



OQ Investor Presentation

1H 2024 Results and Highlights

Disclaimer

The material contained in this presentation is intended to be general background information on OQ S.A.O.C and its activities.

The information is supplied in summary form and is therefore not necessarily complete. Also, it is not intended that it be relied upon as advice to investors or potential investors, who should consider seeking independent professional advice depending upon their specific investment objectives, financial situation or particular needs.

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This presentation contains statements that constitute “forward-looking statements”. The forward-looking statements include statements regarding our intent, belief or current expectations with respect to our business and operations, market conditions and results of operations and financial condition, including, without limitation, indicative revenue, EBITDA, Adjusted EBITDA, leverage, among others.

These statements reflect our current views with respect to future events and are subject to certain risks, uncertainties and assumptions. We use words such as ‘may’, ‘expect’, ‘indicative’, ‘intend’, ‘forecast’, ‘estimate’, ‘anticipate’, ‘believe’, or similar words to identify forward-looking statements. Should one or more of the risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from the expectations described in this presentation.

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Some financial figures in this presentation have been converted to US\$ for the convenience of the reader at an FX rate of 0.3845 OMR per US\$. The US dollar translations should not be construed as a representation that the OMR amounts have been or may be converted into US dollars at the rate indicated.

Adjusted EBITDA

Certain sections of this Report, discuss Adjusted EBITDA, which is not a measure of financial performance under IFRS. In determining Adjusted EBITDA, the Group adds back to (in the case of expense items) or deducts from (in the case of income items) profit for the period the following items: A) Finance expense; B) Impairment losses (charged)/released, net; C) Income tax expense; D) Changes in fair value of investments; E) Finance income; F) Foreign exchange gains/ losses, net; G) Certain non-recurring investment income (for example, investment income on divestments), H) Depreciation and Amortization, and, I) OQ's share of asset impairment charges booked by the OQ8 joint venture.

The Company believes that the presentation of this Alternative Performance Measure is helpful to investors because this and other similar measures are widely used by certain investors, security analysts and other interested parties as supplemental measures of performance and liquidity. However, Adjusted EBITDA is not a measure of financial performance under IFRS and should not be considered in isolation or as a substitute for operating profit, cash flow from operating activities or other financial measures of the Group's results of operations or liquidity computed in accordance with IFRS.

For more information, please visit oq.com



Our Company at a Glance



OQ is a Global Integrated Energy Company With Deep Roots in the Sultanate of Oman

OQ is the only integrated energy company in Oman and is fully owned by the Oman Investment Authority (OIA) since 2020⁶



15 Oil and gas fields¹:
Production (1H 2024) – 119 kbd of oil & 620 mmcfpd of gas (WI)
2P Reserves (1H 2024) – 974 mmboe (WI)²



Portfolio of
14 Refined & Petrochemical products



+ 4,030 km³
Owner & operator of materially all of Oman's gas transportation system



+1,000
Customers in 70+ countries



16 Downstream plants⁴
Sole refiner in the Sultanate of Oman
Includes 6 international specialty chemical plants



+8,000
Total direct employees⁴

US\$ 34bn
Total Assets
June 30, 2024

US\$ 4.5bn
Adj. EBITDA
LTM 1H 2024⁵

1.0x
Net Debt to Adj.
EBITDA LTM 1H 2024⁵



OQ Note: FX rate of US\$ per OMR of 0.3845.
1. Including operated, non-operated and exploration blocks; 2. The Group's 2P entitlement reserves (being the total technical reserves less the Government's share) were ~974 mmboe; 3. OQ owns 51% of OQGN post listing on MSX. 4. Includes Sohar Refinery 1&2, aromatics plant, polypropylene plant, Liwa Plastics Industries Complex, Mina Al-Fahal refinery, Duqm refinery, Salalah Methanol plant, Ammonia plant, LPG plant, Specialty chemical plants: Germany (2), USA (2), Netherlands (1), China (1), and excludes Other assets, i.e., Musandam Power Co., OMIFCO, OTTCO, OARC and Sohar Aluminum; Total workforce directly employed by the Group as of December 31, 2023 (this number excludes workers on temporary contract). 5. For details regarding Adjusted EBITDA, please see the Disclaimer section above. 6. The government established Oman Investment Authority (OIA) and transferred OQ's ownership from the Ministry of Finance to the OIA.



OQE&P

Operators

1		Block 8	Producing Asset Under Service Contract Working Interest: 100%
2		Block 9	Producing Asset Working Interest: 45%
3		Block 10	Producing Asset Working Interest: 20%
4		Block 11	Exploration Asset Working Interest: 10%
5		Block 42	Exploration Asset Working Interest: 50%
6		Block 47	Exploration Asset Working Interest: 10%
7		Block 48	Exploration Asset Working Interest: 60%
8		Block 52	Exploration Asset Working Interest: 15%
9		Block 53	Producing Asset Working Interest: 20%
10		Block 60	Producing Asset Working Interest: 50%
11		Block 61	Producing Asset Working Interest: 30%
12		Block 65	Producing Asset Working Interest: 40%
13		Rima	Producing Asset Under Service Contract Working Interest: 25%
14		Karim	Producing Asset Under Service Contract Working Interest: 25%
15		Dunga	Producing Asset Working Interest: 20%

Arabian Gulf



Dunga
KAZAKHSTAN

Arabian Sea

- OQGN Natural Gas Transmission Pipeline
- Natural Gas Transmission Pipeline Operated by Others
- OQ Natural Gas Supply Station
- Natural Gas Supply Facility Operated by Others
- OQ Compressor Station
- Offshore Area

The image shows two men in a factory or industrial setting. They are both wearing light-colored, possibly grey or beige, work jackets. The man on the left is wearing glasses and has a slight smile. The man on the right is pointing at a device held by the man on the left. The background is dark and industrial, with some structural elements visible. A diagonal blue line runs from the top left to the bottom right, separating the text area from the image. The overall lighting is dim, with some highlights on the men's faces and hands.

