ITHACA ENERGY

Q1 Report 2025

ITHACA ENERGY PLC
RESULTS & TRADING UPDATE

A record quarter of growth

Q1 2025 includes a full quarter of the Eni UK Business Combination and the transformative nature of this transaction can clearly be seen in our results.

"The JAPEX acquisition, announced on 25 March 2025, remains on track to complete circa 1 July 2025 and the Cygnus acquisition, announced on 20 May 2025, is expected to complete 1 October 2025."

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ITHACA ENERGY

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investors.ithacaenergy.com

Q1 2025 at a glance

A new level of performance

Operational highlights

Q1 PRODUCTION
127.4 kboe/d
(Q1 2024: 58.7 kboe/d)

Q1 PRODUCTION SPLIT
59% liquids
40% operated
(Q1 2024: 69% liquids; 51% operated)

TIER 1 OR 2 PROCESS SAFETY EVENTS
0
(Q1 2024: 0)

SERIOUS INJURY AND FATALITY FREQUENCY
0
(Q1 2024: 0)

Financial highlights

ADJUSTED EBITDAX[1]
$653.2m
(Q1 2024: $339.0m)

(LOSS)/PROFIT FOR THE PERIOD[2]
$(258.7)m
(Q1 2024: profit of $42.7m)

NET CASH FLOW FROM OPERATING ACTIVITIES
$435.3m
(Q1 2024: $313.8m)

ADJUSTED NET DEBT[1]
$792.4m at 31 March 25
(31 December 2024: $884.9m)

Q1 AVAILABLE LIQUIDITY[1]
$1,107.6m at 31 March 25
(31 December 2024: $1,015.1m)

PRO FORMA LEVERAGE POSITION[1] – ADJUSTED NET DEBT TO PRO FORMA ADJUSTED EBITDAX
0.38x at 31 March 25
(31 December 2024: 0.45x)

1 Non-GAAP measure as set out on pages 35 to 38.
2 The loss for the period was principally due to a one-off, non-cash deferred tax charge of $327.6 million for the two-year extension of EPL to 31 March 2030.

Q1 2025 Operational highlights

- **Continued strong process safety performance** with zero Tier 1 or Tier 2 events recorded in the quarter
- **Record Q1 production of 127.4 kboe/d** (Q1 2024: 58.7 kboe/d), supporting full year 2025 production guidance ahead of summer shutdown period and reflecting the operating capacity of the Group's enlarged portfolio
  - Q1 production split 59% liquids, 41% gas and 40% operated, 60% non-operated
- **Achieved improved levels of production efficiency** in Q1 across the Group's operated asset base (higher than 2024 average of 80%)
- **Record Q1 production reflects:**
  - Q1 production efficiency consistently above basin average and 2024 actual through the quarter with strong delivery at the operated Captain and Cygnus assets as well as the non-operated Elgin Franklin, Seagull, GBA, Schiehallion and Mariner assets
  - Production performance at operated Captain field, underpinned by strong base well performance and infill well programme together with polymer response from EOR Phase II
  - First production from Jocelyn South in the J Area in March 2025, less than three months from field discovery, with robust production rates above pre-drill expectations

Q1 2025 Financial highlights

- Record quarterly adjusted EBITDAX[1] performance achieved with Q1 2025 EBITDAX[1] of $653.2 million (Q1 2024: $339.0 million)
- Q1 2025 profit before tax of $367.2 million (Q1 2024: $136.5 million)
- Q1 loss for the period of $258.7 million (Q1 2024: profit of $42.7 million) reflecting primarily a one-off, non-cash deferred tax charge of $327.6 million due to the two-year extension of EPL to 31 March 2030
- Q1 2025 adjusted net income[1] of $69.1 million (Q1 2024: $43.9 million)
- Q1 2025 realised oil prices of $78/bbl before hedging and $79/bbl after hedging (Q1 2024: $88/bbl before hedging and $87/bbl after hedging) and gas prices of 110p/therm before hedging and 106p/therm after hedging (Q1 2024: 65p/therm before hedging and 119p/therm after hedging)
- Q1 2025 operating costs of $189.0 million (Q1 2024: $122.4 million) and Q1 unit operating expenditure of $16.5/boe (Q1 2024: $22.9/boe) demonstrating the high netback capability of the portfolio post Business Combination
- Q1 2025 producing assets capex of $121 million (Q1 2024: $93 million) and Rosebank capex of $53 million (Q1 2024: $43 million)
- Operating cash flow before movements in working capital of $625.2 million (Q1 2024: $329.9 million)
- Net cash flow from operating activities of $435.3 million (Q1 2024: $313.8 million) reflects an increase in underlift during Q1 of $160.7 million, substantively all of which is expected to reverse through the course of FY 2025
- Adjusted net debt[1] at end of the quarter of $792.4 million (31 December 2024: $884.9 million)
- Pro forma leverage ratio[1] at 31 March 2025 of 0.38x (31 December 2024: 0.45x)
- Available liquidity[1] at 31 March 2025 of $1,107.6 million (31 December 2024: $1,015.1 million) providing significant financial firepower for growth
- Material hedge position protecting cash flows in a lower commodity price environment. As at 16 May 2025, the Group had 27.5 million barrels of oil equivalent (29% oil) hedged from Q2 2025 into 2027 at an average floor price of $73/bbl for oil swaps, $71/bbl for oil puts/collar floors and 99p/therm for gas swaps, and 83p/therm for gas puts/collar floors

1 Non-GAAP measure.

Q1 2025 Strategic highlights

Continued strong execution across the Group's strategic pillars, maximising value and returns for shareholders.

Inorganic growth

- Strategy to pursue consolidation in core UKCS basin, reflected in acquisition of JAPEX UK E&P Limited (JUK) announced 25 March 2025 and the acquisition of a further 46.25% stake in the Cygnus Field from Spirit Energy announced 20 May 2025:

- **Acquisition of Japex UK E&P:**
  - Increased stake in well understood, high-quality, long-life Seagull field from 35% to 50%
  - Acquisition expected to add 4-4.5 kboe/d to the Group's production base
  - Transaction includes JUK's material tax losses of approximately $215 million in both Ring Fence Corporation Tax and Supplementary Charge tax as well as approximately $105 million Energy Profit Levy losses as at the effective date of 1 January 2024, reflecting JUK's material investment in the field
  - Acquisition equates to a valuation of ~$10/boe (excluding tax losses)
  - Estimated completion date of 1 July 2025

