



Annual Report 2024





His Majesty **Sultan Haitham bin Tarik**
May God protect him

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Chairman's Message

On behalf of the Board of Directors, I am pleased to reflect on another strong year for the OQ Group, filled with numerous operational accomplishments and demonstrating financial resilience across all fronts.

Financially, OQ's strategic planning efforts provided the Group with resilience amidst geopolitical disruptions and tumultuous market conditions in 2024, yielding solid results. The Group achieved an EBITDA of USD 2,846 Mn and net profit of USD 1,337 Mn. Although a slight decline was observed in profitability compared to 2023, the OQ Group continued to focus on enhancing operational efficiencies and implementing cost control measures to counteract an unfavourable price environment. On a standalone basis, OQ SAOC recorded a net income of USD 3,009 Mn, which was largely driven by investment income from dividends received from OQ Exploration and Production (OQEP), OQ Trading, and OQ Base Industries (OQBi). Additionally, OQ's commitment to financial discipline and ensuring financial stability across the Group led to the release of a government debt service undertaking (DSU). Along with the release of the DSU, the Group has been able to achieve a 19% reduction in outstanding debt compared to 2023.

Our journey in 2024 began with the grand inauguration of the OQ8 Refinery in Duqm under the auspices of His Majesty Sultan Haitham bin Tarik and His Highness Sheikh Mishal Al Ahmad Al Jaber Al Sabah, Emir of the State of Kuwait. The state-of-the-art facility is the largest investment project between Oman and Kuwait, and will significantly enhance OQ's refining capabilities while also reinforcing Oman's role as a global energy hub.

Moreover, OQ continued to play a vital role in progressing national priorities in 2024, highlighted by the success of two consecutive IPOs on Muscat Stock Exchange. In September, the Group floated 25% of OQEP shares -- the largest IPO in Oman's history. With about USD 5.5 Bn in total demand and achieving an oversubscription level of 2.4x, the OQEP IPO translated to a quarter of the entire market capitalisation of public companies listed on MSX, a reflection of OQEP's operational excellence and OQ's ability to extract value from its investments. Building on this success, OQ successfully completed the listing of OQBi shares in November, resulting in a 2.1x oversubscription and demand exceeding USD

1 Bn. The listing marked the fourth IPO from OQ's diverse portfolio in the past two years, representing the Group's commitment to economic diversification and value creation.

As testament of the Group's mission to drive

OQ's strategic planning efforts provided the Group with resilience amidst geopolitical disruptions and tumultuous market conditions in 2024, yielding solid results.

sustainable economic growth in Oman's value chain and enable the energy transition through successful partnerships, OQ and TotalEnergies signed the Final Investment Decision for MARSALNG, a first-of-its-kind project in the Middle East. The plant, which will provide LNG to bunkering vessels in Sohar, will be 100% electrically driven and supplied with solar power, positioning the site as one of the lowest GHG emissions intensity LNG plants ever built worldwide. Additionally, OQ Alternative Energy (OQAE) signed Long Term Power Purchase Agreements (PPAs) with Petroleum Development Oman for three major renewable energy projects for the development of 300 megawatts of solar and wind energy in Al Wusta and Dhofar. These strategic milestones come in line with OQ's environmental goals and broader national objectives to achieve carbon neutrality by 2050.

Notably, OQ was honored to welcome over 2,700

delegates and 54 exhibiting companies to the 18th Annual Gulf Petrochemicals and Chemicals Association (GPCA) Forum, held for the first time in the Sultanate of Oman. Under the theme "Industry's Next Chapter: Driving Sustainable Advancement for Global Progress", the Forum served as a key platform for global and regional CEOs to answer pressing questions facing the industry. As the first-time host of the GPCA Forum, OQ has positioned itself as a reliable and valued partner. This was further evidenced by the results of the Group's Brand Health Tracker Survey, which showed a 55-point increase in the net promoter score from 2021 to 2024, highlighting a positive trajectory in customer and community engagement.

It is clear that the Group's accomplishments rely on its greatest asset -- our people. In line with the Group's commitment to developing local talents, OQ achieved an 85% Omanisation rate and welcomed over 240 fresh graduates in the 11th cohort of the Shabab OQ graduate development programme. Additionally, as part of the Group's focus on supporting the communities in which it operates, OQ was pleased to sign two major social investment projects in Duqm and Ibri, aimed at providing an emergency healthcare facility and a scientific innovation center in the respective regions.

As we close another year of momentous achievements, OQ has proven once again its ability to maneuver market fluctuations and demonstrate strong agility thanks to its strategy, which has been instrumental in this success. OQ is now strategically positioned to initiate the next phases of progress, with a focus on portfolio diversification and growth.

In closing, I would like to extend my deepest gratitude to the Government of the Sultanate of Oman for their continuous support under the wise leadership and guidance of His Majesty Sultan Haitham bin Tarik. Looking ahead, OQ is well positioned to build on this momentum in 2025, focusing on driving excellence, innovation, and sustainable growth while delivering outstanding results.

Mulham Basheer Al Jarf

OQ Chairman



Group CEO Message

As we look back on 2024, I am proud to report another year of solid results by the OQ Group. While fluctuating market conditions and operational hurdles presented some challenges, the Group emerged with notable achievements, ensuring once again our commitment to delivering value to our stakeholders and unlocking potential from Oman's energy resources.

With more than 34 Mn manhours expended in 2024, OQ demonstrated an unwavering commitment to safety, ensuring the highest health, safety, security and environment (HSSE) practices across all our operations. For the second consecutive year, OQ recorded zero fatalities while also observing a demonstrated downward trend in lost time injuries, which decreased from 11 in 2022 to 7 in 2023, and subsequently to only 4 recorded in 2024.