OOQ

Recent Business Developments

Milestone Achieved: Completion of all Growth Projects

OQ LPG

Production capacity: OQ LPG plant's production expected to reach 300,000 MT per annum.

Economic potential: Significant opportunity for revenue generation and In-Country Value (ICV).

Product sales: Economic value from propane, butane, and condensate sales.

Downstream business: Potential to generate downstream business, including petrochemicals

> **Project Progress:** Completed in 2023

OQ8

Located in the Duqm Special Economic Zone OQ8 Refinery will have a processing capacity of 230 kbd

Project is a 50/50 joint venture
Partner: Kuwait Petroleum (Europe), a wholly owned subsidiary of Kuwait Petroleum Corporation, the national oil company of Kuwait

> **Project Progress:** 99% (Operational, achieved facility performance test run in Feb 2024)

OQ Ammonia

New project: Expansion of ammonia production at OQ Methanol.

Production capacity: 365,000 MTPA (Metric Tons Per Annum) of ammonia.

Key industries supported: Fertilizer production.

Additional applications: Manufacture of synthetic resins, fibers, and

> **Project Progress:** Completed in 2023

OQ Polymers

OQ Plastics has fulfilled all conditions for Actual Completion Date (ACD).

ACD marks the final stage of project completion.

Release of the Government Debt Service Undertaking (DSU) on the outstanding loan balance

> **Project Progress:** 100% (Financial Completion in Mar 2024)

Oman Tank Terminal (OTTCO)

New crude oil terminal: Strategically located outside the Strait of Hormuz.

Single-point mooring (SPM) buoy: Capable of unloading crude oil.

Storage capacity: Potential to store up to 200 million barrels of oil.

Pipeline connection: Transports crude to the OQ8 storage facility.

Total quantity unloaded in 2023: 29.10 MMBbl of crude oil.

> **Project Progress:** Completed in 2023

Following the successful completion of all growth projects in the previous cycle, OQ SAOC is now strategically positioned to embark on and initiate its next phase of growth

OQ in 2023: Navigating Growth through Public Market IPO Issuances

ABRAJ

In **March 2023**, OQ finalized **Abraj's IPO**, in line with its **Balance Sheet Optimization** program.

US\$ 235 million proceeds¹

49% stake sold in the Muscat Stock Exchange

8.7x oversubscribed

+39,000 investors participated

OQGN

In **October 2023**, OQ finalized **OQ Gas Network sharia Compliant IPO**, with 14x oversubscription .

US\$ 750 million proceeds¹

49% stake sold in the Muscat Stock Exchange

13.9x oversubscribed

Listing drew about \$10.4 billion in demand



These successful transactions are in line with OIA's objective to develop the local capital markets and Oman's Vision 2040 privatization objectives

Launching QQEP New Brand & IPO Journey



Largest IPO in Oman's History:

- **Offering:** 25% of QQ Exploration & Production (QQEP) shares on Muscat Stock Exchange.
- **Strategic Alignment:** Supports QQ Group and Oman Investment Authority (OIA) strategies to attract domestic and foreign investment.
- Reflects QQ Group's commitment to **operational excellence** and **enhancing shareholder value**.
- Builds on the success of previous IPOs, highlighting strong **investor confidence**.
- QQEP is well-positioned for continued **growth** as a public company.
- Focus on **new partnerships, innovative technologies, and expanding investments** to shape the energy sector's future.

QQEP Initial Public Offering (IPO) Announcement





1H 2024 Update & Financial Performance



Fitch Ratings Affirms OQ's Standalone Credit Profile (SCP) at 'bbb-'



Rating reflects OQ's strong ties to the Omani state, low leverage, and solid financial management.

	Rating	Date	Agency
Oman	BB+/Stable	May-24	Fitch
	Ba1/Positive	Aug-24	Moody's
	BBB-/Stable	Sept-24	S&P
OQ SAOC	BB+/Stable (IDR)	Jul-24	Fitch
	bbb- (SCP)	Jul-24	Fitch

Rating Overview:

