



## **OQ SAOC AND ITS SUBSIDIARIES**

**Reviewed interim condensed consolidated financial statements  
For the six months ended 30 June 2021**

# **OQ SAOC AND ITS SUBSIDIARIES**

## **Interim condensed consolidated financial statements For the six months ended 30 June 2021**

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## **Independent Auditors' Report on Review of Condensed Consolidated Interim Financial Information**

**To the Shareholder of OQ SAOC**

### ***Introduction***

We have reviewed the accompanying condensed consolidated statement of financial position of OQ SAOC ("the Company"), and its subsidiaries (together referred to as "the Group") as at 30 June 2021, the condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six month period then ended, and notes to the interim financial information ("the condensed consolidated interim financial information") as set out in pages 6 to 37. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

### ***Scope of Review***

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

### ***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at 30 June 2021 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

6 September 2021



KPMG LLC

# OO SAOC AND ITS SUBSIDIARIES

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## Interim condensed consolidated statement of financial position

As at

	Notes	30 June 2021 (Reviewed) RO'000	31 December 2020 (Audited) RO'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	4,369,118	4,243,773
Oil and gas exploration and production and development assets	7	1,067,777	1,076,046
Right-of-use assets	8	177,152	175,261
Intangible assets	9	98,333	112,638
Goodwill	10	13,571	13,170
Investment in associates	11	147,155	147,008
Interest in joint ventures	12	273,217	278,174
Deferred tax assets	42	31,494	36,602
Concession receivables	13	754,861	772,298
Lease receivables	14	250,142	250,191
Contract assets	15	178,510	146,198
Derivative	21	19,935	-
Due from related parties	31	70,431	117,036
Other non-current assets	18	4,662	13,456
<b>Total non-current assets</b>		<b>7,456,358</b>	<b>7,381,851</b>
<b>Current assets</b>			
Inventories	19	684,876	546,450
Trade and other receivables	20	1,152,318	746,852
Concession receivables	13	29,984	26,466
Lease receivables	14	4,625	9,157
Due from related parties	31	116,390	59,022
Investments - at fair value through profit or loss	16	310,538	304,279
Derivatives	21	54,774	73,714
Short-term deposits	17	190,916	203,331
Cash and cash equivalents	22	630,730	460,769
Assets held for sale	16(a)	-	76,418
<b>Total current assets</b>		<b>3,175,151</b>	<b>2,506,458</b>
<b>Total assets</b>		<b>10,631,509</b>	<b>9,888,309</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	23	3,428,436	3,428,436
Share capital pending registration	23	194	194
Legal reserve	24	102,628	95,730
Other reserve	25	16,249	16,249
Fair value reserve	26	(40,958)	(99,378)
Translation reserve		15,378	12,232
Accumulated losses		(497,063)	(788,834)
<b>Equity attributable to equity holders of the Parent</b>		<b>3,024,864</b>	<b>2,664,629</b>
<b>Non-controlling interests</b>		<b>39,859</b>	<b>39,170</b>
<b>Total equity</b>		<b>3,064,723</b>	<b>2,703,799</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Loans and borrowings	27	4,247,548	4,359,767
Lease liabilities	28	154,964	149,825
Employees' end-of-service benefits	29	63,447	77,604
Provision for site restoration and abandonment cost	30	142,338	134,850
Due to related parties	31	9,242	13,440
Deferred tax liabilities	42	160,165	150,183
Derivatives	21	38,282	61,212
Other liabilities	32	27,490	25,493
<b>Total non-current liabilities</b>		<b>4,843,476</b>	<b>4,972,374</b>
<b>Current liabilities</b>			
Trade and other payables	33	1,039,431	1,108,480
Loans and borrowings	27	1,007,659	704,880
Lease liabilities	28	31,253	30,819
Derivatives	21	38,873	68,772
Due to related parties	31	586,390	284,549
Income tax	42	19,704	14,636
<b>Total current liabilities</b>		<b>2,723,310</b>	<b>2,212,136</b>
<b>Total liabilities</b>		<b>7,566,786</b>	<b>7,184,510</b>
<b>Total equity and liabilities</b>		<b>10,631,509</b>	<b>9,888,309</b>

  
Chairman

  
Group Chief Executive Officer

The accompanying notes form an integral part of these interim condensed consolidated financial statements.



## OQ SAOC AND ITS SUBSIDIARIES

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### Interim condensed consolidated statement of profit or loss and other comprehensive income

For the six months ended 30 June

	Notes	2021 (Reviewed) RO'000	2020 (Reviewed) RO'000
Revenue	34	3,867,612	2,770,879
Cost of sales	35	(3,481,228)	(2,693,871)
<b>Gross profit</b>		<b>386,384</b>	<b>77,008</b>
Investment income / (loss)	36	63,260	(96,622)
Share of results of equity accounted investments	37	43,116	1,443
Other income	38	22,447	20,292
Administrative expenses	39	(143,512)	(123,891)
Impairment losses released / (charged) - net	40	18,212	(293,802)
<b>Operating profit / (loss)</b>		<b>389,907</b>	<b>(415,572)</b>
Finance income	41	18,957	8,735
Finance expense	41	(80,288)	(75,015)
Foreign exchange losses – net	41	(1,225)	(520)
<b>Profit / (loss) for the period before tax</b>		<b>327,351</b>	<b>(482,372)</b>
Income tax	42	(27,993)	26,691
<b>Profit / (loss) for the period</b>		<b>299,358</b>	<b>(455,681)</b>
<b>Other comprehensive income / (loss):</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Foreign currency translation difference relating to subsidiaries		(23,122)	28,059
Reclassification of foreign currency translation reserve	16(a)	28,601	-
Foreign currency translation difference on equity accounted investments	11&12	(2,333)	(7,030)
Share of other comprehensive income of associates and joint ventures	26	4,596	(353)
Effective portion of changes in fair value of cash flow hedges	26	53,824	(53,603)
<b>Other comprehensive income / (loss) for the period, net</b>		<b>61,566</b>	<b>(32,927)</b>
<b>Total comprehensive income / (loss) for the period</b>		<b>360,924</b>	<b>(488,608)</b>
<b>Profit / (loss) for the period attributable to:</b>			
- Equity holders of the Parent		298,669	(455,646)
- Non-controlling interests		689	(35)
<b>Profit / (loss) for the period</b>		<b>299,358</b>	<b>(455,681)</b>
<b>Total comprehensive income / (loss) attributable to:</b>			
- Equity holders of the Parent		360,235	(488,573)
- Non-controlling interests		689	(35)
<b>Total comprehensive income / (loss) for the period</b>		<b>360,924</b>	<b>(488,608)</b>
<b>Earnings / (loss) per share</b>			
<b>Basic and diluted earnings / (loss) per share</b>	43	<b>0.087</b>	<b>(0.133)</b>

The accompanying notes form an integral part of these interim condensed consolidated financial statement.

## OO SAOC AND ITS SUBSIDIARIES

### Interim condensed consolidated statement of changes in equity For the six months ended 30 June 2021

	Share capital	Share capital pending registration	Legal reserve	Other reserve	Fair value reserve	Translation reserve	Accumulated losses	Equity attributable to equity holders of the parent	Non- controlling interests	Total equity
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
At 1 January 2021 (Audited)	3,428,436	194	95,730	16,249	(99,378)	12,232	(788,834)	2,664,629	39,170	2,703,799
Profit for the period	-	-	-	-	-	-	298,669	298,669	689	299,358
Other comprehensive income for the period, net	-	-	-	-	58,420	3,146	-	61,566	-	61,566
Total comprehensive income for the period	-	-	-	-	58,420	3,146	298,669	360,235	689	360,924
Transfer to legal reserve (Note 24)	-	-	6,898	-	-	-	(6,898)	-	-	-
<b>At 30 June 2021 (Reviewed)</b>	<b>3,428,436</b>	<b>194</b>	<b>102,628</b>	<b>16,249</b>	<b>(40,958)</b>	<b>15,378</b>	<b>(497,063)</b>	<b>3,024,864</b>	<b>39,859</b>	<b>3,064,723</b>
	Share capital	Share capital pending registration	Legal reserve	Other reserve	Fair value reserve	Translation reserve	Retained earnings	Equity attributable to equity holders of the parent	Non- controlling interests	Total equity
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
At 1 January 2020 (Audited)	3,315,293	113,337	95,730	16,249	(45,965)	(33,167)	921,125	4,382,602	43,770	4,426,372
Loss for the period	-	-	-	-	-	-	(455,646)	(455,646)	(35)	(455,681)
Other comprehensive (loss) /income for the period, net	-	-	-	-	(53,956)	21,029	-	(32,927)	-	(32,927)
Total comprehensive (loss)/ income for the period	-	-	-	-	(53,956)	21,029	(455,646)	(488,573)	(35)	(488,608)
Increase in share capital during the period	113,143	(113,143)	-	-	-	-	-	-	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	(1,974)	(1,974)
Other movements	-	-	-	-	-	-	(3,206)	(3,206)	(3,332)	(6,538)
<b>At 30 June 2020 (Reviewed)</b>	<b>3,428,436</b>	<b>194</b>	<b>95,730</b>	<b>16,249</b>	<b>(99,921)</b>	<b>(12,138)</b>	<b>462,273</b>	<b>3,890,823</b>	<b>38,429</b>	<b>3,929,252</b>

