

Investors' Presentation

1H 2023 Results and Highlights



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OOQ | Disclaimer

The material contained in this presentation is intended to be general background information on OO 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.

When relying on forward-looking statements to make decisions with respect to us, investors and others should carefully consider such factors and other uncertainties and events. We are under no obligation, and do not intend, to update any forward-looking statements contained in this presentation.

Some financial figures in this presentation have been converted to US\$ for the convenience of the reader at an FX rate of 0.3851 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) OO's share of asset impairment charges booked by the OO8 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



15 Oil and gas fields¹:
Production (1H2023) – 141.8 kbd of oil & 471.0 mmcfpd of gas (WI)
2P Reserves (2022) – 1,082 mmboe (WI)²



+ 4,030 km
Owner & operator of materially all of Oman’s gas transportation system



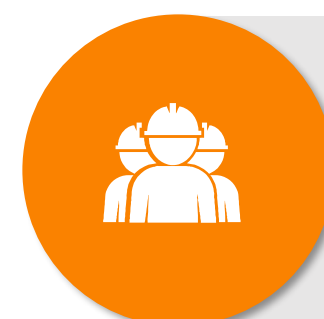
16 Downstream plants³
Sole refiner in the Sultanate of Oman
Includes 6 international specialty chemical plants



Portfolio of
+70 chemical products



+1,000
Customers in 70+ countries



+7,200
Total direct employees⁴



US\$ 31.2bn
Total Assets
Jun 30, 2023

US\$ 5.0bn
Adj. EBITDA
LTM 1H 2023⁵

1.5x
Net Debt to
Adj. EBITDA
LTM 1H 2023⁵

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

Note: FX rate of US\$ per OMR of 0.3851.

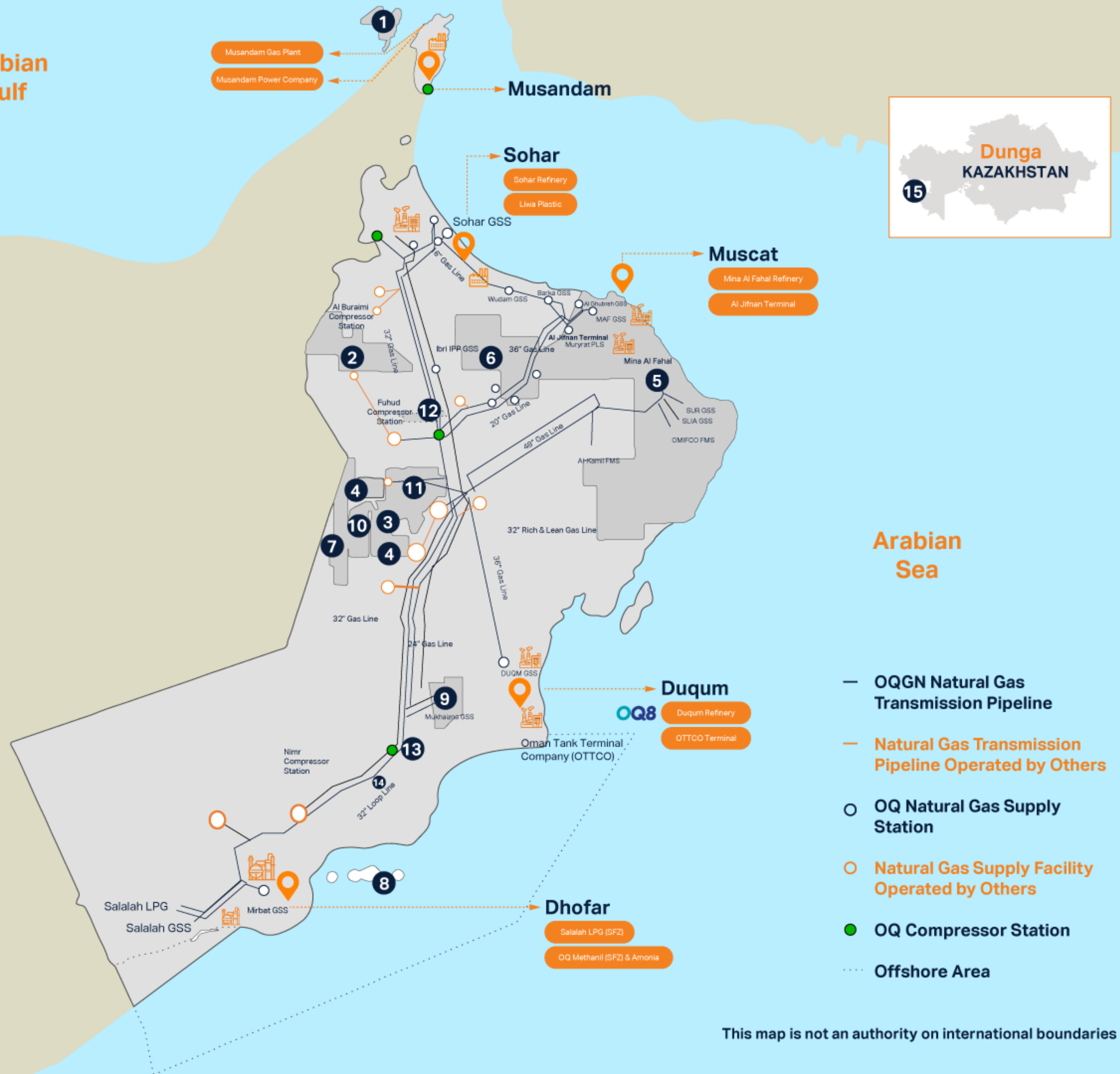
1. Including operated, non-operated and exploration blocks; 2. The Group’s 2P entitlement reserves (being the total technical reserves less the Government’s share) were ~626 mmboe; 3. Includes Sohar Refinery 1&2, aromatics plant, polypropylene plant, Liwa Plastics Industries Complex, Mina Al-Fahal refinery, 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; 4. Total workforce directly employed by the Group as of **June 30, 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.