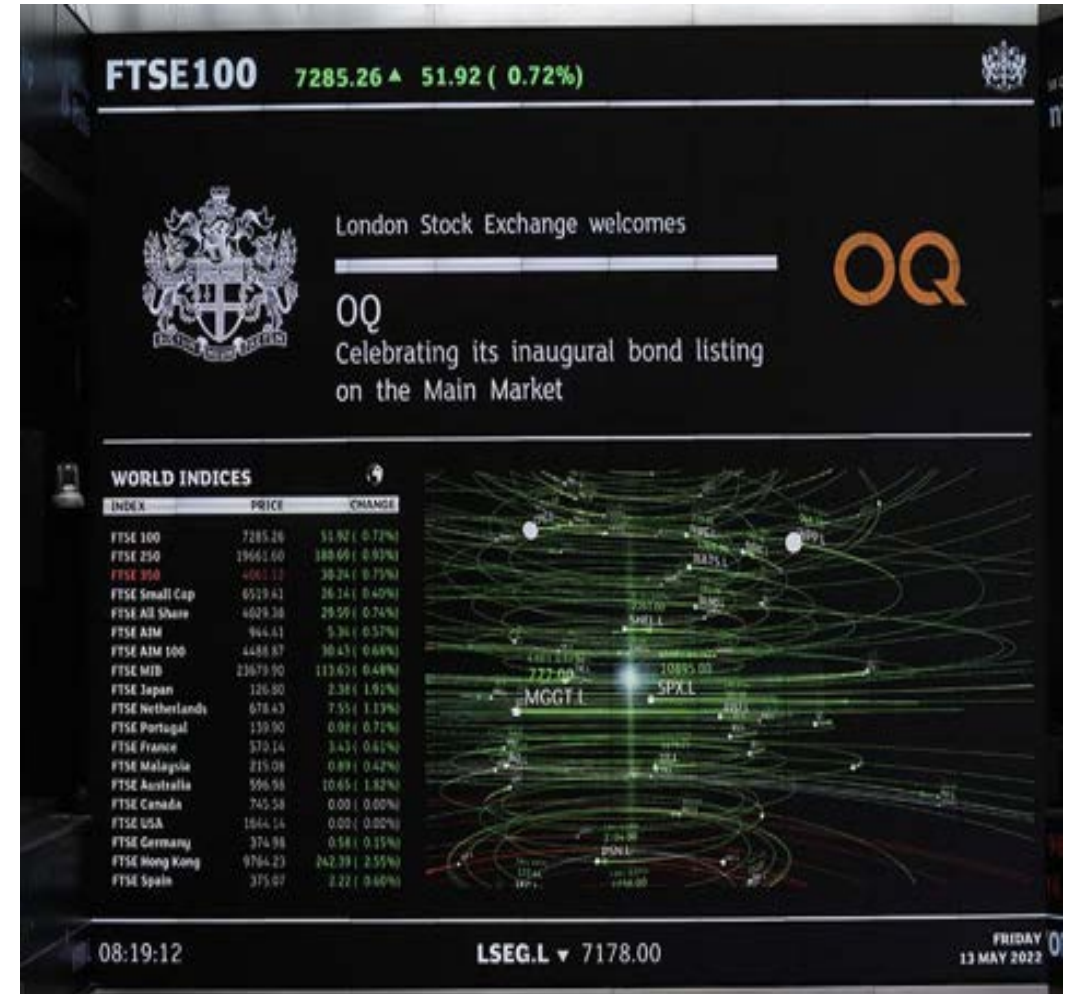
- **Long-Term IDR:** BB+ (Stable), constrained by Oman's sovereign rating.
- **Standalone Credit Profile (SCP):** bbb-, driven by low leverage and strong performance.

Key Strengths:

- **Government Support:** Strong backing from Oman Investment Authority (OIA) with a 50/60 support score.
- **Financials:** USD 3.9B EBITDA (2023), debt reduced by USD 1.3B (2023), Fitch-adjusted debt of USD 9.5B.
- **Leverage:** Net leverage expected to remain below 1.5x until 2027.
- **Operational Scale:** 227kboepd production, refining capacity to increase by 115kbbldpd post OQ8 completion.

Liquidity:

- **Liquidity:** Strong cash position (OMR 2.4B) and available revolver (OMR 384M).



The recent credit rating action on the SCP affirms OQ as Investment Grade

Financial Overview



1H 2024

US\$**20.9**bn

Revenues

US\$**1.6**bn

Adj. EBITDA¹

6.3x

Coverage Ratio

US\$**34**bn

Assets

1H 2024 Production¹

Crude Oil & Condensate production (WI)



35 kbd (Operated)
84 kbd (Non-operated)
119 kbd Total

Natural Gas production (WI)



12 mmcfpd (Operated)
608 mmcfpd (Non-operated)
620 mm cfpd Total

Total hydrocarbon production (WI)
225 kbd

2P Reserves

974 mm boe (WI)²

Current expected life of reserves³
11.9 years

Downstream



Refining capacity:
419 kbd (including OQ Share in OQ8)
Petrochemical capacity:
2,684,810 MT

Methanol capacity:
1,253,550 MT per annum
LPG:
356,000 MT per annum



1H 2024 Financial Results

✓ Revenues: US\$ 20,894 million

- > Due to the enhancement of the downstream sector, primarily through OQ Trading activities, driven by expanded market access and increased trading volumes.
- > Increase in oil prices in the Upstream sector, with an average of \$83/bbl in 1H 2024, compared to an average of \$79/bbl in 1H 2023.

✓ Adjusted EBITDA¹: US\$ 1,585 million

- > Unfavorable Downstream market conditions.
- > The Downstream sector experienced a decrease in operating profit, primarily attributable to a decline in gross refining margins of average of \$ 6.1/bbl in 1H 2024.
- > Results were partially offset by higher Upstream EBITDA mainly due to lower OpEx.