Geopolitical disruptions and persistent market volatility tested our financial resilience during the year. Despite these obstacles, we remained focused on correcting setbacks, resulting in the Group recording an EBITDA of USD 2,846 Mn and net profit of USD 1,337 Mn, reflecting our dedication to financial resilience and the adaptability of our strategic decisions. Worthwhile mentioning, OQ standalone financial performance generated dividends income for the year of USD 1,345 Mn and an outstanding net profit of USD 3,009 Mn factoring the gains on divestments.

This year, we reached several key strategic operational milestones that underscored our focus on growth, innovation, and maximising value from Oman's energy resources. Following the inauguration of the OQ8 Refinery in Duqm in February, the Group held the groundbreaking ceremonies for the Strategic Fuel Reserve projects in Dhofar and Musandam, as part of our commitment to sustainable economic development in Oman and addressing the rising demand for petroleum products driven by population growth and increased commercial activities in both regions. Additionally, in our ongoing efforts to lead Oman's energy transition, the Group advanced three renewable energy projects in Dhofar and Al Wusta and onboarded BP as our partners in our green hydrogen project, HYPOR T Duqm. Importantly, the

Group successfully implemented transformation objectives in our existing downstream assets, OQ Polymers and OQ8, enhancing their operational and financial performances. These strategic initiatives have strengthened their market position, enabling them to navigate challenging market conditions more effectively. In addition, OQ's Trading arm achieved major milestones including: securing an LNG offtake agreement for the first time, increased 3rd party crude volumes traded through pre-export financing participation and an exclusive gasoline supply deal with a major fuel retailer in UAE.

The Group emerged with notable achievements, ensuring once again our commitment to delivering value to our stakeholders and unlocking potential from Oman's energy resources.

Moreover, in line with our objectives to bolster economic diversification, attract foreign direct investment in Oman, and grow local industries, the Group entered into seven investment agreements collectively valued at USD 66 Mn with local and international companies to establish industrial projects under the Ladayn Polymer Park. Our record-breaking IPOs of OQ Exploration and Production (OQEP) and OQ Base Industries (OQBI) further highlighted the Group's contributing role in developing Oman's capital markets. And in a significant milestone marking OQ's focus on innovation, OQ launched the first cohort of the Accelerator Programme to collaborate with startups, gain access to new technologies, and

support the startup ecosystem in Oman. In addition, OQ launched e-Symphony, a private cloud SAP RISE system, making the Group the first organisation in Oman to implement SAP RISE in a private cloud at this scale. This cutting-edge solution represents a significant breakthrough in OQ's digital transformation journey.

As one of the largest companies in Oman, we recognise our responsibility to supporting local small-to-medium enterprises, which represented 19% of our total OQ spend in 2024. This comes in line with more than USD 900 Mn in local spend during the year. Equally, the Group also recognises our responsibility to empower young talents and develop national competencies. In 2024, we welcomed over 240 fresh graduates through the 11th edition of the Shabab OQ programme, as well as more than 890 interns from various educational institutions. Subsequently, the Group was awarded the Oman Investment Authority Excellence Award in the Growth and Job Creation category, and I am pleased to report that the Group concluded the year with a six-point increase in the satisfaction and motivation category in the annual employee culture survey.

In conclusion, I would like to express my sincere gratitude to the Oman Investment Authority, our Board of Directors, the Executive Leadership Team, and our employees for their hard work and collective contributions, which were invaluable to our performance in 2024. As we look to the future, we remain committed to delivering long-term growth and look forward to even greater successes in the year ahead.

Ashraf Al Mamari

Group Chief Executive Officer

About



For many decades, OQ has been growing steadily as an energy investment and development company wholly owned by the Government of Oman and plays an integral part of the Oman Investment Authority (OIA). OQ manages direct energy investments within the energy sector such as oil and gas exploration and production, oil refining, petrochemical production, trading, alternative energy, power generation, and infrastructure and transportation for energy. Through strategic partnerships, it has brought foreign investments to the Sultanate of Oman, contributing to the nation's economic growth and further enhancing the energy security.

OQ's diversified portfolio assets cover the energy value chain from exploration and production to marketing and distribution of end-user products to serve more than 2,000 customers in 80 countries. As part of its commitment to responsible growth, OQ strategically applies innovation, technology and extensive experience towards the development of energy opportunities. OQ's endeavors are fueled by the vision to be the nation's partner for energy transition in tandem with Oman's Vision 2040 to create a progressive and diverse society.

Board of Directors



Mulham Basheer Al Jarf
Chairman



Said Abdullah Al Hatmi
Deputy Chairman



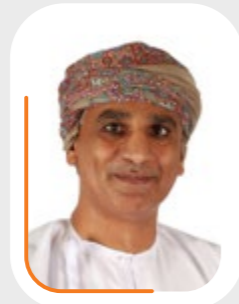
Graham Ford
Member



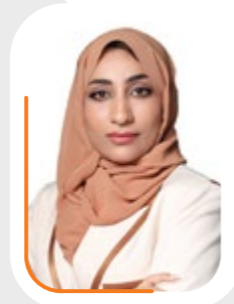
Qais Saud Al Zakwani
Member



Abdulrahman Salim Al Hatm
Member



Salim Hamed Al Sukaiti
Member



Thuraiya Ahmed Al Balushi
Member

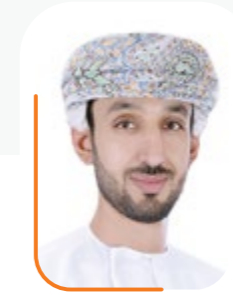
Executive Leadership Team



Ashraf Al Mamari
Group CEO



Abdulrahman Al Harthi
Chief Assurance



Abdulwahhab Al Hinai
General Counsel



Sabrina Al Bakri
Chief Executive Finance



Ali Al Lawati
Chief People & Technology Officer



Ashraf Al Mamari
Acting Chief Growth Officer



Azzan Al Abdullatif
Chief Portfolio Officer



Al Muthir Al Kharusi
Sr. Advisor

OQ Group Governance

At OQ, we are dedicated to implementing the latest best practices, principles, and standards in Corporate Governance. We aim to enhance stakeholder value and align business objectives throughout our entire value chain. We have made significant progress establishing a governance structure, with most of our policies, processes, and procedures now developed and approved by the Board. Our team works closely with relevant departments and business units to ensure accountability, transparency, and integrity, and to maintain the highest level of confidence and reliability among the Group's stakeholders.

