADS”)<sup>1)</sup>



## Estimated unrestricted cash balance<sup>2)</sup>

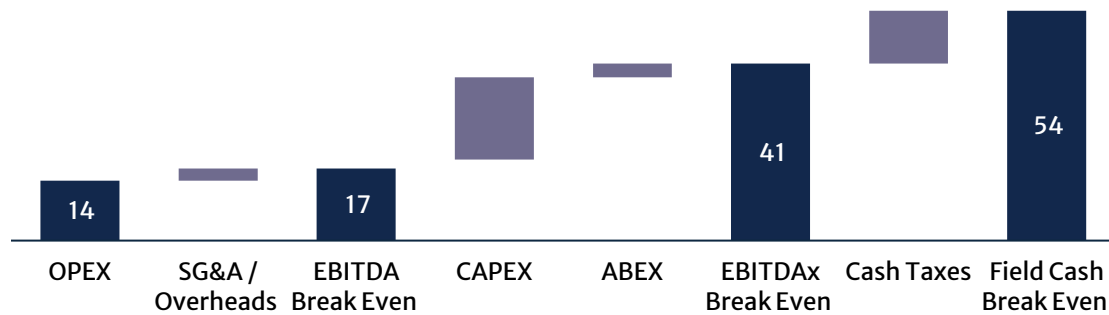


# Material headroom on cost to crude forward curve

Unit economics on Kistos' operations in the North Sea and Oman

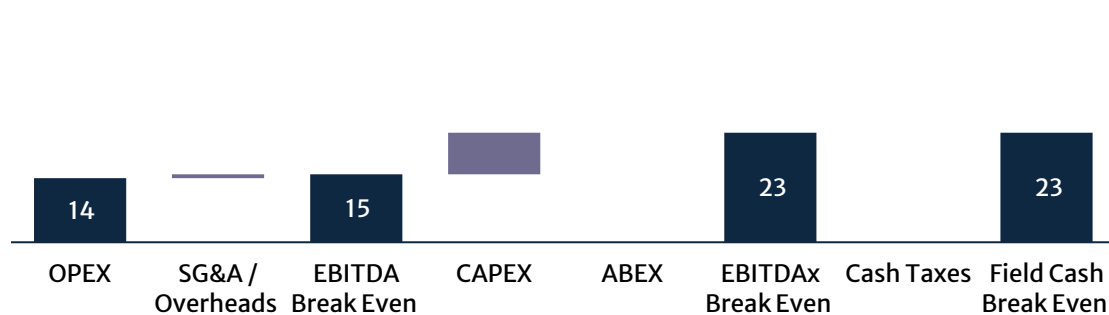
## North Sea<sup>1)</sup> unit economics<sup>2)</sup>

USD / boe



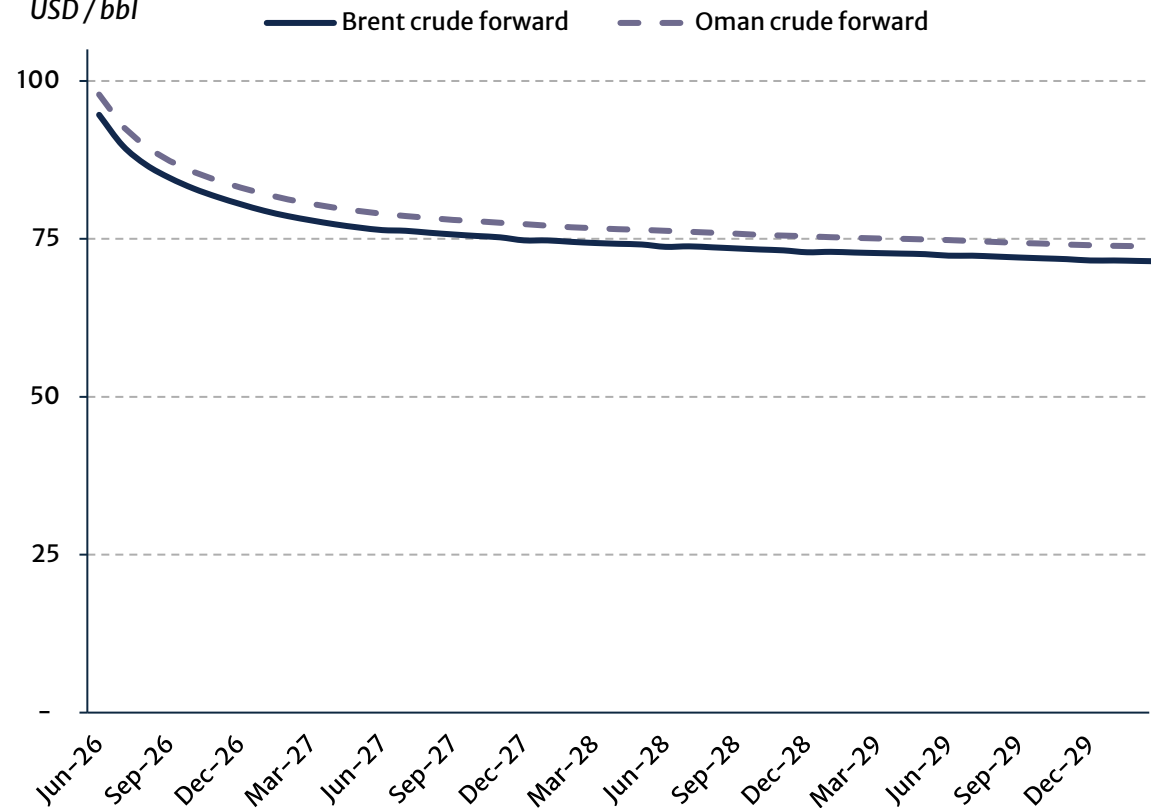
## Oman Unit economics<sup>2)</sup>

USD / boe



## Crude forward flattening above USD 70 / bbl towards 2029

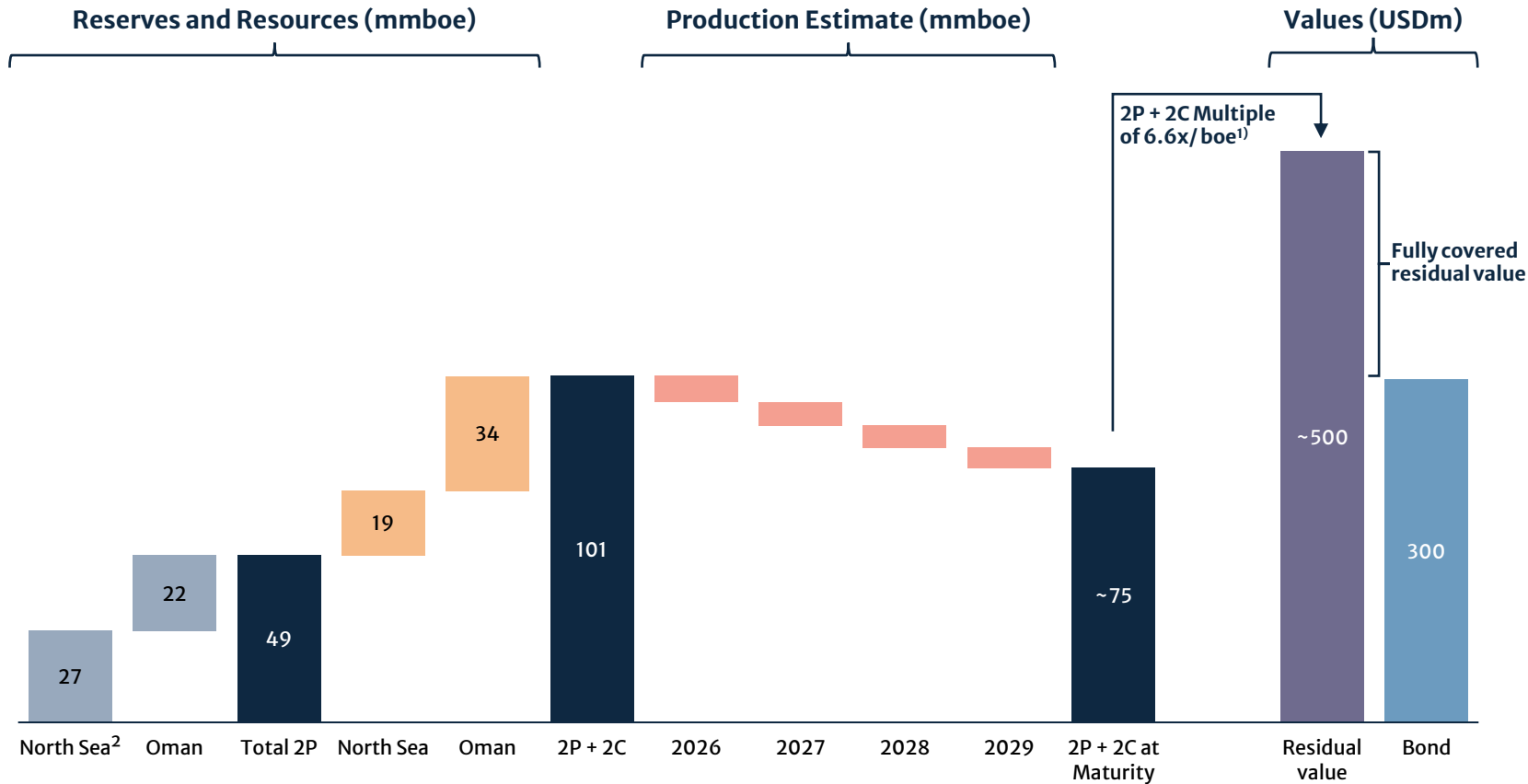
USD / bbl



# Material residual coverage from asset portfolio

Expected capex will enhance coverage over the contemplated bond amount at maturity

## Illustrative residual value coverage at maturity



## Commentary

- The contemplated bond will on existing Reserves and Resources be fully covered on recent observed multiples at maturity
- Based on current 2P + 2C Reserves and estimated production over the bond tenor, residual 2P + 2C Reserves at maturity is estimated at ~75 mmboe
- Applying recent market valuations of 2P + 2C Reserves of 6.6x results in a residual value of USD ~500m, which is >1.6x the gross outstanding bond amount at maturity
- The estimate does not include considerable planned, both committed and un-committed, capex spend to be completed during the bond tenor

# Credit highlights summary



## Proven track record of value creation

Through 5 successful acquisitions, Kistos has built a solid, diversified portfolio of 5 assets across Europe and Oman



## Diversified and integrated portfolio of low-risk, high quality assets

Portfolio of strong assets with a total of ~49 mmbœ 2P Reserves and ~52 mmbœ 2C Resources



## Robust cash flow and financial position

pro forma production guidance of 19–21 kboepd for 2026 will support strong cash flow generation



## Strong financial resilience and conservative strategy

Continued focus to maintain ample liquidity available to execute on strategic objectives



## Highly experienced management team

Seasoned team that filters high-deal flow to isolate genuinely high-value opportunities



KISTOS

# Asset Portfolio





# Kistos holds a diversified portfolio across core jurisdictions

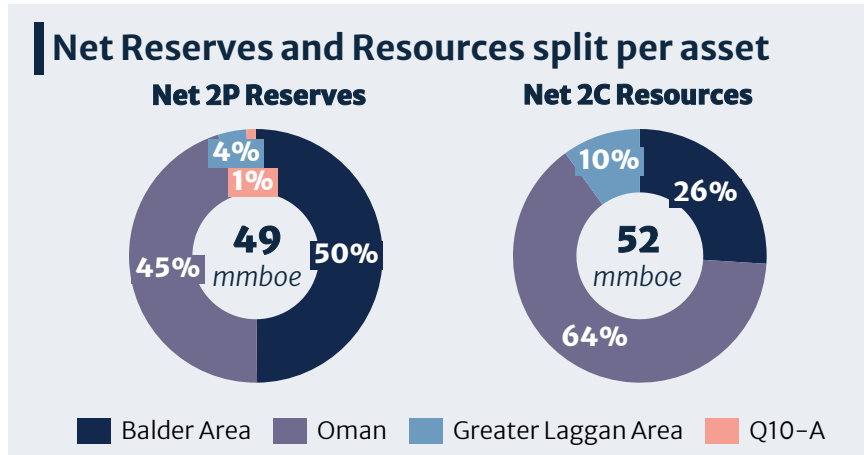
A scaled, infrastructure-backed production platform with resilient cash flow and long reserves life

## The Kistos portfolio

- The portfolio provides a balanced mix of oil and gas exposure, with infrastructure-backed positions in the UK and Netherlands alongside scalable production in Norway and Oman
- The group combines long-life production hubs in stable, transparent jurisdictions with immediate cash flow from low-decline, liquids-weighted assets in Oman

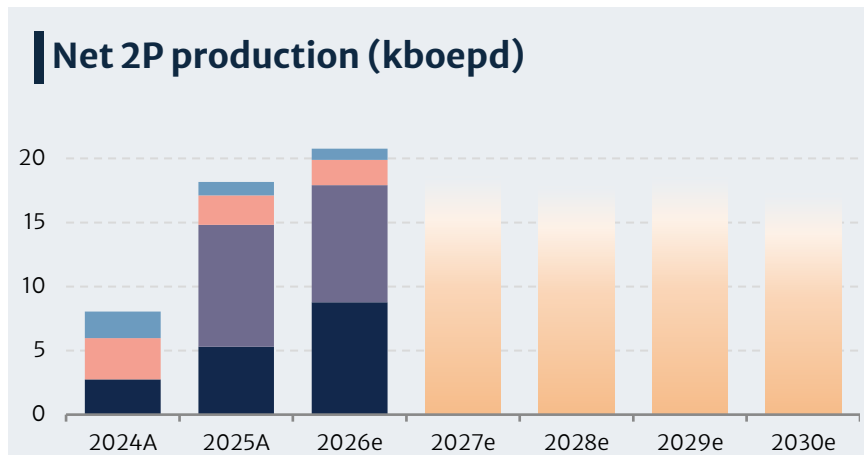
## Key portfolio characteristics

- Diversified geographic exposure across OECD markets and Oman
- Balanced oil and gas production with pricing diversification
- Visible 2P production profile through 2030 supported by existing infrastructure
- Strong cash flow generation under stable and progressive fiscal regimes



### Key figures

- ~49 2P**  
mmbae
- ~52 2C**  
mmbae
- USD ~17**  
opex per boe<sup>2)</sup>
- USD ~13**  
2P capex per boe<sup>1)</sup>
- USD ~2**  
abex per boe<sup>1)</sup>





# Balder Area | Norway

## Converting Resources into Reserves

### Producing hub with continued development

#### Balder Area – Norway (Overview)

- The Balder Area comprises the Balder and Ringhorne fields in the Central North Sea, producing since 1999
- The area is operated as a hub, with subsea and platform wells tied back to the Balder FPU, the Ringhorne Platform, and to the Jotun FPSO for processing, storage and offloading

#### Balder FPU (In Production)

- Producing since 1999 from high-quality Jurassic, Paleocene and Eocene sandstone reservoirs via subsea wells tied back to the Balder FPU
- Core infrastructure asset in 125 m water depth with long production history

#### Ringhorne Platform (In Production)

- Producing since 2006 from Jurassic sandstones of excellent reservoir quality
- The Ringhorne platform has its own drilling rig and drilling of new exploration and production wells is expected to continue well into the 2030's
- Production is routed to the Balder FPU and the Jotun FPSO for final processing, storage and offloading

#### Jotun FPSO (In Production)

- Major redevelopment including 14 new production wells and refurbishment of the Jotun FPSO. First oil achieved in Q2 2025, reaching ~9,000 boepd net at peak (~ 11,000 boepd total area production)
- The refurbished Jotun FPSO has a design life of 25 years and will serve as the Balder Area hub and tie-back host for production, storage, and offloading from ongoing and future in-fill drilling to 2045 and beyond