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

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## **Interim condensed consolidated statement of cash flows** **For the six months ended 30 June**

	Notes	2021 (Reviewed) RO'000	2020 (Reviewed) RO'000
<b>Operating activities</b>			
Profit / (loss) before tax		327,351	(482,372)
Adjustments for: non-cash and others items:			
(Reversal) / charge of impairment losses – net	40	(18,212)	293,802
Share of results of equity accounted investees	37	(43,116)	(1,443)
Loss on disposal of property, plant and equipment	6	117	-
Realised (gain) / loss on sale of investments	36	(45,011)	66
Depreciation and amortization	6	269,911	253,259
Accrual for end of service benefits	39	2,068	13,368
Unwinding of discount on site restoration costs	41	5,317	1,279
Finance cost	41	74,971	73,736
Finance income	41	(18,957)	(8,735)
Unrealized (gain) / loss on investment	36	(9,043)	106,140
<b>Operating cash flows before working capital changes</b>		<b>545,396</b>	<b>249,100</b>
<b>Changes in working capital and other adjustments:</b>			
Inventories		(139,643)	64,351
Trade and other receivables		(293,308)	(43,680)
Concession receivables		13,919	11,951
Lease receivables		4,581	3,623
Contract assets		(875)	(34,411)
Trade and other payables		(72,590)	(370,726)
Due from related parties		(4,603)	239,927
Due to related parties		301,840	(117,595)
<b>Cash generated from operations</b>		<b>354,717</b>	<b>2,540</b>
Employees' end of service benefits paid		(16,225)	(2,952)
Taxes paid		(14,522)	(6,855)
<b>Net cash from / (used in) operating activities</b>		<b>323,970</b>	<b>(7,267)</b>
<b>Investing activities</b>			
Acquisition of property, plant and equipment	6	(229,344)	(122,038)
Proceeds from disposal of property, plant and equipment	6	2,402	1,295
Additions in contract assets		(31,437)	(24,899)
Proceeds from equity accounted investees	12	32,042	-
Acquisition of investment in equity accounted investees	12	(5,295)	(58,237)
Acquisition of oil and gas exploration and production assets	7	(140,290)	(138,146)
Other movements in non-current assets and liabilities		10,791	(818)
Dividend received from equity accounted investees	11&12	23,442	12,093
Payment for intangible assets	9	(1,566)	(2,264)
Net movement in term deposits		12,415	106,492
Finance income received	41	18,957	8,735
<b>Net cash used in investing activities</b>		<b>(307,883)</b>	<b>(217,787)</b>
<b>Financing activities</b>			
Interest paid	41	(64,134)	(73,736)
Dividends paid to non-controlling interests		-	(1,974)
Proceeds from loan and borrowings	27	698,376	734,409
Repayments of loan and borrowings	27	(501,951)	(391,735)
Repayment of lease liabilities	28	(15,036)	(18,205)
Payments to related parties		(4,198)	(45,304)
Receipts from related parties		46,605	109,317
<b>Net cash from financing activities</b>		<b>159,662</b>	<b>312,772</b>
<b>Net change in cash and cash equivalents</b>		<b>175,749</b>	<b>87,718</b>
Translation adjustments		(5,788)	(5,054)
Cash and cash equivalents at the beginning of the period (Audited)		460,769	567,501
<b>Cash and cash equivalents at end of the period (Reviewed)</b>	22	<b>630,730</b>	<b>650,165</b>

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

## **Notes to the interim condensed consolidated financial statement For the six months ended 30 June 2021**

### **1 Legal status and principal activities**

OQ SAOC (“the Parent” or “the Parent Company”) is a closed joint stock company, incorporated and domiciled in the Sultanate of Oman. The interim condensed consolidated financial statements as at and for the six months ended 30 June 2021 comprise the Parent Company and its subsidiaries (together referred to as “the Group” and individually as “Group entities”) and the Group’s interest in associates and joint ventures. The Parent Company primarily is involved in the business of identifying, acquiring, managing, operating interests in petroleum and other energy related enterprises and dealing in investments. The Group is primarily engaged in exploration, production, marketing and distribution of petroleum and petroleum by-products. The Group operates in the Sultanate of Oman, United Arab Emirates, India, Pakistan, Korea, China, Hungary, Portugal, Spain, Chile, Germany, United States of America and Kazakhstan are the key major countries. The registered address of the Parent Company is P O Box 261, Postal Code 118, Sultanate of Oman.

The Parent Company is wholly owned by the Oman Investment Authority.

During May 2021, the Parent Company has listed its debt securities, a global medium-term note programme on the London Stock Exchange. Further details are disclosed in note 27.

### **2. Basis of preparation**

These interim condensed consolidated financial statements for the six months ended 30 June 2021 have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the Group’s last annual consolidated financial statements as at and for the year ended 31 December 2020 (‘last annual financial statements’). They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual financial statements.

### **3. New standards, interpretations and amendments adopted by the Group**

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2020, except for the adoption of new standards effective as of 1 January 2021. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2021, but do not have an impact on the interim condensed consolidated financial statements of the Group.

### Notes to the interim condensed consolidated financial statements For the six months ended 30 June 2021 (continued)

#### 3. New standards, interpretations and amendments adopted by the Group (continued)

##### Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

#### 4. Significant accounting policies

The accounting policies applied in these interim condensed consolidated financial information are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2020. A number of new standards are effective from 1 January 2021, but they do not have a material effect on the Group's financial statement.

The policy for recognising and measuring income taxes in the interim period is consistent with that applied in the previous interim period and is described in Note 42.

Value-added Tax (VAT). Revenue, expenses, and assets are recognised net of amount of VAT except:

- Where the VAT incurred on the purchase of an asset or service is not recoverable from the tax authority, in which case the VAT is recognised as part of the cost acquisition of the asset or part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of VAT included.

#### 5. Critical accounting judgements and key sources of estimation uncertainty

In preparing these interim condensed consolidated financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

**Notes to the interim condensed consolidated financial statements  
For the six months ended 30 June 2021 (continued)****5. Critical accounting judgements and key sources of estimation and uncertainty  
(continued)****Measurement of fair values**

A number of the Group's accounting policies require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the Standards, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability are categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in Note 45.

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## Notes to the interim condensed consolidated financial statements For the six months ended 30 June 2021 (continued)

### 6. Property, plant and equipment

	Freehold land RO'000	Buildings RO'000	Furniture and office equipment RO'000	Plant, equipment and vehicles RO'000	Site restoration cost RO'000	Capital spare part RO'000	Capital work-in- progress RO'000	Total RO'000
<b>Cost</b>								
At 1 January 2020 (Audited)	408	374,038	56,620	4,024,568	19,711	6,196	2,699,316	7,180,857
Additions	-	923	865	30,923	-	586	457,605	490,902
Transfers	-	8,208	(1,022)	38,300	-	-	(54,149)	(8,663)
Dilution of subsidiary	-	-	-	(222)	-	-	(94,769)	(94,991)
Disposals	-	(1,391)	(1,169)	(28,541)	-	(7)	-	(31,108)
Exchange differences	-	6,291	483	27,950	-	-	1,721	36,445
At 31 December 2020 (Audited)	408	388,069	55,777	4,092,978	19,711	6,775	3,009,724	7,573,442
<b>At 1 January 2021 (Audited)</b>	<b>408</b>	<b>388,069</b>	<b>55,777</b>	<b>4,092,978</b>	<b>19,711</b>	<b>6,775</b>	<b>3,009,724</b>	<b>7,573,442</b>
<b>Additions</b>	<b>-</b>	<b>89</b>	<b>307</b>	<b>29,426</b>	<b>-</b>	<b>-</b>	<b>201,174</b>	<b>230,996</b>
<b>Transfers</b>	<b>-</b>	<b>63</b>	<b>627</b>	<b>8,773</b>	<b>-</b>	<b>-</b>	<b>(10,698)</b>	<b>(1,235)</b>
<b>Disposals</b>	<b>-</b>	<b>(48)</b>	<b>(91)</b>	<b>(10,967)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(11,106)</b>
<b>Exchange differences</b>	<b>-</b>	<b>(2,123)</b>	<b>557</b>	<b>(12,885)</b>	<b>-</b>	<b>-</b>	<b>(855)</b>	<b>(15,306)</b>
<b>At 30 June 2021 (Reviewed)</b>	<b>408</b>	<b>386,050</b>	<b>57,177</b>	<b>4,107,325</b>	<b>19,711</b>	<b>6,775</b>	<b>3,199,345</b>	<b>7,776,791</b>
<b>Depreciation and impairment</b>								
At 1 January 2020 (Audited)	-	121,032	39,091	1,822,127	-	4,381	31,738	2,018,369
Charge for the year	-	12,809	4,417	168,063	-	726	-	186,015
Transfers	-	-	(631)	(168)	-	-	-	(799)
Impairment	-	-	-	-	-	-	1,138,859	1,138,859
Dilution of subsidiary	-	-	-	(195)	-	-	-	(195)
Disposals	-	(762)	(1,037)	(25,813)	-	-	-	(27,612)
Exchange differences	-	1,377	409	13,246	-	-	-	15,032
At 31 December 2020 (Audited)	-	134,456	42,249	1,977,260	-	5,107	1,170,597	3,329,669
<b>At 1 January 2021 (Audited)</b>	<b>-</b>	<b>134,456</b>	<b>42,249</b>	<b>1,977,260</b>	<b>-</b>	<b>5,107</b>	<b>1,170,597</b>	<b>3,329,669</b>
<b>Charge for the period</b>	<b>-</b>	<b>6,727</b>	<b>2,070</b>	<b>84,392</b>	<b>287</b>	<b>230</b>	<b>-</b>	<b>93,706</b>
<b>Transfers</b>	<b>-</b>	<b>(105)</b>	<b>120</b>	<b>90</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>105</b>
<b>Disposals</b>	<b>-</b>	<b>(35)</b>	<b>(74)</b>	<b>(8,478)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,587)</b>
<b>Exchange differences</b>	<b>-</b>	<b>(451)</b>	<b>62</b>	<b>(6,831)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,220)</b>
<b>At 30 June 2021 (Reviewed)</b>	<b>-</b>	<b>140,592</b>	<b>44,427</b>	<b>2,046,433</b>	<b>287</b>	<b>5,337</b>	<b>1,170,597</b>	<b>3,407,673</b>
<b>Net book value</b>								
<b>30 June 2021 (Reviewed)</b>	<b>408</b>	<b>245,458</b>	<b>12,750</b>	<b>2,060,892</b>	<b>19,424</b>	<b>1,438</b>	<b>2,028,748</b>	<b>4,369,118</b>
31 December 2020 (Audited)	408	253,613	13,528	2,115,718	19,711	1,668	1,839,127	4,243,773