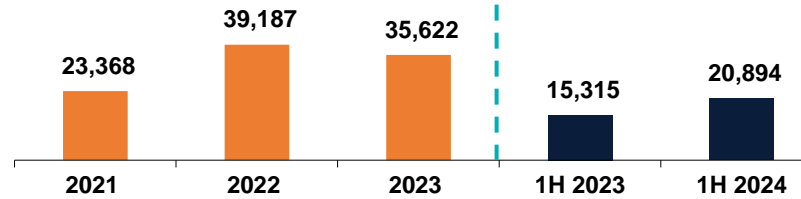
✓ Net Profit: US\$ 651 million

- > US\$ 40 Mn decrease in Finance Expense in 1H 2024 compared to 1H 2023, resulted by the maintained high-interest rate environment, which was partially offset by lower outstanding amounts as result of scheduled amortization and debt prepayments, and interest rate swap (hedge).
- > US\$ 32 Mn increase in Finance Income in 1H 2024 compared to 1H 2023, due to the increased quantum of deposits and higher interest received.

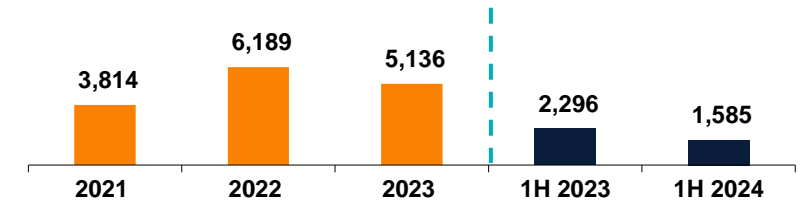
✓ CAPEX: US\$ 622 million

- > US\$ 51 Mn decrease in 1H2024 in the upstream activities as compared to 1H 2023.

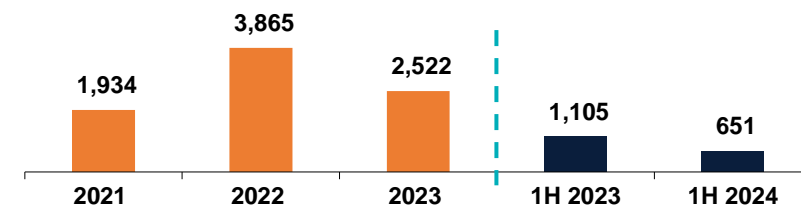
Revenues (million US\$)



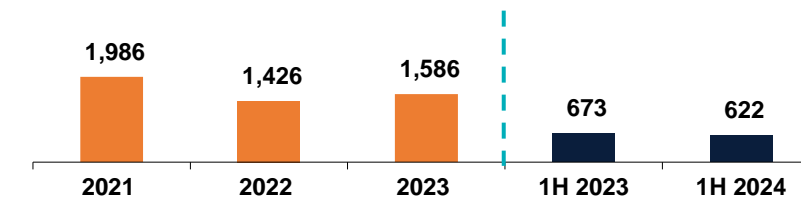
Adjusted EBITDA (million US\$)



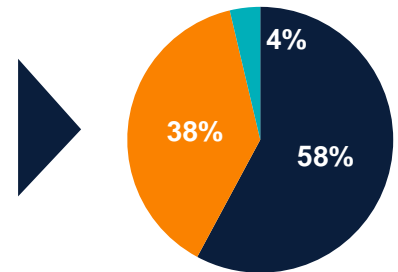
Net Profit (million US\$)



CAPEX (million US\$)