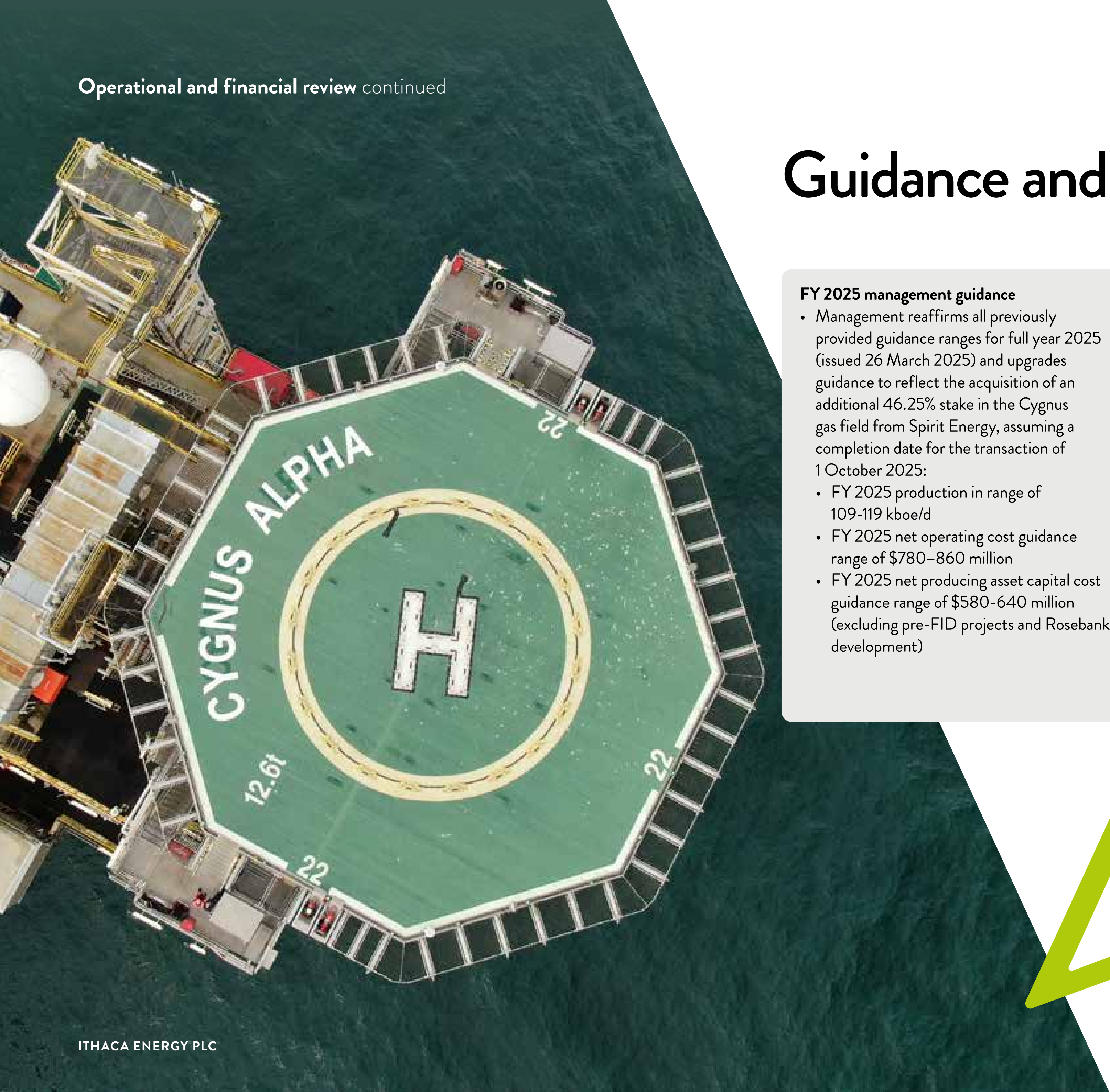
- **Acquisition of 46.25% stake in the Cygnus Field from Spirit Energy:**
  - Increased stake in high-margin, low-emission operated Cygnus gas field, adding additional gas production to our portfolio
  - Attractive investment metrics achieved, equating to a valuation of < $7/boe per 2P Reserves
  - Ongoing infill drilling in area, with further upside potential
  - Adding circa 12.5-13.5 kboe/d net production on a pro forma basis, and circa 4 kboe/d net annualised increase assuming a targeted completion date of 1 October 2025, subject to NSTA consent
  - Effective date of 1 January 2025 for determining total consideration

Organic growth

- Material ongoing activity at Captain including the platform drilling campaign with well C73 completed and online and workover activity completed in well C45 in the period
- Good progress made through Q1, in readiness for the Flotel Safe Caledonia's arrival at Captain WPPA at the end of May to support optimisation, maintenance backlog reduction and asset life extension projects
- Cygnus infill well campaign commenced with arrival of the Valaris Norway on 22 March
  - Two firm wells to be drilled in 2025 with the first well due to spud in Q2 2025
- Rosebank development project progressing as planned to multi-year development timeline with 2025 Subsea infrastructure installation campaign commencing in April 2025
- Cambo project technical refresh nearing completion, utilising technical capabilities of Eni, and supporting farm-out process and progression towards Final Investment Decision, subject to fiscal and regulatory certainty
- NSTA approval received for Fotla Development Concept with draft Field Development Plan submitted to the NSTA during April. Awaiting Environmental Impact Assessment guidance ahead of issuing an Environmental Statement

Value creation and shareholder returns

- Third interim 2024 dividend of $200 million paid in April 2025, delivering total 2024 dividends of $500 million, in line with the Group's 2024 target
- Reaffirming dividend policy for 2025, targeting dividend of 30% post-tax cash flow from operations (CFFO), at the top end of our capital allocation policy range of 15-30% post-tax CFFO, with a target of $500 million for FY 2025



Guidance and Outlook

FY 2025 management guidance

- Management reaffirms all previously provided guidance ranges for full year 2025 (issued 26 March 2025) and upgrades guidance to reflect the acquisition of an additional 46.25% stake in the Cygnus gas field from Spirit Energy, assuming a completion date for the transaction of 1 October 2025:
  - FY 2025 production in range of 109-119 kboe/d
  - FY 2025 net operating cost guidance range of $780–860 million
  - FY 2025 net producing asset capital cost guidance range of $580-640 million (excluding pre-FID projects and Rosebank development)
- Following the completion of the acquisition of Japex UK E&P and the additional 46.25% stake in the Cygnus gas field expected 1 July and 1 October respectively, the Group expects a production exit rate at the end of 2025 of circa 135 kboe/d

The value growth journey continues

Summary of financial results

Financial key performance indicators (KPIs)

	Q1 2025	Q1 2024
Adjusted EBITDAX[1] ($m)	**653.2**	339.0
Profit before tax ($m)	**367.2**	136.5
Adjusted net income[1] ($m)	**69.1**	43.9
(Loss)/profit for the period ($m)	**(258.7)**	42.7
Net cash flow from operating activities ($m)	**435.3**	313.8
Unit operating expenditure[1] ($/boe)	**16.5**	22.9

	Q1 2025	Q4 2024
Available liquidity[1] ($m)	**1,107.6**	1,015.1
Adjusted net debt[1] ($m)	**792.4**	884.9
Adjusted net debt/pro forma adjusted EBITDAX[1]	**0.38x**	0.45x

Other KPIs

	Q1 2025	Q1 2024
Total production (boe/d)	**127,373**	58,699
Tier 1 and 2 process safety events	**0**	0
Serious injury and fatality frequency	**0**	0

1. Non-GAAP measure – details of non-GAAP measures are set out on pages 35 to 38.

Q1 2025 trading

The Group has reported a record performance in the first quarter of 2025, delivering average production of 127,373 boe/d (Q1 2024: 58,699 boe/d) which generated adjusted EBITDAX of $653.2 million (Q1 2024: $339.0 million). In addition, net cash flow from operating activities was $435.3 million (Q1 2024: $313.8 million) and profit before tax amounted to $367.2 million (Q1 2024: $135.6 million). The loss for the period of $258.7 million (Q1 2024: profit of $42.7 million) was primarily due to a one-off, non-cash deferred tax charge of $327.6 million arising on the substantive enactment during the period of the two-year extension of the 38% EPL rate to 31 March 2030.

During the period, the Group continued to deleverage the balance sheet, reporting adjusted net debt to pro forma adjusted EBITDAX of 0.38x at the end of Q1 2025 (31 December 2024: 0.45x).

Financial performance: adjusted EBITDAX

Adjusted EBITDAX is a key measure of operational performance delivery in the business and for Q1 2025 was $653.2 million (Q1 2024: $339.0 million). The improvement on Q1 2024 mainly reflects the impact of the Eni UK Business Combination volumes as well as improved operational performance from the legacy Ithaca Energy assets, partly offset by lower commodity prices net of hedging.

Adjusted EBITDAX analysis

	Q1 2025		Q1 2024		FY 2024	
Production	**kboe/d**	**mmboe**	**kboe/d**	**mmboe**	**kboe/d**	**mmboe**
Oil	69	6	38	3	41	15
Gas	52	5	18	2	25	9
Condensate	6	–	3	–	3	1
Total production	**127**	**11**	**59**	**5**	**69**	**25**
Revenues[1]	**$/boe**	**$m**	**$/boe**	**$m**	**$/boe**	**$m**
Oil revenue	78	319	88	303	81	1,176
Gas revenue	81	353	54	89	64	599
Condensate revenue	52	33	45	10	48	47
Oil and gas hedging (losses)/gains	(1)	(8)	14	73	5	135
Total	**60**	**697**	**89**	**475**	**77**	**1,957**
Movement in oil and gas inventory	14	161	–	(1)	3	84
Tanker costs	–	(5)	(1)	(4)	(1)	(18)
Stella royalties	–	(1)	–	(1)	–	(2)
Total value from production	**74**	**852**	**88**	**469**	**79**	**2,021**
Costs						
Operating costs excluding tanker costs and net of tariff income	(16)	(189)	(23)	(122)	(22)	(570)
Administrative expenses	(1)	(10)	(2)	(8)	(2)	(41)
Foreign exchange losses	–	–	–	–	–	(5)
Other operating costs in arriving at adjusted EBITDAX	**(17)**	**(199)**	**(25)**	**(130)**	**(24)**	**(616)**
Adjusted EBITDAX[2]	**57**	**653**	**63**	**339**	**55**	**1,405**

1. Revenues in the above table exclude principally other income and put premiums on oil and gas derivative instruments.
2. Non-GAAP measure.