Policies and Guidelines issued by the OIA, which are adopted by OQ, form the backbone of OQ SAOC's Corporate Governance structure. Our Board of Directors strictly adheres to the Commercial Companies Laws (CCL) and any other laws or regulations relevant thereto.

Corporate Structure

Our company's strategic direction and success are overseen by the Board of Directors, which has been appointed by the Oman Investment Authority (OIA) to maximise shareholder value by managing the affairs of the Company and acting in the best interests of the Company. In 2023, the OQ SAOC Board of Directors was reconstituted by OIA, resulting in the appointment of three new members to the board. The Board's composition adheres to the law and OIA guidelines, with three independent members out of seven members and one female member (~14%) out of seven members. All of our Board members are non-executive. The members serve for three years from the date of the general meeting in which the election was conducted.

The Board acts as the conduit for shareholder decisions, serving as the ultimate decision-maker, overseeing the Company's management, strategic direction, and overall success. It is responsible for maximising shareholder value by managing the company's affairs. The Board's overall vision considers the environmental, social, and economic challenges of the energy industry, assessing the best interest of OQ to enhance governance, directly serve its objectives, and contribute to the local community in the areas where we operate.

The Board is assisted in its duties by three sub-committees:

- **the Board Audit and Risk Committee,**
- **the Board Remuneration and Nomination Committee, and**
- **the Board Strategy and Investment Committee.**

The Executive Leadership Team (ELT), consisting of respective Chiefs responsible for implementing OQ's strategic objectives, including environmental, social, and economic challenges, is entrusted with the responsibility of managing day-to-day operations. A robust reporting framework reinforces the supervision of activities across the organisation, with clear reporting lines and feedback opportunities. This approach ensures compliance with policies, industry standards, and applicable laws and regulations, enhancing stakeholder confidence, maintaining transparency, and ensuring our long-term objectives are consistently met.



2024 Year in Review



Consolidated
Net Profit
USD 1,337 Mn

Consolidated
EBITDA
USD 2,846 Mn

**USD 900 Mn +
in local ICV spend**

SME Spend: 19% of total
OQ spend in 2024



Inauguration of OQ8 Refinery in Duqm Under the auspices of His Majesty Sultan Haitham bin Tarik and His Highness Sheikh Mishal Al Ahmad Al Jaber Al Sabah, Emir of the State of Kuwait

Groundbreaking ceremonies of **Strategic Fuel Reserve projects** in Dhofar and Musandam

Advanced 3 renewable energy projects for the development **300 megawatts of solar and wind energy**

Host of the **18th Annual Gulf Petrochemicals and Chemicals Association Forum**, held for the first time in Oman
2,700+ delegates and 54+ exhibiting companies



34 Mn + Manhours

Zero fatalities for 2nd consecutive year

85% Omanisation

240+ fresh graduates onboarded through the 11th cohort of Shabab OQ

6-point increase in the satisfaction and motivation category in the annual employee culture survey

Oman Investment Authority Excellence Award in the Growth and Job Creation category

IPO

OQEP

Listing drew about
USD 5.5 Bn in demand

2.4x oversubscribed

Largest company on **Muscat Stock Exchange** by market capitalisation upon listing

OQBİ

Listing drew about
USD 1 Bn in demand

2.1x oversubscribed



OQ Strategy

At OQ, we are dedicated to driving positive change through the energy sector. Our unwavering commitment is to maximise the value derived from Oman's energy resources while propelling our transition into a sustainable and prosperous future. As we move forward, our vision, mission, and core values help us navigate the path ahead.



Vision

Maximising value from Oman's energy resources and powering our transition towards a sustainable future.



Mission

Drive sustainable economic growth in Oman's energy value chain and enable energy transition through successful partnerships.



Values

Together we perform and grow – as we perform, collaborate and care, we create a positive ripple effect – fostering growth for each of us, our teams, our organisation, our communities, our country and beyond.

OQ's Strategic Goals

1

Maximise Shareholder Value through providing consistent dividends, maintaining a healthy return on equity and divesting mature investments at the appropriate time

2

Maintain Financial Discipline by ensuring that OQ operates at investment grade and remains agile and operationally excellent in all our assets

3

People, Sustainability & Growth: ensuring wise capital allocation for growth projects, build capabilities, having a performance-driven culture, and progressive decarbonisation