1H 2024 Adjusted EBITDA Breakdown



- Upstream
- Downstream
- Other Assets

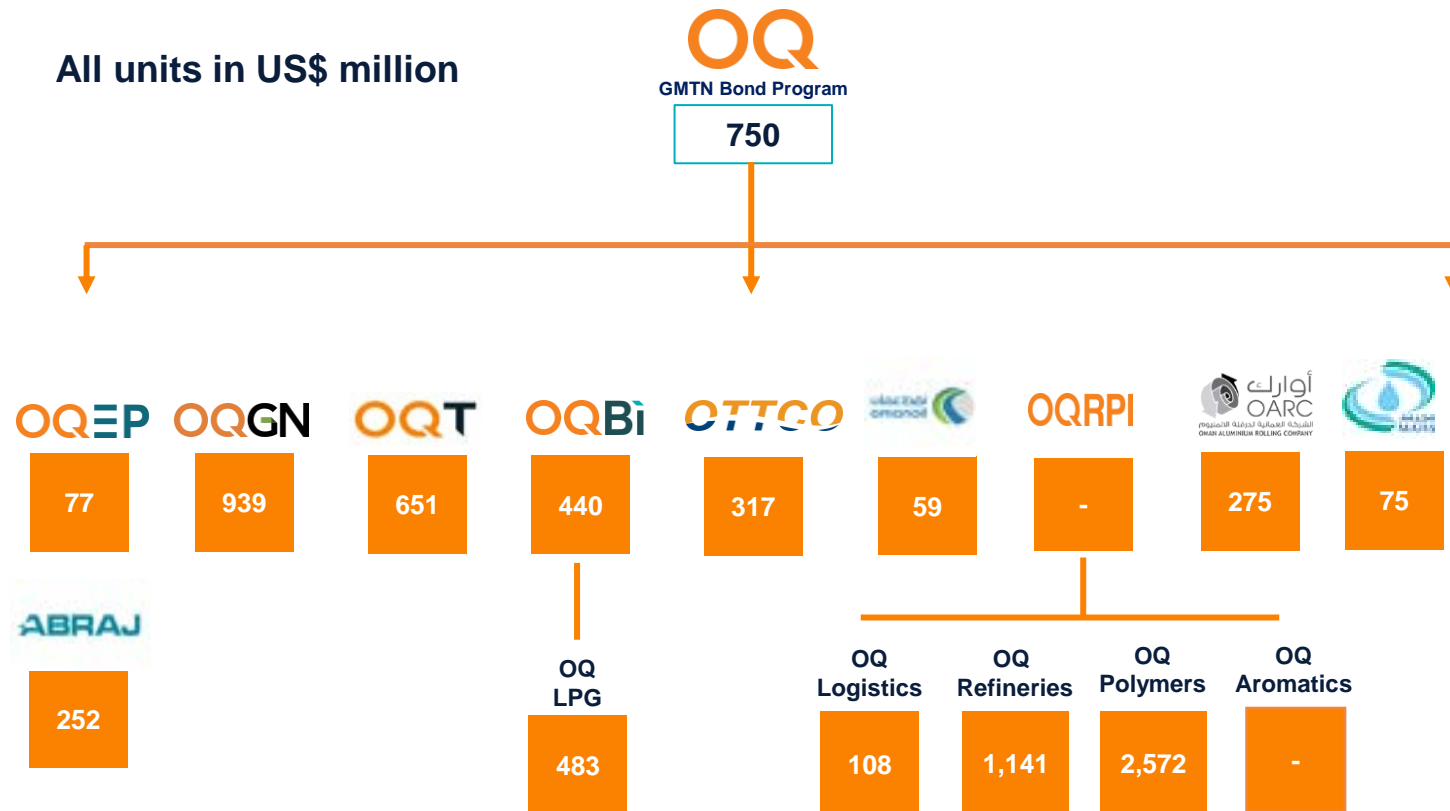
QQ's Consolidated Debt

- > QQ has a **well-diversified debt portfolio** by borrower, structure, maturity and lender group
- > **Strong liquidity** position with **US\$ 1.0 billion undrawn RCF at parent level**
- > Strong discipline towards the achievement of the **deleveraging strategy**

As of June 30, 2024

**Consolidated Outstanding Gross Debt
US\$ 8 billion**

All units in US\$ million



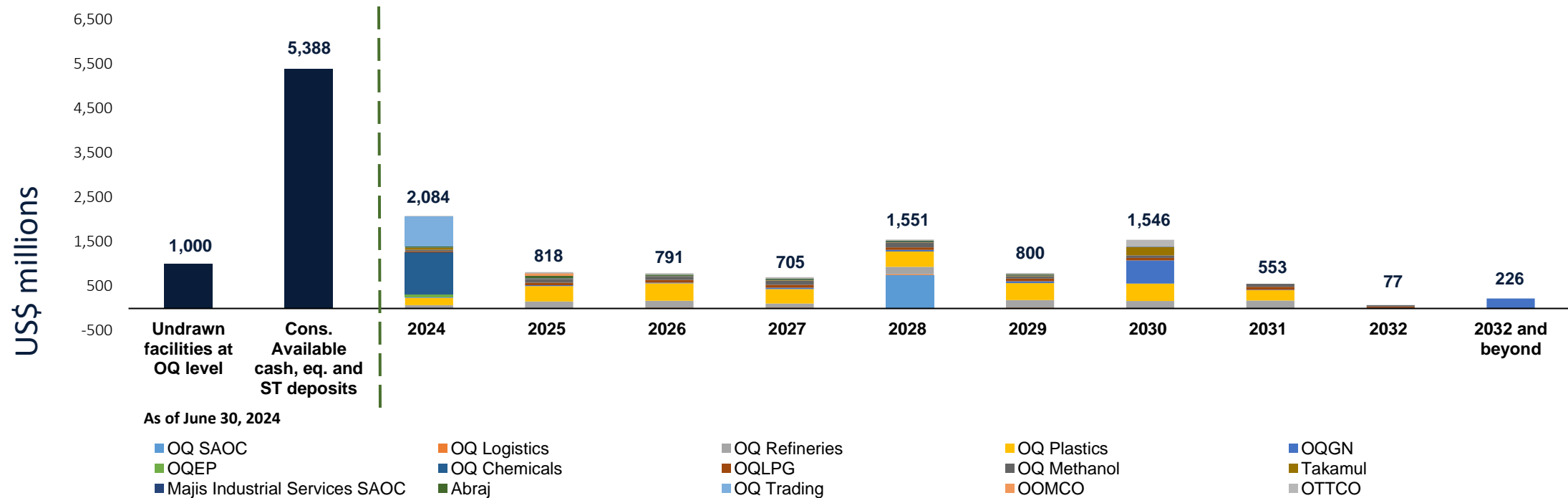
> **June 2024:** OQ Polymers prepaid USD 200m, successfully completed actual completion and release debt service undertaking.

> **June 2024:** OQ SAOC successfully completed debt prepayment of the remaining outstanding of Islamic TL facility of USD 64 Mn, the only remaining instrument in OQ SAOC is the bond and RCF.