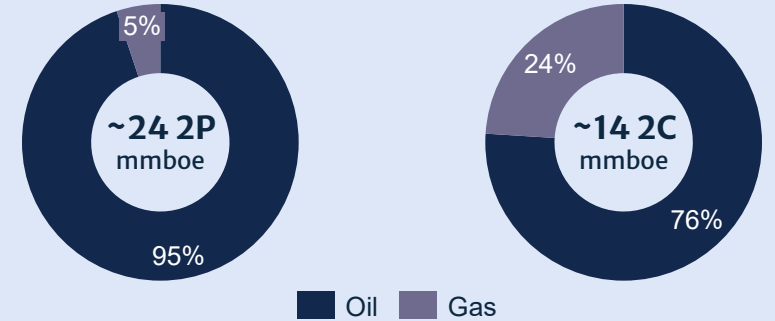
### Key 4y boe figures

**USD ~14**  
opex per boe

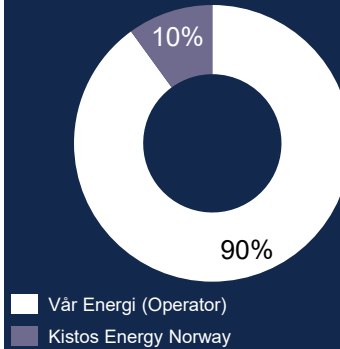
**USD ~19**  
2P capex per boe

**USD ~5**  
abex per boe

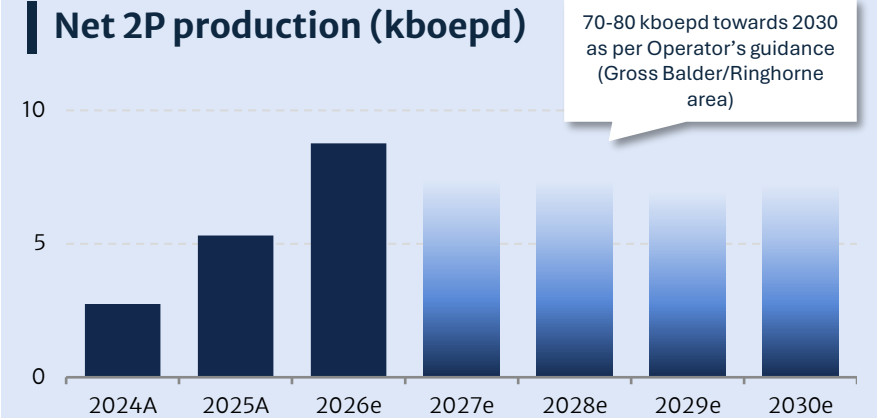
### Net Reserves and Resources



### License holders



### Net 2P production (kboepd)





# Blocks 3 & 4 and 9 | Oman

Established producing hubs with exploration upside

## Blocks 3 & 4 and 9 in Oman

### Strong production base under stable PSC terms

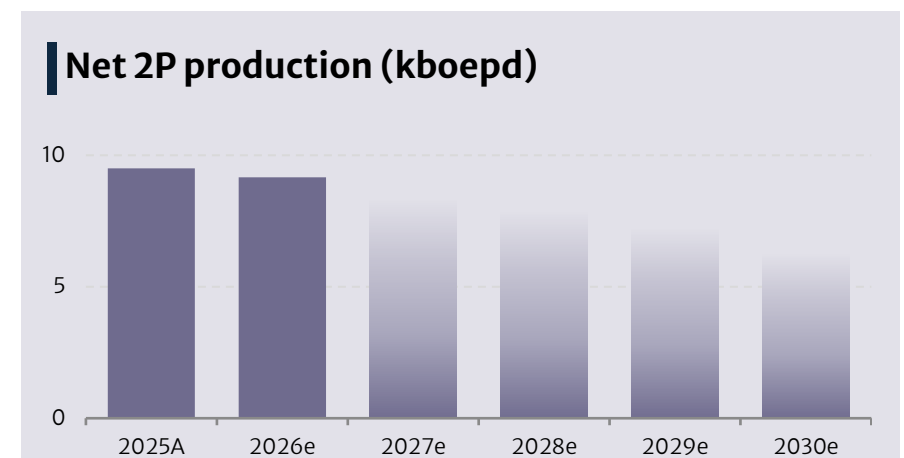
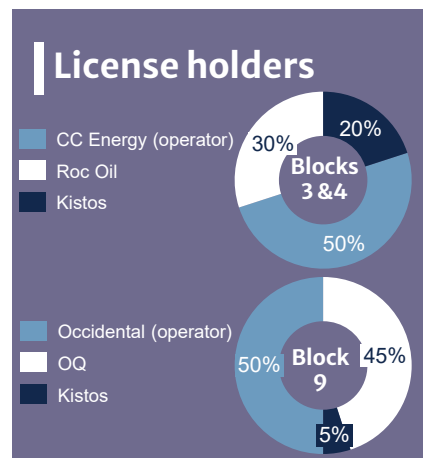
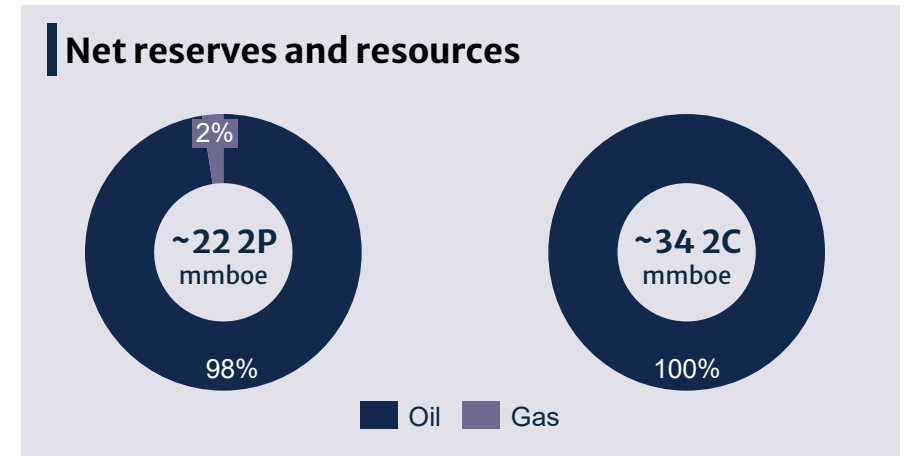
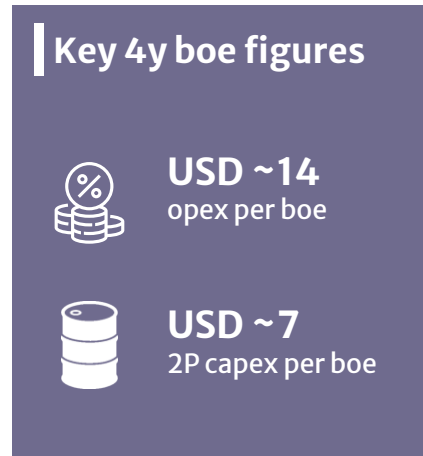
- Both assets operate under long-established Omani PSC frameworks with predictable cost recovery and profit-sharing mechanisms, supporting cash flow resilience and fiscal stability

### Blocks 3 & 4 (Eastern Oman) – Managed production with long-dated coverage

- Producing since 2010 within a single ringfenced PSC structure
- Drilling-supported strategy designed to manage natural decline and stabilise production into the late 2020s
- License extends to 2040, well beyond bond maturity, providing long-term asset coverage
- Capital profile shifts toward optimisation rather than large-scale expansion as fields mature
- Long-dated license life and operational flexibility support sustains cash flow contribution beyond 2030

### Block 9 (Northwest Oman) – Scale Anchor

- Large, multi-field conventional oil hub with diversified production base
- Active waterflood and ongoing development drilling underpins production through the remainder of the decade
- Established export infrastructure provides operational reliability and cost transparency
- License currently runs to 2030, directly aligning asset life with bond maturity
- License extension expected, negotiations ongoing between operator and the Ministry of Energy in Oman



# Key other assets | Greater Laggan Area and NL1 & NL2



Infrastructure-connected producing assets with limited execution risk

## UK & Netherlands – Infrastructure-led gas platform

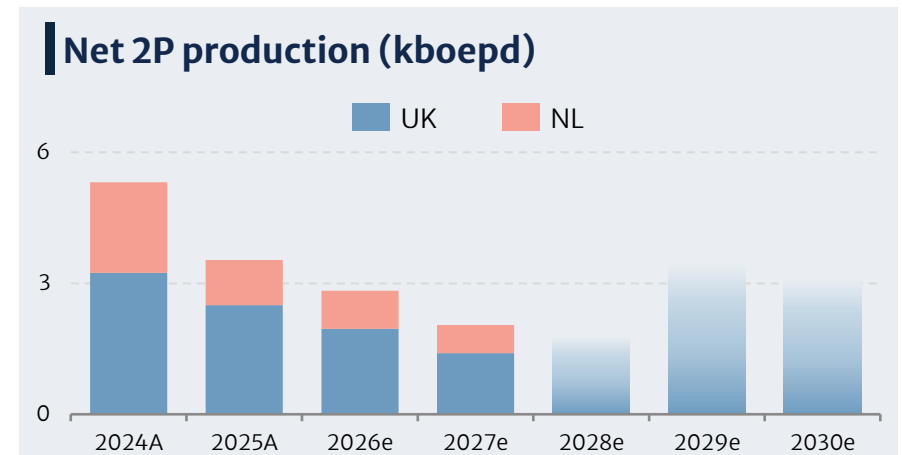
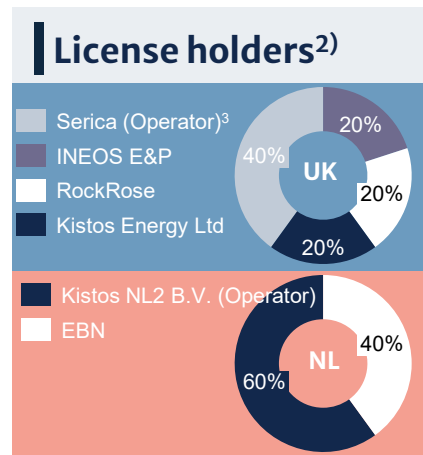
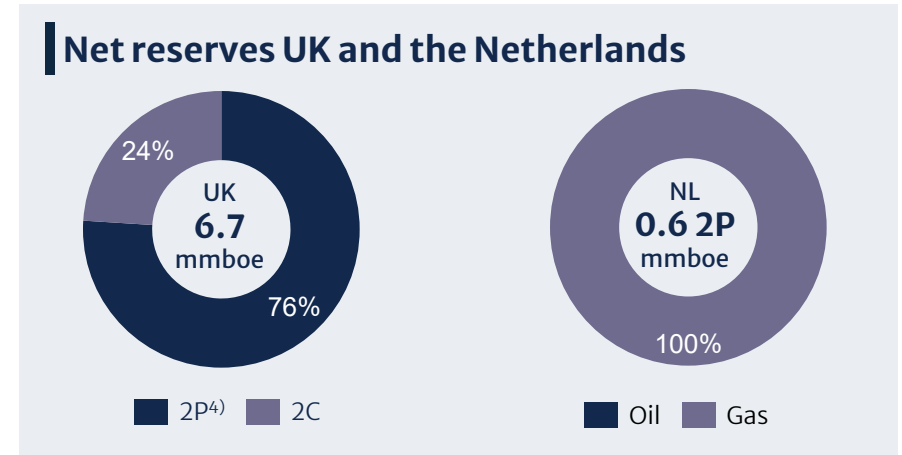
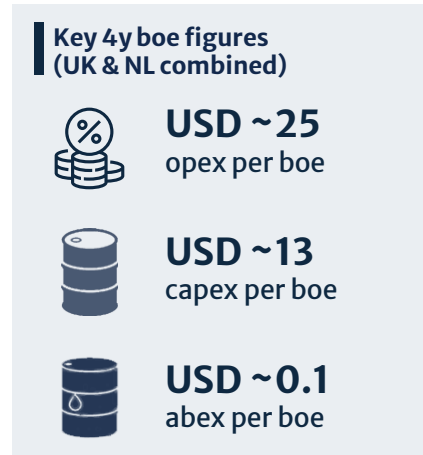
- Core North Sea portfolio combining the Greater Laggan Area (UK West of Shetland) and Q10-A in the Netherlands
- Producing, offshore gas assets with established export infrastructure and long operating history

### Greater Laggan Area (UK)

- Integrated subsea gas hub tied back to the Shetland Gas Plant
- Onstream since 2016 with built-out infrastructure and defined production profile
- Low sustaining capital requirements following initial development phase and near-field tie-back opportunities utilising existing infrastructure rather than new standalone projects
- Infrastructure-led model reduces execution and development risk
- Upside potential through progress to extend field life and increase throughput “principally” with development of Glendronach

### The Netherlands (Q10-A)

- Offshore gas platform onstream since 2019, exporting into the Dutch gas system via existing infrastructure
- Focused on throughput optimisation and unit cost reduction ahead of expected cessation in Q4 2027
- Active abandonment (ABEX) planning and scheduling to minimise decommissioning liabilities
- Low operational complexity with limited incremental capital exposure
- Relinquishment of non-core acreage at YE-25 delivering ~USD 1.3 million gross annual cost savings<sup>1)</sup>



# Hill Top and Hole House | United Kingdom



## Increasing working capacity at Hole House

### Hill Top & Hole House – Strategic UK gas storage

- Hill Top and Hole House are two of the very few operational gas storage sites in the UK, providing infrastructure of critical national importance
- Together, they can deliver up to ~15% of the UK's flexible gas capacity when called upon, supporting security of supply and system balancing.
- The facilities are located ~2 km north of Crewe, Cheshire, in an area with extensive salt Reserves and a long extraction history
- Both sites are active working farms, with all pipelines and cables buried below normal farming depths

#### Hill Top (In Operation)

- Hill Top comprises ten salt caverns, of which five were converted to gas storage and are in operation today, delivering 22 million therms of working gas capacity, a 24% capacity uplift following a 2024 pressure optimization

#### Hole House (Non-Operational)

- Hole House was purpose-built for gas storage and operated from 2001 to 2018. Three of four caverns are now brine-filled, with the remaining cavern sitting under cushion gas
- In 2025, Kistos announced a decision to return Hole House to service, which will increase combined capacity to 36 million therms and be fully operational by 2028

**Majority of capex related to Hole House will be covered by a multinational trading house**

### Key information



**5**  
Caverns in use



**36m therms**  
capacity after gas  
recommissioning



**>2065**  
Lease expiry



**USD ~25m**  
Total CAPEX



**140m therms<sup>2)</sup>**  
Annual total  
withdrawal to  
National Grid

### Business model

- Operating Margins Contract: Fixed income for providing storage capacity to support system balancing
- Intrinsic Value: Inject gas in summer and withdraw in winter (when prices rise)<sup>3)</sup>
- Extrinsic Value: Capturing additional profit from short-term price swings<sup>3)</sup>
- Trading income dependent on volatility capture, range of USD 15 million–50 million





**KISTOS**

**Supporting  
Materials**



# The Kistos team

Experienced management team with a successful track record of delivering growth and returns

## Executive management team



**Andrew Austin**  
Executive Chairman

- \* Andrew founded Kistos in November 2020 and listed the business on the AIM market in 2021
- \* Extensive experience in the oil and gas industry, having served as Executive Chairman of RockRose Energy from 2016 until 2020, where he delivered a 42-fold return to shareholders



**Peter Mann**  
Chief Executive Officer

- \* Peter was appointed as CEO in October 2021
- \* He has extensive experience from the oil and gas industry, including RockRose as CEO and Managing director
- \* Prior to RockRose, he worked in the onshore oil and gas industry, focusing on business strategy through a challenging oil price environment.