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: 100%
8		Block 52	Exploration Asset Working Interest: 15%
9		Block 53	Producing Asset Working Interest: 20%
10		Block 60	Producing Asset Working Interest: 100%
11		Block 61	Producing Asset Working Interest: 30%
12		Block 65	Producing Asset Working Interest: 49%
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



This map is not an authority on international boundaries

OOQ



Business updates



OQ is the integrated energy of the Sultanate of Oman

2021

2022

2023

Divestment and Deleveraging strategy

Jul-2021. Divestment in BORL¹ and REN¹ for US\$ 328 million and € 181 million, respectively.

Sep-21. Strategy Review

Business and Corporate news

May-2021 US\$ 750 Million
Bond. Rating: 'BB-', (negative outlook)

Dec-2021. OQ's credit outlook from to "Stable" and affirmed its 'BB-' rating by Fitch

Projects

Jul-2021. New OQ LPG Plant

August 2021. Oil processing capacity increase (~25,000 bpd) in Block 60, due to new Bisat-B station.

Oct-2021 New Liwa Plastics Plant

Feb-2022. MOL Plc. divestment for US\$ 451 million. OQ Aromatics US\$ 406 million prepayment, and released the DSU sovereign guarantee.

Jun/Aug-2022. OQRPI US\$ 541 million prepayment.

Dec-2022. Corp. loans US\$ 337 million prepayment.

Jul-2022. OQ US\$ 1 billion RCF renewal. OQ standalone upgraded to 'b+'.

Aug-2022. Oman and OQ upgraded to 'BB'.

OQ hydrocarbon reserves increased to 1082 mm boe.

Sep-2022. Commissioned Salalah Ammonia

Nov 2022. The government designated OQ Alternative Energy as National Champion for Green Hydrogen and Clean Energy

Mar-2023. Abraj IPO. completed, for US\$ 235 million, with more than 39,000 retail investors and institutional investors participating.

Apr-2023. Vale Oman US\$ 125 million divestment.

Apr-2023. OQ paid 332 million in dividends to OIA.

Jul-2023. Fitch Rating upgrades OQ's standalone Credit Profile (SCP) to 'bbb-'

Jan-2023. Increase in oil processing capacity (~ 30,000 bpd) in Block 60 thanks to Bisat-C new station.

Jun-2023. OQ LPG achieved Financial completion date.

New Tank Facility OTTCO
New OQ8 Refinery (Duqm)

The four notch increase in the standalone credit rating shows OQ's improved performance commitment to deleveraging and modest dividend policy.



Growth projects status

OQ8

Located in the Duqm Special Economic Zone, the **OQ8 Refinery** will have a processing capacity of **230 kbd**. The project is a 50/50 joint venture with Kuwait Petroleum (Europe) a wholly owned subsidiary of Kuwait Petroleum Corporation, the national oil company of Kuwait.

- > **Project Progress:** 98.8%
- > **Expected Provisional Acceptance:** end of September 2023

OQ Ammonia

New project to expand the ammonia production of OQ Methanol, with **365,000 MTPA capacity**. Aside from fertilizers, the plant will support the manufacture of synthetic resins, fibres and polyurethanes.

- > **Project Progress:** 99.9%
- > On **July 27, 2022**, the plant completed its First Ammonia Production. Total **77 MT** exported by end of Dec 22.
- > The plant achieved **100% full load in Feb 2023**.
- > The plant has passed its Lenders Reliability test in **June 2023**, with a stable daily production of over **950 MT** per day.
- > Ammonia project completion date targeted for Q4 2023.

Oman Tank Terminal Company

New crude oil terminal, located strategically outside the Strait of Hormuz, capable of unloading crude at a single-point mooring (SPM) buoy, with a potential storing capacity of 200 million barrels of oil and transporting it by pipeline to the OQ8 crude storage facility

- > **Project Progress:** 97.7%
- > Successful unloading of first Crude shipment of 950 thousand barrels of crude oil to storage tanks on 8 Jan 2023 and second shipment of 2 million barrels) on 18 Jan 23
- > Successfully dispatched the fifth cargo consisting of 1 million barrels of crude, the sixth and seventh to be unloading in Q3 2023 demonstrating a consistent shipping schedule.



1H 2023 Performance





Fitch Ratings upgrades OQ's Standalone Credit Profile (SCP) to 'bbb-' from 'b+' in 2023 to reflect...