Debt Profile

Debt amortization profile

As of June 30, 2024

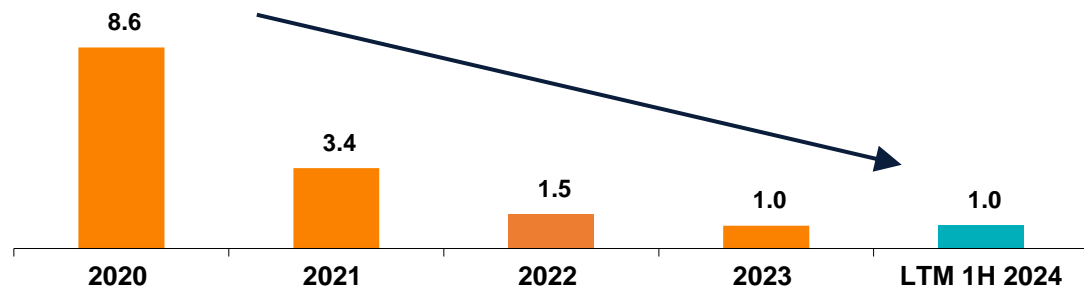


- > Group **cash and equivalents and short-term deposits** available as of June 30, 2024, at **US\$ 5.4 billion**, of which US\$ 4.0 billion were at parent level (OQ SAOC)
- > Fully undrawn US\$ 1.0 billion RCF
- > Total liquidity position, including undrawn facilities, was US\$ 5.0 billion at parent level

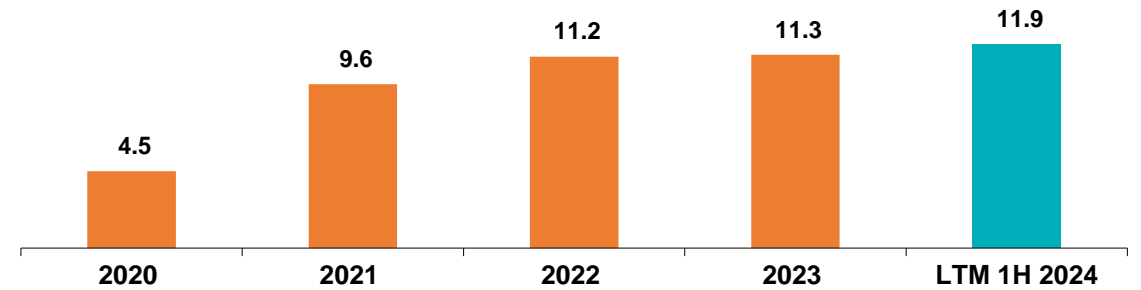


OQ Delivered on its Commitment to Deleveraging

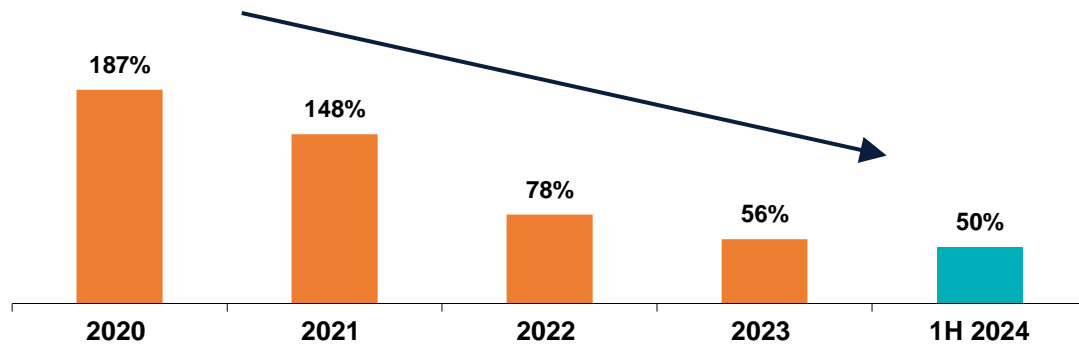
Net Debt to Adjusted EBITDA¹



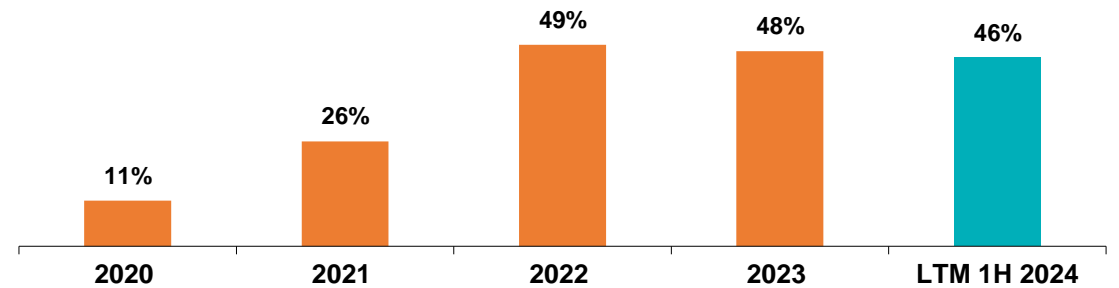
Adjusted EBITDA¹ to Net Finance Cost²



Debt to Equity



FFO to Debt



Improved ratios ensure debt capacity is available for growth projects.
 OQ's balance sheet positioned appropriately to allow it to become the **National Champion for AE Projects**.

Notes:

1. For the definition of Adjusted EBITDA, please refer to the Disclaimer section. Debt considers Loans and borrowings; Net debt equals to Debt minus Cash and Cash Equivalents.
2. Calculated as Adjusted EBITDA divided by net finance expense (finance expense minus finance income). The higher values represent a better coverage ratio.
3. Considers restated figures as informed in 1H 2024 FS.