Average realised oil prices for Q1 2025 were $78/boe before hedging and $79/boe after hedging (Q1 2024: $88/boe before hedging and $87/boe after hedging). Average realised gas prices for Q1 2025 were $81/boe before hedging and $78/boe after hedging (Q1 2024: $54/boe before hedging and $100/boe after hedging).

During the period, there was again a strong focus on operating costs which were $189.0 million (Q1 2024: $122.4 million). The reduction in unit operating expenditure per boe reflects the new Eni UK assets which have a significantly lower operating expenditure per boe as well as improved operational performance.

Financial performance: (loss)/profit for the period and adjusted net income

	Q1 2025 $m	Q1 2024 $m
Profit before tax	367.2	136.5
Tax charge	(625.9)	(93.8)
(Loss)/profit for the period	**(258.7)**	**42.7**
Impairment charges	1.0	4.6
Tax credit on impairment charges	(0.8)	(3.4)
EPL deferred tax impact of two-year extension to 31 March 2030	327.6	–
Adjusted net income[1]	**69.1**	**43.9**

1. Non-GAAP measure.

The increase in profit before tax to $367.2 million reflects principally the impact of the Eni UK Business Combination and, in particular, the higher production in Q1 2025. As noted above, the loss for the period was primarily due to a one-off, non-cash deferred tax charge as a result of the substantive enactment during the period of the two-year extension of the 38% EPL tax rate to 31 March 2030.

Subsequent events
On 25 April 2025, the third interim dividend for 2024 of $0.1209 per ordinary share or $200 million was paid.

As described in note 3, short-term commodity prices have fallen significantly since 31 March 2025. Details of sensitivities in relation to changes in commodity prices are set out in note 19 on page 213 of the 2024 Annual Report and Accounts.

On 20 May 2025, the Group announced the signing of a sale and purchase agreement to acquire an additional 46.25% stake in the Cygnus gas field from Spirit Energy Limited for a total consideration of approximately $154 million. The acquisition, which is subject to certain conditions including regulatory approval, has an effective date for determining total consideration of 1 January 2025 and a target completion date of 1 October 2025.

Going concern
Based on their assessment of the Group's financial position over the period to 30 June 2026, the Directors believe that the Group will be able to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the condensed consolidated financial statements. Further details are set out in note 3.

Derivative financial instruments
Derivative financial instruments are utilised to manage commodity price risk in a substantive financial hedging programme for future oil and gas production volumes. As at 31 March 2025, the following hedges were in place:

	Q2 to Q4 2025	2026	2027
Oil			
Volume hedged (mmboe)	6.1	0.05	–
Weighted average floor hedged price ($/bbl)	74	70	–
Gas			
Volume hedged (mmboe)	9.4	9.2	0.76
Weighted average floor hedged price (p/therm)	89	88	92

Unaudited condensed consolidated statement of profit or loss
For the three months ended 31 March

	Note	2025 $'000	2024 $'000
Revenue		**707,599**	480,265
Cost of sales	4	**(265,287)**	(279,089)
Gross profit		**442,312**	201,176
Impairment charges on development and production assets		**(1,027)**	(4,574)
Exploration and evaluation expenses	7	**(77)**	–
Administrative expenses		**(10,108)**	(7,926)
Other losses	5	**(106)**	(11,287)
Profit from operations before tax, finance income and finance costs		**430,994**	177,389
Finance income		**1,609**	2,038
Finance costs		**(65,444)**	(42,913)
Profit before tax		**367,159**	136,514
Income tax	9	**(625,824)**	(93,773)
(Loss)/profit for the period		**(258,665)**	42,741

(Loss)/earnings per share	2025 Cents	2024 Cents
Basic	**(15.7)**	4.2
Diluted	**(15.7)**	4.2

The results above are entirely derived from continuing operations.

The accompanying notes on pages 18 to 34 are an integral part of the financial statements.

Unaudited condensed consolidated statement of comprehensive income

For the three months ended 31 March

	Note	2025 $'000	2024 $'000
(Loss)/profit for the period		**(258,665)**	42,741
Items that may be reclassified to profit and loss			
Fair value gains/(losses) on cash flow hedges	10	**126,092**	(66,461)
Fair value gains/(losses) on cost of hedging	10	**47,925**	(10,963)
Deferred tax (charge)/credit on cash flow hedges and cost of hedging	9	**(135,733)**	58,068
Other comprehensive income/(expense)		**38,284**	(19,356)
Total comprehensive (expense)/income for the period		**(220,381)**	23,385

The accompanying notes on pages 18 to 34 are an integral part of the financial statements.

Unaudited condensed consolidated statement of financial position

As at 31 March 2025 and 31 December 2024

	Note	2025 $'000	2024 $'000
Assets			
Current assets			
Cash and cash equivalents		**257,621**	165,123
Other financial assets		**11,317**	11,317
Trade and other receivables	6	**436,525**	417,614
Decommissioning reimbursements	6	**24,466**	23,175
Prepayments		**63,675**	42,210
Inventories		**423,932**	283,839
Derivative financial instruments	11	**41,401**	32,962
		1,258,937	976,240
Non-current assets			
Decommissioning reimbursements	6	**139,644**	144,185
Exploration and evaluation assets	7	**595,082**	612,514
Property, plant and equipment	8	**4,167,526**	4,188,435
Deferred tax assets	9	**701,134**	1,224,136
Derivative financial instruments	11	**57,100**	–
Goodwill		**1,129,476**	1,129,476
		6,789,962	7,298,746
Total assets		**8,048,899**	8,274,986
Liabilities and equity			
Current liabilities			
Borrowings		**(21,295)**	(13,025)
Trade and other payables		**(567,522)**	(566,471)
Current tax payable		**(463,084)**	(247,048)
Decommissioning liabilities		**(136,096)**	(152,709)
Lease liability		**(18,413)**	(19,447)
Contingent and deferred consideration		**(177,472)**	(303,486)
Derivative financial instruments	11	**(29,809)**	(130,476)
		(1,413,691)	(1,432,662)

Unaudited condensed consolidated statement of financial position continued
As at 31 March 2025 and 31 December 2024

	Note	2025 $'000	2024 $'000
Non-current liabilities			
Borrowings		**(1,022,859)**	(1,011,923)
Decommissioning liabilities		**(2,521,830)**	(2,502,372)
Lease liability		**(17,151)**	(20,712)
Other provisions		**(34,895)**	(36,190)
Contingent and deferred consideration		**(214,317)**	(209,763)
Derivative financial instruments	11	**(2,826)**	(20,987)
		(3,813,878)	(3,801,947)
Total liabilities		**(5,227,569)**	(5,234,609)
Net assets		**2,821,330**	3,040,377
Shareholders' equity			
Share capital		**20,029**	20,029
Share premium		**1,161,615**	1,161,615
Capital contribution reserve		**181,945**	181,945
Own shares		**(8,194)**	(9,592)
Share-based payment reserve		**18,724**	18,788
Cash flow hedge reserve		**11,956**	(15,784)
Cost of hedging reserve		**1,412**	(9,132)
Retained earnings		**1,433,843**	1,692,508
Total equity		**2,821,330**	3,040,377

The accompanying notes on pages 18 to 34 are an integral part of the financial statements.