Key Rating Drivers

- › Material debt reduction and sharply lower EBITDA net leverage to below 1.5x over 2023-2027 under Fitch's assumptions from over 8x in 2020.
- › Greatly reduced subordination and improved access to cash flow within the group structure.
- › Improved scale and integration.
- › Establishment of a financial and dividend policy

"The strength of the financial profile is further supported by OQ's newly established financial policy of modest dividend payments".
- Fitch Ratings, July 2023



The recent credit rating action on the SCP attributes to a 4-Notch upgrade, classifying OQ as Investment Grade



Financial Overview



1H 2023

US\$ 15.3 bn

Revenues

US\$ 2.3 bn

Adj. EBITDA¹

US\$ 1.1 bn

Net Profit

US\$ 31.2 bn

Assets

+ 7,200
Employees



1H 2023 Production¹

Crude Oil & Condensate production (WI)



60.7 kbd (Operated)
81.1 kbd (Non-operated)
141.8 kbd Total

Natural Gas production (WI)



17.5 mmcfpd (Operated)
453.5 mmcfpd (Non-operated)
471.0 mm cfpd Total

Total
hydrocarbon
production (WI)
222 kbd

2P Reserves

1082 mm boe (WI)²

Current expected life of reserves³
13.7 years

Downstream



Refining capacity:

304 kbd

Petrochemical capacity:

2,684,810 MT

Methanol capacity:

1,460,000 MT per annum

LPG:

346,000 MT per annum

OQ Chemicals capacity:

1,400,000 MT per annum



Note: FX rate of US\$ per OMR of 0.3851.

1. Adjusted EBITDA has been calculated as profit/(loss) for the year adjusted to add back or subtract, as the case may be, finance expense, finance income, foreign exchange gains/losses, net, income tax expense, impairment losses (charged)/released, net, changes in fair value of investments, farm out transaction, certain investment income, and depreciation and amortisation, all as recorded in the Financial Statements. For details regarding Adjusted EBITDA, please see the Disclaimer section above. 2. The Group's 2P entitlement reserves (being the total technical reserves less the Government's share) were ~626 mmbbl as of December 31, 2022. 3. Considers the 2P Reserves (WI) as of December 31, 2022, divided by the total daily hydrocarbon production (WI) during the 2022, as informed in the chart above.



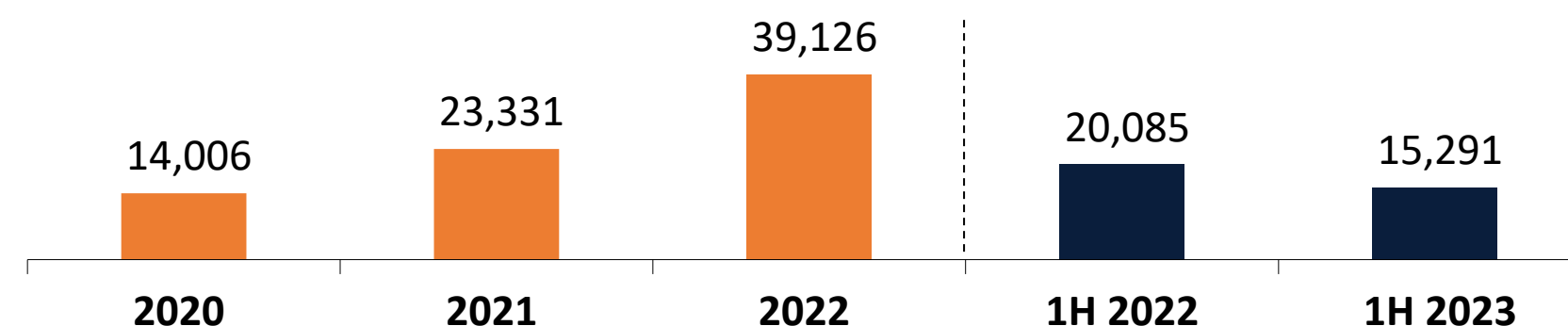
1H 2023 financial results...



Revenues: US\$ 15,291 million

- Decline in Downstream sector related to OQ Trading activates, and OQ RPI gross refining margins which was accompanied by negative FIFO impact, which is linked to reduced product prices.
- Chemicals products experienced distress as a result of market turbulence in Europe, and elevated feedstock gas prices.
- Decrease in oil prices in the Upstream sector, with an average of \$81/bbl in 1H 2023, compared to an average of \$102/bbl in 1H 2022.

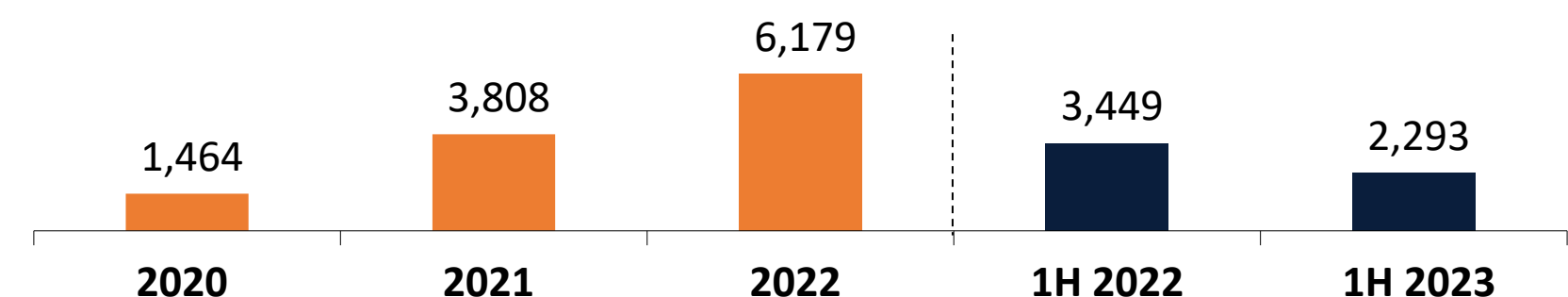
Revenues (million US\$)