## OQ SAOC AND ITS SUBSIDIARIES

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### Notes to the interim condensed consolidated financial statements For the six months ended 30 June 2021 (continued)

#### 6. Property, plant and equipment (continued)

The depreciation and amortisation charges for the period have been presented in the interim condensed consolidated statement of profit or loss and other comprehensive income as follows:

	30 June 2021 (Reviewed) RO'000	30 June 2020 (Reviewed) RO'000
Property, plant and equipment	93,706	93,869
Intangible assets (Note 9)	10,826	10,523
Oil and gas exploration and producing assets (Note 7)	150,539	136,251
Right-of-use assets (Note 8)	15,258	12,616
	<u>270,329</u>	<u>253,259</u>
<i>Analysed as follows:</i>		
Cost of sales (Note 35)	244,711	229,714
General and administrative expenses (Note 39)	25,200	23,545
Capitalised in the cost of capital work in progress	418	-
	<u>270,329</u>	<u>253,259</u>

(i) Break up of impairment charge for the period (Note 40):

	30 June 2021 (Reviewed) RO'000	30 June 2020 (Reviewed) RO'000
OQ Refineries and Petroleum Industries LLC (OQRPI) (ii)	-	100,244
<b>Net impairment charge</b>	<u>-</u>	<u>100,244</u>

#### (ii) Impairment assessment of OQRPI

##### *Liwa Plastics Industrial Complex (LPIC)*

During the current period, the Group entity, OQRPI has carried out an impairment analysis at CGU level of Liwa Plastics Industrial Complex (LPIC) project for any reversal of impairment or additional impairment charge. No additional impairment or reversal of impairment was identified as a part of impairment testing (30 June 2020: RO 100.244 million).

For the purpose of impairment analysis of the LPIC project, the Group used the base case model and the following key assumptions were used in the base case model:



## OQ SAOC AND ITS SUBSIDIARIES

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### Notes to the interim condensed consolidated financial statements For the six months ended 30 June 2021 (continued)

#### 6. Property, plant and equipment (continued)

##### (ii) Impairment assessment of OQRPI (continued)

##### Liwa Plastics Industrial Complex (LPIC) (continued)

##### Projection period and discount rate

Value in use cash flows have been discounted by applying a pre-tax discount rate of 8.03% for the period from FY21 to FY45.

The cash flows are based on a 5-year business plan of OQ Plastics LLC (OQP) and an extrapolation by Management until FY45 being the end of the life and lease arrangements.

##### EBITDA

EBITDA margins at OQP level are projected to be on average 10% between FY21 and FY45 mainly due to prices of its key products and gas price indexation. From FY26, EBITDA margins are highly correlated with the prices of HDPE, LLDPE and Polypropylene in which Management has projected that growth rates of these prices will follow the inflation with average growth rates between 2-3%.

The following table shows the valuation technique used in measuring the fair value of project, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
<i>Discounted cash flows:</i> The valuation model considers the present value of net cash flows to be generated from the CGU, taking into account the expected production rate, demand, maximum capacity of plans, and shutdown period. The expected net cash flows are discounted using risk-adjusted discount rates.	Expected demand growth: No change in sales volume from FY21 to FY45.  Risk-adjusted discount rates for six months ended 30 June 2021: 8.03% (2020: 8.09%)	The estimated fair value would increase / (decrease) if: expected demand growth were higher (lower); the risk-adjusted discount rate were lower (higher).

## OQ SAOC AND ITS SUBSIDIARIES

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### Notes to the interim condensed consolidated financial statements For the six months ended 30 June 2021 (continued)

#### 7. Oil and gas exploration and production and development assets

	<b>Production and development assets</b>		<b>Total</b>
	<b>OQEP</b>		
	<b>(Mukhaizn a Oil field, Abu Tubul, Makarim Block 9 etc.)</b>		
	<b>RO'000</b>	<b>Dunga oil field RO'000</b>	<b>RO'000</b>
<b>Cost</b>			
At 1 January 2020 (Audited)	2,723,245	39,749	2,762,994
Additions during the year	280,229	2,072	282,301
Change in decommissioning provision	(8,177)	-	(8,177)
Transfers	1,766	-	1,766
<b>At 1 January 2021 (Audited)</b>	<b>2,997,063</b>	<b>41,821</b>	<b>3,038,884</b>
Additions during the period	139,552	738	140,290
Change in decommissioning provision	1,980	-	1,980
<b>At 30 June 2021 (Reviewed)</b>	<b>3,138,595</b>	<b>42,559</b>	<b>3,181,154</b>
<b>Depreciation and impairment</b>			
At 1 January 2020 (Audited)	1,521,848	27,202	1,549,050
Charge for the year	256,453	2,353	258,806
Transfers	2,448	-	2,448
Impairment (i)	152,534	-	152,534
<b>At 1 January 2021 (Audited)</b>	<b>1,933,283</b>	<b>29,555</b>	<b>1,962,838</b>
<b>Charge for the period</b>	<b>149,446</b>	<b>1,093</b>	<b>150,539</b>
<b>At 30 June 2021 (Reviewed)</b>	<b>2,082,729</b>	<b>30,648</b>	<b>2,113,377</b>
<b>Net book value</b>			
<b>At 30 June 2021 (Reviewed)</b>	<b>1,055,866</b>	<b>11,911</b>	<b>1,067,777</b>
At 31 December 2020 (Audited)	1,063,780	12,266	1,076,046

#### (i) Impairment

	<b>30 June 2021 (Reviewed) RO'000</b>	<b>30 June 2020 (Reviewed) RO'000</b>
Block 53	-	36,534
Block 9	-	15,620
Block 60	-	141,586
<b>Total impairment charge</b>	<b>-</b>	<b>193,740</b>

**Notes to the interim condensed consolidated financial statements  
For the six months ended 30 June 2021 (continued)****7. Oil and gas exploration and production and development assets (continued)**

During the period, the Group's management carried out impairment testing for assets where indicators of impairment, or reversal of impairment, are present. Impairment reversals and charges were mainly due to the fluctuations in the expected future commodity prices and development plans at the reporting dates.

The recoverable amount for oil and gas assets is based on their fair value less costs of disposal ('FVLCD'). Where a market transaction reference case is not available FVLCD is determined using appropriate discounted cash flow valuation models, incorporating market based assumptions. The key assumptions for the oil and gas assets FVLCD calculations are outlined below together with the approach management has taken in determining the value to ascribe to each. The valuation models are life of asset models and therefore no extrapolation assumptions have been necessary or applied. The fair value measurements were categorised as Level 3 fair values based on the inputs to the valuation models.

The calculation of FVLCD for oil and gas assets is based upon the following key assumptions:

- Reserves;
- Commodity prices; and
- Discount rates.