**James Thomson**  
Chief Financial Officer

- \* James was appointed CFO in January 2025
- \* He has significant natural Resources experience having previously served as Finance Director of RockRose Energy and latterly in a senior finance role at Anglo American
- \* Prior to that, Mr. Thomson was a Partner at PwC and qualified as a Chartered Accountant in 2007

## Non-executive directors



**Richard Benmore**  
Non-Executive Director



**Alan Booth**  
Non-Executive Director



**Stephen Pawson**  
Non-Executive Director

# RockRose case study | Cash flow recycling

A counter-cyclical North Sea consolidation story – GBP 13m raised, GBP 298m returned

## Highlights



**GBP 13m**  
Equity raised



**~42x**  
Shareholder MOIC<sup>1)</sup>



**GBP 298m**  
Total value returned



**4.5 years**  
Holding period

## Timeline

- Jan 2016** | **London AIM IPO**  
 GBP 13m raised in an oil low-cycle at USD ~30/ bbl
- 2016-18** | **UK & NL acquisitions**  
 With interests in the Blake/ Ross, Nelson oil fields and AB Blocks – Dyas Netherlands package for EUR 107m
- Jul 2019** | **Marathon Oil UK**  
 USD 140m for 37-40% operated interest in Greater Brae Area, 28% Foinaven, SAGE, Brae-Forties pipeline | ~28mboe 2P Reserves
- Jul 2020** | **Sale to Viaro Energy**  
 GBP 247.5m (1,850 p/ share), 64% premium to last close, 91% premium to 3-month VWAP, yielding a total value returned of GBP ~298m

## Playbook

- Counter-cyclical transaction bought at trough and sold at 64% premium during COVID
- Acquired mature fields with progressive dividends
- Exploit undervalued, unrecognized assets where available to generate solid returns

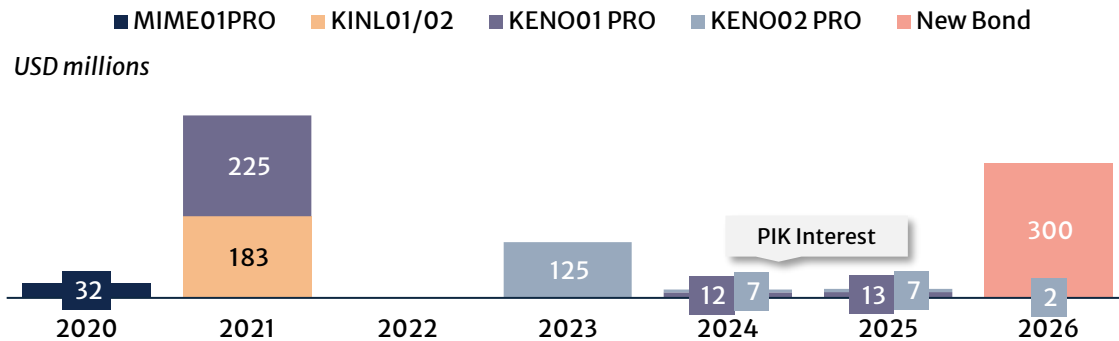
## Copying blueprint strategy

- Kistos PLC relisted 2 months after sale of RockRose with the same playbook
- Bought North Sea assets and generated EUR 270m in FCF (more than its market capitalization) already in 2022

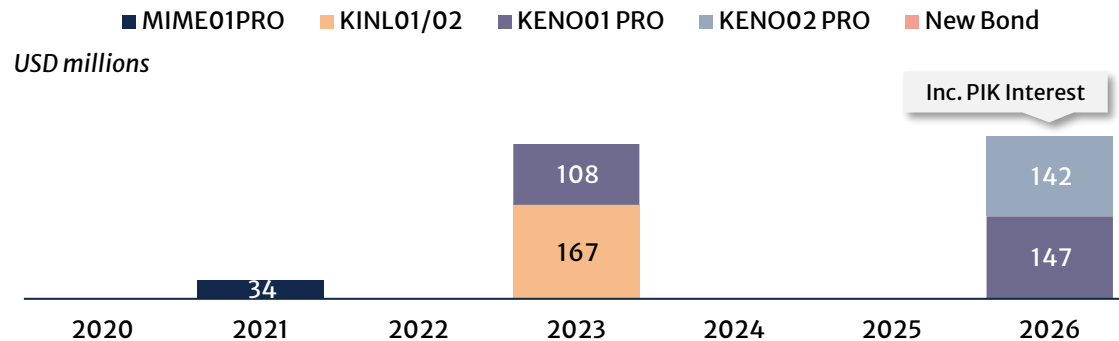
# Historical presence as an active player in the Nordic bond market

The contemplated bond will be the fifth Nordic bond issue for Kistos<sup>1)</sup>

## Issuances in the Nordic bond market<sup>2)</sup>



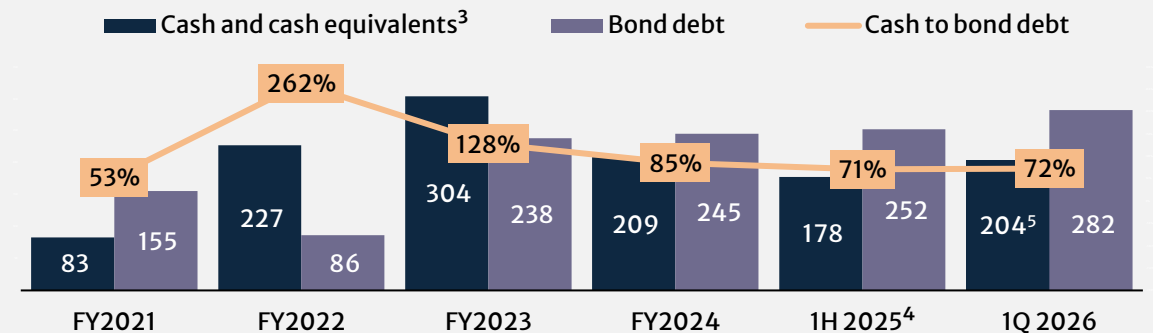
## Redemptions in the Nordic bond market<sup>2)</sup>



## Flawless track record in the Nordic bond market

- The contemplated bond will be the 5<sup>th</sup> time Kistos engages with the Nordic bond market, through its own issuances or by redeeming outstanding bonds from target acquisitions
- Upon the successful completion of the contemplated bond transaction, outstanding amount including PIK interest will be repaid in full – allowing Kistos to pro-actively manage and extend its bond debt maturities
- Kistos has historically maintained a solid balance sheet with ample cash during its growth phase, significantly reducing bond holders' risk

## Outstanding bond amount & cash position



# Oman – A well established oil producing jurisdiction

Unaffected by the ongoing geopolitical tension

## Introduction to Oman as an oil nation

- Oil & gas revenues constitute ~40% of GDP and ~75% of government revenues
- Estimated liquids Reserves of ~4.8bn bbls and gas Reserves of ~23 Tcf
- > 1.0 mmboe/ d production in 2025, whereof largest producers are PDO, BP, Shell, OQ, TotalEnergies and CNPC
- Assets are operated under favourable Exploration and Production Sharing Agreements (“EPSAs”) agreements with cost recovery of 40-50% and Capex –line depreciated over five years
- Profit Oil is negotiable and typically between 15-30% and corporate tax is paid out of the government’s share of profit oil, which does not impact contractor’s cash flow
- First oil exports in 1967 and ~4,500km of gas pipelines with LNG production capacity of >11 mtpa



~4,200 mmboe  
Liquids Reserves

29  
Active companies

16  
Commercial assets

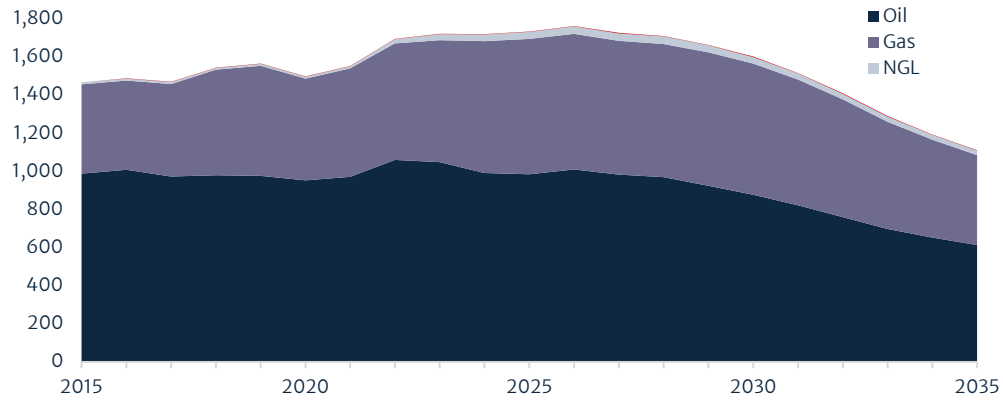
>99%  
Onshore production

3  
Seaports

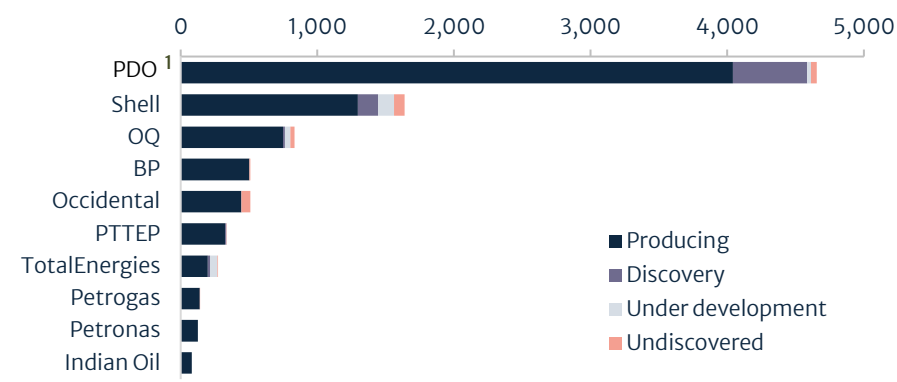
2  
Industrial ports

Stable  
Government

## Domestic production by hydrocarbons (kboepd)



## Remaining Resources: top 10 holders (mmboe)



# Access to critical infrastructure to support growth

The Jotun FPSO, the Shetland Gas Plant and the Jalal Processing Plant are viewed as critical infrastructure



Jotun FPSO

Shetland Gas Plant

Jalal Processing Plant

**Counterparty strength**

- Large, IG capitalized Norwegian continental shelf operator

- UK listed E&P with a solid balance sheet

- Operated by well-established O&G companies with extensive track record

**Infrastructure hub status**

- Area host FPSO with capacity to process numerous in-fill wells as well as third party tie-backs

- Central onshore processing hub for West of Shetland gas

- Expansion opportunities, central processing and infrastructure connected to export markets

**Reducing operating costs**

- Low opex per barrel through ownership of FPSO

- Scale benefits and third-party tariffs lower unit costs

- Shared infrastructure and processing lowers incremental development and operating costs

**Volume and throughput optionality**

- Infill drilling and future tie-backs for the hub

- Third-party throughput and new fields development

- Long-dated resource base with infill, redevelopment and EOR upside

**Regulatory stability**

- Norwegian continental shelf

- Strategic gas infrastructure for the UK

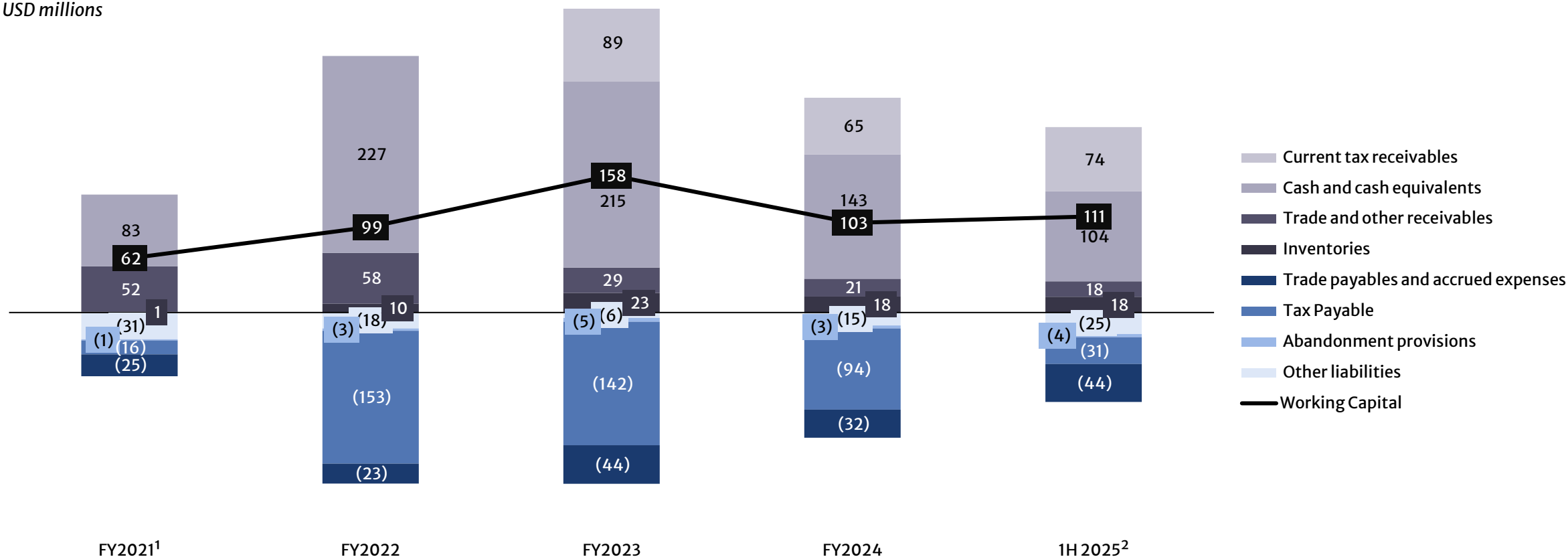
- Stable fiscal and contractual framework with consistent government support

# Stable and Positive Working Capital

Overview of historical development of current accounts

## Working capital as of year end

USD millions



# Overview of existing debt facilities and material agreements

## Offtaker credit facility

- The Lender (Offtaker) has provided a senior redrawable US dollar term loan of up to USD 30 million to Kistos PLC for general corporate purposes. The loan is guaranteed by Kistos NL 2 B.V. and Kistos Energy Limited, with a netting arrangement linking the facility to the offtake agreements. The facility includes standard covenants, including limits on disposals, additional borrowing and dividends

## Gas storage prepay facility

- Kistos Energy Storage makes gas storage capacity available at its plants, including the Hole House Plant, to a gas trading company on an exclusive basis. The gas trading company pays exclusivity fee to Kistos Energy Storage, supports recommissioning costs, and is responsible for all gas trading activities and related credit support

Facility	Outstanding Amount	Interest rate	Maturity
New Bond Financing	USD 300.0m	[•]%	May 2030
Offtaker credit facility	USD 30.0m	Term SOFR + 4% p.a.	Dec 2026
<b>Total Financing</b>	<b>USD 330.0m</b>		