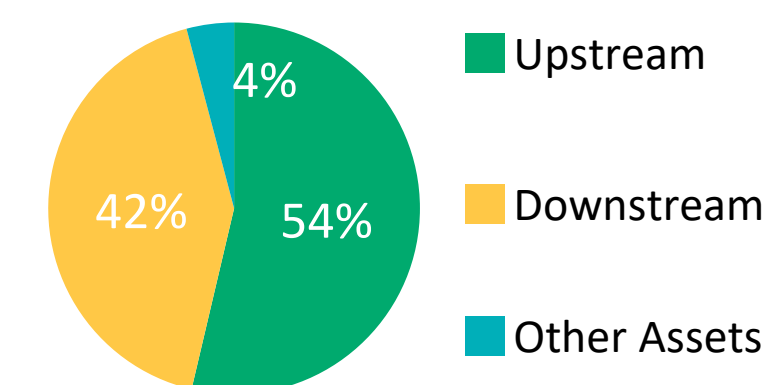
Adjusted EBITDA¹: US\$ 2,293 million

- Lower prices and market conditions, as mentioned above.
- Lower operating profit from Downstream sector, driven by a reduction in gross refining margins.
- Decline as generally driven by lower results in OQ Trading lower commodity prices, OQ RPI lower feedstock and OQ Chemicals lower production levels.

Adjusted EBITDA (million US\$)



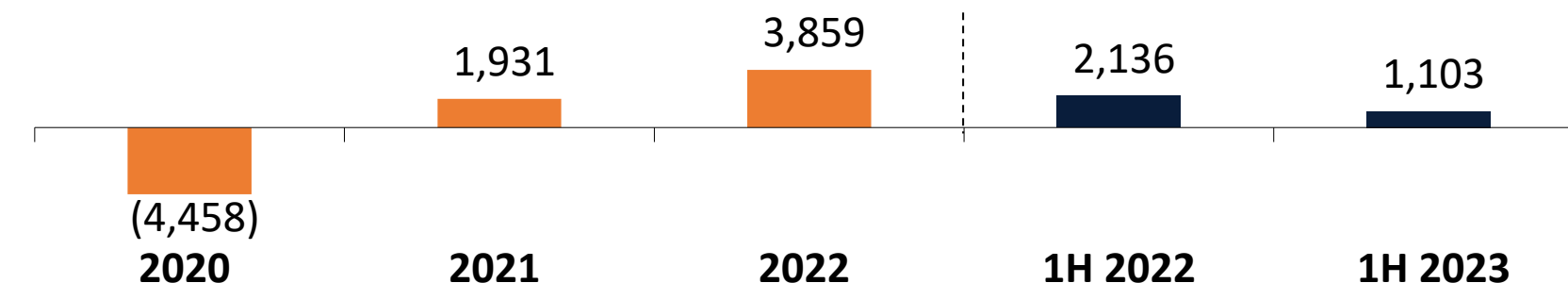
1H 2023 Adjusted EBITDA Breakdown



Net Profit: US\$ 1,103 million

- US\$ 45 Mn increase in Finance Expense in 1H 2023 compared to 1H 2022, as a result of an increase in interest rate, which was partially offset by lower outstanding amounts as result of scheduled amortization and prepayments, and interest rate swap (hedge).
- US\$ 110 Mn increase in Finance Income in 1H 2023 compared to 1H 2022, due to the increased quantum of deposits and higher interest received.

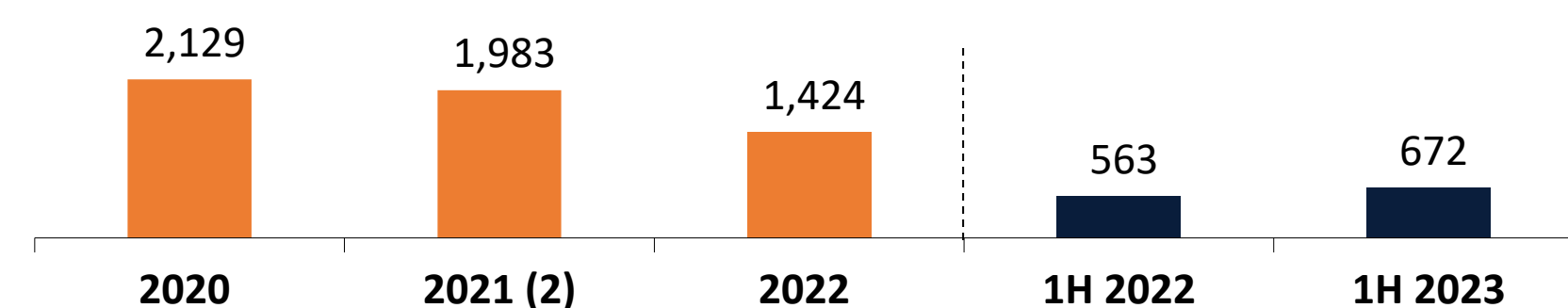
Net Profit (million US\$)



CAPEX: US\$ 672 million

- US\$ 108 Mn increase in 1H 2023 in the upstream activities as compared to 1H 2022, mainly in Block 60 and Block 10.