*Reserves*

Reserves form the basis of the production profiles within the discounted cash flow models. Cash flows were projected for each field based on the development plans approved by senior management and reasonable assumptions that an external party would apply in appraising the assets which, in some cases, may be broader in scope than Proved and Probable reserves.

Reserves are verified once in every three years by third party independent reserves valuation experts as per the Group's management policy. During the intermittent period, the management adjusts the verified reserves for the actual production during the period.

*Commodity prices*

To ascertain future oil prices, the Group considered latest expectations of main market analysts and economic institutions Woodmac, Platts, world bank and many others to shape oil prices. With in-house analysis along with other market forecasters we landed crude oil prices at 62 USD/bbl in 2022 to 69 USD/bbl in 2026.

A quality bank adjustment of approximately, 6% was applied on estimated Oman Crude prices to arrive at the estimated Mukhaizna realised oil prices. The gas price for Block 60, Block 9 and Block 61 are fixed in terms of the EPSA signed with Ministry Energy and Minerals ("MEM").

*Discount rates*

Discount rates used reflect the estimated weighted average cost of capital rates specific to the CGU's from market participant's perspective. The cash flows were discounted using a pre-tax discount rate.

## OQ SAOC AND ITS SUBSIDIARIES

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### Notes to the interim condensed consolidated financial statements For the six months ended 30 June 2021 (continued)

#### 8. Right-of-use assets

The Group leases mainly comprise of leasehold lands, plant and machinery, equipment and vehicles.

	Land and buildings RO'000	Plant and equipment RO'000	Drilling, land and rigs RO'000	Vehicles RO'000	Total RO'000
<b>Cost</b>					
At 1 January 2020 (Audited)	111,268	92,599	1,580	5,315	210,762
Additions	16,860	5,704	4,258	4,841	31,663
Exchange differences	(136)	(15)	(540)	(9)	(700)
Dilution of subsidiary	(1,853)	-	-	-	(1,853)
Disposals / termination	(1,233)	(1,767)	(878)	(1,484)	(5,362)
At 31 December 2020 (Audited)	124,906	96,521	4,420	8,663	234,510
<b>At 1 January 2021 (Audited)</b>	<b>124,906</b>	<b>96,521</b>	<b>4,420</b>	<b>8,663</b>	<b>234,510</b>
<b>Additions</b>	<b>13,580</b>	<b>3,787</b>	<b>-</b>	<b>83</b>	<b>17,450</b>
<b>Exchange differences</b>	<b>(152)</b>	<b>(10)</b>	<b>-</b>	<b>(72)</b>	<b>(234)</b>
<b>Disposals / termination</b>	<b>(44)</b>	<b>(242)</b>	<b>-</b>	<b>-</b>	<b>(286)</b>
<b>At 30 June 2021 (Reviewed)</b>	<b>138,290</b>	<b>100,056</b>	<b>4,420</b>	<b>8,674</b>	<b>251,440</b>
<b>Accumulated depreciation</b>					
At 1 January 2020 (Audited)	8,265	16,633	-	1,241	26,139
Charge for the year	9,986	17,738	3,832	1,554	33,110
At 31 December 2020 (Audited)	18,251	34,371	3,832	2,795	59,249
<b>At 1 January 2021 (Audited)</b>	<b>18,251</b>	<b>34,371</b>	<b>3,832</b>	<b>2,795</b>	<b>59,249</b>
<b>Charge for the period</b>	<b>3,695</b>	<b>10,336</b>	<b>588</b>	<b>639</b>	<b>15,258</b>
<b>Exchange differences</b>	<b>(26)</b>	<b>(188)</b>	<b>-</b>	<b>(5)</b>	<b>(219)</b>
<b>At 30 June 2021 (Reviewed)</b>	<b>21,920</b>	<b>44,519</b>	<b>4,420</b>	<b>3,429</b>	<b>74,288</b>
<b>Net book value</b>					
<b>At 30 June 2021 (Reviewed)</b>	<b>116,370</b>	<b>55,537</b>	<b>-</b>	<b>5,245</b>	<b>177,152</b>
At 31 December 2020 (Audited)	106,655	62,150	588	5,868	175,261

## QQ SAOC AND ITS SUBSIDIARIES

### Notes to the interim condensed consolidated financial statement For the six months ended 30 June 2021

#### 9. Intangible assets

	ERP and software	Subsoil rights	Technology, customer relationship, trademarks, patents and other intangible assets	Exploration assets - OQEP	Exploration assets - Caspian offshore	Total
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
<b>Cost</b>						
At 1 January 2020 (Audited)	13,754	1,411	263,117	9,965	75,172	363,419
Additions	1,280	-	5,749	5,344	1,060	13,433
Exchange differences	-	-	9,843	-	-	9,843
At 1 January 2021 (Audited)	15,034	1,411	278,709	15,309	76,232	386,695
Additions	823	-	743	-	-	1,566
Exchange differences	(85)	-	(4,386)	-	-	(4,471)
At 30 June 2021 (Reviewed)	15,772	1,411	275,066	15,309	76,232	383,790
<b>Amortization and impairment</b>						
At 1 January 2020 (Audited)	12,671	1,048	121,429	-	75,172	210,320
Charge for the year	1,418	112	20,244	-	1,060	22,834
Exchange differences	-	-	40,903	-	-	40,903
At 1 January 2021 (Audited)	14,089	1,160	182,576	-	76,232	274,057
Charge for the period	980	-	9,846	-	-	10,826
Impairment (i)	-	-	-	2,577	-	2,577
Exchange differences	(30)	-	(1,973)	-	-	(2,003)
At 30 June 2021 (Reviewed)	15,039	1,160	190,449	2,577	76,232	285,457
Net book value						
At 30 June 2021 (Reviewed)	733	251	84,617	12,732	-	98,333
At 31 December 2020 (Audited)	945	251	96,133	15,309	-	112,638

## OQ SAOC AND ITS SUBSIDIARIES

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### Notes to the interim condensed consolidated financial statement For the six months ended 30 June 2021

#### 9. Intangible assets (continued)

- (i) The Board of Directors of OQEP approved the withdrawal from Block 30 through circulation resolution 10/2021. OQEP reached an initial agreement that OQ will leave the Block 30 without being required to pay the remainder of 2021 work program and budget and the minimum work commitment. This will require OQ to leave the Block 30 EPSA, terminate Block 30 Joint Operation Agreement and to assign its participating interest to other Joint Operation Partner. OQ may subsequently elect to participate in the development by 2024 via the Government back-in right of 30%. Based on the Board resolution and initial agreement interest held under Block 30 were impaired.

#### 10. Goodwill

Cost	OQ Chemicals RO'000	OOMCO RO'000	Total RO'000
At 1 January 2020 and 2021 (Audited)	320,890	3,683	324,573
<b>At 30 June 2021 (Reviewed)</b>	<b>320,890</b>	<b>3,683</b>	<b>324,573</b>
<b>Impairment and translation differences</b>			
At 1 January 2020 (Audited)	312,245	-	312,245
Translation differences	(842)	-	(842)
<b>At 1 January 2021 (Audited)</b>	<b>311,403</b>	<b>-</b>	<b>311,403</b>
<b>Translation differences</b>	<b>(401)</b>	<b>-</b>	<b>(401)</b>
<b>At 30 June 2021 (Reviewed)</b>	<b>311,002</b>	<b>-</b>	<b>311,002</b>
<b>Net book value</b>			
<b>At 30 June 2021 (Reviewed)</b>	<b>9,888</b>	<b>3,683</b>	<b>13,571</b>
At 31 December 2020 (Audited)	9,487	3,683	13,170

#### 11. Investment in associates

	30 June 2021 (Reviewed) RO'000	31 December 2020 (Audited) RO'000
At 1 January	147,008	271,514
Divestment during the period/year	-	(47,537)
Reclassification to disposal group	-	(64,133)
Share of profit / (loss) (Note 37)	7,099	(1,494)
Dividend received	(4,052)	(8,368)
Foreign currency translation	(2,333)	3,463
Provision for impairment on associates	-	(3,886)
Share of other comprehensive income of associates	(567)	(2,551)
<b>At 30 June 2021 / 31 December 2020</b>	<b>147,155</b>	<b>147,008</b>

## OQ SAOC AND ITS SUBSIDIARIES

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### Notes to the interim condensed consolidated financial statements For the six months ended 30 June 2021 (continued)

#### 12. Interest in joint ventures

	30 June 2021 (Reviewed) RO' 000	31 December 2020 (Audited) RO'000
At 1 January	278,174	439,610
Investments (i)	5,295	59,392
Receipts from JV (ii)	(32,042)	-
Dilution of subsidiary	-	7,313
Dividends received	(19,390)	(12,744)
Share of profits / (loss) (Note 37)	36,017	(208,781)
Share of changes in other comprehensive income, net of tax	5,163	3,539
Reclassification into assets held for sale	-	(10,155)
<b>At 30 June 2021 / 31 December 2020</b>	<b>273,217</b>	<b>278,174</b>

- (i) During the six months ended 30 June 2021, the Parent Company invested an additional amount of RO 5.2 million in OQ8 LLC.
- (ii) This represents receipts from Sohar Aluminum Company LLC against the funds transferred by the Parent Company for additional share capital contribution.