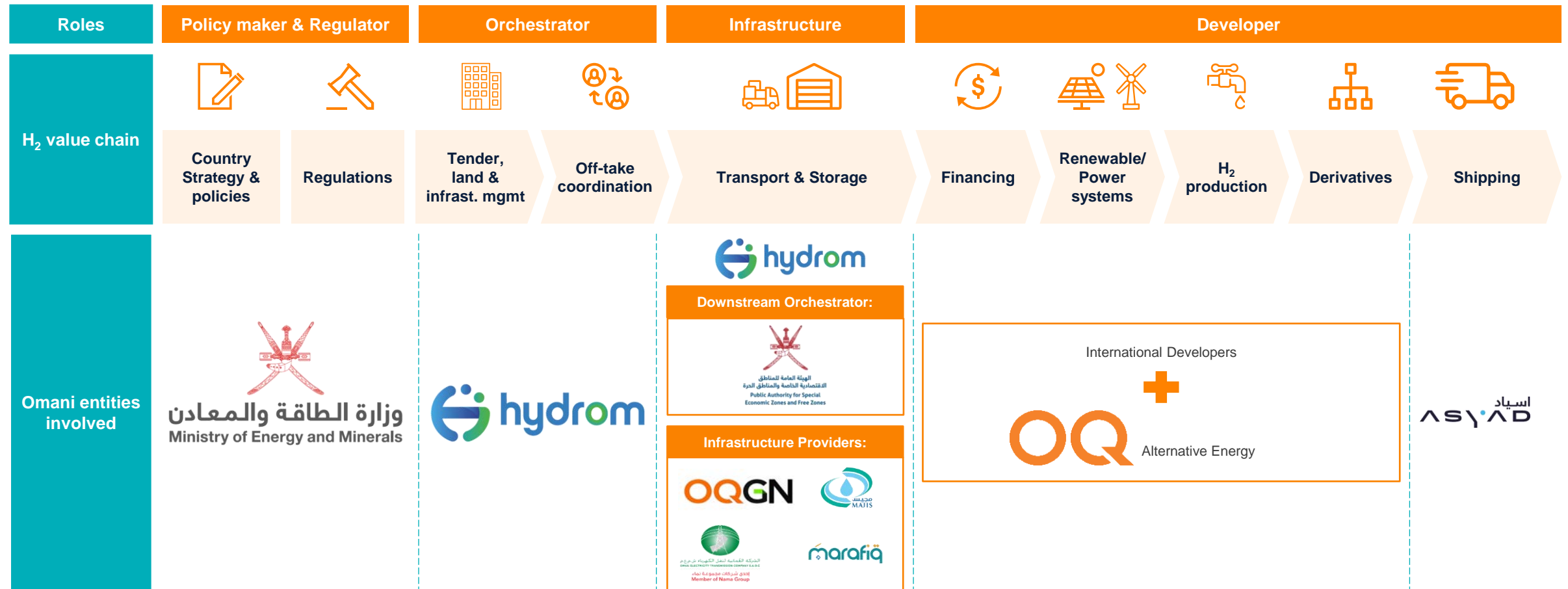




Environment, Social and Governance



OQ Will Play the State-owned Developer Role for Investments in Green Hydrogen



OQ ESG Strategy: Energy Transition Enabler

To integrate sustainable practices into different aspects of business, OQ has developed a short-term strategy focuses on the six-sustainability priority topics as illustrated below:



Environmental

Decarbonisation

- > Net-zero emissions by 2050.
- > Reduce absolute or intensity emission from the 2021 baseline by 25% by 2030.
- > Eliminate routine flaring in OQ Upstream assets by 2027.
- > Start reporting scope 1 and scope 2 emissions on a quarterly basis
- > Intend to have completed development of marginal abatement cost curve (MACC) for each asset by the second quarter of 2025.

Water Management

- > Develop a data baseline for the controlled assets.
- > 100% of the proportion of safely treated wastewater in the downstream assets,
- > 100% compliance with Oman Standard in treated wastewater discharge.
- > Conduct environmental impact studies of seawater discharge on the marine environment.
- > Conduct systematic monitoring programmes for the seawater discharge.
- > Implement improvement in water treatment where needed to meet standards and aspirations.
- > Aim for zero liquid discharge.



Social

Occupational Health and Safety, Human Rights Protection & Labor Management

- > Put in place mechanism to ensure 100% of contractors receive health and safety training before they commence work on any contractor site
- > Establish a 'Safety Champion' Recognition Programme
- > Establish a Contractor Safety Leadership Council
- > Introduce Mental Health Support Programmes

Diversity, Equity & Inclusion

- > Implement diversity recruitment policies.
- > Enhance women's career advancement.
- > Maintain an accessible workplace for employees with disabilities.

Local Community & Social Investments

- > Planting 500,000 as a contribution to Ashjar Initiative, a national initiative of planting 10 million trees by 2023
- > Conduct social return on investment studies for key selected OQ social projects.
- > Focus on youth development initiatives considering diversity and inclusion.
- > delivery of key strategic social projects such as Duqm Medical Centre, to enhance community healthcare.
- > Focus and invest on the employability initiatives through SME development and training programs, emphasizing on the diversity and inclusion.



Governance & Economic

ESG Governance:

The Board has approved the inclusion of ESG KPIs as part of the 2024 Corporate Scorecard.