CAPEX (million US\$)



Note: Numbers reported in US\$ have been converted from the FS considering a FX rate of US\$ per OMR of 0.3851. 1. Adjusted EBITDA has been calculated as profit/(loss) for the year adjusted to add back or subtract, as the case may be, finance expense, finance income, foreign exchange gains/losses, net, income tax expense, impairment losses (charged)/released, net, changes in fair value of investments, farm out transaction, certain investment income, and depreciation and amortisation, all as recorded in the Financial Statements. For details regarding Adjusted EBITDA, please see the Disclaimer section above. 2. Considers restated figures as informed in 1H 2023 FS. The full Financial Statements may be found at www.oq.com.



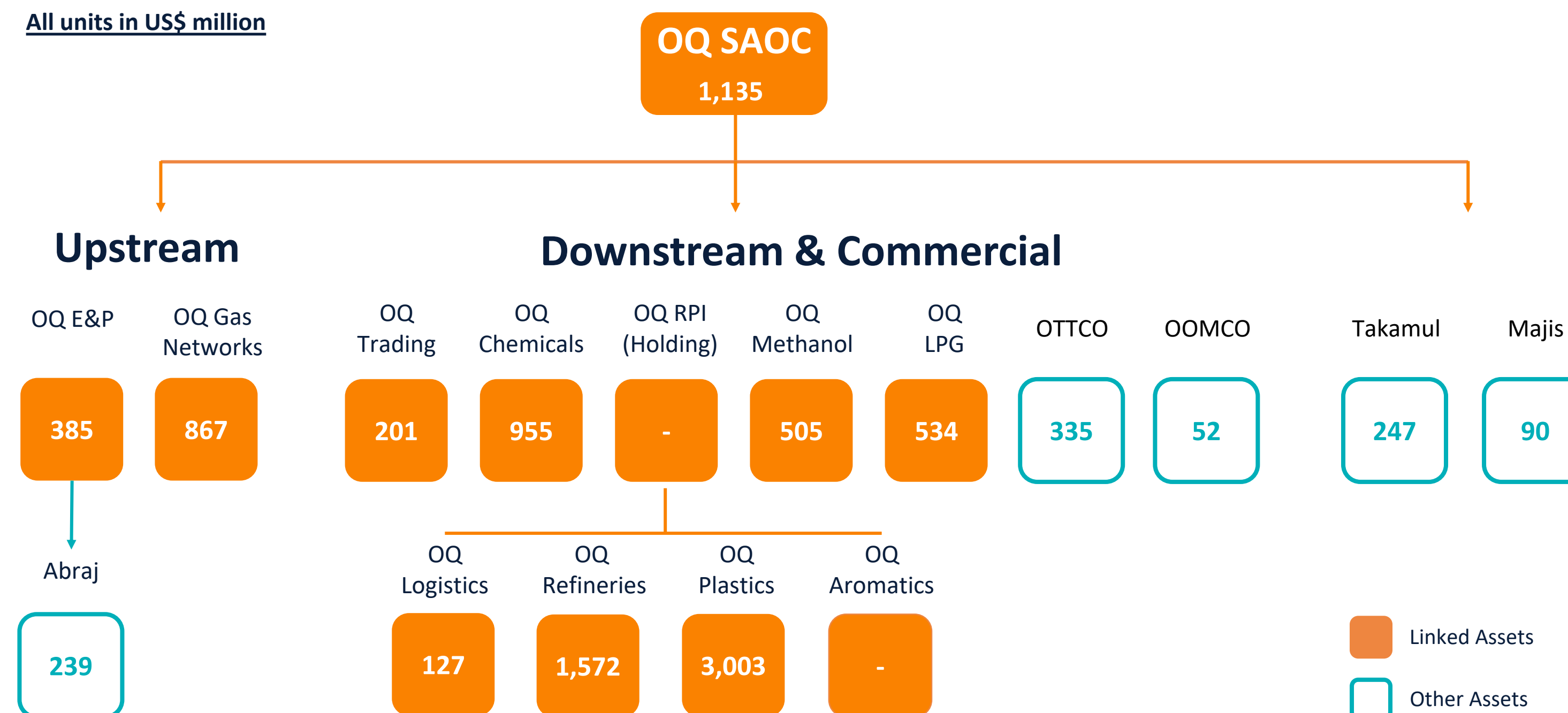
OQ's Consolidated Debt

- > OQ has a **well-diversified debt portfolio** by borrower, structure, maturity and lender group
- > **Strong liquidity** position with over **US\$ 2.0 billion undrawn RCF** at parent level
- > Strong discipline towards the achievement of the **deleveraging strategy**

As of June 30, 2023

Consolidated Outstanding Gross Debt US\$ 10.2 billion

All units in US\$ million



- > **June 2023.** OQGN successfully completed its refinancing **US\$ 1.2 Mn** (of which US\$ 867 drawn and US\$ 333 undrawn).
- > **June 2023.** OQ SAOC Term Loan and Islamic tranche were repriced with a lower margin reflecting the improved OQ credit profile
- > **June 2023.** OQ Group successfully completed the LIBOR Transition for **US\$ 1,174 Mn** of its floating linked USD facilities