#### 13. Concession receivables

	30 June 2021 (Reviewed) RO' 000	31 December 2020 (Audited) RO'000
At 1 January	798,764	631,028
Transferred from contract assets (Note 15)	-	193,491
Income during the period / year	31,080	56,057
Payments received during the period / year	(44,999)	(81,812)
<b>At 30 June / 31 December</b>	<b>784,845</b>	<b>798,764</b>
Non-current portion	754,861	772,298
Current portion	29,984	26,466
	<b>784,845</b>	<b>798,764</b>

#### 14. Lease receivables

Lease income	30 June 2021 (Reviewed) RO'000	30 June 2020 (Reviewed) RO'000
Finance income on the net investment in lease (Note 38)	11,926	11,743

## OQ SAOC AND ITS SUBSIDIARIES

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### Notes to the interim condensed consolidated financial statements For the six months ended 30 June 2021 (continued)

#### 14. Lease receivables (continued)

Net investment in lease	30 June 2021 (Reviewed) RO'000	31 December 2020 (Audited) RO'000
1 January	259,348	267,188
Repayments	(4,581)	(7,840)
<b>At 30 June / 31 December</b>	<b>254,767</b>	<b>259,348</b>
Non-current portion	250,142	250,191
Current portion	4,625	9,157
	<b>254,767</b>	<b>259,348</b>

#### 15. Contract assets

	Due from MEM		Due from others		Total	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020	30 June 2021	31 December 2020
	(Reviewed)	(Audited)	(Reviewed)	(Audited)	(Reviewed)	(Audited)
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
At 1 January	144,460	280,673	1,738	9,595	146,198	290,268
Finance income during the period / year	6,299	16,779	-	-	6,299	16,779
Additions during the period / year	31,437	56,274	-	-	31,437	56,274
Payment received during the period / year	(5,424)	(15,775)	-	-	(5,424)	(15,775)
Invoiced and transferred to related party	-	-	-	(7,857)	-	(7,857)
Transferred to concession receivables (Note 13)	-	(193,491)	-	-	-	(193,491)
<b>At 30 June / 31 December</b>	<b>176,772</b>	<b>144,460</b>	<b>1,738</b>	<b>1,738</b>	<b>178,510</b>	<b>146,198</b>



## OQ SAOC AND ITS SUBSIDIARIES

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### Notes to the interim condensed consolidated financial statements For the six months ended 30 June 2021 (continued)

#### 16. Investments at fair value through profit and loss

	30 June 2021 (Reviewed) RO'000	31 December 2020 (Audited) RO'000
Quoted investments	261,968	255,897
Unquoted investments	58,070	57,882
	<b>320,038</b>	313,779
Loss on fair value	(9,500)	(9,500)
	<b>310,538</b>	304,279
<b>Quoted investments</b>		
MOL PLC	179,456	166,364
Redes Energéticas Nacionais	82,512	89,533
	<b>261,968</b>	255,897

Subsequent to the six months ended 30 June 2021, the investment in Redes Energeticas Nacionais was disposed off and the fair value of investment as at 30 June 2021 equals to sale consideration on disposal.

#### 16(a). Assets held for sale

	30 June 2021 (Reviewed) RO'000	31 December 2020 (Audited) RO'000
Takatuf Oman LLC (Takatuf)	-	12,284
Bharat Oman Refineries Limited (BORL)	-	28,637
Oman Shipping Company SAOC (OSC)	-	35,497
	<b>-</b>	76,418

The sale of Takatuf and OSC was completed on 1 January 2021 at considerations equal to the carrying values as at 31 December 2020.

The sale of BORL was completed on 30 June 2021 against the total sale consideration of RO 126.2 million (USD: 327.7 million). The sale proceeds against the investment were received subsequent to the six months period 30 June 2021 and accordingly, interim condensed consolidated statement of cash flow for period ended 30 June 2021 does not include the receipt against the disposal of BORL. The Group recognized gain on disposal and reversal of impairment of RO 45.01 million and RO 22.0 million, respectively.

**Notes to the interim condensed consolidated financial statements**  
**For the six months ended 30 June 2021 (continued)**

**17. Short term deposits**

Term deposits are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the respective countries. Accordingly, the management of the Group estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12 month ECL. None of the balances with banks at the end of the reporting period are past due, and taking into account the historical default experience and the current credit ratings of the bank, the management of the Group has assessed that there is no significant expected credit loss. These term deposits are short term with maturity of less than 12 months at the end of the reporting period.

**18. Other non-current assets**

	<b>30 June 2021</b>	31 December
	<b>(Reviewed)</b>	2020
	<b>RO'000</b>	RO'000
Receivables and advances	<b>1,854</b>	12,087
Other assets	<b>2,808</b>	1,369
	<b>4,662</b>	13,456

**19. Inventories**

	<b>30 June 2021</b>	31 December 2020
	<b>(Reviewed)</b>	(Audited)
	<b>RO'000</b>	RO'000
Finished goods	<b>165,605</b>	119,143
Oil and lubricants	<b>167,881</b>	172,909
Stores and spares	<b>355,686</b>	260,914
	<b>689,172</b>	552,966
Allowance for slow-moving and obsolescence inventories	<b>(4,296)</b>	(6,516)
	<b>684,876</b>	546,450
Movement in allowance for slow-moving and obsolescence:		
At 1 January	<b>6,516</b>	2,058
Charge during the period / year	<b>1,217</b>	4,595
Reversal during the period / year	<b>(3,437)</b>	(137)
<b>At 30 June / 31 December</b>	<b>4,296</b>	6,516

## OQ SAOC AND ITS SUBSIDIARIES

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### Notes to the interim condensed consolidated financial statements For the six months ended 30 June 2021 (continued)

#### 20. Trade and other receivables

	30 June 2021 (Reviewed) RO'000	31 December 2020 (Audited) RO'000
Trade receivables	552,332	455,803
Less: expected credit losses	(8,665)	(9,291)
	<u>543,667</u>	<u>446,512</u>
Other receivables (i)	489,805	208,333
Advances to suppliers	97,401	76,535
Advances to employees	789	1,955
Prepaid expenses	20,656	13,517
	<u>1,152,318</u>	<u>746,852</u>

- (i) Includes an amount of RO 119.961 million receivable against disposal of BORL. The amount was received subsequent to the six month ended 30 June 2021 [Note 16(a)].

#### 21. Derivatives

	Derivatives assets		Derivatives liabilities	
	30 June 2021 (Reviewed) RO'000	31 December 2020 (Audited) RO'000	30 June 2021 (Reviewed) RO'000	31 December 2020 (Audited) RO'000
Derivatives held for trading	54,774	73,714	12,693	45,414
Cash flow hedges	19,935	-	64,462	84,570
	<u>74,709</u>	<u>73,714</u>	<u>77,155</u>	<u>129,984</u>
Less: current portion	(54,774)	(73,714)	(38,873)	(68,772)
Non-current portion	<u>19,935</u>	<u>-</u>	<u>38,282</u>	<u>61,212</u>

#### 22. Cash and cash equivalents

	30 June 2021 (Reviewed) RO'000	31 December 2020 (Audited) RO'000
Bank balances (current and call accounts)	630,614	460,480
Cash balance	116	289
	<u>630,730</u>	<u>460,769</u>

**Notes to the interim condensed consolidated financial statements**  
**For the six months ended 30 June 2021 (continued)**

**23. Share capital**

	<b>Authorised</b>		<b>Issued and paid up</b>	
	<b>30 June 2021 (Reviewed) RO'000</b>	<b>31 December 2020 (Audited) RO'000</b>	<b>30 June 2021 (Reviewed) RO'000</b>	<b>31 December 2020 (Audited) RO'000</b>
Ordinary shares of RO 1 each	<b>5,000,000</b>	5,000,000	<b>3,428,436</b>	3,428,436

The Parent Company's authorised share capital comprises 5,000 million shares of RO 1 each (2020: 5,000 million shares of RO 1 each).

The Parent Company's issued and fully paid up share capital comprises 3,428.436 million shares of RO 1 each (2020: 3,428.436 million shares of RO 1 each).

**24. Legal reserve**

Article 132 of the Commercial Company Law of the Sultanate of Oman requires that 10% of a Company's net profit to be transferred to a non-distributable legal reserve until the amount of the legal reserve becomes equal to one-third of the Parent Company's fully paid share capital. Accordingly, during the period ended 30 June 2021: RO 6.898 million (2020: RO Nil) has been transferred to the legal reserve out of the Parent Company's net profit.

**25. Other reserve**

Other reserve mainly relates to the following:

- Fair valuation gain amounting to RO 103 million (USD 267 million) on transfer of Block 9 to the Group entity by the Sultanate of Oman for nil consideration in 2016.
- As disclosed in last year annual financial statement, the Parent Company applied predecessor accounting using the net carrying value resulting in recording the excess of consideration paid over the net carrying value of assets acquired amounting to RO 90.4 million, as an adjustment in consolidated statement of changes in equity under "other reserves".