HSSE

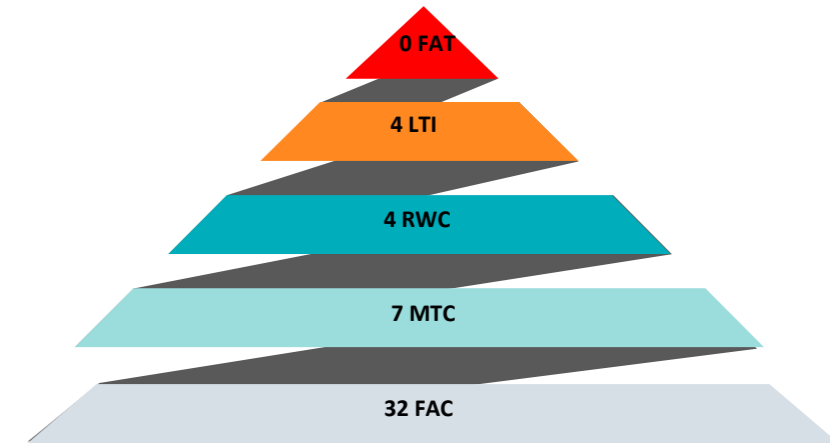


In 2024, OQ achieved significant milestones in Health, Safety, Security, and Environment (HSSE) performance. The Group expended a total of 34 Mn manhours, with zero fatalities recorded for the second consecutive year. Similarly, the number of lost time injuries (LTIs) demonstrated a consistent downward trend, decreasing from 11 in 2022 to 7 in 2023, and subsequently to 4 recorded in 2024. Importantly, there were no tier-1 process safety incidents reported, reaffirming our commitment to maintaining the highest HSSE standards and the efficacy of our proactive measures in preventing workplace injuries and incidents.

OQ leadership conducted comprehensive HSSE walkthroughs across all OQ assets, reinforcing leadership visibility and engagement. These

initiatives aimed to foster a culture of safety, ensure compliance with HSSE standards, and identify opportunities for continuous improvement, thereby underscoring OQ's dedication to maintaining a safe and sustainable operational environment.

As part of OQ's robust HSSE Management System, monthly meetings are held involving HSSE experts and their management across all assets. These meetings served as a platform to review performance metrics, address challenges, and facilitate knowledge sharing. By fostering open communication and collaboration, these sessions aimed to continuously improve HSSE practices, ensure compliance with regulatory standards, and promote a culture of safety and sustainability throughout the organisation.



OQ made significant strides in HSSE, demonstrating our unwavering commitment to fostering a safe and sustainable operational environment, leading to a more resilient OQ.

Contractor Management:

The Contractor Health & Safety Taskforce made notable progress in contractor management by conducting virous site visits across OQ. These visits were part of the taskforce's mission to advance OQ's Environmental, Social, and Governance (ESG) priority on contractor health and safety. The focus was on improving conditions in accommodation camps by evaluating infrastructure, sanitation, hygiene, and overall safety.

Crisis Management:

In August, OQ conducted an Earthquake Mock Drill at the Head Office, marking the first drill of its kind at OQ and in Oman. Additionally, HSSE engagement sessions titled "كلنا أمان" (It All Begins with Safety) were launched to strengthen collective understanding and commitment to HSSE best practices among employees. The sessions encouraged colleagues to connect, share insights, and engage in open dialogue to cultivate a safety culture that protects the workforce and supports long-term organisational success.

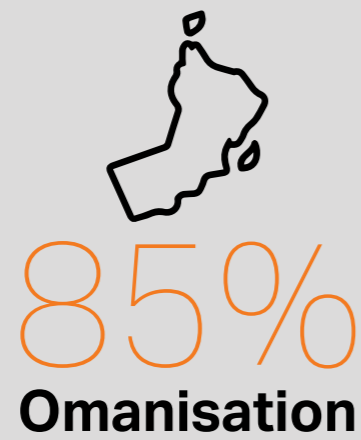
Emergency Management:

OQ also held a seminar on managing energy sector emergencies in collaboration with the National Emergency Management Center. The seminar focused on exploring challenges related to risk management, devising effective prevention strategies, and establishing robust response mechanisms. Topics covered included assessing risks, examining major accidents, and developing coordinated response mechanisms.

Collaboration Events:

In 2024, OQ organised and participated in a knowledge exchange forum with OPAL. The event, held under the auspices of His Excellency Mohsin Hamad Al Hadhrami, Undersecretary of the Ministry of Energy and Minerals, was themed "Subcontractor Health, Safety, and Environment Management. Additionally, OQ HSSE participated in a knowledge sharing workshop on indoor air quality to leverage the knowledge of subject matter experts and discuss the latest technologies that contribute to improving Oman's Air Quality Index in line with Oman Vision 2040.

People



At OQ, we prioritise the well-being of our employees, recognising that their satisfaction and motivation are essential to both their performance and the overall success of our organisation. Our commitment extends beyond the workplace, fostering an environment where individuals can thrive both professionally and personally. By placing our people at the heart of our culture, we strive to create a supportive and empowering atmosphere that encourages growth, respect, and excellence across all levels.

Age Group	Percentage
20-29	14%
30-39	47%
40-49	28%
50-59	10%

Figures represent Oman-based assets including OQ Polymer Marketing, excluding listed companies (OQGN, OQEP, OQBI)

Shabab OQ Graduate Development Programme

OQ is dedicated to unlocking the potential of Oman's future leaders. Launched in 2011, the OQ two-year graduate development programme equips bachelors and diploma holders with the skills and experience to thrive in this dynamic industry.

Key highlights on Batch 11

Total	Shabab OQ Batch 11	Fresh graduates (Mutamad + Takatuf Scholars)
246	224	22

Masar Leadership Development Programme:

OQ's leadership development programme aims to refine the leadership skills of OQ's employees in middle and senior management roles. At the conclusion of the programme, employees will receive Level 5 and Level 7 qualification from the Chartered Management Institute.

Total Participants	Level 5	Level 7	Male	Female
276	183	93	228	48

2024 Financial Performance

2024



 USD
1,337 Mn Consolidated Net Profit

 USD
2,846 Mn Consolidated **EBITDA**

 **19%** reduction in outstanding debt compared to 2023

OQ Polymers achieved Financial Completion in March 2024, thereby releasing the government Debt Service Undertaking (DSU)

Initial Public Offerings



OQ's journey in 2024 was marked by two successful IPOs, advancing its divestment strategy. The listing of OQ Exploration and Production (OQEP) and OQ Base Industries (OQBI) was the result of meticulous planning, disciplined execution, and our unwavering commitment to unlocking value for Oman's economy.