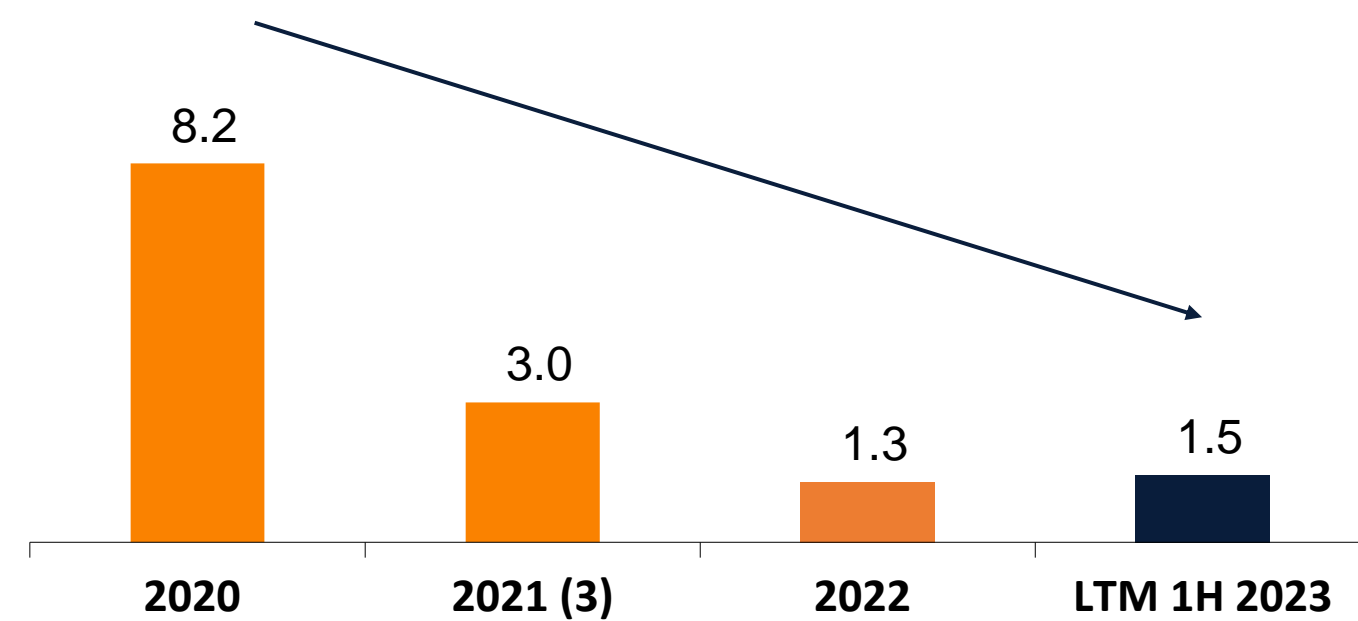
Notes:

- Values represent total debt at company level, project finance debt serviced by cashflows generated at asset level