**26. Fair value reserve**

	<b>30 June 2021 (Reviewed) RO'000</b>	<b>31 December 2020 (Audited) RO'000</b>
Hedging reserve	<b>(43,983)</b>	(97,807)
Share of other comprehensive income of associates and joint ventures	<b>3,025</b>	(1,571)
	<b>(40,958)</b>	(99,378)

## OQ SAOC AND ITS SUBSIDIARIES

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### Notes to the interim condensed consolidated financial statements For the six months ended 30 June 2021 (continued)

#### 27. Loans and borrowings

The following Group entities have availed loans and borrowings which are detailed below:

	30 June 2021 (Reviewed) RO'000	31 December 2020 (Audited) RO'000
Parent Company (i)	466,502	312,270
OQ Exploration & Production LLC (OQEP)	481,055	469,003
Oman Oil Holding Europe B.V.	389,880	397,474
OQ Trading International Limited (OQT)	135,497	53,602
OQ Methanol LLC (OQM)	233,398	204,066
Takamul Investment Company SAOC	102,047	99,668
OQ Gas Network SAOC (OQGN)	377,791	383,501
Oman Oil Marketing Company SAOG	25,000	-
OQRPI (ii)	2,720,642	2,886,660
Oman Oil Facilities Development Company LLC (OOFDC)	230,695	207,954
Oman Tank Terminal Company LLC (OTTCO)	92,700	50,449
	<b>5,255,207</b>	<b>5,064,647</b>
Less: current portion	<b>(1,007,659)</b>	<b>(704,880)</b>
Non-current portion	<b>4,247,548</b>	<b>4,359,767</b>

- (i) On 6 May 2021, the Parent Company issued USD Senior Unsecured Notes aggregating RO 288.8 million (USD: 750 million) with a maturity date of 7 years paid at the end of the maturity date with a coupon rate of 5.125% as part of RO 770 million (USD: 2,000 million) program. The notes were also issued and sold in accordance with Rule 144A/Regulation S under the U.S. Securities Act of 1933, as amended. Interest is payable semi-annually in arrears on 6 May and 6 November. The notes are listed on the London Stock Exchange's Regulated Market and the proceeds were for general corporate purposes. Transaction costs are amortized using the effective interest method and are reflected as finance costs in these interim condensed consolidated financial statements.
- (ii) As at 30 June 2021, OQRPI was in breach of covenants with respect to working capital loan. However, subsequent to the period end, OQRPI obtained a waiver of the breach of the covenants for six months ended 30 June 2021.

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### Notes to the interim condensed consolidated financial statements For the six months ended 30 June 2021 (continued)

#### 28. Lease liabilities

	30 June 2021 (Reviewed) RO'000	31 December 2020 (Audited) RO'000
Balance as at 1 January	180,644	188,235
Addition during the period / year	16,883	33,664
Interest expense	4,195	6,310
Exchange differences	(469)	(698)
Payments	(15,036)	(46,867)
<b>Balance as at 30 June / 31 December</b>	<b>186,217</b>	<b>180,644</b>
<i>Analysed as:</i>		
Current	31,253	30,819
Non-current	154,964	149,825
	<b>186,217</b>	<b>180,644</b>

#### 29. Employees' end-of-service benefits

	30 June 2021 (Reviewed) RO'000	31 December 2020 (Audited) RO'000
At 1 January	77,604	70,353
Accrued during the period / year	2,068	14,296
End of service benefits paid	(16,225)	(7,045)
<b>At 30 June / 31 December</b>	<b>63,447</b>	<b>77,604</b>

#### 30. Provision for site restoration and abandonment cost

	30 June 2021 (Reviewed) RO'000	31 December 2020 (Audited) RO'000
At 1 January	134,850	113,392
Additions – net	2,171	13,186
Unwinding of discount	5,317	8,272
<b>At 30 June / 31 December</b>	<b>142,338</b>	<b>134,850</b>

**Notes to the interim condensed consolidated financial statements**  
**For the six months ended 30 June 2021 (continued)**

**31. Related party transactions and balances**

Related parties represent associated companies, shareholder, directors and key management personnel of the Group, and companies over which they are able to exert significant influence. Pricing policies and terms of these transactions are approved by the Group's Management and are on mutually agreed rates.

	<b>30 June 2021</b>	31 December
	<b>(Reviewed)</b>	(Audited)
	<b>RO'000</b>	RO'000
<i>Amount due to related parties – current</i>		
OIA and its' affiliates	<b>585,088</b>	261,437
Other entities under common control	<b>538</b>	21,241
Others	<b>764</b>	1,871
	<b>586,390</b>	284,549
<i>Amount due to related parties – non-current</i>		
OIA and its' affiliates	<b>9,242</b>	9,242
Associates and joint ventures	<b>-</b>	4,198
	<b>9,242</b>	13,440
<i>Amount due from related parties – current</i>		
OIA and its' affiliates	<b>96,099</b>	44,402
Associates and joint ventures (i)	<b>18,777</b>	13,310
Others	<b>1,514</b>	1,310
	<b>116,390</b>	59,022
<i>Amount due from related parties – non-current</i>		
Associates and joint ventures	<b>70,431</b>	117,036
	<b>70,431</b>	117,036
<i>Remuneration to key management personnel:</i>		
Short-term benefits	<b>836</b>	4,388
Employees end-of-service benefits	<b>4</b>	482

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### Notes to the interim condensed consolidated financial statements For the six months ended 30 June 2021 (continued)

#### 31. Related party transactions and balances (continued)

The aggregate value of transaction with related parties is as follows:

RO'000	30 June 2021 (Reviewed)	30 June 2020 (Reviewed)
<b>Sale of goods and services</b>		
-OIA and its' affiliates	173,490	-
-Associates	31,581	4,723
<b>Purchase of goods</b>		
-Associates	214	-
- Under common control	72,536	-
-OIA and it's affiliates	1,436,755	1,009,384
<b>Others</b>		
-Board sitting fees	48	29
-Director's remuneration	146	163
-Services	-	395

#### 32. Other liabilities

	30 June 2021 (Reviewed) RO'000	31 December 2020 (Audited) RO'000
Deferred payment obligation	4,986	3,012
Deferred income	2,102	2,116
Payable to the joint operator	15,510	15,508
Other payables	4,892	4,857
	<u>27,490</u>	<u>25,493</u>

#### 33. Trade and other payables

Trade payables	334,197	571,929
Accrued expenses	357,448	332,036
Other payable	347,786	204,515
	<u>1,039,431</u>	<u>1,108,480</u>



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### Notes to the interim condensed consolidated financial statements For the six months ended 30 June 2021 (continued)

#### 34. Revenue

The Group derives its revenue from contracts with customers for the transfer of goods and services over time and at a point in time in the following major product lines.

	<b>30 June 2021</b> <b>(Reviewed)</b> <b>RO'000</b>	30 June 2020 (Reviewed) RO'000
<b><u>Products transferred at a point of time</u></b>		
Sale of petroleum products	<b>3,268,547</b>	2,139,801
<b><u>Product and services transferred over a period of time</u></b>		
Services	<b>164,543</b>	147,451
Others	<b>434,522</b>	483,627
	<b>3,867,612</b>	2,770,879

The geographic information analyses the Group's revenue is as follows:

	<b>Domestic</b> <b>(Reviewed)</b>		<b>Foreign</b>	
	<b>30 June</b> <b>2021</b> <b>RO'000</b>	30 June 2020 RO'000	<b>30 June</b> <b>2021</b> <b>RO'000</b>	30 June 2020 RO'000
Revenue	<b>1,042,858</b>	1,171,147	<b>2,824,754</b>	1,599,732

	<b>30 June</b> <b>2021</b> <b>(Reviewed)</b> <b>RO'000</b>	30 June 2020 (Reviewed) RO'000
Europe	<b>365,558</b>	174,786
NAFTA (North American Free Trade Agreement)	<b>246,263</b>	151,049
APAC (Asia-Pacific)	<b>1,682,394</b>	1,395,462
SAM (South American)	<b>9,016</b>	8,388
Middle east	<b>1,388,960</b>	984,782
Rest of the world	<b>175,421</b>	56,412
	<b>3,867,612</b>	2,770,879

## OQ SAOC AND ITS SUBSIDIARIES

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### Notes to the interim condensed consolidated financial statements For the six months ended 30 June 2021 (continued)

#### 35. Cost of sales

	30 June 2021 (Reviewed) RO'000	30 June 2020 (Reviewed) RO'000
Raw material	3,048,662	2,266,135
Staff related expenses (Note 39)	51,977	66,202
Depreciation and amortization	244,711	229,714
Others	135,878	131,820
	<u>3,481,228</u>	<u>2,693,871</u>