# Historical Income Statements

Figures in USD'000<sup>4)</sup>

	2021 <sup>1</sup>	2022	2023 <sup>2</sup>	2024	1H 2025 <sup>3</sup>
Revenue	95,938	440,482	223,032	216,319	87,903
Other operating income / (expense)	65	12	(203)	5,193	1,263
Cost of sales / Production costs	(6,575)	(24,541)	(78,422)	(104,562)	(55,301)
<b>Gross Profit</b>	<b>89,428</b>	<b>415,953</b>	<b>144,407</b>	<b>116,950</b>	<b>33,865</b>
Exploration and development expenses	(4,901)	(2,276)	(3,618)	(1,034)	(597)
Abandonment expenses	0	0	(1,835)	(3,533)	(1,937)
Change in fair value and release of contingent consideration	0	28,893	3,597	0	0
General and administrative expenses	(7,949)	(10,090)	(12,920)	(18,731)	(9,081)
Depreciation, amortisation and impairment	(143,769)	(136,777)	(170,349)	(134,398)	(39,730)
<b>Operating profit / (loss)</b>	<b>(67,191)</b>	<b>295,704</b>	<b>(40,718)</b>	<b>(40,746)</b>	<b>(17,480)</b>
Interest income	0	286	10,039	6,417	2,608
Interest expenses	(9,626)	(12,077)	(31,108)	(34,196)	(17,023)
Other finance income	0	0	26,680	15,003	30,780
Other finance costs	(2,239)	(11,897)	(14,025)	(42,360)	(5,743)
<b>Net finance income / (costs)</b>	<b>(11,865)</b>	<b>(23,689)</b>	<b>(8,414)</b>	<b>(55,136)</b>	<b>10,622</b>
<b>Profit / (loss) before tax</b>	<b>(79,057)</b>	<b>272,015</b>	<b>(49,132)</b>	<b>(95,882)</b>	<b>(6,858)</b>
Tax (charge) / credit	36,125	(193,988)	22,538	43,883	(5,479)
Solidarity contribution tax charge	0	(50,239)	0	0	0
<b>Profit / (loss) for the period</b>	<b>(42,932)</b>	<b>27,789</b>	<b>(26,594)</b>	<b>(51,999)</b>	<b>(12,337)</b>
	0	0			
Losses on cash flow hedges	(41,343)	(10,066)	0	0	0
Hedging losses reclassified to profit or loss	28,733	22,676	0	0	0
Income tax on items of other comprehensive income	6,306	(6,306)	0	0	0
Foreign currency translation differences	409	(46)	3,059	(3,956)	6,392
<b>Total comprehensive profit / (loss) for the period</b>	<b>(48,827)</b>	<b>34,047</b>	<b>(23,535)</b>	<b>(55,955)</b>	<b>(5,945)</b>



# Historical Balance Sheet

<i>Figures in USD'000</i>	2021 <sup>4)</sup>	2022 <sup>1),3)</sup>	2023 <sup>1)</sup>	2024	1H 2025 <sup>2)</sup>
<b>Non-current assets</b>					
Goodwill	0	11,642	54,239	49,215	55,393
Intangible assets	48,993	46,446	34,591	30,272	33,652
Property, plant and equipment	183,281	302,399	455,286	489,508	585,729
Non-current tax receivables	0	0	0	0	41,126
Deferred tax assets	14,446	606	2,133	1,885	2,312
Investments in associates	0	65	65	1,066	1,066
Other long-term receivables	0	109	165	176	201
	<b>246,721</b>	<b>361,267</b>	<b>546,479</b>	<b>572,122</b>	<b>719,479</b>
<b>Current assets</b>					
Inventories	966	10,373	22,544	18,436	18,082
Trade and other receivables	52,169	58,463	29,215	20,602	17,956
Current tax receivables	0	0	88,690	65,450	74,036
Restricted funds	0	27	185	29,385	19,767
Cash and cash equivalents	82,729	226,869	214,789	113,753	83,883
	<b>135,864</b>	<b>295,732</b>	<b>355,423</b>	<b>247,626</b>	<b>213,724</b>
<b>Total assets</b>	<b>382,585</b>	<b>656,999</b>	<b>901,902</b>	<b>819,748</b>	<b>933,203</b>

<i>Figures in USD'000</i>	2021 <sup>4)</sup>	2022 <sup>1),3)</sup>	2023 <sup>1)</sup>	2024	1H 2025 <sup>2)</sup>
<b>Equity</b>					
Share capital and share premium	111,116	9,979	9,979	9,979	9,979
Other equity	0	0	3,897	5,557	5,557
Other Reserves	9,876	71,492	74,714	71,311	78,610
Retained earnings / (accumulated losses)	(45,452)	28,504	1,911	(50,088)	(62,425)
<b>Total equity</b>	<b>75,539</b>	<b>109,975</b>	<b>90,501</b>	<b>36,759</b>	<b>31,721</b>
<b>Non-current liabilities</b>	0				
Abandonment provision	17,024	132,239	231,283	251,426	287,754
Bond debt	155,287	86,473	237,936	245,243	251,901
Deferred tax liabilities	61,321	126,687	144,146	134,389	199,497
Non-current tax liability	0	0	0	0	50,291
Other non-current liabilities	33	4,495	678	7,703	8,994
	<b>233,665</b>	<b>349,894</b>	<b>614,043</b>	<b>638,761</b>	<b>798,437</b>
<b>Current liabilities</b>	0				
Trade payable and accruals	25,132	22,821	44,477	32,180	43,659
Other current liabilities	30,852	18,321	6,152	14,952	24,803
Current tax payable	16,035	153,222	142,125	93,604	30,999
Abandonment provision	1,362	2,766	4,604	3,492	3,584
	<b>73,380</b>	<b>197,130</b>	<b>197,358</b>	<b>144,228</b>	<b>103,045</b>
<b>Total liabilities</b>	<b>307,045</b>	<b>547,024</b>	<b>811,401</b>	<b>782,989</b>	<b>901,482</b>
<b>Total equity and liabilities</b>	<b>382,585</b>	<b>656,999</b>	<b>901,902</b>	<b>819,748</b>	<b>933,203</b>

# Historical Cash Flow Statements (1/2)

Figures in USD'000<sup>4)</sup>

	2021 <sup>3)</sup>	2022	2023 <sup>1)</sup>	2024	1H 2025 <sup>2)</sup>
Cash flows from operating activities:					
Profit / (loss) for the period after tax	(42,930)	27,788	(26,593)	(51,999)	(12,337)
Tax charge / (credit)	(36,124)	244,219	(21,804)	(43,883)	5,479
Net finance (income) / costs	11,865	23,688	8,414	55,136	(10,622)
Depreciation, amortisation and impairment	143,764	136,772	170,349	134,398	39,730
Change in fair value and release of contingent consideration	0	(28,892)	(3,597)	0	0
Share-based payment expense	0	576	163	553	1,398
Income tax paid	(953)	(70,354)	(36,552)	(72,175)	(23,846)
Income tax received	0	0	78,520	80,713	0
Interest income received	0	245	10,012	6,008	1,048
Abandonment costs paid	0	(2,482)	(2,102)	(6,933)	(269)
Decrease / (increase) in trade and other receivables	(43,874)	(1,479)	40,483	4,856	12,254
Increase / (decrease) in trade and other payables	19,890	(14,015)	(1,754)	(9,975)	7,008
Decrease / (increase) in inventories	(307)	(5,049)	4,797	6,494	2,700
Movement in other working capital items	0	141	353	317	0
<b>Net cash flow from operating activities</b>	<b>51,330</b>	<b>311,157</b>	<b>220,689</b>	<b>103,510</b>	<b>22,543</b>

# Historical Cash Flow Statements (2/2)

Figures in USD'000<sup>4)</sup>

	2021 <sup>3)</sup>	2022	2023 <sup>1)</sup>	2024	1H 2025 <sup>2)</sup>
Cash flows from investing activities:					
Payments to acquire tangible and intangible fixed assets	(21,362)	(20,823)	(129,067)	(143,814)	(69,819)
Acquisition of businesses	(107,781)	0	0	0	0
Net cash acquired in Mime Acquisition	0	0	7,799	0	0
Consideration paid for GLA Acquisition	0	(42,865)	(17,388)	0	0
Contingent consideration payments	0	(8,028)	0	0	0
Investment in Spiralix	0	0	0	(1,000)	0
Consideration paid for Gas Storage Acquisition, net of cash acquired	0	0	0	(22,073)	0
Release from / (transfer to) restricted funds	0	0	0	(29,385)	11,804
<b>Net cash flow from investing activities</b>	<b>(129,144)</b>	<b>(71,716)</b>	<b>(138,656)</b>	<b>(196,272)</b>	<b>(58,015)</b>
Cash flows from financing activities:					
Interest paid	(7,986)	(12,380)	(12,685)	(5,773)	(2,881)
Net proceeds from share issue	107,129	0	0	0	0
Net proceeds from bond issue and refinancing	64,294	0	0	0	0
Repurchase and redemption of bond debt	(2,812)	(76,823)	(90,422)	0	0
Lease repayments and other financing cash flows	(85)	(511)	(1,390)	(412)	(1,332)
Other	0	0	0	(2,823)	0
<b>Net cash flow from financing activities</b>	<b>160,540</b>	<b>(89,714)</b>	<b>(104,497)</b>	<b>(9,008)</b>	<b>(4,213)</b>
<b>Increase / (decrease) in cash and cash equivalents</b>	<b>82,726</b>	<b>149,728</b>	<b>(22,464)</b>	<b>(101,770)</b>	<b>(39,685)</b>
Cash and cash equivalents at beginning of period	0	82,726	226,896	214,974	113,753
Effects of foreign exchange rate changes	0	(5,558)	10,542	549	9,815
<b>Cash and cash equivalents at end of period</b>	<b>82,726</b>	<b>226,896</b>	<b>214,974</b>	<b>113,753</b>	<b>83,883</b>



# Oman fiscal regime

Each Block has its own Exploration and Production Sharing Agreement

## Fiscal structure across the Oman portfolio

- Both Block 9 and Blocks 3 & 4 operate under separate Exploration and Production Sharing Agreements (EPSAs) with the Government of the Sultanate of Oman
- Oman's EPSA framework is well-established and widely applied, defining concession terms, cost recovery mechanisms, profit-sharing principles and the conditions governing exploration, appraisal, development and production
- Under each EPSA, contractors fund all exploration and development activity and are entitled to recover eligible costs from production, subject to defined contractual limits, with unrecovered costs carried forward
- Blocks 3 & 4 operate under a mature EPSA structure, with cost recovery and contractor entitlement mechanics that have been previously disclosed by Tethys Oil (p59 of the Tethys Oil Annual & Sustainability Report 2024)
- Block 9 follows the same EPSA cost recovery and profit-sharing structure as Blocks 3 & 4, with contractor entitlements broadly aligned under the pricing assumptions at signing and adjusting within a limited range as oil prices change
- Oman's EPSAs are generally regarded as investor-friendly, with corporate income tax typically settled by the Government from its share of production, resulting in no direct cash tax liability for contractors

# Introduction to the Norwegian petroleum tax system

78% total cost recovery on investments with majority recouped in year of investment

## Summary of the Norwegian petroleum tax system

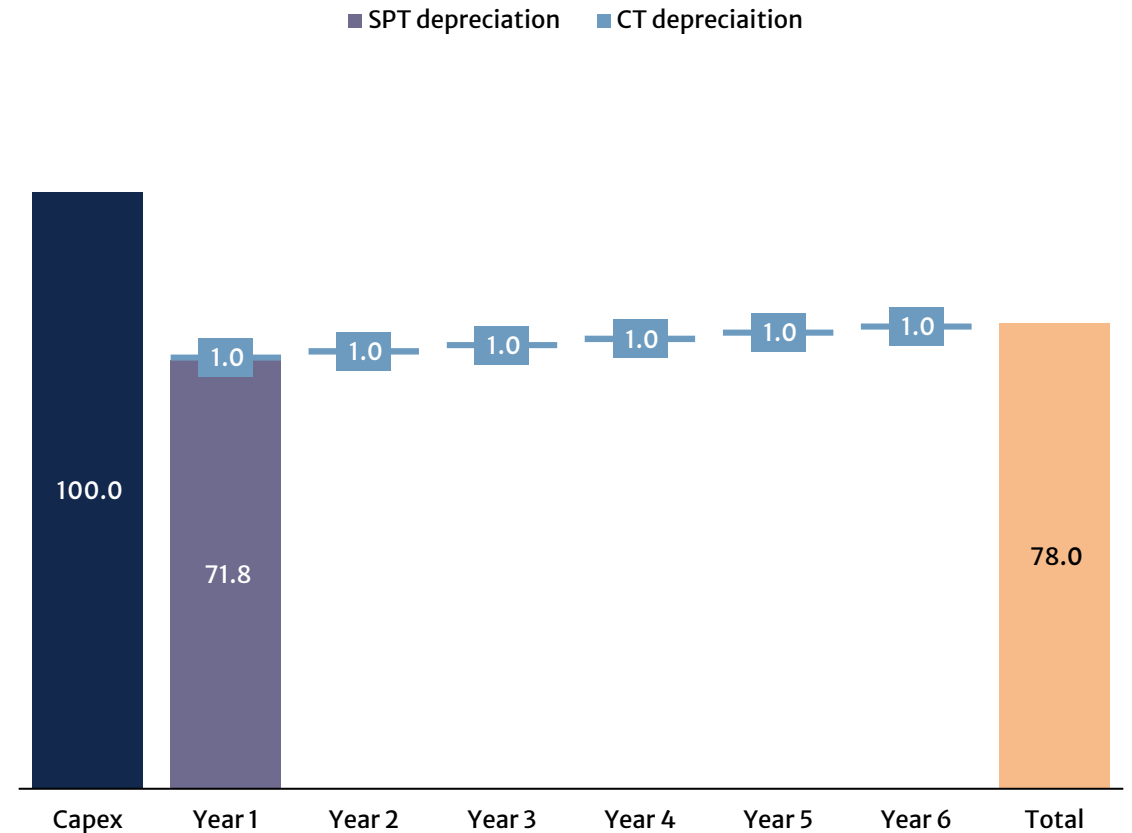
### General principles

- NCS petroleum taxation based on taxation of net profit with ordinary corporate tax (“CT”) and special petroleum tax (“SPT”); royalties no longer part of the tax system
- The combined marginal tax rate has remained stable at 78% since 1992
- No ringfencing between different fields/licences (consolidation is allowed)
- Norm pricing applied for tax on crude oil sales, whereas gas is based on actual sales prices
- SPT adjusted to be cash flow based, whereas tax losses under SPT are reimbursed annually
- Carbon and NO<sub>x</sub> taxes levied separately based on offshore emissions

### Overview of key current fiscal terms

- In deriving taxable profit, deductions are allowed for all relevant costs, including costs associated with exploration, research and development, operations, decommissioning, and financing (CT only); calculated CT payable is deducted to derive the SPT tax base
- The CT rate is currently 22% and the SPT rate is 71.8%, giving a total marginal tax rate of 78% when accounting for the deductibility of CT ( $22\% + [71.8\% \times (1 - 22\%)] = 78\%$ )
- For CT, investments are written off using straight-line depreciation over six years, whereas for SPT the full amount is depreciated immediately
- Temporary tax regime : Development projects with PDO delivered before 1 Jan 2023 and approved before 1 Jan 2024 benefit from temporary tax treatment until planned start of production, including full depreciation plus 17.69% uplift in the investment year. The temporary tax rules give a total tax shield of 87%

## Cost recovery illustration



# Key modelling assumptions

Input	Value
Oil price deck	USD 70/ flat
Gas price deck	USD 11/ mmbtu
Inflation	No inflation adjustment for costs and price decks
Modelled scenario	2P Reserve case (49mmboe) + Glendronach (3.3mmboe)
GBP to USD	1.34
Management base case scenario	Modelled scenario + Balder King II, TY4, JFB26 and BN15 + Tornado (UK)

# Summary of the acquisition in Oman

On 9 December 2025 Kistos Energy Middle East Limited (a wholly owned Kistos Group subsidiary) entered into an agreement with Mitsui E&P Middle East B.V. ("Mitsui"), to acquire a 5% working interest in Block 9 and a 20% working interest in Blocks 3 & 4 from Mitsui, both located onshore in the Sultanate of Oman (the "Acquisition").

Total Consideration of USD 148 million, with an effective date of 1 January 2025, split as to USD 100m to Blocks 3 & 4 and USD 48m to Block 9 which is, in each case, subject to customary closing adjustments, payable on completion.