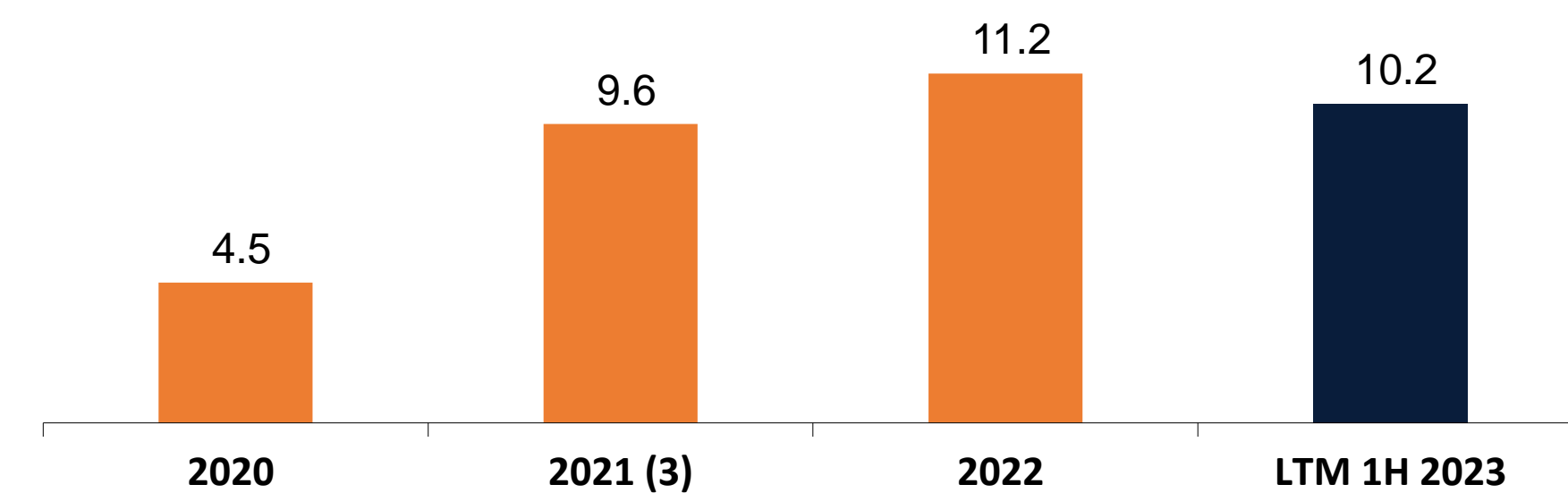


Leverage ratios evolution

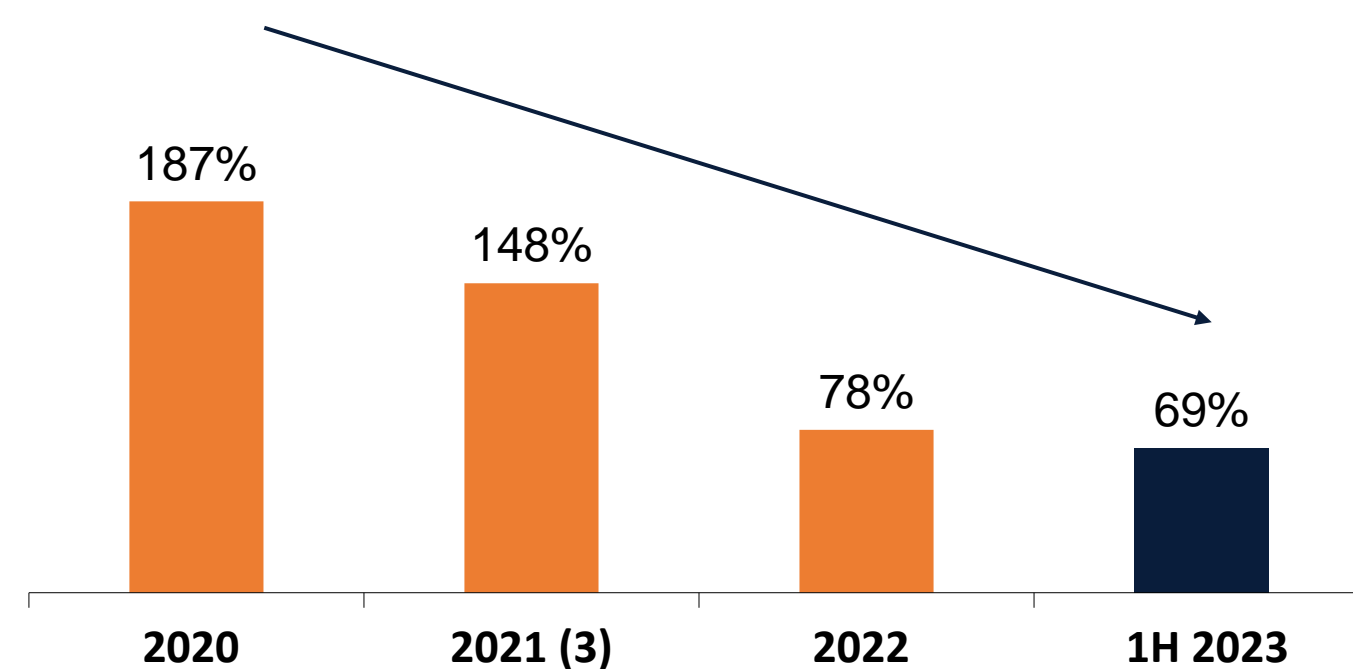
Net Debt to Adjusted EBITDA¹



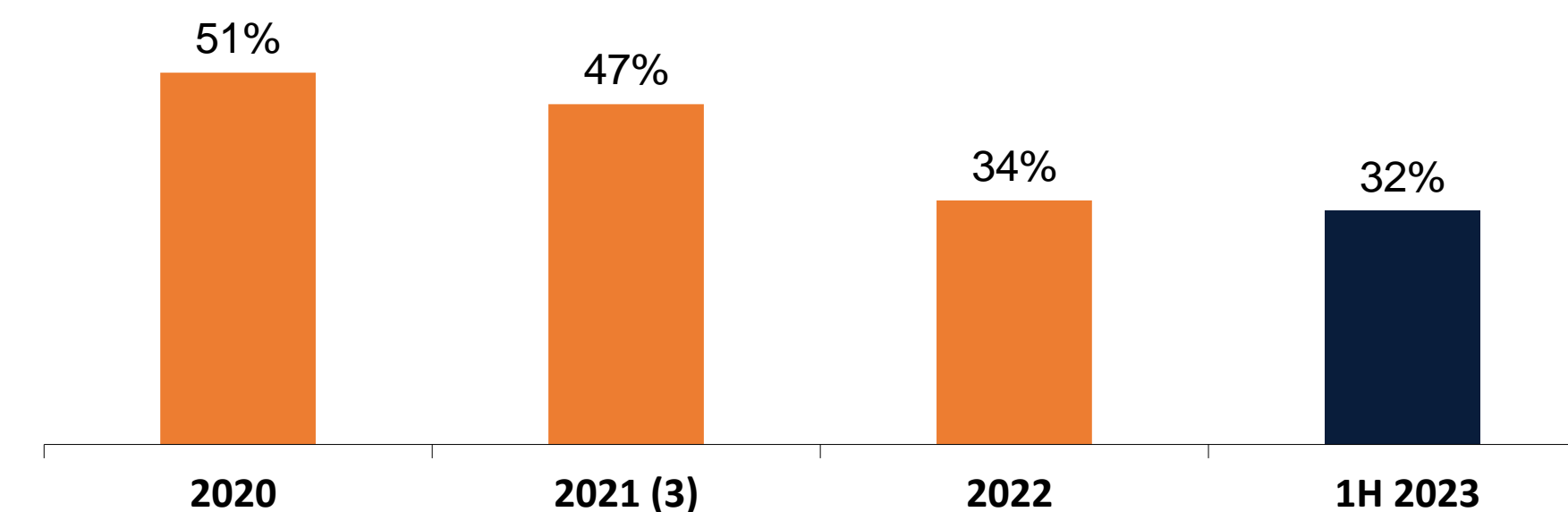
Adjusted EBITDA¹ to Net Finance Cost²
(Coverage Ratio)



Debt to Equity



Debt to Assets



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**.