#### 36. Investment income / (loss)

	30 June 2021 (Reviewed) RO'000	30 June 2020 (Reviewed) RO'000
Dividend income on investments	9,206	9,584
Net gain on disposal of investments (Note 16a)	45,011	(66)
Changes in fair value of investments	9,043	(106,140)
	<u>63,260</u>	<u>(96,622)</u>

#### 37. Share of result of equity accounted investments

	30 June 2021 (Reviewed) RO'000	30 June 2020 (Reviewed) RO'000
Share of results of associates (Note 11)	7,099	(5,225)
Share of results of joint ventures (Note 12)	36,017	6,668
	<u>43,116</u>	<u>1,443</u>

#### 38. Other income - net

	30 June 2021 (Reviewed) RO'000	30 June 2020 (Reviewed) RO'000
Lease income (Note 14)	11,926	11,743
Loss on disposal of property, plant and equipment	(117)	-
Other operating income	10,638	8,549
	<u>22,447</u>	<u>20,292</u>

## OQ SAOC AND ITS SUBSIDIARIES

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### Notes to the interim condensed consolidated financial statements For the six months ended 30 June 2021 (continued)

#### 39. Administrative expenses

	30 June 2021 (Reviewed) RO'000	30 June 2020 (Reviewed) RO'000
Staff related expenses	62,479	50,076
Depreciation and amortization	25,200	23,545
Selling and distribution expenses	16,995	10,716
IT and communication expenses	5,980	3,919
Insurance	5,721	5,156
Professional fees	5,027	7,139
Office expense	4,358	4,268
Research and development	1,783	1,651
Corporate social responsibility expenses	1,475	1,559
Travelling expenses	667	1,648
Exploration expenditure, including write offs	224	2,313
Other administration expenses	13,603	11,901
	<b>143,512</b>	<b>123,891</b>

Staff related expenses of the Group included in cost of goods sold and administrative expenses comprise the following:

Wages and salaries	100,716	93,012
Performance bonus	2,947	3,451
Contributions to defined contribution scheme	4,572	13,368
Other	6,221	6,447
	<b>114,456</b>	<b>116,278</b>

#### 40. Impairment losses (released) / charged - net

	30 June 2021 (Reviewed) RO'000	30 June 2020 (Reviewed) RO'000
Reversal of impairment on asset held for sale (refer note 16a)	(22,006)	-
Impairment of inventory	1,217	-
Charge of impairment relating to investment in oil exploration and production assets	-	193,740
Charge of impairment of property, plant and equipment	-	100,244
Impairment of intangible asset (refer note 9)	2,577	-
Reversal of impairment of other assets	-	(182)
	<b>(18,212)</b>	<b>293,802</b>

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### Notes to the interim condensed consolidated financial statements For the six months ended 30 June 2021 (continued)

#### 41. Net finance cost

	30 June 2021 (Reviewed) RO'000	30 June 2020 (Reviewed) RO'000
<i>Finance income</i>		
Interest income	18,957	8,735
<i>Finance expense</i>		
Interest expense on borrowings	71,065	69,044
Unwinding of discount on site restoration costs	5,317	1,279
Interest on lease liabilities	2,829	3,937
Other finance charges	1,077	755
	80,288	75,015
<i>Foreign exchange (losses) / gains – net</i>		
Realised exchange loss	(2,269)	(178)
Unrealised exchange gain / (loss)	1,044	(342)
	(1,225)	(520)
<b>Net finance cost</b>	<b>62,556</b>	<b>66,800</b>

#### 42. Taxation

Income tax expense is recognised at an amount determined by multiplying the profit (loss) before tax for the interim reporting period by management's best estimate of the weighted-average annual income tax rate expected for the full financial year, adjusted for the tax effect of certain items recognised in full in the interim period. As such, the effective tax rate in the interim condensed consolidated interim financial information may differ from management's estimate of the effective tax rate for the annual financial statements.

The Group's consolidated effective tax rate in respect of continuing operations for the six months ended 30 June 2021 was 9% (six months ended 30 June 2020: 6%) The change in effective tax rate was mainly caused by the following factors:

- Deferred tax asset not recognised on impairment charges for the six months ended 30 June 2020;
- Increase in profit before tax for group companies which were exempted from income tax for the six months ended 30 June 2021 as compared to six months ended 30 June 2020; and
- Tax impact of share of profit and loss from equity accounted investments.

## OQ SAOC AND ITS SUBSIDIARIES

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### Notes to the interim condensed consolidated financial statements For the six months ended 30 June 2021 (continued)

#### 42. Taxation (continued)

	30 June 2021 (Reviewed) RO'000	30 June 2020 (Reviewed) RO'000
<b>Profit or loss</b>		
<i>Current tax expense</i>		
Current year	19,252	4,336
Prior year	338	-
	<u>19,590</u>	<u>4,336</u>
<i>Deferred tax expense / (benefit)</i>	<u>8,403</u>	<u>(31,027)</u>
<b>Tax expense / (income) for the year</b>	<u><u>27,993</u></u>	<u><u>(26,691)</u></u>
	30 June 2021 (Reviewed) RO'000	31 December 2020 (Audited) RO'000
<b>Current liability</b>		
Current year	18,653	13,321
Prior year	1,051	1,315
	<u>19,704</u>	<u>14,636</u>
<b>Movement in net deferred tax (liability) / asset</b>		
At 1 January	(113,581)	(110,045)
Movement during the year (statement of income)	(8,403)	728
Movement during the year (statement of change in equity)	<u>(6,687)</u>	<u>(4,264)</u>
	<u><u>(128,671)</u></u>	<u><u>(113,581)</u></u>

This is presented in the consolidated condensed interim statements of financial position as follows:

Deferred tax assets	31,494	36,602
Deferred tax liabilities	<u>(160,165)</u>	<u>(150,183)</u>
	<u><u>(128,671)</u></u>	<u><u>(113,581)</u></u>

#### 43. Earnings / (Loss) per share

Earnings / (Loss) per share (EPS) is calculated by dividing the net profit / (loss) for the period attributable to the shareholders of the Parent Company by the weighted average number of shares in issue during the period as follows:

**Notes to the interim condensed consolidated financial statements  
For the six months ended 30 June 2021 (continued)**

**43. Earnings / (Loss) per share (continued)**

	<b>30 June 2021 (Reviewed) RO'000</b>	<b>30 June 2020 (Reviewed) RO'000</b>
Profit / (loss) attributable to shareholders	<u><b>298,669</b></u>	<u>(455,646)</u>
Weighted average number of shares (Number in 000's)	<u><b>3,428,630</b></u>	<u>3,428,630</u>
<b>Basic and diluted earnings / (loss) per share (RO)</b>	<u><b>0.087</b></u>	<u>(0.133)</u>

**44. Contingencies and commitments**

The following contingent liabilities have not been provided for in the interim condensed consolidated financial statements, as it is not anticipated that any material liabilities will arise from these contingencies:

	<b>30 June 2021 (Reviewed) RO'000</b>	<b>31 December 2020 (Audited) RO'000</b>
Letter of credit	<b>108,545</b>	66,962
Performance guarantees and bonds	<u><b>1,218,317</b></u>	<u>1,235,340</u>
	<u><b>1,326,862</b></u>	<u>1,302,302</u>
Capital and expenditure commitments	<u><b>774,792</b></u>	<u>906,908</u>

There were no significant changes in other items disclosed in last year annual financial statements.

**45. Financial instruments – Fair values and risk management**

**Accounting classifications and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

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## Notes to the interim condensed consolidated financial statements For the six months ended 30 June 2021 (continued)