Approved on behalf of the Board on 20 May 2025:

Iain C S Lewis
Director

Unaudited condensed consolidated statement of changes in equity
For the three months ended 31 March

	Share capital $'000	Share premium $'000	Capital contribution reserve $'000	Own shares $'000	Share-based payment reserve $'000	Cash flow hedge reserve $'000	Cost of hedging reserve $'000	Retained earnings $'000	Total $'000
Balance at 1 January 2024	11,540	308,845	181,945	(12,412)	15,494	39,818	4,068	1,972,047	2,521,345
Share-based payments	–	–	–	191	1,411	–	–	–	1,602
Comprehensive income/(expense) for the period:									
Profit for the period	–	–	–	–	–	–	–	42,741	42,741
Other comprehensive expense	–	–	–	–	–	(16,615)	(2,741)	–	(19,356)
Total comprehensive income/(expense) for the period	–	–	–	–	–	(16,615)	(2,741)	42,741	23,385
Balance at 31 March 2024	11,540	308,845	181,945	(12,221)	16,905	23,203	1,327	2,014,788	2,546,332
Balance at 1 January 2025	20,029	1,161,615	181,945	(9,592)	18,788	(15,784)	(9,132)	1,692,508	3,040,377
Share-based payments	**–**	**–**	**–**	**1,398**	**(64)**	**–**	**–**	**–**	**1,334**
Comprehensive (expense)/income for the period:									
Loss for the period	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(258,665)**	**(258,665)**
Other comprehensive income	**–**	**–**	**–**	**–**	**–**	**27,740**	**10,544**	**–**	**38,284**
Total comprehensive (expense)/income for the period	**–**	**–**	**–**	**–**	**–**	**27,740**	**10,544**	**(258,665)**	**(220,381)**
Balance at 31 March 2025	**20,029**	**1,161,615**	**181,945**	**(8,194)**	**18,724**	**11,956**	**1,412**	**1,433,843**	**2,821,330**

The accompanying notes on pages 18 to 34 are an integral part of the financial statements.

Unaudited condensed consolidated statement of cash flows

For the three months ended 31 March

	Note	2025 $'000	2024 $'000
Cash provided by/(used in):			
Operating activities			
Profit before tax		**367,159**	136,514
Adjustments for:			
Depletion, depreciation and amortisation	8	**222,640**	145,011
Exploration and evaluation expenses	7	**77**	–
Impairment charges on development and production assets		**1,027**	4,574
Fair value losses on contingent consideration		**4,016**	3,319
Loan fee amortisation		**2,633**	1,127
Fair value (gains)/losses on financial instruments	10	**(5,438)**	8,325
Accretion on decommissioning liabilities		**28,845**	21,386
Other finance costs		**33,964**	21,190
Interest income		**(1,609)**	(2,038)
Unrealised foreign exchange on cash and cash equivalents		**(1,109)**	541
Share-based payment expenses		**1,334**	1,602
Decommissioning expenditure		**(28,369)**	(11,648)
Operating cash flows before movements in working capital		**625,170**	329,903
Increase in inventories[1]		**(140,093)**	(10,385)
(Increase)/decrease in trade and other receivables		**(15,285)**	30,524
(Decrease)/increase in trade and other payables		**(9,443)**	9,092
Operating cash flows		**460,349**	359,134
Taxation paid		**(21,705)**	(24,970)
Settlement of foreign exchange and commodity derivative financial instruments		**(4,913)**	(22,430)
Interest received		**1,609**	2,038
Net cash from operating activities		**435,340**	313,772

1 The increase in inventories includes a $160.7 million increase in underlift (see note 4). It is anticipated that the majority of this increase will reverse through the course of FY 2025.

Unaudited condensed consolidated statement of cash flows continued
For the three months ended 31 March

	2025 $'000	2024 $'000
Investing activities		
Capital expenditure	**(178,594)**	(113,114)
Deposit for JAPEX UK E&P Limited acquisition	**(20,290)**	–
Deferred consideration payments	**(130,000)**	–
Contingent consideration payments	**(1,317)**	(16,699)
Net cash used in investing activities	**(330,201)**	(129,813)
Financing activities		
Payments for lease liabilities (principal)	**(5,213)**	(13,595)
Interest and charges paid	**(8,537)**	(37,153)
Interest rate swaps	**–**	(638)
Net cash used in financing activities	**(13,750)**	(51,386)
Currency translation differences relating to cash	**1,109**	(541)
Increase in cash and cash equivalents	**92,498**	132,032
Cash and cash equivalents, beginning of period	**165,123**	153,215
Cash and cash equivalents, end of period	**257,621**	285,247

The accompanying notes on pages 18 to 34 are an integral part of the financial statements.

Notes to the condensed consolidated financial statements

1. General information
Ithaca Energy plc (the Group or Ithaca Energy), is a public Company, limited by shares, incorporated and domiciled in the UK and is a Group involved in the development and production of oil and gas in the North Sea. The Group's registered office is 33 Cavendish Square, London, United Kingdom, W1G 0PP.

2. Basis of preparation
The condensed consolidated financial statements are prepared in accordance with United Kingdom adopted International Accounting Standard 34 *Interim Financial Reporting*.

The condensed consolidated financial statements for the three months ended 31 March 2025 do not include all the information required for a full annual report and do not constitute statutory accounts within the meaning of section 434(3) of the Companies Act 2006. The condensed consolidated financial statements for the three-month period ended 31 March 2025 are not audited and have not been reviewed by the auditor. The accounting policies adopted in the preparation of the Q1 2025 condensed consolidated financial statements are consistent with those adopted and disclosed in the Group's 2024 Annual Report and Accounts. Comparative information for the year ended 31 December 2024 has been taken from the statutory accounts for that year, a copy of which will be delivered to the Registrar of Companies in due course. The auditor's report on those accounts was not qualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis and did not contain any statements under section 498(2) or (3) of the Companies Act 2006. A number of amendments to existing standards and interpretations were effective from 1 January 2025 but there was no impact on the Q1 2025 condensed consolidated financial statements. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The condensed consolidated financial statements are presented in US Dollars as this is the functional currency of the business. All values are rounded to the nearest thousand ($'000), except when otherwise indicated.

In terms of segmental reporting, the Group currently operates a single class of business being oil and gas exploration, development and production and related activities in a single geographical area, being presently the North Sea. The Group's segmental reporting structure remained in place for all periods presented and is consistent with the way in which the Group's activities are presented to the Board and to the Chief Decision Making Officer. The Group's activities are considered to represent an individual operating segment due to the nature of the Group's operations being uniform, and such operations existing in a single geographical area which is overseen by the same management and covered by the same regulations.

These Q1 2025 condensed consolidated financial statements are to be read in conjunction with Ithaca Energy's Annual Report and Accounts for the year ended 31 December 2024, which contains additional accounting policy disclosures.

3. Accounting policies
Basis of measurement
The condensed consolidated financial statements have been prepared on a going concern basis using the historical cost convention, except for the revaluation of certain financial assets and financial liabilities (under IFRS) to fair value, including derivative instruments. Historical cost is generally based on the fair value consideration given in exchange for the assets or liabilities.

Going concern
Management closely monitors the funding position of the Group including monitoring compliance with covenants and available facilities to ensure sufficient headroom is maintained to fund operations. Management have considered a number of risks applicable to the Group that may have an impact on the Group's ability to continue as a going concern. Short-term and long-term cash forecasts are prepared on a weekly and quarterly basis respectively along with any related sensitivity analysis. This allows proactive management of any business risk including liquidity risk.

The Directors consider the preparation of the condensed consolidated financial statements on a going concern basis to be appropriate. This is due to the following key factors:
- Continuing robust commodity price backdrop and a well hedged portfolio over the next 12 months;
- Reserves Based Lending (RBL) liquidity headroom of $850 million ($150 million drawn compared to $1.0 billion available), plus $107 million of cash as at 16 May 2025; and
- Resilient operational performance and well-diversified portfolio.

Cash flow forecast – base case assumptions:		Q2 to Q4 2025	H1 2026
Average oil price	$/bbl	65	64
Average gas price	p/th	92	87
Average hedged oil price (including floor price for zero cost collars)	$/bbl	73	70
Average hedged gas price (including floor price for zero cost collars)	p/th	89	89

3. Accounting policies continued

The oil and gas prices used in the going concern assessment represent management's current best estimates at the date of approval of the Q1 Report. The short-term prices are significantly lower than the prices that prevailed at 31 March 2025, and on which impairment assessments were made, due to the financial turmoil that followed the United States announcement of tariffs in early April 2025 and a subsequent OPEC announcement.