- Acquisition of Blocks 3 & 4 and Block 9 remain on track, with the completion of Blocks 3 & 4 anticipated to precede Block 9 due to the different EPSC framework.
- All necessary approvals for the transfer of Blocks 3 & 4 have been obtained, including Ministerial Approval, with completion expected following issuance of the Royal Decree.
- Once complete, the acquisition is expected to add 25.6 mmboe (operator estimates) of 2P reserves net to Kistos, with a valuation of approximately \$5.80/boe of 2P reserves.
- Both Block 3&4 and Block 9 have continued to produce and export uninterrupted throughout the recent developments in the wider area.
- Kistos' entry into the Middle East adds geographical and onshore production diversification to the Company's existing portfolio. Representing an evolution in the Company's M&A strategy, the Acquisition aligns with the Board's core ambition of pursuing assets that have strong near-term production with significant development and exploration upside.

# Joint operating agreements (1/2)

## GLA & Q10-A

### Greater Laggan Area (UK)

#### GLA JOA

- **Date:** 22 December 2014 (as amended and novated)
- **Parties:** TotalEnergies E&P UK Limited (60%, Operator), INEOS E&P (UK) Limited (20%), and RockRose UKCS15 Limited (20%). Kistos Energy Limited was novated into the JOA as a Participant (20%) pursuant to the Deed of Collective Novation and Amendment dated 10 July 2022, with TotalEnergies' interest reducing from 60% to 40%. TotalEnergies' remaining 40% was transferred to Prax Group entities on 26 March 2026. Current interests: Prax GLA 31%, INEOS 20%, RockRose 20%, Kistos 20%, Prax GWA 4%, Prax Whirlwind 4%, Prax Upstream 1%.
- **Key Terms:** The JOA governs exploration, appraisal, development and production of petroleum under UKCS Licences P.911, P.1453, P.1159, P.1195 and P.1678, which cover the Laggan, Tormore, Edradour and Glenlivet Fields in the Greater Laggan Area, West of Shetland. Costs and obligations are borne by participants in proportion to their percentage interests. The Operator is designated to carry out day-to-day management of joint venture activities. The agreement also covers the administration of Associated Agreements, including transportation and decommissioning arrangements.
- **Governing Law:** English law.
- **Status:** Executed (22 December 2014). Novated to Kistos (10 July 2022). TotalEnergies' interests transferred to Prax Group entities (26 March 2026).

### Q10-A field (The Netherlands)

#### Q10 Joint Operating Agreement

- **Parties:** Kistos NL2 B.V. and other Q10 licence participants
- **Key Terms:** The JOA governs the joint operations for the Q10-A Field on the Netherlands continental shelf. Kistos NL2 B.V. holds the production interest. The Q10 production is transported through the P15-P18 infrastructure under the Q10 Tie-in and Connection Agreement.
- **Governing Law:** Dutch law.
- **Status:** Executed.

# Joint operating agreements (2/2)

## Balder

### Balder / Ringhorne Fields (Norway)

#### Norwegian JOA (Balder/Ringhorne)

- **Date:** Standard Norwegian JOA (as amended)
- **Parties:** Vår Energi ASA (90%, Operator) and Kistos Energy (Norway) AS (10%)
- **Key Terms:** The JOA governs petroleum operations under Production Licences PL 001, PL 027, PL 027C, PL 027HS, PL 028S and PL 028 covering the Balder and Ringhorne Fields on the Norwegian Continental Shelf. The Management Committee is the supreme governing body, with each party appointing one member. The parties are liable pro rata for all joint venture obligations. Each party has the right and obligation to take in kind and dispose of its share of produced oil and gas equivalent to its participating interest.
- **Governing Law:** Norwegian law; disputes by arbitration in Norway.
- **Status:** Executed. Amended to include the GLBA as a new appendix (18 April 2023).

#### SPA — Balder Field Participating Interest

- **Date:** 29 March 2019 (as amended)
- **Parties:** Vår Energi ASA (Seller) and Mime Petroleum AS (now Kistos Energy (Norway) AS), (Buyer)
- **Key Terms:** The Buyer acquired a 10% participating interest in Production Licences PL 001, 027, 027C, 028, 028S and 027GS on the Norwegian Continental Shelf. Under Amendment No. 3, the Post Completion Purchase Price is payable by 30 June 2026, with interest accruing at SOFR + 3% per annum from 1 January 2022.<sup>1)</sup>
- **Governing Law:** Norwegian law.
- **Status:** Executed. Amended three times, most recently on 2 September 2025.

#### Balder Crude Oil Blend Lifting Agreement

- **Date:** 30 October 2019 (as amended)
- **Parties:** Vår Energi AS (Operator) and Mime Petroleum AS (now Kistos Energy (Norway) AS)
- **Key Terms:** The agreement governs the scheduling, nomination and execution of crude oil liftings from the Balder Field via the Balder FPU and Jotun FPSO. The standard cargo size is 500,000 Barrels, with a maximum of 850,000 Barrels and a minimum of 200,000 Barrels. The Operator issues a preliminary lifting programme by the 18th day of Month M-2 and a final programme by the 28th day of Month M-2. Each Shipper has the right and obligation to lift its share of production.
- **Term:** Coterminous with the JOA.
- **Governing Law:** Norwegian law; disputes by arbitration in Stavanger.
- **Status:** Executed. Amended by Amendment No. 1 (21 October 2020), increasing the standard cargo size to 500,000 Barrels and adding the Jotun FPSO as a delivery point.

#### Gas Lifting and Balancing Agreement (GLBA) — Balder/Ringhorne

- **Date:** 18 April 2023
- **Parties:** Vår Energi ASA (90%) and Kistos Energy (Norway) AS (10%)
- **Key Terms:** The GLBA defines the rights and obligations of the parties for the lifting of natural gas from the Balder and Ringhorne Fields. Each party has a daily right and obligation to lift gas at the Balancing Location (Entry Point D6 at Jotun) proportional to its participating interest. Title and risk pass at the Balancing Location. The Operator maintains individual Gas Lifting Accounts and any allocation imbalances are corrected through in-kind redistribution.
- **Term:** Until the Depletion Point.
- **Status:** Executed. Implemented as an appendix to the Balder and Ringhorne JOAs.

# Material agreements | Oman Block 9

Agreement	Date	Parties	Key terms	Term	Governing law	Status
<b>Block 9 Exploration and Production Sharing Agreement (EPSA)</b>	23 January 2017	The Government of the Sultanate of Oman, Occidental of Oman, Inc. (Operator), OQ Exploration & Production LLC, and Mitsui E&P Middle East B.V. (together the Contractor)	The Government grants the Contractor the right to undertake Petroleum Operations within the Block 9 Contract Area (Suneinah) on the Norwegian Continental Shelf equivalent of a production sharing basis. The Contractor bears all costs and risks of exploration, development and production. Cost recovery and production sharing for crude oil and natural gas are governed by detailed formulae. The agreement replaced the original Block 9 (Suneinah) Petroleum Agreement dated 7 December 1975 (as extended by a letter agreement dated 6 December 2015). A Joint Management Committee provides oversight of operations	From the Effective Date to 31 December 2030, unless terminated earlier.	Laws of the Sultanate of Oman; disputes by arbitration	Executed
<b>Block 9 Joint Operating Agreement (JOA)</b>	Originally 28 January 1977; restated and amended 10 July 2003; further restated	Occidental of Oman, Inc. (Operator), OQ Exploration & Production LLC, and Mitsui E&P Middle East B.V.	The JOA governs the respective rights and obligations of the Contractor parties with respect to Petroleum Operations in Block 9. Occidental is designated as Operator. A Joint Operating Committee oversees work programmes, budgets and operational decisions. Each party has the right and obligation to take in kind and dispose of its share of production. The agreement includes provisions for default, transfer of interests and dispute resolution	-	Laws of the Sultanate of Oman; disputes by arbitration	Executed. Restated and amended multiple times

# Material agreements | Oman Blocks 3 & 4 (Afar / Ghunaim)

Agreement	Date	Parties	Key terms	Governing law	Status
<b>Blocks 3 &amp; 4 Exploration and Production Sharing Agreement (EPSA)</b>	9 February 2003 (effective 16 April 2003); amended and novated multiple times	The Government of the Sultanate of Oman, and the Contractor (originally EnCana International (Oman) Ltd; subsequently novated to CC Energy Development S.A.L. (Offshore), Tethys Oil Block 3&4 Limited and Mitsui E&P Middle East B.V.)	The EPSA grants the Contractor the right to explore, develop and produce petroleum in the onshore areas designated as Block 3 (Afar) and Block 4 (Ghunaim) in the Sultanate of Oman. The agreement operates on a production sharing basis with cost recovery provisions. The EPSA has been novated several times to reflect changes in the Contractor composition, including assignment from EnCana to CC Energy Development (2008), from Tethys Oil AB to Tethys Oil Block 3&4 Limited (2010), and the farm-in of Mitsui E&P Middle East B.V. (2010). Amendment Agreement No. 2 (10 September 2006) extended the Initial Term.	Laws of the Sultanate of Oman	Executed. Amended and novated
<b>Blocks 3 &amp; 4 Joint Operating Agreement (JOA)</b>	Originally 16 September 2005; novated and amended (including Deed of Amendment dated 17 January 2018)	CC Energy Development S.A.L. (Offshore) (Operator), Tethys Oil Block 3&4 Limited, and Mitsui E&P Middle East B.V.	The JOA governs the respective rights and obligations of the Contractor parties for petroleum operations in Blocks 3 and 4. CC Energy Development is designated as Operator. The Deed of Amendment dated 17 January 2018 harmonised the indirect charges percentages in accordance with Ministry of Oil and Gas regulations. Mitsui was novated into the JOA following its farm-in in 2010	Laws of the Sultanate of Oman	Executed. Novated (2010) and amended (2018)

# Other material contracts

Agreement	Kistos entity	Date	Parties	Key terms	Governing law	Status
<p><b>Senior Redrawable Term Loan Facility Agreement</b></p>	<p>UK</p>	<p>5 September 2024 (as amended and restated)</p>	<p>Kistos PLC (Borrower), Kistos NL 2 B.V. and Kistos Energy Limited (Guarantors), and Shell Energy Europe Limited (Lender)</p>	<p>The Lender provides a senior redrawable US Dollar term loan of up to US\$30,000,000 for general corporate purposes of the Group (excluding dividends or distributions). Interest accrues at Term SOFR plus a margin of 4% per annum. The Guarantors guarantee the Borrower’s obligations, and a Netting Agreement enables the offset of liabilities under the Loan Facility against liabilities under the Offtake Agreements. Key covenants include restrictions on disposals exceeding US\$5,000,000, changes of business, additional borrowing and dividends. The Availability Period runs to 15 December 2026, subject to a Bond Maturity Event</p> <p>The Loan Facility forms part of a broader commercial relationship with Shell, which also acts as marketing and offtake counterparty for certain oil, gas and NGL production across the UK, Norway and the Netherlands. Under these arrangements, Shell purchases the Group’s production entitlement and manages marketing and logistics, with pricing generally linked to relevant market benchmarks and economics primarily driven by volumes delivered. Norwegian crude oil offtake is structured by reference to the Norwegian Norm Price framework, while gas and liquids pricing reflects applicable hub-based or index-linked benchmarks, with settlement managed within the parties’ contractual netting arrangements.</p>	<p>English law</p>	<p>Executed. Amended and restated twice (23 December 2024 and 31 December 2025)</p>



**KISTOS**



**Risk Factors**

# Risk Factors (1/15)

Investing in the Bonds involves inherent risks. Prospective investors should carefully consider, among other things, the risk factors set out below before making an investment decision. This section is not intended to be exhaustive – additional risks and uncertainties not presently known to the Issuer, or that it currently deems immaterial, may also impair the Group's business operations or the value of the Bonds. No guarantee can be given that any of the events discussed in the risk factors below will not occur. If they do, the Group's business, financial condition, results of operations and cash flows could be materially adversely affected. In such case, the trading price of the Bonds could decline, and an investor may lose part or all of its investment.

An investment in the Bonds is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of part or all of the investment. The following risk factors are not listed in any order of priority as to significance or probability.

This Presentation also contains forward-looking statements that involve risks and uncertainties. Actual results could differ materially from those anticipated in such forward-looking statements as a result of certain factors, including the risks described below and elsewhere in this Presentation. The information in this Risk Factors section is as of the date of the Presentation.

## RISKS RELATED TO THE BUSINESS OPERATIONS OF THE GROUP

### Risks related to hydrocarbon production and operational performance

The Group's operating and financial results depend on the safe, reliable and efficient production of hydrocarbons from its assets. Production outcomes are inherently uncertain and subject to geological, mechanical, commercial, and environmental factors. Operational issues (including equipment failures, compressor outages, pipeline integrity issues, electrical power disruptions, shortages of critical consumables, and contractor underperformance) can materially reduce production, increase operating costs, or accelerate field decline.

Certain assets have experienced such disruptions. In the Netherlands, unplanned shutdowns at the TAQA-operated P15-D platform and natural decline have materially reduced output, with Q10-A expected to cease production in 2027. In the UK, production rates have declined due to natural reservoir decline. These issues may reduce cash flow, impact reserves, increase costs of production, consequently adversely affecting the Group's ability to fund operations or service its financial obligations, including repayment of the Bonds.

The Group's offshore operations are additionally subject to hazards inherent in marine operations, including capsizing, sinking, grounding, damage from severe weather conditions and damage to pipelines and subsea facilities. Blowouts, explosions, fires, equipment damage and unexpected geological conditions represent further operational hazards. The occurrence of any such events could result in environmental damage, injury to persons, loss of life, loss of production, civil and criminal liability, or loss of licenses, any of which could have a material adverse effect on the Group's business, results of operations and financial condition and on Bondholders' recovery under the Bonds.

### Project delivery and capital expenditure risk

The Group's future oil and gas, exploration, development and production projects may involve unprofitable efforts, either from dry wells or from wells that are productive but do not produce sufficient net revenues to return a profit after development, operating and other costs. The Group faces risks of delays in project delivery and higher costs, particularly in the current inflationary environment. The Group's development projects remain subject to execution risks typical of the industry, including schedule delays, cost inflation, contractor availability, supply chain constraints, drilling performance uncertainties, and subsea/facility integration challenges. The Group continues to invest heavily, with approximately USD 100 million of capital expenditure during 2025 almost entirely related to the Balder Future project. Ongoing drilling programmes, including Balder Phase V and Phase VI, carry further execution and cost risks. Production delays and declines, whether or not as a result of the foregoing conditions, may result in lower revenue or cash flows from operating activities until such time, if at all, that the delay or decline is averted or ended.

The Group may be unable to obtain or renew required licenses and/or such licenses may be suspended, terminated or revoked prior to their expiration

# Risk Factors (2/15)

The Group's operations depend on maintaining, renewing, and complying with licences and approvals across multiple jurisdictions. Any delay in obtaining or renewing any license may result in a delay in investment or development of a resource and may have a material adverse effect on the acquired business' results of operations, cash flows and financial condition. There is no guarantee that all required licenses will be granted in accordance with the applications, nor that they will be granted on conditions satisfactory for the Group to operate its business. The licenses may be suspended, terminated or revoked if the Group fails to comply with the relevant conditions or wider regulatory requirements. Furthermore, there can be no assurance that the relevant authorities will not significantly alter the conditions or area of, or that any third-party will not challenge, the licenses held by the Group. There is no presumption that an expired license will be renewed. In addition, a license may be revoked, in whole or in part, by the relevant competent authority in the Netherlands, Norway, Oman and/or the UK.

If the Group fails to fulfil the specific terms of any of its licenses or if it operates its business in a manner that violates applicable law or regulation, government regulators may impose fines, suspend or terminate the licenses or impose onerous additional conditions, any of which could have a material adverse effect on the Group's results of operations, cash flows and financial condition.