OQEP's IPO was a defining moment, setting multiple records and establishing itself as a major milestone for both OQ and Oman's financial markets. As the largest IPO in Oman's history and one of the largest globally in 2024, OQEP's listing drew significant interest from investors. The offering, which comprised 25% of the company's shares, was priced at the top of the range at 390 baizas per share and achieved an oversubscription level of 2.4x, translating to nearly USD 5.5 Bn in total demand. With an implied market capitalisation of USD 8.1 Bn, OQEP is now the largest publicly listed company in Oman, a testament to its operational excellence and the strength of its asset portfolio. This achievement highlights OQ's ability to extract value from its investments while reinforcing its position as a leader in Oman's energy sector.

Building on this success, OQBI's IPO followed with equally strong execution, further broadening investor participation in Oman's capital markets. The listing attracted considerable interest, achieving an oversubscription of 2.1x and total demand exceeding USD 1 Bn. With its strong market positioning in methanol and liquefied petroleum gas, OQBI now ranks among the top 10 publicly traded companies in Oman, reflecting its role as a key industrial player. This accomplishment demonstrates OQ's ability to foster growth and diversify its portfolio, aligning with its long-term strategy to optimise value creation.

OQEP

OQBI

Projects

Several of OQ's projects progressed well during 2024 and achieved major milestones

Marsa LNG Bunkering Project

In April, OQ and TotalEnergies signed the Final Investment Decision for the first-of-its-kind project in the Middle East. With an estimated cost of USD 1.6 Bn, the project will provide LNG to bunkering vessels in Sohar. The Marsa LNG plant will be 100% electrically driven and supplied with solar power, positioning the site as one of the lowest GHG emissions intensity LNG plants ever built worldwide.

Strategic Fuel Reserve (Dhofar)

With an investment of USD 124 Mn, OQ held the groundbreaking ceremony for the Strategic Fuel Reserve in Dhofar in August, which aims to enhance the local fuel supply in Dhofar and ensure preparedness for emergency situations by storing key petroleum derivatives. With a storage capacity exceeding 110,000 cubic metres, the facility is designed to secure a 30-day fuel supply for Dhofar, thereby enhancing the governorate's resilience to potential energy crises.

Strategic Fuel Reserve (Musandam)

With an investment of USD 204 Mn, OQ held the groundbreaking ceremony for the Strategic Fuel Reserve in Musandam in October, as part of the Group's commitment to sustainable economic development and addressing the rising demand for petroleum products driven by population growth and increased commercial activities. The storage facility will serve as a strategic reserve for various fuels, including gasoline, oil gas, and jet fuel, ensuring uninterrupted supply during emergencies. The facility will have a storage capacity exceeding 14,536 cubic metres.

Renewable Energy Projects

OQ Alternative Energy (OQAE) signed Long Term Power Purchase Agreements (PPAs) with Petroleum Development Oman for three major renewable energy projects for the development of 300 megawatts of solar and wind energy in Al Wusta and Dhofar.



Energy Transition

OQ AE is championing the Alternative Energy Journey for Oman

OQ Alternative Energy (AE) serves as the cornerstone of OQ's energy transition efforts and a catalyst to achieve the national objectives for carbon neutrality by 2050. This is aligned with Oman's Vision 2040. Appointed by the government as "The National Champion for Renewable Energy," OQ AE is committed to placing decarbonisation at the heart of its strategy, focusing on the decarbonisation of OQ assets and, ultimately, the decarbonisation of Oman. OQ AE aims to drive sustainable economic growth in Oman's energy value chain and enable the energy transition through successful partnerships while developing a robust clean energy portfolio for the nation.

OQ's decarbonisation plan, approved in 2022, aims to achieve a 25% reduction in Scope 1 and 2 emissions by 2030, with a long-term target of net zero emissions by 2050, aligning with national and international goals. OQ AE is dedicated to fostering sustainable economic growth within Oman's energy value chain and facilitating the energy transition through:

1. Driving Energy Excellence in Industry: Reduce the energy footprint of OQ's existing assets while optimising the energy intensity and drive of additional OpEx savings.
2. Developing Clean Energy projects (Wind and Solar): Aim to supply clean energy to our assets, oil and gas concessions and industrial hubs within Oman to reduce emissions and to diversify OQ's revenue streams.
3. Exploring and Developing Low Carbon Molecules Projects: Diversify our portfolio into low carbon molecule investment projects (Green hydrogen and ammonia), and Sustainable Aviation Fuel).
4. Carbon Capture Utilisation and Storage: Aim to reduce industrial Carbon dioxide to prevent effects of climate change, supporting industry in carbon accounting, decarbonisation pathways and abatement strategies.

OQ AE leverages success in energy transition through identification of the emerging best practices, establishing international partnerships while ensuring delivery of the best business terms.

2024 Year of Great Achievements

OQ AE is actively advancing renewable energy projects with over 7 GW of energy initiatives in its pipeline. 2024 has been a memorable year with notable achievements:

1. Energy Efficiency:

OQ AE has made significant strides in energy efficiency within the company and has expanded efforts externally. Within OQ, OQ AE Achieved ISO 50001 standards for energy management accreditation for OQ Corporate, and now running similar projects for the remaining OQ companies, advancing OQ Group's agenda for enhancing its energy efficiency, management practices and sustainability outlook.

Additionally, OQBi supported by OQ AE, achieved a 6% reduction in OQBi's carbon emissions by optimising operations and enhancing energy efficiency without incurring capital costs. This success was driven by improvements in furnace operations, flare and steam venting reduction, and optimisation of rotary equipment, leading to increased operational efficiency and profitability.