Owing to the ongoing fluctuations in commodity demand and price volatility, management prepared sensitivity analysis to the forecasts and applied a number of plausible downside scenarios, including decreases in production of 10%, reduced sales prices of 20% and increases in operating and capital expenditures of 10%. Management aggregated these scenarios to create a reasonable combined worst-case scenario. The sensitivity analysis showed that, without any consideration of the mitigation strategies within management's control, there was no reasonably possible scenario that would result in the business being unable to meet its liabilities as they fell due. Further mitigation strategies within the control of management include the reduction in uncommitted capital expenditure, variable operating cost savings in the low production scenario and the cancellation or deferral of future dividends. The analysis demonstrated that the Group would still continue to comply with financial covenants, and have sufficient liquidity to continue trading, throughout the period to 30 June 2026.

Based on their assessment of the Group's financial position in the period to 30 June 2026, the Directors believe that the Group will be able to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the condensed consolidated financial statements.

Use of judgements and estimates

In preparing these Q1 2025 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 and income and expenses. 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 are the same as those described on pages 197 to 200 of the Group's 2024 Annual Report and Accounts. Judgements and estimates made in assessing the impact of climate change and the energy transition have not changed for the Q1 2025 consolidated condensed financial statements. Details of these are set out on pages 188 and 189 of the 2024 Annual Report and Accounts.

The critical accounting judgements applied in the preparation of the Q1 2025 condensed consolidated financial statements are mainly as to whether or not there have been indications of impairment in respect of the Cambo and Rosebank fields.

Management has reviewed the pre-tax carrying value of the Cambo field of $396 million or post tax $237 million (31 December 2024: pre-tax $391 million or post-tax $234 million) and has concluded that due to the licence extension to 31 March 2026 and the detailed plans in place for final investment decision (FID), there are currently no indicators of impairment. The Group is actively engaging with potential farm-in partners to secure an aligned joint venture partnership that would help progress the project towards FID and assist in obtaining additional funding for the project. Management has submitted a request for a further 18 month extension of the licence to 30 September 2027 and to remove a milestone commitment that would otherwise have required a joint venture partner to be secured by 31 March 2025, with the latter no longer considered by management as a commercial pre-requisite for the project to proceed to development following completion of the Eni UK Business Combination and the consequential increase in the scale and funding capability of the Group. A decision in respect of this request is expected by the North Sea Transition Authority (NSTA) by the end of the second quarter of 2025. Details of contingent consideration in respect of Cambo are set out in note 26 of the 2024 Annual Report and Accounts.

Similarly, management has reviewed the pre-tax carrying value of the Rosebank field of $673 million or post-tax $332 million (31 December 2024: pre-tax $617 million or post-tax $304 million). Although the first phase of the Rosebank development had been sanctioned by the NSTA, it was subject to Judicial Review proceedings. On 30 January 2025, the Court of Session ruled that this consent had been unlawfully given in relation to the sanctioning of the Rosebank field development and that a new consent application would be required, which included Scope 3 emissions. It did, however, permit the project to progress as planned whilst this new consent is sought from the Regulators but that no oil could be extracted without this new consent. Whilst the outcome of the Judicial Review could be construed as an indicator of impairment, management has no reason to believe that this further consent will not be forthcoming, and further management believe that the most likely outcome will be that the further consent will be granted and that the project will continue progressing as planned with first oil anticipated in 2026/27. As a result, no impairment charge is required.

4. Cost of sales

	3 months ended 31 March	
	2025 $'000	2024 $'000
Movement in oil and gas inventory	**160,711**	(1,449)
Operating costs of hydrocarbon activities	**(202,701)**	(131,931)
Royalties	**(657)**	(699)
Depletion, depreciation and amortisation (note 8)	**(222,640)**	(145,010)
	(265,287)	(279,089)

5. Other gains and losses

	3 months ended 31 March	
	2025 $'000	2024 $'000
Gains/(losses) on financial instruments (note 10)	**3,687**	(8,259)
Fair value losses on contingent consideration	**(4,016)**	(3,319)
Net foreign exchange	**223**	291
	(106)	(11,287)

6. Trade and other receivables and decommissioning reimbursements

Current	**31 March 2025 $'000**	31 December 2024 $'000
Trade receivables	**11,330**	18,962
Other receivables	**11,774**	23,042
Joint operations receivables	**135,731**	105,999
Accrued income	**277,690**	269,611
	436,525	417,614

Materially all trade and other receivables, including receivables from joint operations are not overdue by more than 90 days. The credit risk associated with trade receivables, accrued income and other receivables is considered to be insignificant. No ECL has been recognised in the current or prior year.

Accrued income mainly comprises amounts due, but not yet invoiced, for the sale of oil and gas.

6. Trade and other receivables and decommissioning reimbursements continued

Non-current	31 March 2025 $'000	31 December 2024 $'000
Decommissioning reimbursements	**139,644**	144,185

Current	31 March 2025 $'000	31 December 2024 $'000
Decommissioning reimbursements	**24,466**	23,175

Movements on decommissioning reimbursements were as follows:

	31 March 2025 $'000	31 December 2024 $'000
At beginning of period	**167,360**	195,481
Accretion net of tax at 30%	**1,660**	7,370
Reimbursements received	**(4,303)**	(22,450)
Change in reimbursement estimates	**(607)**	(13,041)
At end of period	**164,110**	167,360

The decommissioning reimbursements represent the equal and opposite of decommissioning liabilities, net of tax, associated with the Heather and Strathspey fields and relates to a contractual agreement as part of the CNSL acquisition. As part of the terms of the acquisition of what is now Ithaca Oil and Gas Limited (IOGL), Chevron have the obligation to provide the security and remain financially responsible for the decommissioning obligations of IOGL in relation to these interests. The Group pays the liabilities in respect of Heather and Strathspey and then receives full reimbursement from Chevron.

As these payments are virtually certain, they have been accounted for under IAS 37 as a reimbursement asset.

7. Exploration and evaluation assets

	$'000
At 1 January 2024	548,354
Additions	36,327
Change in decommissioning estimates	4,390
Business combinations	48,000
Write-offs/relinquishments	(24,557)
At 31 December 2024 and 1 January 2025	612,514
Additions	**6,816**
Transfers to development and production assets (note 8)	**(24,171)**
Write-offs/relinquishments	**(77)**
At 31 March 2025	**595,082**

Following completion of geotechnical evaluation activity, certain North Sea licences were declared unsuccessful and certain prospects were declared non-commercial. This resulted in the carrying value of these licences being fully written-off to $nil with $0.1 million being expensed in the period to 31 March 2025 (year to 31 December 2024: $24.6 million).

The transfer to development and production assets during the three months to 31 March 2025 relates to the successful commencement of production on Jocelyn South.

The principal component of exploration and evaluation assets at 31 March 2025 is the Cambo field with a pre-tax carrying value of $396 million (31 December 2024: $391 million).

8. Property, plant and equipment

	Right-of-use operating assets $'000	Development and production assets $'000	Other fixed assets $'000	Total $'000
Cost				
At 1 January 2024	156,169	7,976,764	47,640	8,180,573
Additions	136,264	483,511	545	620,320
Business combinations	18,673	997,937	–	1,016,610
Change in decommissioning estimates	–	54,581	–	54,581
At 31 December 2024 and 1 January 2025	311,106	9,512,793	48,185	9,872,084
Additions	**29,603**	**143,350**	**4,607**	**177,560**
Transfers from exploration and evaluation assets (note 7)	–	**24,171**	–	**24,171**
At 31 March 2025	**340,709**	**9,680,314**	**52,792**	**10,073,815**
Depletion, depreciation, amortisation and impairment				
At 1 January 2024	(85,515)	(4,808,701)	(28,151)	(4,922,367)
Depletion, depreciation and amortisation charge for the year	(26,819)	(568,139)	(5,258)	(600,216)
Impairment charge	–	(161,066)	–	(161,066)
At 31 December 2024 and 1 January 2025	(112,334)	(5,537,906)	(33,409)	(5,683,649)
Depletion, depreciation and amortisation charge for the period	**(5,064)**	**(215,881)**	**(1,695)**	**(222,640)**
At 31 March 2025	**(117,398)**	**(5,753,787)**	**(35,104)**	**(5,906,289)**
Net book value at 31 December 2024	198,772	3,974,887	14,776	4,188,435
Net book value at 31 March 2025	**223,311**	**3,926,527**	**17,688**	**4,167,526**

Additions to right-of-use assets in the period to 31 March 2025 and the year to 31 December 2024 principally relate to modifications to the Rosebank FPSO and will begin to be depreciated on commencement of production. The related lease will commence on delivery of the FPSO to the joint venture partners at first oil, which is currently anticipated to be 2026/27. The Rosebank field development is still subject to further approvals from the Regulators and further details are set out in note 3.