Production licenses on the Norwegian Continental Shelf ("NCS") are granted for a fixed duration, normally up to 25 years, but may be extended if justified by resource and socio-economic conditions under Section 3-9 of the Norwegian Petroleum Act. Although license extension is not automatic and must be explicitly applied for prior to expiry, extensions are typically granted if the license still contains recoverable resources and recovery is economical and environmentally responsible. Notwithstanding the foregoing, the extension of E&P Licenses on the NCS is subject to the approval of the Ministry of Energy, which can be i) granted, ii) granted subject to conditions or limitations, or iii) rejected at its sole discretion. Consequently, if E&P Licenses for producing assets on the NCS expire prior to the end of the production field life for that asset, the Group may lose its right in the associated E&P License (including its lifting entitlements) or obtain an extension on terms less favourable than the original terms. Similarly, in Oman, the Group operates under exploration and production sharing agreements ("EPSAs") where assignments, relinquishments and concession renewals are subject to governmental approval by Royal Decree. Any inability of the Group to extend, renew or comply with its E&P Licenses may have a material adverse effect on reserves and cash flow from operations, which may in turn impair or delay recovery for Bondholders and/or adversely affect the terms on which the Bonds may be refinanced in the future.

## Risks related to the Group's acquired participation interest in the Oman assets

The Group entered Oman through the acquisition of a 20% working interest in Blocks 3 and 4 for USD 100 million, with the effective date of 1 January 2025. Completion of the proposed acquisition of Blocks 3, 4 and Block 9 remains subject to government and partner approvals. There are risks related to entering a new jurisdiction and the Group may not be able to successfully execute its strategy for Oman, and may be unable to recoup investment costs. There can be no assurance that the investment into Oman will result in long-term profitability for the Group. If the acquired assets do not perform as expected, there may be a material adverse effect on the Group's wider business, financial position, results of operations and/or future prospects.

Although the Issuer has, with the assistance of its advisors, completed extensive due diligence of the opportunity in Oman, there is a risk that unknown obligations and liabilities may arise and that there are other adverse events or circumstances pertaining to the Group's participating interest in the Oman assets which are not currently known to the Issuer. Should such risks materialise, they could lead to reduced cash flow, increased costs and earlier cessation of production, in each case having a material adverse impact on the Group's financial position and the Issuer's ultimate ability to repay the Bonds.

## Non-Operated asset risk and joint venture dependency

The Group holds minority, non-operated positions in its principal producing assets: 10% in the Balder field and 7.4% in Ringhorne Øst (operated by Vår Energi), and 20% in the GLA (operated by Serica Energy). As a non-operating partner, the Group has limited day to day control over operating and capital expenditure decisions, production scheduling, and the pace and direction of development. There is a risk that capital may be diverted into projects not aligned with the Group's strategy, or that the Group may be unable to meet joint venture cash calls. All of these factors could result in a material decrease in the Group's net production causing a reduction in its oil and gas exploration and development activities and its ability to fully exploit remaining reserves and resources.

# Risk Factors (3/15)

Decision-making in joint ventures is subject to voting rules, and the Group may not be able to procure the adoption of resolutions that it believes are in its best interests, for example the approval of development of discoveries the Group believes are commercially viable. Other partners may also default on their cash call obligations. In such circumstances, the Group may be obliged to cover all or parts of the defaulting partner's share of costs. Furthermore, any default by the Group of its own obligations under an E&P License (and associated agreements) may, under certain license regimes and contractual arrangements, trigger consequences including (i) losing the right to vote in the relevant license committees, (ii) losing the right to lift petroleum, and (iii) triggering pre-emption rights for non-defaulting partners, potentially at prices that are not reflective of market value. Any such events could have a material adverse effect on the Group's business, financial condition and results of operations and reduce or negatively impact recovery for Bondholders under the Bonds.

The Group may suffer material losses from uninsurable or uninsured risks or insufficient insurance coverage

The Group may be subject to substantial liability claims due to the inherently hazardous nature of the businesses it operates or for acts and omissions of subcontractors, operators or joint venture partners. Any contractual indemnities it may receive from such parties may be difficult to enforce if such sub-contractors, operators or joint venture partners lack adequate resources. There can be no assurance that the proceeds of insurance applicable to covered risks will be adequate to cover related losses or liabilities. In addition, the Group may also suffer material losses from uninsurable or uninsured risks. The occurrence of any of these risks could adversely affect the Issuer's financial performance.

The nature of the hazards and risks typical for the Group's industry is such that liabilities could materially exceed policy limits or not be insured at all, which may result in substantial financial liability or losses. Adequate coverage at reasonable rates is not always obtainable. Any uninsured losses or liabilities, or any losses and liabilities exceeding insured limits, may have a material adverse effect on the Group's business, results of operations, financial condition and prospects, and may negatively impact recovery for Bondholders under the Bonds.

Risks related to reserves estimation uncertainty and asset impairment

The Group's reserves and contingent resources are based on estimates using geological and reservoir information and assumptions and projections relating to capital expenditure, operating costs and decommissioning. Changes to reserves estimates may significantly impact depreciation charges, the timing and carrying value of abandonment provisions, impairment testing results and deferred tax assets. The Group recognised impairment charges of USD 34.5 million in 2024, primarily relating to Netherlands production assets, and the Netherlands Production CGU carrying value was written down to USD 27 million. Production in the Netherlands is expected to cease in 2027. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from estimates and assumptions.

All estimates of oil and gas reserves and resources, and consequently the future net cash flows expected from such reserves and resources, are inherently uncertain. Important factors that could cause actual results to differ from estimates include, but are not limited to, technical, geological and geotechnical conditions, economic and market conditions, operating costs, oil and gas prices, changes in legislation and governmental regulations and interest rates and currency exchange rates. Estimates prepared by different engineers, or by the same engineers at different times, may vary. If the actual reserves or resources of the Group are less than current estimates, the Group may be unable to recover and produce the estimated levels or quality of oil or gas, which may have a material adverse effect on the Group's business, results of operations, financial condition or prospects, and could have a negative effect on Bondholders' recovery under the Bonds and/or the terms on which the Bonds may be refinanced in the future.

Risks related to decommissioning costs and timing

The Group has accounted for substantial abandonment provisions of USD 291 million before tax rebates as at 30 June 2025 (the unaudited interim accounts). Decommissioning cost estimates are inherently uncertain and can vary significantly in response to changes in legal requirements, cessation of production dates, available technology and cost inflation. The Group relies in part on surety bonds (GBP 45 million in issue as at 31 December 2024) and letters of credit to satisfy its obligations under decommissioning security agreements ("DSA") for the GLA fields, and should the surety market deteriorate, the Group may be required to satisfy its DSA obligations fully in cash. The GLA DSA obligation for 2026 is likely to exceed GBP 50 million. Earlier-than-expected cessation of production could accelerate decommissioning liabilities and consequently materially impact the Group's liquidity position.

# Risk Factors (4/15)

In many jurisdictions, including Norway and the UK, each E&P license partner is jointly and severally liable with the other E&P license partners for the decommissioning obligations under the E&P licenses. To the extent one or more partners default on their obligation to cover their share of decommissioning costs, the remaining partners may, depending on the terms of the assignment and any applicable governmental approvals, be required to cover the defaulting party's portion of costs. Furthermore, a licensee that has previously assigned an interest in a license may (in certain circumstances) retain secondary liability for decommissioning costs relating to facilities existing at the time of assignment. Any significant increase in the actual or estimated decommissioning costs of the Group, or if the decommissioning obligation arises earlier than anticipated, may have a material adverse effect on the Group's business, results of operations, financial condition and prospects, and may adversely affect the liquidity available to the Group to service the Bonds. In Oman the position is less clear and is subject to the provisions of the relevant EPSA and JOA. Block 3 and 4 and Block 9 EPSA do not contain specific joint and several liability provisions and the current approach of MEM is to require the creation of an Abandonment Fund to cover these costs.

## Growth and acquisition risk

The Group's strategy involves the identification of new reserves and resources through both organic growth and acquisition. The announced proposed acquisition of working interests in Block 9 and Blocks 3 and 4 in Oman for an aggregate consideration of USD 148 million represents a significant new jurisdiction entry and is subject to customary governmental and regulatory approvals and partner consents. If the Group is unable to continue to replace current and future production, the value of reserves will decrease and its business and financial position could be materially adversely affected.

## Risks related to the Group's inability to retain key personnel

The Group's success depends, to a large extent, on certain of its key personnel having expertise in complex industry-specific issues such as reservoir engineering, geophysics, drilling, field development, petroleum production and decommissioning activities across multiple jurisdictions. Competition to attract and retain such highly qualified personnel is significant. The loss of the services of key personnel at critical junctures of operations could negatively affect the Group's ability to deliver projects according to plan and result in increased costs and delays, which could have a material adverse effect on the Group's business, results of operations, financial condition or prospects, and adversely affect the ability of the Group to service its obligations under the Bonds.

## Liquidity risk and refinancing risk

Adverse changes to production, commodity prices, taxation or surety bond availability may put pressure on the Group's available liquidity, constraining its options to grow the business or meet obligations. The availability and cost of debt finance may influence the Group's profitability and the Group's ability to participate in development opportunities. In extreme downside cases, liquidity pressures may result in minimum liquidity covenants being breached and risk of insolvency.

In addition, if the Group fails to pay any amount when due under, or otherwise fails to comply in any material respect with the terms of, any of its existing (and any future) financings this may ultimately lead to an event of default under the terms of such financing which could lead to acceleration and enforcement proceedings being brought against it by its creditors.

An inability to obtain future funding on reasonable terms, restrictions on its operational flexibility contained in its financing agreements and/or a material failure to comply with the terms of its existing or future financings, could have a material adverse effect on the Group's business, financial condition or operational results.

## Risks related to commodity price volatility

The Group's cash flow and results are heavily dependent on oil and natural gas prices, which are influenced by factors beyond its control, including geopolitical developments (such as the Russia-Ukraine, Israel-Palestine and the USA-Israel-Iran conflicts), climate change concerns and regulatory developments. The Group currently has no commodity price hedging arrangements in place. A sustained decline in commodity prices could adversely affect operating cash flow, lead to impairment of oil and gas assets and result in an inability to meet bond covenants, repay debt or meet other financial obligations.

# Risk Factors (5/15)

## Foreign currency risk

The Group operates across multiple jurisdictions and currencies. Revenue and bond debt are denominated in USD, whereas operating costs, tax receivables and the majority of capital expenditure in Norway are denominated in NOK. UK activities are denominated in GBP and Dutch activities in EUR. Among the factors that may affect currency values are trade balances, levels of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political or regulatory developments. A 10% strengthening of USD relative to NOK at 31 December 2024 would have adversely impacted equity and profit and loss by approximately USD 26 million, with a corresponding 10% weakening positively impacting equity and profit and loss by approximately the same amount. The Group does not currently have a formal currency risk management policy or enter into any currency hedges, and changes in exchange rates between the relevant currencies could lead to significant changes in the Group's reported financial results from period to period.

## Difficulties in the marketing or exporting of oil and gas could adversely affect revenues

The Group's ability to sell the oil and gas it produces is and will be affected by numerous factors beyond its control, such as physical limitations in export routes or circumstances related to buyers. This risk applies to the Group's oil and gas activities across all of its jurisdictions. The materialisation of any such risk may have a material adverse effect on the Group's business, results of operations, financial condition or prospects, and could reduce or delay recovery for Bondholders under the Bonds.

## The Group relies on the services of independent third-party contractors

The Group relies on external independent contractors to carry out various operational tasks in its E&P operations, including certain drilling activities. Historically, prices of such services have tended to rise significantly in oil market upturns when demand has often outpaced supply. Inefficiency or interruption to the Group's supply chain or the unwillingness or inability of service contractors to engage in the Group's areas of operation may negatively affect operations and, consequently, the Group's ability to service its obligations under the Bonds.

## The Group may not have access to necessary infrastructure or capacity booking for the transportation of oil and gas

The Group is dependent on capacity (whether through pipelines, tankers or otherwise) to process, transport and sell its oil and gas production. The Group, or the license group in which the Group holds an interest, may need to rely on access to third-party infrastructure to process and transport produced hydrocarbons. There can be no assurance that the Group will be able to get access to necessary infrastructure at an economically justifiable cost, or at all. If access to third-party infrastructure and necessary capacity bookings are unavailable or unavailable at an economically justifiable cost, the Group's income relating to the sale of oil and gas may be reduced, which may have a material adverse effect on the Group's business, results of operations, financial condition and on Bondholders' recovery under the Bonds.

## The operations could be compromised by criminal or terrorist action

Criminal or terrorist action, or threats of action, could disrupt the Group's operations or increase operating costs associated with security, insurance and other protections against criminal and terrorist action. The Group's operations span jurisdictions with varying levels of security risk, including Oman in the MENA region and the North Sea, where the sabotage of the Nord Stream 2 gas pipeline has increased focus on the risk of attacks on oil and gas infrastructure. The materialisation of any such risk may have a material adverse effect on the Group's business, results of operations, financial condition or prospects, and could reduce or delay recovery for Bondholders under the Bonds.

# Risk Factors (6/15)

HSSE laws and regulations may expose the Group to significant liabilities

The Group's operations are subject to health, safety, security and environment ("HSSE") rules established internationally, regionally and nationally. HSSE laws and regulations typically govern, among other things, the discharge and release of various substances into the environment, the handling and disposal of waste, and the health and safety of the Group's employees and local communities in the vicinity of the respective areas of operations. Certain HSSE laws and regulations, such as Section 7-3 of the Norwegian Petroleum Act, provide for strict joint and several liability without regard to negligence or fault for damage caused to persons, property and the environment by E&P activities. Compliance with HSSE laws and regulations may lead to the Group incurring substantial future expenditures.

Any failure to comply with HSSE laws and regulations may result in regulatory actions and liabilities, including withdrawal of licenses or permits, temporary or permanent closure of the Group's facilities, imposition of fines or penalties, obligations to compensate for environmental damage and payment of compensation to third parties, each of which could lead to a decrease in revenues or an increase in costs and could have a material adverse effect on the Group's business, financial condition and results of operations and on Bondholders' recovery under the Bonds.

## LEGAL, POLITICAL AND REGULATORY RISKS

Taxation risk and windfall taxes

The Group is subject to high headline tax rates across its operating jurisdictions: 78% in both the UK and Norway, and 50% in the Netherlands. In the UK, the Energy Profits Levy was increased to 38% from 1 November 2024, whilst the 29% investment allowance was removed, resulting in a headline tax rate of 78%. Retrospective taxation, such as the Dutch solidarity contribution tax, or material changes to tax regimes may render currently economic projects unviable, forcing earlier cessation of production and giving rise to asset impairment risk. Uncertainty over tax regimes may hinder future investment decisions whilst reducing returns from operations. There can be no assurance that governments and tax authorities will not further expand or introduce new changes to the existing fiscal regime which could, in each case, materially affect the Group's business, value of assets, cash flows, financial condition, access to capital and/or prospects and could cause the Issuer to fail to meet its obligations under the Bond Terms.

Income derived from the sale of oil and gas originating in Oman is taxed at a rate of 55%. However, the petroleum company that realizes such profits, although still considered a taxpayer in Oman, would have its tax obligations discharged by the government of Oman under the terms of its applicable Exploration and Production Sharing Agreement.

Risks related to solidarity contribution tax exposure

In October 2022, the EU member states adopted Council Regulation (EU) 1854/2022, which required EU member states to introduce a Solidarity Contribution Tax for companies active in the oil, gas, coal and refinery sectors. The Dutch implementation of this solidarity contribution was legislated by a retrospective 33% tax on 'surplus profits' realised during 2022, defined as taxable profit exceeding 120% of the average taxable profit of the four previous financial years. Companies in scope are those realising at least 75% of their turnover through the production of oil and natural gas, coal mining activities, refining of petroleum or coke oven products.

It was concluded that Kistos NL2 B.V. is out of scope, as less than 75% of its turnover under Dutch GAAP was derived from the specified activities. This position is supported by external advice and reflected in the Group's Solidarity Tax Contribution tax return, filed in May 2024, which reported a nil liability.