Externally, OQ AE signed an agreement to support the Oman Net Zero Centre on their energy services efforts. This center is the national authority for net-zero emission initiatives, focusing on research, policy development, and promoting sustainable and renewable energy practices across Oman.

2. Advancing the National Champion Mandate:

In terms of projects, OQ AE signed Long Term Power Purchase Agreements (PPAs) with PDO for North Solar (100MW), Riyah-1 (100MW) and Riyah-2 (100MW) Solar PV project.

Moreover, OQ AE secured up to 25% stake in all future renewable energy projects floated by Nama Power and Water Procurement (NPWP), who is the single procurer of power and water capacity in the Sultanate of Oman, starting with "IBRI -III" solar PV project with a capacity of 500 MW.

3. Pioneering Green Hydrogen Project:

BP was onboarded as our new partners to our Green Hydrogen Legacy Project: "HYPORT Duqm", marking a major step towards producing clean energy. Located in Duqm, this project will create green hydrogen and ammonia using cutting-edge technology, powered by solar and wind energy. Initially, the project will generate 60,000 tons of green hydrogen equivalent to 330,000 tons of green ammonia every year, supporting the energy transition of the transportation and heavy industry sectors. The site is designed for future expansion, with the potential to increase production significantly in the future.

Digital Transformation

In our commitment to empowering the digital transformation journey, OQ's IDS (Integrated Digital Services) leverages cutting-edge technologies and innovative solutions, ensuring that the Group remains at the forefront of the industry.

The year 2024 was a period of remarkable achievements for IDS, characterised by successful project implementations and technological advancements. Additionally, IDS achieved a significant milestone by formulating a comprehensive strategy that will guide efforts for the coming years. This strategy is not only a roadmap for continued success but also a testament to the commitment to driving digitalisation and operational excellence within OQ. Through this focus, OQ has laid a robust foundation for sustained growth and innovation.

Key highlights in 2024 include:

Successful launch of Digital Hub, a programme to upskill OQ's workforce in the digital era, with the following initiatives:

TechTalk

to give all OQ employees insights on the latest technological advancements

TechLyft

to enhance the technical skills and knowledge of OQ employees

Ignite

to develop critical skills required for digital leadership

NextGen

to develop digital skills for the Shabab OQ (Batch 11) graduates

National recognition

4 prestigious Comex awards

- **Comex 2024 Excellence Award for Machine Learning Data**
- **Comex 2024 Excellence Award for ICT Innovation**
- **Comex 2024 Excellence Award for Data Tech**
- **Comex 2024 Excellence Award for Best Booth at Comex 2024**

OQ is one of **500 global organisations** to have preferential and early access to Copilot technology

33 Million Documents and emails successfully classified thanks to the implementation of OQ's information classification solution

ISO 2700

certification achieved,

an internationally recognised standard for information security management systems (ISMS), providing a systematic approach to managing sensitive company information and ensuring

its confidentiality, integrity, and availability. The certification demonstrates commitment to robust security controls, continuous risk management, and compliance with global best practices

Cybersecurity awareness efforts:

- Implementation of OQ's cybersecurity awareness platform
- Anti-fishing simulator
- Operational Technology/Industrial Automation & Control Systems (OT/IACS) awareness campaign

13 Major business enablement projects delivered

to drive business growth, enhance digital capabilities, or enable innovation

10 operational excellence and infrastructure optimisation projects completed to improve operational efficiency, reduce costs, and modernise infrastructure


7 governance, risk, and compliance projects fulfilled to ensure security, compliance, and enterprise resilience


8 Process optimisation and IT service excellence projects implemented to improve IT processes, service delivery, and operational efficiency

Significant achievements performed in the field of Digital Factory:

 **60,000+** hours per year saved in automation

 **8 AI** use cases executed

 Implementing the first **AI-enabled** Digital Twin Platform in Oman

 **USD 81 Mn** of total potential value identified over 5 years, with **USD 17.9 Mn** of total value realised to date



OQX

OQX is OQ's innovation hub that is dedicated to managing Research and Development (R&D) and deploying new technologies to deliver value and address existing or future pain points in the Group. With the recent launch of the accelerator programme, OQX also aims to work with startups to develop solutions that not only address the Group's challenges, but also tap into potential opportunities, ensuring these startups grow beyond OQ. The unit is part of the growth arm of OQ.

In 2024, OQX executed three pilot projects, which are projected to generate cost savings for OQ of approximately USD 2.6 Mn. One of these pilot projects is nearing completion and will yield the first Oman-based OQ intellectual property (IP). There are also six other new technology projects at an advanced stage of consideration focusing on operational excellence, enhancing energy efficiency, and progressing OQ's environmental stewardship efforts. Additionally, OQX's R&D efforts focused on projects with the potential to significantly reduce costs and generate additional revenues. One key initiative is projected to generate USD 2 Mn in additional revenues per year in addition to another project focusing on improving OQ's environmental practices. The projects are conducted in partnership with local academic institutions, which enables the development of local expertise, institutes, and talent.

Throughout the year, OQX was in direct contact with local academic institutes, initiating visits and discussions that lay the groundwork for innovative collaborations. These engagements foster value-generation for OQ and Oman and help develop the research, development, and innovation (RDI) ecosystem. OQX team members also actively participated in hackathons across Oman's Governates as mentors and judges. These hackathons, led by OIA, aim to develop SMEs that can come up with solutions and products to solve issues related to the OIA domain.