Other fixed assets include buildings, computer equipment, office equipment and furniture and fittings.

9. Taxation

	3 months ended 31 March	
	2025 $'000	2024 $'000
Current tax		
Current corporation tax (charge)/credit	**(49,179)**	3,529
Current EPL tax charge	**(188,562)**	(58,146)
True-up in respect of prior years	–	(8,575)
Total current tax charge	**(237,741)**	(63,192)
Deferred tax		
Group tax charge in the condensed consolidated statement of profit or loss	**(388,083)**	(30,582)
Group tax (charge)/credit in the condensed consolidated statement of other comprehensive income	**(135,733)**	58,068
Total deferred tax (charge)/credit	**(523,816)**	27,486
Total tax charge through the condensed consolidated statement of profit or loss	**(625,824)**	(93,773)

9. Taxation continued

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the 40% statutory rate of tax applicable for UK ring fence oil and gas activities as follows:

	3 months ended 31 March 2025 $'000	3 months ended 31 March 2024 $'000
Accounting profit before tax	**367,159**	136,514
At tax rate of 40% (2024: 40%)	**(146,864)**	(54,606)
Non-deductible expense	**(4,549)**	(10,694)
Financing costs not allowed for SCT	**(3,326)**	(239)
Ring Fence Expenditure Supplement	**2,441**	4,445
Deferred tax effect of investment allowance	**10,943**	(3,757)
True-up in respect of prior years	**–**	(8,574)
Deferred tax on EPL	**(294,930)**	39,058
Current tax on EPL	**(188,562)**	(58,146)
Income taxed at different rates	**(977)**	–
Unrecognised tax losses	**–**	(1,260)
Total tax charge recorded in the condensed consolidated statement of profit or loss	**(625,824)**	(93,773)

The Company is UK tax resident. The effective rate of tax applicable for UK ring fence oil and gas activities in both 2025 and 2024 was 40% (excluding the Energy Profits Levy), consisting of a Ring Fence Corporation Tax rate of 30% and the supplementary charge of 10%. Items affecting the tax charge include interest income taxed at non-oil and gas tax rate of 25%, true-ups in respect of prior years resulting from filing of prior year tax returns, a 10% uplift on ring fence losses, Ring Fence Expenditure Supplement increasing the losses available to offset future profits subject to Ring Fence Corporation Tax and Supplementary Charge. In addition, investment allowance, a 62.5% uplift on capital expenditure, is available reducing the profits subject to the supplementary charge only. Petroleum Revenue Tax (PRT) is applied at 0% on certain oil and gas fields in the UK, however, adjustments to recognised deferred PRT assets are made to reflect updated expectations of reversal against profits subject to the 0% PRT rate. The Energy Profits Levy was enacted on 14 July 2022 with further changes announced on 17 November 2022 such that the Levy was increased to 35% from 1 January 2023 until 31 March 2028 increasing the effective UK ring fence oil and gas tax rate to 75%. On 6 March 2024, it was announced that EPL will be extended by one year to 31 March 2029 and on 29 July 2024, it was announced that there would be a further extension to March 2030 and that the rate would increase from 35% to 38% from 1 November 2024. The impact of this was a charge to the consolidated statement of profit or loss of $58.1 million (2023: $nil) in the year to 31 December 2024. The extensions to 31 March 2029 and 31 March 2030 were substantively enacted on 3 March 2025 and had an impact of $327.6 million on the tax charge for the period ended 31 March 2025.

9. Taxation continued

Deferred tax at 31 March 2025 and 31 December 2024 relates to the following:

	31 March 2025 $'000	31 December 2024 $'000
Deferred corporation tax liability	**(2,523,908)**	(2,197,590)
Deferred corporation tax asset	**3,082,901**	3,279,585
Deferred PRT asset	**142,141**	142,141
Net deferred tax asset	**701,134**	1,224,136

Deferred tax assets primarily relate to decommissioning liabilities, brought forward tax losses and accumulated losses and profits related to derivative contracts. Deferred tax liabilities primarily relate to accelerated capital allowances on property, plant and equipment and accumulated losses and profits related to derivative contracts. Deferred tax balances are presented net as they arise in the same jurisdiction and the Group has a legally-enforceable right to offset as well as an intention to settle on a net basis. There are unrecognised allowances of up to circa $147 million (31 December 2024: circa $150 million) that have no expiry date and could be recognised in future periods if future revenue from oil and gas activities increases and/or further actions are undertaken. Non-oil and gas losses of $256 million (31 December 2024: $217 million), of which there is no expiry date, have not been recognised for deferred tax purposes as it is not sufficiently certain that there will be future non-oil and gas profits to offset these losses.

The net movement on deferred tax in the condensed consolidated statement of financial position, including deferred PRT, is as follows:

	31 March 2025 $'000	31 December 2024 $'000
At beginning of period	**1,224,136**	704,657
Profit or loss (charge)/credit	**(388,083)**	27,408
Other comprehensive income (charge)/credit	**(135,733)**	195,643
Deferred tax on decommissioning reimbursements	**814**	(916)
Business combinations	**–**	297,344
At end of period	**701,134**	1,224,136

The net movement on deferred tax through the condensed consolidated statement of profit or loss and condensed consolidated statement of comprehensive income, excluding PRT, relates to the following:

	3 months ended 31 March	
	2025 $'000	2024 $'000
Accelerated capital allowances	**(286,512)**	47,660
Tax losses	**(104,089)**	(83,608)
Decommissioning provision	**426**	3,075
Hedging[1]	**(139,974)**	64,312
Investment allowances	**6,333**	(3,953)
	(523,816)	27,486

1 Hedging relates to deferred tax on derivatives designated as cash flow hedges and used for economic hedges.

9. Taxation continued

Gross deferred corporation tax liabilities	Hedges $'000	Deferred corporation tax on deferred PRT $'000	Accelerated tax depreciation $'000	Total $'000
At 1 January 2024	(107,701)	(36,703)	(1,723,618)	(1,868,022)
Business combinations	–	–	(549,062)	(549,062)
True-up in respect of prior years	–	–	(16,027)	(16,027)
Origination and reversal of temporary differences	201,534	(20,153)	147,973	329,354
Reclassification to deferred corporation tax assets	(93,833)	–	–	(93,833)
At 31 December 2024 and 1 January 2025	–	(56,856)	(2,140,734)	(2,197,590)
Origination and reversal of temporary differences	–	–	**(280,177)**	**(280,177)**
Reclassification from deferred corporation tax assets	**(46,141)**	**–**	**–**	**(46,141)**
At 31 March 2025	**(46,141)**	**(56,856)**	**(2,420,911)**	**(2,523,908)**

Gross deferred corporation tax assets	Share schemes $'000	Decommissioning provision $'000	Other provisions $'000	Tax losses $'000	Hedges $'000	Total $'000
At 1 January 2024	3,979	721,706	–	1,755,236	–	2,480,921
Business combinations	–	257,392	21,350	567,666	–	846,408
True-up in respect of prior years	–	(8)	–	(5,033)	–	(5,041)
Origination and reversal of temporary differences	962	60,776	–	(198,274)	–	(136,536)
Reclassification from deferred corporation tax liabilities	–	–	–	–	93,833	93,833
At 31 December 2024 and 1 January 2025	4,941	1,039,866	21,350	2,119,595	93,833	3,279,585
Origination and reversal of temporary differences	–	**1,138**	–	**(103,989)**	**(139,974)**	**(242,825)**
Reclassification to deferred corporation tax liabilities	–	–	–	–	**46,141**	**46,141**
At 31 March 2025	**4,941**	**1,041,004**	**21,350**	**2,015,606**	–	**3,082,901**

9. Taxation continued

Deferred PRT asset	Total $'000
At 1 January 2024	91,760
Origination and reversal of temporary differences	50,381
At 31 December 2024, 1 January 2025 and 31 March 2025	**142,141**

The carrying value of the net deferred tax asset (DTA) and the deferred PRT asset at 31 March 2025 of $559 million and $142 million, respectively (31 December 2024: $1,082 million and $142 million, respectively) are supported by estimates of the Group's future taxable income, based on the same price and cost assumptions as used for impairment testing. The Group has undertaken and will undertake further restructuring exercises to move certain assets between Group entities. Existing restructuring exercises have now been substantially completed. The recoverability of the deferred corporation tax asset is supported by this restructuring. The DTA relating to losses within the Group are expected to unwind against taxable profits before the end of 2029.