The Group is aware that the legality of the Solidarity Contribution Tax, including its retrospective application, is subject to ongoing legal challenges by other parties and certain EU member states. However, as there is no history or precedent for this tax being audited or collected by the Dutch tax authorities, the Directors, having taken all facts and circumstances into account, applied IFRIC 23, 'Uncertainty over Income Tax Treatments'.

# Risk Factors (7/15)

Accordingly, the Group made a provision of USD 49 million in 2024 relating to the Solidarity Contribution Tax within the current tax charge for the prior period. This is the single most likely amount of the charge if it becomes payable. The Group filed its return in respect of the Solidarity Contribution Tax in May 2024 (which was by the relevant deadline for submission), with its returns stating a nil balance to be paid (for the reasons outlined above).

The Group is also aware that Solidarity Contribution Tax is subject to legal challenges on the grounds of, inter alia, the legality of its implementation into Dutch law, the nature of retrospective application and its specific application to oil and gas producers in the Netherlands. While the Group is not directly involved in these challenges, it will closely monitor developments and any outcome.

Should the Belastingdienst (Dutch Tax Authority) make an adverse ruling against the Group and determine that the Group was grossly negligent or undertook wilful misconduct in submitting a nil return, non-filing or late filing of the tax return (or did not pay an amount indicated in the tax return) then material fines or penalties could apply. Late payment interest would also be incurred from 31 May 2024 until the date of final payment – the current rate of interest applicable being 6.5% in 2025 (in 2024 it was 7.5%). This would have a material impact on the Group's liquidity position.

## Political and regulatory risk

Changes in national government policies towards oil and gas companies could adversely impact the Group's ability to deliver its strategy, including through refusal of permitting applications, increased regulatory costs, impairment of intangible assets and an inability to win new licenses. The UK Government's evolving policy towards the oil and gas industry remains a challenge, with continued uncertainty risking investment in domestically produced oil and gas. In the UK, a judicial review by Oceana UK has been launched challenging the license award process for 33rd round exploration licenses, which affects the Group's P2683 license.

The United States and Israel launched coordinated military operations against the Iranian regime on 28 February 2026. The action, focused on the regime's nuclear facilities, military infrastructure, and leadership. Iran has launched sustained waves of ballistic missiles and drones targeting Israeli population centers as well as U.S. military positions across the region. Iran has made counter-attacks across the Gulf, targeting or impacting multiple Gulf Cooperation Council states—including Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates—striking energy infrastructure, civilian areas, and locations near U.S. military installations and effectively closing shipping routes via the Strait of Hormuz, the main route for the export of oil and gas for many Gulf States. Whilst the export of oil and gas from Oman does not require passage via the Strait of Hormuz, Oman's southern coast along the Arabian Sea, is in close proximity to Iran and Oman's oil and gas facilities have been targeted by Iranian strikes.

A wider regional conflict or an escalation of any of the existing conflicts in the region, including the Israeli military campaigns in Lebanon and the Palestinian territories, could have a material adverse impact on Oman, as well as on the regional and global economy.

The ongoing conflict in Yemen and the operational reach of the Houthi movement present a direct security and economic risk to Oman, as cross-border instability and the Houthis' demonstrated capability to target regional shipping and infrastructure—particularly in the Red Sea, Gulf of Aden and increasingly the Arabian Sea—create potential threats to Omani territory, supply chains, and maritime operations. Any escalation in Houthi attacks could materially affect the Issuer's Omani operations through higher security and insurance costs, logistical delays, and broader economic uncertainty.

In addition, fiscal constraints or political pressure may also lead governments to impose increased taxation on operations in the oil and gas, exploration, development and production sector within a given jurisdiction. Such taxes or other expropriation of assets could be imposed by any jurisdiction in which the Group operates. If operations are delayed or shut down as a result of security, political, legal or commercial instability, or if the Group's operations are subjected to increased taxation or other expropriation, the Group's earnings growth may be constrained and the Group's profitability, cash flows and results of operations may be adversely impacted.

The Group operates in a jurisdiction where it may be difficult to interpret applicable laws and obtain or enforce court rulings and arbitral awards

The particular nature of the Omani legal, supervisory and enforcement systems may make it difficult to interpret the applicable laws and regulations, for example in circumstances not yet considered under local laws, or to obtain or enforce court rulings and arbitral awards. The implementation and enforcement of laws may depend on, and be subject to, the interpretation of such laws by the relevant local authorities, and such authorities may adopt an interpretation that differs from advice previously given to members of the Group.

# Risk Factors (8/15)

Oman is a civil law jurisdiction. Court judges enjoy greater freedom to interpret agreements in ways which, in their opinion, correctly reflect the intention of the parties if the terms of the relevant agreement are ambiguous. There is no established system of binding precedent adhered to by Oman courts. There may also be a possibility that the Oman courts decide not to enforce provisions of a contract governed by foreign law or a foreign judgment or arbitral award which are deemed contrary to Islamic Sharia principles, even if such provisions are permitted by the chosen governing foreign law.

Furthermore, although Omani law provides for the enforcement of foreign judgments in Oman subject to certain requirements being met, there have not been any foreign judgments (other than those subject to a GCC reciprocity treaty) enforced in Oman. Any failure by the Group to correctly interpret the applicable laws and regulations or to obtain or enforce court rulings and arbitral awards in the jurisdictions where it operates may have a material adverse effect on the Group's business, results of operations, financial condition or prospects, and could reduce or delay recovery for Bondholders under the Bonds.

Risks related to climate change policies in Oman

In March 2022, Oman established the National Committee for Climate Change and Protection of the Ozone Layer. Oman has pledged to reduce total greenhouse gas emissions by 21% by 2030, and in March 2023 adopted a national plan for zero carbon neutrality targeting the oil and gas sector among others. It is unclear to what extent regulations and emission-reducing measures targeting the oil and gas sector in Oman will impact the Group, but any such measures may increase costs, reduce production or have another material adverse effect on the Group's business, financial condition, cash flows and results of operations. There is also a risk that mature assets with higher emissions may not be granted a license extension and will be decommissioned earlier than anticipated.

Any adjustment to, or ending of, Oman's currency peg could negatively affect Oman

Since 1973, the Omani Rial has been pegged to the U.S. dollar at a rate of USD 2.6008 to OMR 1. However, there is no assurance that the Central Bank of Oman will be able to continue to maintain the currency peg in the future. If the Central Bank of Oman cannot maintain the currency peg, it could reduce confidence in Oman's economy, reduce foreign direct investment and adversely affect Oman's finances and economy. In addition, because of the currency peg, the Central Bank of Oman does not have flexibility to devalue the Omani Rial to stimulate exports, and its ability to independently manage interest rates is constrained. Any of these circumstances could have a material adverse effect on the Group's operations and financial results in Oman.

Climate change, energy transition and ESG-related regulatory risk

Changes in laws, regulations, policies and social attitudes relating to the transition to a lower-carbon economy could lead to higher costs, reduced demand and prices for oil and gas, impacting Group profitability. Sources of debt and equity finance may become more expensive or restricted as investors diversify away from oil and gas investments. Climate change may increase the frequency of severe adverse weather conditions, potentially disrupting operations. The Group is subject to evolving EU Corporate Sustainability Reporting Directive (CSRD) requirements, which have required significant training and resource allocation.

There is continuing uncertainty over the detail of anticipated regulatory and policy developments, including the targets, mechanisms and penalties to be employed, the timeline for legislative change, the degree of global cooperation among nations and the homogeneity of the measures to be adopted across different regions. This ambiguity, in turn, creates uncertainty over the long-term implications for the Group's expected projects and operating costs and the constraints the Group may face in order to comply with any such new regulations.

## FINANCIAL RISKS AND RISKS RELATED TO DEBT OBLIGATIONS

**The Group is exposed to credit risk**



# Risk Factors (9/15)

The Group may be exposed to financial loss if counterparties to contracts fail to meet their obligations. This includes counterparties under hydrocarbon sale agreements, operators and co-venturers under joint operating agreements, and financial institutions with whom cash deposits are held. If significant amounts are not paid when due, this could have a material adverse impact on the Group's cash flow and its ability to service its obligations under the Bonds.

## **The Group may incur substantial debt, which may make it difficult to service its obligations**

The Group has incurred substantial indebtedness under the Bonds. The degree to which the Group is leveraged could have important consequences for Bondholders, including:

- making it difficult to satisfy the Group's obligations under the Bonds;
- increasing the Group's vulnerability to general adverse economic and industry conditions;
- requiring the dedication of a substantial portion of cash flow from operations to the repayment of principal and interest on indebtedness, reducing the availability of such cash flow for other purposes;
- limiting the Group's ability to obtain additional financing to fund working capital, capital investments, acquisitions, and other general corporate purposes; and
- adversely affecting the Group's competitive position if its debt burden is higher than that of its competitors.

## **The Group will require sufficient cash to service its debt and sustain operations, and its ability to generate sufficient cash depends on many factors beyond its control**

The Group's ability to make payments on, or repay or refinance, the Bonds, and to fund working capital and capital investments, will depend on its future operating performance and ability to generate sufficient cash. This depends on the success of its business strategy and on general economic, financial, competitive, market, legislative, regulatory, technical and other factors, many of which are beyond the Group's control. The Group cannot assure that its business will generate sufficient cash flow from operations or that future financings will be available in an amount sufficient to enable it to pay its debt or fund its other liquidity needs. The Group cannot give assurance that it will be able to refinance any debt on commercially reasonable terms or at all. Any failure by the Group to make payments on its debt on a timely basis would likely result in a reduction of its credit rating, which could also harm its ability to incur additional indebtedness. If the Group is unsuccessful in generating or securing sufficient funds, it may not have sufficient cash to meet its obligations, which could result in an event of default and could ultimately result in acceleration, enforcement of security and losses on the Bonds.

The Group's working capital needs are difficult to forecast and may be subject to significant and rapid increases

The Group is unable to predict with certainty its working capital needs going forward. This is primarily due to possible new acquisitions or divestments of current assets, large capital requirements for general operating expenses, and exploration and development expenditures. As the future level of income is also difficult to predict with any certainty due to uncertainties concerning prices for oil and gas and actual production levels, forecasting capital requirements is difficult and subject to substantial uncertainty. This could adversely affect the Group's ability to obtain required funds on satisfactory terms, or at all, which in turn could adversely affect Bondholders' recovery under the Bonds.

# Risk Factors (10/15)

## RISKS RELATED TO THE BONDS

### Risks related to the value and enforceability of the security

There is a risk that the value of collateral may be insufficient to cover outstanding Bonds, due to the value of the transaction security being insufficient. There is also a risk that a security interest in bank accounts held in the Netherlands are not validly created or enforceable. Although the Bonds are secured obligations of the Issuer, there can be no assurance that the value of the assets securing the Bonds and the Issuer's other assets will be sufficient to cover all the outstanding Bonds together with accrued interests and expenses in case of a default and/or if the Issuer goes into liquidation. Furthermore, subject to mandatory provisions of Dutch law the claims of account banks in the Netherlands have a first priority ranking, and the creation and perfection of security interest in bank accounts held by the Issuer and/or the Guarantors in the Netherlands will be subject to a consent from the relevant account bank. If such consent is not granted by the relevant bank, no security may be created over such Dutch bank accounts, and if consent is granted, any security interest in the Dutch bank accounts will rank behind any claims of the relevant account bank in an enforcement.

The fair market value of the Transaction Security is subject to fluctuations based on factors that include, among others, the Group's ability to implement its business strategy, the ability to sell the Transaction Security in an orderly sale, general economic conditions, the availability of buyers and similar factors. The amount to be received upon a sale of any Transaction Security would depend on numerous factors, including the actual fair market value at such time, market and economic conditions and the timing and manner of the sale. There can be no assurance that the Transaction Security will be saleable and, even if saleable, the timing of any liquidation or foreclosure is uncertain. Values from appraisals of Transaction Security may not be correct. To the extent that liens, retention of title arrangements, rights, easements or other security interests encumber the Transaction Security, the beneficiaries of such rights may exercise remedies that could adversely affect the value and scope of the Transaction Security and the ability of the Bond Trustee to enforce and realise the collateral.

Additionally, enforcing the Transaction Security could be expensive, time-consuming and involve complex legal proceedings across multiple jurisdictions, including in the Netherlands, UK and Oman, with no certainty of success. In the UK, an English law security trust structure shall be created to appoint a security agent to act on behalf of the bondholders and certain majorities of bondholders, as set out in the Bond Terms, may be required to instruct the security agent before they can act on their behalf. Enforcement of the Transaction Security may be limited by local insolvency laws, equitable principles and creditors' rights generally, and local courts in certain jurisdictions may deem provisions of the Transaction Security to be void or refuse to uphold them against the security providers. Further, the ranking of the Transaction Security can be affected by a variety of factors, including the timely satisfaction of perfection requirements, statutory liens or recharacterisation under the laws of certain jurisdictions.

### Risks related to the mortgaging of the Downstream Loan being legally challenged

Under Norwegian law, an owner of a licence interest in a Norwegian E&P license in Norway may only mortgage such licence interest as security for indebtedness of the owner and which is related to its E&P licenses, which creates certain limitations and challenges when it comes to granting security for group financing such as the Bonds.

The Issuer will enter into an intercompany loan agreement with Kistos Energy (Norway) AS ("Kistos Norway"), pursuant to which the Issuer will extend an intra-group loan (the "Downstream Loan") to Kistos Norway to enable full repayment of its existing senior bond issued under ISIN NO0011142036 and its existing super senior bonds issued under ISIN NO0012867318. The Downstream Loan is secured by a mortgage over Kistos Norway's petroleum licenses on the Norwegian Continental Shelf, granted in favour of the Issuer. The Issuer has in turn granted security over the Downstream Loan in favour of the Bond Trustee as security for the Bonds. Although the general principle under Norwegian law is that security over a loan also includes security over any collateral securing that loan, there is a risk that, if the Bond Trustee enforces the security over the Downstream Loan and in turn seeks to enforce the underlying mortgage over the petroleum licenses, such enforcement could be challenged and the mortgage deemed invalid or unenforceable. If successfully challenged the Bondholders' recovery under the mortgage may be materially less than the mortgaged claim against the Issuer.

# Risk Factors (11/15)

## Risks related to the enforcement of foreign judgements

Enforcing a Norwegian judgment in the Netherlands is relatively straightforward, generally governed by the Lugano Convention 2007, which provides a structured pathway for recognition and enforcement. To enforce, the judgment creditor must obtain a declaration of enforceability (exequatur) from the Dutch court and have the judgment served by a Dutch bailiff. This process may be time consuming and require translation and certification of key documents.

Norwegian civil judgments are enforced in the UK primarily under the 1961 Norway-UK Reciprocal Recognition and Enforcement Convention, as updated in 2020, allowing registration and enforcement of superior court judgments. Judgment creditors must apply to the High Court to register the judgment, often requiring certified translations.

Enforcing a Norwegian court judgment in the Sultanate of Oman is possible but is not automatic, as there is no specific bilateral treaty between the two countries for the recognition of judgments. Enforcement relies on Article 352 of the Omani Civil and Commercial Procedures Law (CCPL), which requires the Omani courts to verify specific conditions before recognizing a foreign judgment.