Responsible Procurement

- > Introduce a supplier code of conduct in OQ tendering process.
- > Implement screening of contractors/suppliers.
- > Support OQ SME suppliers to develop their ESG standards

Sustainable Finance

- > Align investments with ESG goals.
- > Introduce green financing.
- > Provide transparent sustainability reports.

Further details on OQ's ESG Strategy are available in the OQ 2023 Sustainability Report

A decarbonization strategy is the first step for any organization toward net zero, OQ's decarbonization journey involves the following:

1 Baselining emissions and transparent reporting

- OQ concluded the baselining of emissions of its assets
- Digitization GHG accounting

2 Setting up Governance

- A dedicated steering committee to drive the development and execution of the group's decarbonization and Energy Efficiency Strategy

3 Assigning interim Targets

- Commitment to align with Oman's national Net Zero target
- Achieving zero routine flaring by 2030
- Reduce Scope 1 and Scope 2 GHG emissions by 25% by 2030

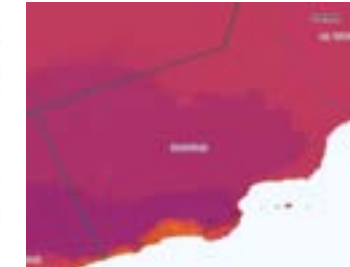
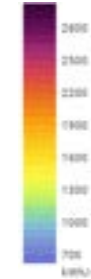
4 Directing efforts into streams to accomplish the organization's objective

- Energy Excellence
- Clean Energy
- Low Carbon Molecules
- Negative Emissions

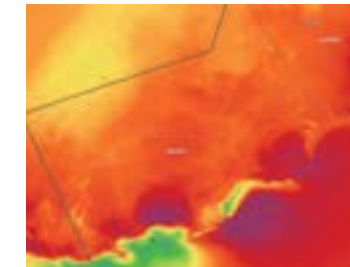
1 Oman's location and the Group's relationship with government



Solar PV potential (kWh/m²)



Wind speed (m/s)



- Oman's **favorable renewable energy** conditions translate to competitive green molecule production costs
- Play a **leading role** in investing in Oman's energy transition

The net zero pathway comprises three distinct streams that create value for OQ and beyond

Stream

Value Proposition

Existing Projects Pipeline

2024 Key Achievements

Energy Excellence (EE)

- Enhance OQ's efficiency by lowering energy intensity, reducing operational costs, and **monetizing energy services for both OQ and external clients by leveraging different ESCO models**

- Several key projects are advancing across both upstream and downstream stages of development, including the **ESCO for RPI Non-Technical Facilities** and other assets.

- Achieved **ISO 50001 accreditation** for OQ Corporate, enhancing energy efficiency and management practices
- Signed the **first ESCO project** contract with Siemens for RPI

Clean Energy (CE)

- Leverage the 'National Champion' role to **Develop, Operate & Maintain utility scale clean energy projects for internal and external clients**, using long term offtake contracts offering stable market-based returns

- Over 6 GW capacity** identified, Structured by maturity, success probability, and FID dates
- Back-in stake into all NPWP tendered RE IPP** projects expected to be over 1.5 GW

- Reached '**Final Investment Decision**' for 327 MW of renewable energy projects for PDO.
- Secured a **Back-in Commitment in NPWP RE IPP projects**, including Ibri III Solar IPP (500 MW)

Low Carbon Molecules (LCM)

- Identify, evaluate and develop commercially viable opportunities involving low carbon molecules**, supporting the transition to a low-carbon economy

- Legacy green hydrogen projects: **Hyport Duqm, GEO and Salalah H2 with partners**
- Back in rights to 5 more projects** through Hydrom's process
- Green Hydrogen Refueling Station Pilot Project**

- Onboarded new equity partners in Green Hydrogen Legacy Projects** (Shell in GEO, BP in Hyport Duqm)
- Advanced studies on various low carbon vectors** including mobility, green fuel bunkering, e-NG, and SAF with partners.



Thank you for your attention!

Investor Relations site

<https://oq.com/en/about-oq/investor-relations>

Phone

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Appendix



Adjusted EBITDA Reconciliation

	(A)	(B)	(C)	(B+C-A)
	1H 2023	FY 2023	1H 2024	LTM 1H 2024
	(Audited) USD'000 ¹	(Audited) USD'000 ¹	(Audited) USD'000 ¹	USD'000 ¹
(Loss)/profit for the period	1,103,004	2,517,917	651,092	2,127,738
Add/(subtract):				
Finance expense	348,154	730,610	308,866	690,841
Impairment losses –charged/(released) - net	2,376	15,983	14,627	28,211
Changes in fair value of investments	(1)	-	-	-
Income tax expense	73,620	385,450	74,049	358,764
Finance income	(136,912)	(277,936)	(169,352)	(310,112)
Foreign exchange losses/(gains), net	(8,084)	(14,749)	(10,424)	(17,073)
Finance Cost included in COGS	9,854	9,854	9,854	19,701
Impairments included in Share of results of equity accounted investments	-	-	-	-
Adjusted EBIT	1,392,009	3,340,129	878,727	2,898,071
Add:				
Depreciation and amortization	900,582	1,787,910	706,094	1,643,674
Adjusted EBITDA	2,292,591	5,128,039	1,584,821	4,541,745