Importantly, OQ launched its first cohort of the accelerator programme, marking a significant milestone in the Group's efforts to collaborate with startups, gain access to new technologies, and support the startup ecosystem in Oman. The programme received an overwhelming response, with 297 applications, of which 35% were from Omani startups. After a rigorous evaluation process, 42 applications were shortlisted for the final evaluation, with 69% of them being Omani. The programme kicked off its sessions in December 2024. The pre-accelerator path enrolled 11 startups, all of which were from Oman. Additionally, four startups were selected to join the accelerator programme, with 50% of them being Omani. This

programme not only highlights OQ's commitment to fostering local innovation but also underscores the Group's dedication to driving technological advancements both for OQ and Oman. The themes covered in the first cohort included technologies for operations and maintenance; renewable energy; digital transformation; water management; artificial intelligence; polymers, chemicals and catalysts; and energy efficiency.

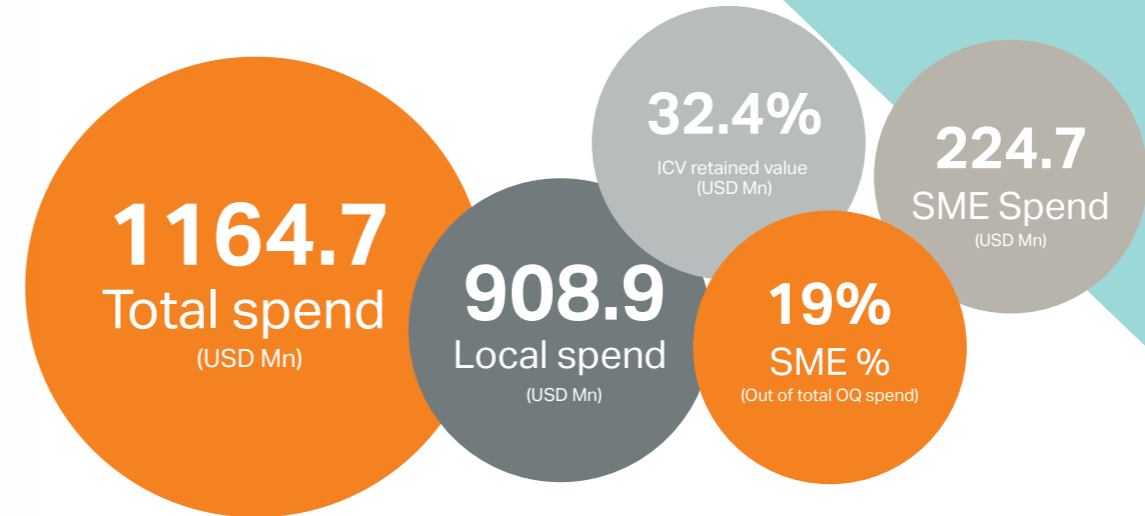
Through these initiatives, OQX has demonstrated its commitment to driving innovation and sustainability within OQ, contributing to the company's long-term success and value creation.



In-Country Value

OQ's In-Country Value (ICV) practices are centered on maximising local economic impact, fostering a sustainable supply chain, and supporting the growth of small and medium enterprises (SMEs) in the Sultanate of Oman. This focus aligns with Oman's Vision 2040, highlighting our commitment to contributing to the nation's economic progress. Given the size and scope of our operations, our ICV practices aim to assist local businesses in Oman to expand and develop, and our procurement processes are designed to increase opportunities for local SMEs to participate in local economic growth.

Through strategic collaborations, increased local procurement, and dedicated training programmes, the Group maintains its dedication to strengthening Omani businesses, creating job opportunities, and enhancing national capabilities to ensure that they thrive in a competitive market.



OQ's Commitment to SME Growth

152% Growth on SME spend Increased from USD 89 Mn in 2020 to USD 224.7 Mn in 2024

Fast Payment Cycle
Ensuring SMEs receive payments within 15 days, enhancing their cash flow and financial stability

SME contribution to total spend: Grew from 8% in 2020 to 19% in 2024, reflecting our strong commitment to local businesses

SME Development Programmes
Supporting six SMEs under our dedicated development and providing internal development and follow-up for nine SMEs

Corporate Social Investment

At OQ, our social investment programmes are driven by a strong commitment to creating meaningful change and empowering communities across the Sultanate of Oman. Aligned with Oman Vision 2040 and the United Nations Sustainable Development Goals (SDGs), the Group focused on four key areas during 2024: Education and Health, Economic Prosperity, Youth and Citizenship, and Environment. By addressing critical needs and fostering opportunities, we aim to inspire progress, strengthen communities, and pave the way for a brighter, more sustainable future for Oman.

Through strategic collaborations, increased local procurement, and dedicated training programmes, the Group maintains its dedication to strengthening Omani businesses, creating job opportunities, and enhancing national capabilities to ensure that they thrive in a competitive market.



In 2024, OQ signed two major projects:

Emergency Accident Unit at Duqm Hospital:

OQ is building a healthcare facility in Duqm with outpatient clinics, a surgery unit, critical care, and an emergency unit to address urgent medical needs and support the community.

Science Innovation Center - Ibri:

OQ is developing an integrated cultural complex to enrich the local community by providing educational, cultural, and entertainment opportunities, fostering growth and engagement. The project is being developed in partnership with PDO and Al Dhahira Governorate.

In addition, OQ's CSI projects also include:

- Science innovation center- Al buraimi
- Dhalkout Cultural Centre
- Dibba Waterfront



Sustainability

Setting a robust foundation to drive sustainable practices

At OQ, sustainability is deeply rooted in our mission to drive sustainable economic growth within Oman's energy value chain and to enable a seamless energy transition through successful partnerships. Guided by our vision of maximising value from Oman's energy resources while powering our journey toward a sustainable future, we are committed to implementing innovative solutions that meet the energy needs of today without compromising the ability of future generations to meet their own needs.