## Risks related to the shared security and the majority bond issues instruction rights

The Bonds will, subject to any prior ranking claims of any account bank in the bank accounts (other than the Escrow Account) under applicable law, be secured on a first priority basis. The transaction security will be shared between the holders of the Bonds and the holders of any Permitted Pari Passu Bonds (to such latter bonds are issued), on a pari passu basis pursuant to the terms and conditions of the Intercreditor Agreement. The Intercreditor Agreement will include provisions whereby, in relation to any decisions among and between the bond issues to be made in relation to any enforcement action and any related issues, the Bond Trustee (acting as the security agent for the bond issues) will act in accordance with majority instructions made by more than 50% of the total principal amounts outstanding under all bond issues, calculated by adding the aggregate principal amount of each bond issue that, in accordance with the terms and voting provisions of that bond issue (and so that all votes/bonds of that bond issue shall be deemed to have been cast in favour of the final outcome within that bond issue), has voted in favour of similar instructions and/or resolutions. The Bond Trustee will, when a decision is required, summon a bondholders' meeting in each bond issue to receive the necessary majority instructions, and the resolutions of a simple majority will bind all holders of the Bonds, including bondholders who did not attend and vote at the relevant meeting and bondholders who vote in a manner contrary to the simple majority. If the Bond Trustee receives such majority instruction to initiate an enforcement action, each bond issue shall be deemed to have given the Bond Trustee such instructions. The scope of the shared security and the intercreditor principles entails a risk that the outcome of an enforcement of the security, recovery and distribution of any enforcement proceeds may be less favourable to the bondholders in comparison to bond issues where the bondholders are not sharing the security with other lenders or is in sole control of the enforcement process.

## Risks related to the Dutch law parallel debt concept

It is generally assumed that under Dutch law security interests such as rights of pledge cannot be validly created in favour of a person who is not the creditor of the claim that the security interest intends to secure. The beneficial holders of the Bonds from time to time will not be party to the security documents, as the security is granted in favour of the Bond Trustee, as security agent for the secured parties. Under Dutch law there is a risk that the security is not enforceable against the Issuer. In order to permit the holders of the Bonds from time to time to have a secured claim and the benefit of any security, the documentation relating to the Bonds will provide for the creation of a "parallel debt." Pursuant to the parallel debt, the Bond Trustee becomes the holder of a claim equal to each amount payable by an obligor under the Bonds. The pledges governed by Dutch law will directly secure the parallel debt. The parallel debt concept has not been tested under Dutch law, and there is no certainty that this arrangement will eliminate or mitigate the above-mentioned risk of unenforceability posed by Dutch law.

## Structural subordination

The Bonds are contemplated to be issued by Kistos Holdings plc, being the ultimate parent company of the Group. The business operations of the Group are carried out, the revenues earned and the material contracts entered into by the Subsidiaries of the Group. In certain jurisdictions in which the Group operates, the Bondholders may be structurally subordinated to claims of preferential creditors at the operating subsidiary level, including trade creditors, employees and tax authorities. Bondholders may recover materially less than the value of the Group's underlying assets. This inherent structural subordination may therefore have a material adverse effect on the Bondholders' position.

# Risk Factors (12/15)

Financial covenants in any future debt facilities of the Group could impose financial and other restrictions

The Bonds will, and the Group's potential future loan facilities might, impose, operating and financial restrictions on the Group. These restrictions may, inter alia, limit the Group's ability to pay dividends, incur additional indebtedness, create liens on its assets, and additional actions which may otherwise be beneficial for the Group. The Bond Terms will contain, inter alia, material restrictions, including dividend restrictions, financial covenants and various covenants as to the operations of the business. Among the financial covenants applicable to the Bonds is a requirement that the minimum liquidity of the Issuer at all times shall be above 5% of gross outstanding debt of the Group. A breach of these covenants could trigger cross-default provisions, accelerate repayment obligations and restrict the Group's ability to operate its business.

Optional redemption by the Issuer

The Bond Terms will provide that the Bonds shall be subject to optional redemption by the Issuer at their outstanding principal amount, plus accrued and unpaid interest to the date of redemption, plus in some events a premium calculated in accordance with the Bond Terms. This is likely to limit the market value of the Bonds. It may not be possible for bondholders to reinvest proceeds at an effective interest rate as high as the interest rate on the Bonds.

The Bond Terms may be amended

The Bond Terms will contain provisions for calling for meetings of the holders of the Bonds in the event that the Issuer wishes to amend any of the terms and conditions applicable to the Bonds. These provisions permit defined majorities to bind all holders of the Bonds, including holders who did not attend and vote at the relevant meeting and holders who vote in a manner contrary to the required majority. The Bond Trustee may, without the consent of the bondholders, agree to certain non-material modifications of the Bond Terms and other Finance Documents that, in the opinion of the Bond Trustee, are not detrimental to the rights and benefits of the bondholders in any material respect, or is made solely for the purpose of rectifying obvious errors and mistakes. Such modifications will be binding upon the bondholders.

## **There are significant restrictions on your ability to transfer or resell the Bonds**

The Bonds are being issued by the Issuer pursuant to exemptions from the prospectus requirements under applicable securities laws and furthermore have not been, and will not be, registered under the U.S. Securities Act or any United States state securities laws. The Issuer has undertaken to list the Bonds on Nordic ABM, however bondholders may not be able to resell the Bonds for a period of time. Bondholders may not offer the Bonds for resale in the United States except pursuant to an exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act and applicable United States state securities laws. Furthermore, the Issuer will not register the Bonds under any other country's securities laws. It is each bondholder's obligation to ensure that any offers and sales of the Bonds comply with applicable securities laws.

## **Risks related to multi-jurisdictional legal and regulatory complexity**

The Group operates across the UK, the Netherlands, Norway and is entering Oman, each with distinct legal, regulatory, fiscal and licensing frameworks. It is subject to the Companies Act 2006 and AIM Rules in the UK, the UK Takeover Code, the Dutch Mining Act and Dutch GAAP for certain tax purposes in the Netherlands, and the Norwegian Petroleum Tax Act in Norway. The entry into Oman introduces a further legal and regulatory jurisdiction, with the acquisition subject to government and partner approvals. The complexity of operating across multiple jurisdictions increases the risk of non-compliance and exposes the Group to potentially conflicting regulatory requirements.

## **Agreed Security Principles may limit the availability of guarantees and security**

The security and guarantee package for the Bonds is subject to the Agreed Security Principles (as defined in the Bond Terms), which operate to limit the instances in which guarantees and/or security are required to be provided by Group Companies. As a result, it is possible that (i) certain Group Companies may not be required to provide guarantees or security over some or all of their assets, and/or (ii) the guaranteed or secured amount in respect of certain obligations may be limited. This may result in the Bondholders having less security than expected, may reduce the overall value of the Transaction Security and could, in an enforcement scenario, result in lower recoveries for Bondholders than anticipated.

# Risk Factors (13/15)

## Enforcement of Transaction Security over shares may be practically limited by change of control provisions

The Transaction Security includes pledges over the shares in Group Companies, including companies engaged in petroleum activities on the NCS, in Oman and potentially in other jurisdictions. The ability to enforce such share pledges may be practically limited by change of control provisions and regulatory requirements in the relevant jurisdictions, including:

- (Norway) Any enforcement of security over shares in a company engaged in petroleum activities on the NCS will be subject to the approval of the Norwegian Ministry of Energy in accordance with Section 10-12 of the Norwegian Petroleum Act. Furthermore, enforcement of a share pledge in respect of Norwegian companies must probably be carried out in accordance with the Norwegian Enforcement Act of 1992, rather than under the financial collateral regime, requiring use of the Norwegian court system.
- (Oman) Although neither the relevant EPSAs nor Omani law contains explicit change of control provisions requiring governmental approval for a change of control in a party to an EPSA, it is not unlikely that the relevant governmental bodies in Oman will assert that they must approve any change of control in a party to an EPSA or its holding companies. Any enforcement of a share pledge over the shares in a party to an EPSA or its holding companies will therefore, in practical terms, likely be subject to governmental approval in order to avoid a possible breach of the relevant EPSA, the related Royal Decrees and/or Omani law, and which could result in a cancellation of the EPSA – thereby making any share pledge less valuable as Transaction Security.
- (UK) Any enforcement of: (i) security over shares in a company engaged in petroleum activities on the UKCS resulting in a change of control of a licensee or; (ii) of a charge over the assets of a licensee resulting in the transfer of a licence interest, will be subject to consent from the North Sea Transition Authority. “Control” of a company is construed in accordance with sections 450(2) to (4) and 451(1) to (5) of the Corporation Tax Act 2010. The licence model clauses amend the statutory definition such that an entity would hold control with “one-third or more” of the shares in the licensee (or any of the holding companies sitting further up the corporate structure).

(Other jurisdictions) Similar change of control restrictions and regulatory approval requirements may apply in other jurisdictions in which the Group operates or may operate in the future.

Any of the above may lead to a reduction in recovery and losses on an investment in the Bonds, or cause delays and uncertainty regarding the enforcement of rights of Bondholders.

## The Group may expand into new regions, and the risks associated with operations in new jurisdictions are uncertain

There are no limitations in the Bond Terms as to which jurisdictions the Issuer or other Group Companies may establish themselves in or acquire assets in. As the Group continues to grow through acquisitions, it may enter jurisdictions whose legal, regulatory, fiscal, political and commercial frameworks are not fully known at the time of investment. The risks associated with operations in such new regions may differ materially from those currently known to the Group and its advisors, and may include risks relating to title, regulatory approvals, political stability, taxation, currency controls, repatriation of funds and enforceability of contracts. The realisation of any such unknown risks could have a material adverse effect on the Group's business, financial condition and results of operations, and on the Bondholders' recovery under the Bonds.

## Risks related to insolvency or financial hardship

If an Obligor becomes subject to insolvency or restructuring proceedings, Bondholders may recover materially less than expected due to priority creditors, enforcement stays, forced sales at depressed values and limitation of post-insolvency interest claims. Pre-insolvency restructuring may in certain jurisdictions bind dissenting Bondholders through cross-class cramdown. Security interests and guarantees face enforceability challenges including potential avoidance as preferences or undervalue transactions, priority ranking issues, parallel debt uncertainties and regulatory approval requirements for share pledge enforcement.

# Risk Factors (14/15)

The jurisdictions in which the Group operates have legal rules that, in the event of insolvency, financial distress, default under key E&P agreements or non-compliance with licence obligations, may cause E&P rights to lapse, be suspended or trigger pre-emption rights for licence partners at values that may not reflect market value. Enforcement of the Transaction Security may be practically limited by governmental consent requirements. The following sets out specific considerations by jurisdiction.

- **Norway:** Insolvency proceedings relating to Kistos Norway or future Norwegian Guarantors would likely involve Norwegian insolvency laws. There is no precedent for an NCS licence partner entering insolvency, and hence significant uncertainty as to how relevant regulations would apply. The Ministry of Energy may have powers to revoke the debtor's licence interests, and any transfer or sale on enforcement requires Ministry approval. Untested risks include forced take-over of licence interests by non-defaulting partners (extinguishing any mortgage or security over those interests) and how surplus proceeds from a forced realisation would benefit other creditors in the order of priority.
- **Oman:** Under the Oil & Gas Law (Sultani Decree No. 8/2011), concessions may only be granted by law and for a specific term, valid only upon ratification by Sultani Decree, and any assignment requires governmental approval by Royal Decree. In the event of insolvency, financial hardship or default under an EPSA, EPSA rights may lapse or be terminated, and enforcement of security over participating interests or shares would require governmental approval. Concessions may only be granted to persons who are technically and financially qualified per Ministry standards, and financial guarantees may be called in default. There is limited precedent for insolvency or enforcement proceedings involving Omani EPSA interests, and outcomes are highly uncertain.
- **The Netherlands:** Dutch law may affect the ability to enforce Transaction Security in insolvency. Mining licences under the Mijnbouwwet are personal to the named holder and any transfer requires ministerial consent under Article 20; a change of control resulting from share pledge enforcement may prompt regulatory engagement. Dutch insolvency proceedings (*Faillissementswet*) may impose statutory stays on enforcement (*afkoelingsperiode*) and permit the bankruptcy receiver to intervene in the realisation of secured assets. Guarantees and security interests may be annulled under actio pauliana avoidance rules, and their validity may be limited by corporate benefit (*vennootschappelijk belang*) and reasonableness and fairness (*redelijkheid en billijkheid*) principles. The WHOA (*Wet homologatie onderhands akkoord*) permits court-sanctioned restructuring outside formal insolvency, including cross-class cramdown and enforcement stays of up to eight months.

## The Group may expand into new regions, and the risks associated with operations in new jurisdictions are uncertain

There are no limitations in the Bond Terms as to which jurisdictions the Issuer or other Group Companies may establish themselves in or acquire assets in. As the Group continues to grow through acquisitions, it may enter jurisdictions whose legal, regulatory, fiscal, political and commercial frameworks are not fully known at the time of investment. The risks associated with operations in such new regions may differ materially from those currently known to the Group and its advisors, and may include risks relating to title, regulatory approvals, political stability, taxation, currency controls, repatriation of funds and enforceability of contracts. The realisation of any such unknown risks could have a material adverse effect on the Group's business, financial condition and results of operations, and on the Bondholders' recovery under the Bonds.

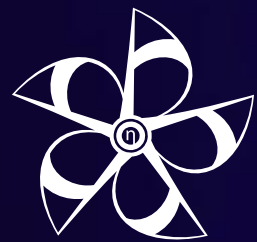
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# Risk Factors (15/15)

The jurisdictions in which the Group operates have legal rules that, in the event of insolvency, financial distress, default under key E&P agreements or non-compliance with licence obligations, may cause E&P rights to lapse, be suspended or trigger pre-emption rights for licence partners at values that may not reflect market value. Enforcement of the Transaction Security may be practically limited by governmental consent requirements. The following sets out specific considerations by jurisdiction.

- **Norway:** Insolvency proceedings relating to Kistos Norway or future Norwegian Guarantors would likely involve Norwegian insolvency laws. There is no precedent for an NCS licence partner entering insolvency, and hence significant uncertainty as to how relevant regulations would apply. The Ministry of Energy may have powers to revoke the debtor's licence interests, and any transfer or sale on enforcement requires Ministry approval. Untested risks include forced take-over of licence interests by non-defaulting partners (extinguishing any mortgage or security over those interests) and how surplus proceeds from a forced realisation would benefit other creditors in the order of priority.
- **Oman:** Under the Oil & Gas Law (Sultani Decree No. 8/2011), concessions may only be granted by law and for a specific term, valid only upon ratification by Sultani Decree, and any assignment requires governmental approval by Royal Decree. In the event of insolvency, financial hardship or default under an EPSC, EPSC rights may lapse or be terminated, and enforcement of security over participating interests or shares would require governmental approval. Concessions may only be granted to persons who are technically and financially qualified per Ministry standards, and financial guarantees may be called in default. There is limited precedent for insolvency or enforcement proceedings involving Omani EPSC interests, and outcomes are highly uncertain.
- **The Netherlands:** Dutch law may affect the ability to enforce Transaction Security in insolvency. Mining licences under the Mijnbouwwet are personal to the named holder and any transfer requires ministerial consent under Article 20; a change of control resulting from share pledge enforcement may prompt regulatory engagement. Dutch insolvency proceedings (*Faillissementswet*) may impose statutory stays on enforcement (*afkoelingsperiode*) and permit the bankruptcy receiver to intervene in the realisation of secured assets. Guarantees and security interests may be annulled under actio pauliana avoidance rules, and their validity may be limited by corporate benefit (*vennootschappelijk belang*) and reasonableness and fairness (*redelijkheid en billijkheid*) principles. The WHOA (*Wet homologatie onderhands akkoord*) permits court-sanctioned restructuring outside formal insolvency, including cross-class cramdown and enforcement stays of up to eight months.
- **United Kingdom:** Insolvency proceedings relating to the Issuer or UK Group Companies would likely involve English insolvency law, under which administration or liquidation may stay enforcement proceedings. On the UKCS, there are limited examples of a licence partner being subject to insolvency, and the North Sea Transition Authority's (the "**NSTA**") response is context-specific and discretionary. The NSTA may fully revoke a licence (impacting all licencees) or partially revoke it (impacting only the insolvent licencee), with remaining licencees potentially required to increase their participating interests pro rata. Any assignment or change of control requires NSTA consent on a case-by-case basis, and transfers completed without consent may lead to licence revocation.



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