An EPL (or 'Levy') was enacted on 14 July 2022, applying a Levy of 25% to the profits of oil and gas companies until 31 December 2025 or earlier if prices return to normalised levels. On 17 November 2022, the Levy was increased to 35% and extended to 31 March 2028 regardless of oil and gas prices. The Levy is charged on oil and gas profits calculated on the same basis as Ring Fence Corporation Tax (RFCT), however, excludes relief for decommissioning and finance costs. RFCT losses and investment allowance are not available to offset the EPL. On 9 June 2023 an Energy Security Investment Mechanism price floor was announced which would remove the EPL if both average oil and gas prices fall to, or below, $71.40 per barrel for oil and £0.54 per therm for gas, for two consecutive quarters. It is not currently forecast that this price floor will be met for both oil and gas prices and, therefore, there is currently no impact from this on tax carrying values. On 6 March 2024, an extension of the Levy until 31 March 2029 was announced and on 29 July 2024, it was announced that there would be a further extension to March 2030 and that the rate would increase from 35% to 38% from 1 November 2024, of which only the rate increase had been enacted at 31 December 2024. The two-year extension to 31 March 2030 was substantively enacted on 3 March 2025 and resulted in a deferred tax charge of $327.6 million in the condensed consolidated statement of profit or loss in Q1 2025.

On 20 June 2023, Finance (No. 2) Act 2023 was substantially enacted in the UK, introducing a global minimum effective tax rate of 15%. The legislation implements a domestic top-up tax and a multinational top-up tax, effective for all accounting periods starting on or after 31 December 2023. The adoption of this has not had a material impact as the prevailing rate of tax in the United Kingdom is in excess of the 15% minimum rate. The Group has applied the exemption under IAS 12 to recognising and disclosing information about deferred tax assets and liabilities related to top-up income taxes and, therefore, there is no impact on the tax values reported.

10. Financial instruments

Details of valuation methodologies are set out on page 229 of the 2024 Annual Report and Accounts.

All of the Group's assets are pledged as security against borrowings.

The accounting classification of each category of financial instruments and their carrying amounts as at 31 March 2025 are set out below:

	Measured at amortised cost $'000	Mandatorily measured at fair value through profit or loss $'000	Derivatives designated in hedge relationships $'000	Total carrying amount $'000
Financial assets				
Cash and cash equivalents	**257,621**	–	–	**257,621**
Other financial assets	**11,317**	–	–	**11,317**
Trade and other receivables – excluding VAT receivable	**433,174**	–	–	**433,174**
Derivative financial instruments	–	**1,821**	**96,680**	**98,501**
Financial liabilities				
Borrowings	**(1,044,154)**	–	–	**(1,044,154)**
Trade and other payables – excluding deferred income, inventory overlift and bonus/holiday pay accruals	**(460,672)**	–	–	**(460,672)**
Lease liability	**(35,564)**	–	–	**(35,564)**
Contingent and deferred consideration	**(149,204)**	**(242,584)**	–	**(391,788)**
Derivative financial instruments	–	**(3,867)**	**(28,768)**	**(32,635)**
				(1,164,200)

10. Financial instruments continued

The accounting classification of each category of financial instruments and their carrying amounts as at 31 December 2024 are set out below:

	Measured at amortised cost $'000	Mandatorily measured at fair value through profit or loss $'000	Derivatives designated in hedge relationships $'000	Total carrying amount $'000
Financial assets				
Cash and cash equivalents	165,123	–	–	165,123
Other financial assets	11,317	–	–	11,317
Trade and other receivables – excluding VAT receivable	411,056	–	–	411,056
Derivative financial instruments	–	–	32,962	32,962
Financial liabilities				
Borrowings	(1,024,948)	–	–	(1,024,948)
Trade and other payables – excluding deferred income, inventory overlift and bonus/holiday pay accruals	(439,674)	–	–	(439,674)
Lease liability	(40,159)	–	–	(40,159)
Contingent and deferred consideration	(272,758)	(240,491)	–	(513,249)
Derivative financial instruments	–	(7,484)	(143,979)	(151,463)
				(1,549,035)

The following table presents the Group's material financial instruments measured at fair value for each hierarchy level as at 31 March 2025:

	Level 1 $'000	**Level 2 $'000**	**Level 3 $'000**	**Total fair value $'000**
Contingent consideration	–	–	**(242,584)**	**(242,584)**
Derivative financial instrument asset	–	**98,501**	–	**98,501**
Derivative financial instrument liability	–	**(32,635)**	–	**(32,635)**

Movements in level 3 financial instruments in the 3 months to 31 March 2025 were as follows:

	$'000
At 1 January 2025	(239,326)
Changes in fair value	**(3,258)**
At 31 March 2025	**(242,584)**

10. Financial instruments continued

The following table presents the Group's material financial instruments measured at fair value for each hierarchy level as at 31 December 2024:

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total fair value $'000
Contingent consideration	–	(1,165)	(239,326)	(240,491)
Derivative financial instrument asset	–	32,962	–	32,962
Derivative financial instrument liability	–	(151,463)	–	(151,463)

Movements in level 3 financial instruments in the 12 months to 31 December 2024 were as follows:

	$'000
At 1 January 2024	(272,351)
Cash settlements	14,995
Changes in fair value	18,030
At 31 December 2024	(239,326)

Details of sensitivities on contingent consideration are set out on page 231 of the 2024 Annual Report and Accounts.

The table below presents the gains or losses on financial instruments that have been recognised in the condensed consolidated statement of profit or loss as disclosed in note 5.

	3 months ended 31 March	
	2025 $'000	2024 $'000
Revaluation of forex forward contracts	**5,438**	(9,097)
Revaluation of interest rate swaps	–	(637)
Revaluation of commodity hedges	–	1,409
Total revaluation gains/(losses) on financial instruments	**5,438**	(8,325)
Realised (losses)/gains on forex forward contracts	**(1,751)**	35
Realised gains on interest rate swaps	–	638
Realised losses on commodity hedges	–	(607)
Total gains/(losses) on financial instruments (note 5)	**3,687**	(8,259)

10. Financial instruments continued

Cash flow hedge reserve

The table below presents the movements in financial instruments that have been recognised through the condensed consolidated statement of comprehensive income relating to the cash flow hedge reserve:

	3 months ended 31 March	
Cash flow hedge reserve	**2025 $'000**	2024 $'000
At beginning of period	**(15,784)**	39,818
Change in fair value of derivative instruments	**117,056**	6,336
Amounts recycled to revenue	**8,429**	(72,797)
Amounts recycled to operating costs	**607**	–
Amount per the condensed consolidated statement of comprehensive income	**126,092**	(66,461)
Deferred tax on movement in period	**(98,352)**	49,846
Cash flow hedge reserve at end of period	**11,956**	23,203

Cost of hedging reserve

The table below presents the movements in financial instruments that have been disclosed through the condensed consolidated statement of comprehensive income relating to the cost of hedging reserve:

	3 months ended 31 March	
Cost of hedging reserve	**2025 $'000**	2024 $'000
At beginning of period	**(9,132)**	4,068
Change in fair value of the intrinsic value of derivative instruments	**47,861**	(10,581)
Amounts recycled to revenue – oil put premiums	–	(382)
Amounts recycled to revenue – gas put premiums	**64**	–
Amount per the condensed consolidated statement of comprehensive income	**47,925**	(10,963)
Deferred tax on movement in period	**(37,381)**	8,222
Cost of hedging reserve at end of period	**1,412**	1,327