### 45. Financial instruments – Fair values and risk management (continued)

#### Accounting classifications and fair values (continued)

30 June 2021 (Reviewed)	Total carrying amount					Fair value			
	Fair value - hedging instrument	Fair value through profit or loss (FVTPL)	Financial assets at amortised cost	Other financial liabilities	Total carrying amount	Level 1 RO'00 0	Level 2 RO'000	Level 3 RO'00 0	Total
	RO'000	RO'000	RO'000	RO'000	RO'000				RO'000
<b>Financial assets</b>									
Due from related parties	-	-	186,821	-	186,821	-	-	-	-
Trade & other receivables	-	-	1,152,318	-	1,152,318	-	-	-	-
Concession receivables	-	-	784,845	-	784,845	-	-	-	-
Lease receivables	-	-	254,767	-	254,767	-	-	-	-
Contract assets	-	-	178,510	-	178,510	-	-	-	-
Cash and cash equivalents	-	-	630,730	-	630,730	-	-	-	-
Term deposits	-	-	190,916	-	190,916	-	-	-	-
Investments - FVTPL	-	310,539	-	-	310,539	261,968	-	48,571	310,539
Derivatives	74,709	-	-	-	74,709	-	74,709	-	74,709
Other non-current assets	-	-	4,662	-	4,662	-	-	-	-
	<u>74,709</u>	<u>310,539</u>	<u>3,383,569</u>	<u>-</u>	<u>3,768,817</u>	<u>261,968</u>	<u>74,709</u>	<u>48,571</u>	<u>385,248</u>
<b>Financial liabilities</b>									
Loans and borrowings	-	-	-	(5,255,207)	(5,255,207)	-	-	-	-
Lease liability	-	-	-	(186,217)	(186,217)	-	-	-	-
Other liabilities	-	-	-	(27,490)	(27,490)	-	-	-	-
Due to related parties	-	-	-	(595,631)	(595,631)	-	-	-	-
Trade and other payables	-	-	-	(1,039,430)	(1,039,430)	-	-	-	-
Derivatives	(77,156)	-	-	-	(77,156)	-	(77,156)	-	(77,156)
	<u>(77,156)</u>	<u>-</u>	<u>-</u>	<u>(7,103,975)</u>	<u>(7,181,131)</u>	<u>-</u>	<u>(77,156)</u>	<u>-</u>	<u>(77,156)</u>
<b>31 December 2020 (Audited)</b>									
Due from related parties	-	-	176,058	-	176,058	-	-	-	-
Trade & other receivables	-	-	746,852	-	746,852	-	-	-	-
Concession receivables	-	-	798,764	-	798,764	-	-	-	-
Lease receivables	-	-	259,348	-	259,348	-	-	-	-
Contract assets	-	-	146,198	-	146,198	-	-	-	-
Cash and cash equivalents	-	-	460,769	-	460,769	-	-	-	-
Term deposits	-	-	203,331	-	203,331	-	-	-	-
Investments - FVTPL	-	304,279	-	-	304,279	255,897	-	48,382	304,279
Derivatives	73,714	-	-	-	73,714	-	73,714	-	73,714
Other non-current assets	-	-	13,456	-	13,456	-	-	-	-
	<u>73,714</u>	<u>304,279</u>	<u>2,804,776</u>	<u>-</u>	<u>3,182,769</u>	<u>255,897</u>	<u>73,714</u>	<u>48,382</u>	<u>377,993</u>
<b>Financial liabilities</b>									
Loans and borrowings	-	-	-	(5,064,647)	(5,064,647)	-	-	-	-
Lease liability	-	-	-	(180,644)	(180,644)	-	-	-	-
Other liabilities	-	-	-	(25,493)	(25,493)	-	-	-	-
Due to related parties	-	-	-	(297,989)	(297,989)	-	-	-	-
Trade and other payables	-	-	-	(1,108,480)	(1,108,480)	-	-	-	-
Derivatives	(129,984)	-	-	-	(129,984)	-	(129,984)	-	(129,984)
	<u>(129,984)</u>	<u>-</u>	<u>-</u>	<u>(6,677,253)</u>	<u>(6,807,237)</u>	<u>-</u>	<u>(129,984)</u>	<u>-</u>	<u>(129,984)</u>

**Notes to the interim condensed consolidated financial statements**  
**For the six months ended 30 June 2021 (continued)**

**45. Financial instruments – Fair values and risk management (continued)**

**Measurement of fair values**

*Valuation techniques and significant unobservable inputs*

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values at 30 June 2021 and 31 December 2020 for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Interest rate swaps (Derivative)	Swap models: The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps. The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the Group and of the counterparty; this is calculated based on credit spreads derived from current credit default swap or bond prices.	Not applicable	Not applicable
FVTPL unquoted investments	The fair value of the investment is computed based on inputs not observable in the market using discounted cash flow modelling	-Discount rate 10%, - Average growth in annual production 1%	The fair value would decrease due to increase in discount rate and increase due to higher annual production growth

During the period ended 30 June 2021, there were no transfers between the levels for fair value measurement of the financial instruments held by the Group (31 December 2020: none).

*Reconciliation of Level 3 fair values*

	30 June 2021 (Reviewed) RO'000	31 December 2020 (Audited) RO'000
Balance as at 1 January	48,382	52,294
Impairment charged for the year	-	(3,873)
Translation differences	189	(39)
Balance at 30 June / 31 December	48,571	48,382



**Notes to the interim condensed consolidated financial statements  
For the six months ended 30 June 2021 (continued)**

**46. Operating segments**

**Basis for segmentation**

The Group's organizational structure reflects various activities in which it is engaged. At 30 June 2021, the Group had two reportable segments: Upstream and Downstream. Upstream's activities include oil and natural gas exploration, field development and production; midstream transportation, storage and processing of oil and natural gas.

Downstream's activities include the refining, manufacturing, marketing, transportation, and supply and trading of crude oil, petroleum, petrochemicals products and related services to wholesale and retail customers. Other businesses and corporate mainly comprises of the Group's shipping, marketing, manufacturing and corporate activities worldwide. None of these segments met the quantitative thresholds for reportable segments. The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 4 in last annual financial statement. However, IFRS requires that the measure of profit or loss disclosed for each operating segment is the measure that is provided regularly to the chief operating decision maker for the purposes of performance assessment and resource allocation. For the Group, this measure of performance is profit or loss before tax.

Sales between segments are made at prices substantially in line with market prices, taking into account the volumes involved. Segment revenues and segment results include transactions between business segments. These transactions and any unrealized profits and losses are eliminated on consolidation, unless unrealized losses provide evidence of an impairment of the asset transferred. Sales to external customers by region are based on the location of the Group subsidiary which made the sale.

**Information about reportable segments and reconciliation**

Information related to each reportable segment is set out below. Segment profit (loss) before tax is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries. As disclosed in note 47 to last annual financial statements, results for the six months ended 30 June 2020 were reclassified to align with new operating strategies.

**6 months period ended**

<b>RO'000</b>	<b>Reportable segments</b>		<b>All other segments</b>	<b>Consolidation adjustment and eliminations</b>	<b>Total</b>
<b>30-Jun-21</b>					
<b>(Reviewed)</b>	<b>Upstream</b>	<b>Downstream</b>			
External revenues	173,191	3,551,217	143,204	-	3,867,612
Inter-segment revenues	252,052	-	-	(252,052)	-
Profit after tax	<u>115,903</u>	<u>93,055</u>	<u>90,400</u>	<u>-</u>	<u>299,358</u>
<b>As at 30 June 2021 (Reviewed)</b>					
Segment assets	2,320,470	3,321,891	4,989,148	-	10,631,509
Segment liabilities	<u>1,263,171</u>	<u>5,149,294</u>	<u>1,154,321</u>	<u>-</u>	<u>7,566,784</u>

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### Notes to the interim condensed consolidated financial statements For the six months ended 30 June 2021 (continued)

#### 46. Operating segments (continued)

##### Information about reportable segments and reconciliation (continued)

6 months period ended RO'000 30 June 2020 (Reviewed)	Reportable segments		All other segments	Consolidation adjustment and eliminations	Total
	Upstream	Downstream			
External revenues	163,826	2,495,457	111,596	-	2,770,879
Inter-segment revenues	193,339	-	-	(193,339)	-
Loss after tax	<u>(133,920)</u>	<u>(233,234)</u>	<u>(88,527)</u>	<u>-</u>	<u>(455,681)</u>
<b>As at 31 December 2020 (Audited)</b>					
Segment assets	2,123,043	3,184,467	4,580,799	-	9,888,309
Segment liabilities	<u>1,178,424</u>	<u>5,340,146</u>	<u>665,940</u>	<u>-</u>	<u>7,184,510</u>

##### Reconciliation of reportable segment profit or loss

	30 June 2021 (Reviewed) RO'000	30 June 2020 (Reviewed) RO'000
Total profit / (loss) after tax for reportable segments	208,958	(366,832)
Profit / (loss) before tax for other segments	<u>90,400</u>	<u>(88,849)</u>
<b>Profit / (loss) after tax</b>	<u><b>299,358</b></u>	<u><b>(455,681)</b></u>

#### 47. COVID-19

The Covid-19 outbreak was first reported near the end of 2019 in Wuhan, China. Since then, the virus has spread worldwide. On 11 March 2020, the WHO declared the Covid-19 outbreak to be a pandemic.

The group management Covid-19 strategy is consistent with the last annual financial statements.

#### 48. Comparative amount

Following corresponding figures for the six months 30 June 2020 have been reclassified in order to conform with the presentation for the current period. Such reclassifications do not affect previously reported profit, shareholder's equity or net cash flows.

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### Notes to the interim condensed consolidated financial statements For the six months ended 30 June 2021 (continued)

#### 48. Comparative amount (continued)

	As previously reported RO'000	Reclassification RO'000	As currently reported RO'000
Staff related expenses*	57,763	(7,687)	<b>50,076</b>
Other administration expenses*	4,196	7,687	<b>11,883</b>
Net cash from operating activities**	(32,166)	24,899	<b>(7,267)</b>
Net cash from investing activities**	<u>(192,888)</u>	<u>(24,899)</u>	<u><b>(217,787)</b></u>

\*The reclassification relates to expenses within administrative expenses.

\*\* This represents reclassification of addition of contract assets into investing activities.

#### 49. Approval of interim condensed consolidated financial statements

These interim condensed consolidated financial statements were approved and authorized for issue by the Board of Directors on 6 September 2021.