In 2024, OQ linked the identified sustainability priority topics in the corporate scorecard as a step towards embedding sustainability in our business practices. This was achieved through a number of projects and initiatives summarised below:

1. Decarbonisation

As an energy company, reducing our carbon footprint is essential to aligning with international climate goals and supporting efforts to limit global warming to well below 2°C. By transitioning to lower-carbon technologies and practices, we contribute to the global fight against climate change and help safeguard the environment for future generations.

In 2024, OQ established a reporting process to govern GHG data in assets, including data entry, data validation, data verification, and final approval with other related teams in OQ.

2. Responsible Procurement Practices

The Responsible Procurement Project aims to establish a foundation for responsible procurement practices at OQ, integrating environmental, social and governance considerations into supplier evaluations. The project also focuses on mitigating reputational risks, contributing to Oman's economic development by prioritising local suppliers and positioning OQ as a leader in responsible procurement.

The project was divided into two phases in 2024. Phase 1 included reviewing current procurement practices, developing a Responsible Procurement policy, creating a Supplier Code of Conduct and defining supplier selection criteria. Phase 2 focused on developing supplier responsible procurement guidelines and conducting a cost impact analysis. The project highlighted key success areas and identified challenges that present opportunities for future improvements.

3. Water Management

The intricate relationship between water and energy is critical, particularly in Oman, where both resources are under significant stress. While our operations primarily use seawater and manage produced water, the scarcity of fresh groundwater in the region underscores the importance of conserving this limited resource. Our effective management of seawater and produced water directly influences our energy production processes and the broader environment.

Therefore, in 2024, our focus was on establishing clear baseline data for meeting local and international regulatory requirements, ensuring that OQ operates within the legal frameworks that govern water resource management. By maintaining accurate and comprehensive water data records, OQ can demonstrate its commitment to regulatory compliance and ensure the long-term sustainability and quality of its water resources.

4. Health and Safety of our Contractors

At OQ, the health, safety, and welfare of our contractors are fundamental to our operational integrity and ethical commitments. By prioritising these aspects, we not only safeguard our contractors but also enhance our operational efficiency, reputation, and long-term success. A project was therefore launched in 2024 with the objective of improving conditions of accommodation camps, recognising their importance in the overall well-being of the workforce.

A project taskforce with representatives from different OQ assets has allowed for independent assessments of health and safety camp standards at the following locations:

- **Block 60 – Contractors camp**
- **Salalah – Contractors camps of LPG, Gas Network, Methanol, Ammonia.**
- **Suhar – Contractor's camp of RPI (Refineries (SR1 and SR2)).**
- **Duqm Contractors camp of Gas Network, OTTCO, Marafiq.**
- **Musandam – Contractors camp of Block 8 offshore vendors, and MGP, MPC.**

This has resulted in developing joint reports with findings and areas for improvement. In 2025, we aim to close 80% of the identified findings, making significant strides towards enhancing the wellbeing of our contractors.

5. Impactful Social Investment

To create a foundation for long-term social impact, OQ has highlighted the importance of measuring and tracking the impact of our social projects using the Social Return on Investment (SROI) methodology. This supports better decision-making and alignment of the initiatives that OQ undertakes with our vision of creating lasting, positive change. In 2024, we were able to assess not just the direct financial return, but also the broader social benefits of two key local investment projects in the areas of education and community well-being.

Disclaimer

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

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

The material contained in this report may include information derived from publicly available sources that have not been independently verified. No representation or warranty is made as to the accuracy, completeness or reliability of the information.

This report 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 materialise, or should underlying assumptions prove incorrect, actual results may vary materially from the expectations described in this report.

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 report.

Some financial figures in this report have been converted to USD for the convenience of the reader at an FX rate of 0.3845 OMR per USD. 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 Amortisation, and, I) OQ's share of asset impairment charges booked by the OQ8 joint venture.

The Group believes that the report 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**.

Glossary



AE	▶ Alternative Energy
AI	▶ Artificial Intelligence
Bbl	▶ Barrel
Bn	▶ Billion
Capex	▶ Capital Expenditure
CSI	▶ Corporate Social Investment
EBITDA	▶ Earnings Before Interest, Taxes, Depreciation, and Amortization.
ELT	▶ Executive Leadership Team
ESG	▶ Environmental, Social and Governance

FAT	▶ Fatality
FID	▶ Final Investment Decision
GHG	▶ Green House Gas
GW	▶ Gigawatts
HSSE	▶ Health, Safety, Security and Environment
ICV	▶ In-Country Value
IDS	▶ Information and Digital Solutions
JV	▶ Joint Venture
KPI	▶ Key Performance Indicator
KMT	▶ Kilometric Ton
LPG	▶ Liquefied Petroleum Gas
LRT	▶ Lenders' Reliability Test
LTI	▶ Lost Time Injury
MBOE/Day	▶ Thousand Barrels of Oil Equivalent per Day
MEM	▶ Ministry of Energy and Minerals
Mn	▶ Million
MTC	▶ Medical Treatment Case
MW	▶ MegaWatts
OEB	▶ Oman Export Blend
OIA	▶ Oman Investment Authority
OpEx	▶ Operating expense

OQ8	▶ Duqm Refinery and Petrochemical Industries Company
OQ AE	▶ OQ Alternative Energy
OQBi	▶ OQ Base Industries
OQEP	▶ OQ Exploration and Production
OQGN	▶ OQ Gas Network
OQ RPI	▶ OQ Refineries and Petroleum Industries
OTTCO	▶ Oman Tank Terminal Company
PPE (Finance)	▶ Property, Plant, and Equipment
PS	▶ Process Safety
PV	▶ Photovoltaic
Px	▶ Paraxylene
RWC	▶ Restricted Work Case
SAF	▶ Sustainable Aviation Fuel
SCF	▶ Standard Cubic Feet
SDGs	▶ Sustainable Development Goals
SME	▶ Small-to-Medium enterprises
TA	▶ Turn around



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