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 2022 FS.

OQ



Environment, Social and Governance





OQ ESG Priorities

Six priority topics for ESG were selected based on the stakeholder engagement and materiality exercise



Decarbonization

In pursuit of a holistic decarbonization approach, our three-year targets include establishing data baselines, crafting comprehensive plans, and centralizing GHG and energy efficiency data across all sectors of OQ's operations, underpinned by a strong focus on data to drive effective efforts.



Responsible Procurement Practices

Initiating a responsible procurement project encompassing supplier screening, ESG impact awareness, and reporting of social and environmental impacts with a focus on human rights, contractors' welfare, health and safety, and decarbonization for the next three years.



Water Management

Focusing on water-related challenges aligned with Oman Vision 2040 and SDGs, our data-driven approach involves improving water data collation through a central hub for strategic optimization, while fostering collaborative solutions to enhance water efficiency and provide clean water to local communities across various sectors



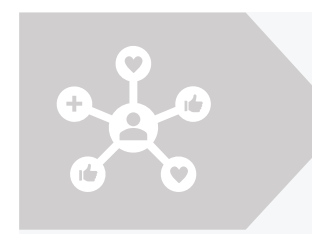
Health and Safety- Focus on Wellbeing of our Contractors

Emphasizing people's welfare and human rights through dedicated health and safety teams, successful health and safety training initiatives, and an enhanced human rights framework in line with OPAL Camp Standards to ensure worker well-being, fair hiring, and labor rights.



Diversity, Equity and Inclusion

Prioritizing workplace diversity and inclusion to build human capital aligned with the strategic growth agenda, with an emphasis on gender equality, empowerment of persons with disabilities, and substantial progress in female representation in executive management, supported by inclusive employment strategies and awareness initiatives.



Impactful Corporate Social Investment

Emphasizing impactful community projects through substantial investments, aligning community needs with Vision 2040 and SDGs for shared value creation, and introducing metrics and training to enhance the effectiveness of Corporate Social Investment programs.



ESG 1H 2023 highlights

Environmental

- › Decarbonization policy approved. Decarbonization plan across OQ is being prepared.
- › OQ announced as National Champion for green hydrogen and clean energy by the government. OQ is committed to meet Oman's declaration of net zero by 2050.
- › OQ is considering several Clean Energy projects for the short-term with a total capacity of c.550 MW comprising a mix of wind and solar energy. These projects include (Liwa Solar, Block 60, PDO IPPs: North Solar Storage and Riyah and Block 9 (OXY))
- › OQ is actively pursuing long-term green hydrogen projects, aiming to generate approximately 30 GW of renewable energy through various phases. These projects include HYPOROT Duqm, Green Energy Oman (GEO), and SalalaH2.
- › 11.27% total reduction in OQ's energy consumption
- › 8% total GHG emissions reduction

Social

- › More than 7,000 full-time employees worldwide, of which 4,800 are located in Oman,
- › 84% omanisation rate in Oman-based assets,
- › 22% female representation in executive leadership team,
- › OQ workforce comes from 50 countries,
- › Periodic Medical Examination was completed with a total of 3,391 employees being examined in-house within OQ clinics
- › 1,338 OQ volunteers, around 8,700 beneficiaries and around 50,000 volunteering hours spent on blood donation campaigns, sport activities, building awareness on first aid, fire warden and responding to emergency cases, in addition to the Ramadan Convoy, distributing family Iftar meal boxes and providing emergency relief to vulnerable community members.
- › OQ has invested USD 6.5 Mn on 25 ongoing CSI projects that fall within the pillars of Economic Contribution, Environmental Stewardship and Education and Health

Governance & Economic

- › Zero verified cases of corruption
- › 14% female representation in OQ SAOC Board of Directors.
- › USD 487.6 Mn in value spend on local goods, services, and SMEs in-country.
- › USD 123 Mn spent to SMEs, representing 19% of total OQ spent.



Thank you for your attention!

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Appendix





Adjusted EBITDA reconciliation

Consolidated statement of financial position as at

	(A) 1H 2022	(B) 2022	(C) 1H 2023	(B+C-A) LTM 1H 2023
	(Audited) USD'000 ^{1,2}	(Audited) USD'000 ¹	(Audited) USD'000 ¹	(Audited) USD'000 ¹
(Loss)/profit for the period	2,135,708	3,859,221	1,103,004	2,826,518
Add/(subtract):				
Finance expense	298,606	668,982	348,154	718,530
Impairment losses –charged/(released) - net	1,927	1,844	2,376	2,293
Changes in fair value of investments	-	-	-	-
Income tax expense	70,473	-39,444	73,620	-36,297
Finance income	-27,214	-118,473	-136,912	-228,172
Foreign exchange losses/(gains), net	23,939	12,464	-8,084	-19,559
Finance Cost included in COGS	-	9,851	9,851	19,702
Impairments included in Share of results of equity accounted investments	-	-	-	-
Adjusted EBIT	2,503,438	4,394,445	1,392,009	3,283,016
Add:				
Depreciation and amortization	945,261	1,784,965	900,582	1,740,286
Adjusted EBITDA	3,448,699	6,179,410	2,292,591	5,023,301

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