11. Derivative financial instruments

The net carrying amount of each category of derivative is set out below:

	31 March 2025 $'000	31 December 2024 $'000
Oil swaps – cash flow hedge	**15,088**	19,834
Oil collars – cash flow hedge	**5,748**	6,536
Gas swaps – cash flow hedge	**18,360**	(49,522)
Gas collars – cash flow hedge	**2,023**	(81,185)
FX forwards – cash flow hedge	**5,746**	214
FX forwards – non-cash flow hedge	**(3,298)**	(7,484)
FX collars – cash flow hedge	**20,947**	(6,896)
FX collars – non-cash flow hedge	**1,252**	–
	65,866	(118,501)

Maturity analysis of derivative financial instruments	31 March 2025 $'000	31 December 2024 $'000
Non-current assets	**57,100**	–
Current assets	**41,401**	32,962
Non-current liabilities	**(2,826)**	(20,987)
Current liabilities	**(29,809)**	(130,476)
	65,866	(118,501)

Derivative financial instruments that are with counterparties included within the RBL are subject to Master Netting Agreements, this includes the majority of the Group's derivative financial instruments as at 31 March 2025 and 31 December 2024.

The terms of the Master Netting Arrangements create a legally enforceable right of offset that comes into effect only on the occurrence of a specified event of default or termination event or other events not expected to happen in the normal course of business. Although the Group has the ability to net settle certain transactions with certain counterparties where an election has been made, this is not considered to be significant at 31 March 2025 or 31 December 2024. Accordingly, the Group has not offset any derivatives balances in the statement of financial position in any of the periods presented.

12. Subsequent events

On 25 April 2025, the third interim dividend for 2024 of $0.1209 per ordinary share or $200 million was paid.

As described above in note 3, short-term commodity prices have fallen significantly since 31 March 2025. Details of sensitivities in relation to changes in commodity prices are set out in note 19 on page 213 of the 2024 Annual Report and Accounts.

On 20 May 2025, the Group announced the signing of a sale and purchase agreement to acquire an additional 46.25% stake in the Cygnus gas field from Spirit Energy Limited for a total consideration of approximately $154 million. The acquisition, which is subject to certain conditions including regulatory approval, has an effective date for determining total consideration of 1 January 2025 and a target completion date of 1 October 2025.

Alternative Performance Measures

Non-GAAP measures

The Group uses certain performance metrics that are not specifically defined under United Kingdom adopted International Financial Reporting Standards or other generally accepted accounting principles. These measures are considered to be important as they track both operational and financial performance and are used to manage the business and to provide an objective comparison to Ithaca Energy's peer group. These non-GAAP measures which are presented in the Annual Report and Accounts are defined below.

Adjusted EBITDAX: earnings before finance income, finance costs, tax, put premiums on oil and gas derivative instruments, revaluation gains or losses on financial instruments, depletion depreciation and amortisation, impairment charges on development and production assets, exploration and evaluation expenses and fair value losses on contingent consideration. The Group believes that adjusted EBITDAX is a useful measure for stakeholders because it is a measure closely tracked by management to evaluate the Group's operating performance and to make financial, strategic and operating decisions and because it may help stakeholders to better understand and evaluate, in the same manner as management, the underlying trends in the Group's operational performance on a comparable basis, period-on-period.

Adjusted EBITDAX is reconciled to profit after tax as follows:

	3 months ended 31 March	
	2025 $m	2024 $m
(Loss)/profit after tax	**(258.7)**	42.7
Taxation charge (note 9)	**625.8**	93.8
Depletion, depreciation and amortisation (note 8)	**222.6**	145.0
Impairment charges on development and production assets	**1.0**	4.6
Exploration and evaluation expenses (note 7)	**0.1**	–
Finance income	**(1.6)**	(2.0)
Finance costs	**65.4**	42.9
Oil and gas put premiums (note 10)	–	0.4
Revaluation (gains)/losses on financial instruments (note 10)	**(5.4)**	8.3
Fair value losses on contingent consideration (note 5)	**4.0**	3.3
Adjusted EBITDAX	**653.2**	339.0

Adjusted net income: profit after tax excluding impairment charges or reversals and the tax effects of these items where applicable and non-cash deferred tax charges on changes in EPL. Adjusted net income, which is presented as it eliminates items which distort year-on-year comparisons, is reconciled to profit after tax as follows:

	3 months ended 31 March	
	2025 $m	2024 $m
(Loss)/profit after tax	**(258.7)**	42.7
Impairment charges on development and production assets	**1.0**	4.6
Tax credit on impairment charges	**(0.8)**	(3.4)
EPL deferred tax impact of two-year extension to 31 March 2030	**327.6**	–
Adjusted net income	**69.1**	43.9

Adjusted earnings per share (EPS): Adjusted net income divided by average shares for the period of 1,647.8 million (Q1 2024: 1,006.2 million).

	3 months ended 31 March	
	2025	2024
Adjusted EPS (cents)	**4.2**	4.4

Adjusted net debt: consists of amounts outstanding under RBL facility, senior unsecured loan notes and project capital expenditure facility less cash and cash equivalents and excludes intragroup debt arrangements or liabilities represented by letters of credit and surety bonds. Adjusted net debt, which excludes accrued interest on borrowings, lease liabilities and unamortised fees, comprises:

	31 March 2025 $m	31 December 2024 $m
RBL drawn facility	**(150.0)**	(150.0)
Senior unsecured notes	**(750.0)**	(750.0)
Project capital expenditure facility	**(150.0)**	(150.0)
Cash and cash equivalents	**257.6**	165.1
Adjusted net debt	**(792.4)**	(884.9)

Pro forma leverage ratio: adjusted net debt at the end of the period divided by pro forma adjusted EBITDAX for the preceding 12 months including $367.2 million of adjusted EBITDAX generated by the Eni UK businesses from 1 April 2024 to 2 October 2024 (year to 31 December 2024: including $580.3 million of adjusted EBITDAX from the Eni UK businesses from 1 January 2024 to 2 October 2024). The pro forma leverage ratio is considered to be an important measure as it is indicative of the borrowing potential of the Group. The calculations are as follows:

	31 March 2025 $m	31 December 2024 $m
Adjusted net debt ($m)	**792.4**	884.9
Pro forma adjusted EBITDAX ($m)	**2,086.4**	1,985.3
Pro forma leverage ratio	**0.38x**	0.45x

Pro forma EBITDAX comprises:

	31 March 2025 $m	31 December 2024 $m
EBITDAX year ended 31 December 2024	**1,405.0**	1,405.0
EBITDAX Q1 2025	**653.2**	–
EBITDAX Q1 2024	**(339.0)**	–
Eni UK EBITDAX	**367.2**	580.3
	2,086.4	1,985.3

Alternative Performance Measures continued

Available liquidity: the sum of cash and cash equivalents on the balance sheet and the undrawn amounts available to the Group using existing approved third-party facilities, excluding letters of credit. Available liquidity is regarded as a key measure as it is indicative of the financial capacity of the Group. Available liquidity comprises:

	31 March 2025 $m	31 December 2024 $m
Cash and cash equivalents	**257.6**	165.1
Undrawn borrowing facilities	**850.0**	850.0
Available liquidity	**1,107.6**	1,015.1

Group free cash flow: net cash flow from operating activities less cash used in investing activities, adjusting for cash acquired through business combinations, less bank interest and charges and interest rate swaps. This measure is considered a useful indicator of the Group's ability to make strategic investments, repay the Group's debt and meet other payment obligations. Group free cash flow reconciles to net cash flow from operating activities as follows:

	3 months ended 31 March	
	2025 $m	2024 $m
Net cash flow from operating activities	**435.3**	313.8
Net cash used in investing activities	**(330.2)**	(129.8)
Bank interest and charges	**(8.5)**	(37.2)
Interest rate swaps	–	(0.6)
Group free cash flow	**96.6**	146.2

Unit operating expenditure: operating costs (excluding over/underlift) including tariff expense but excluding tanker costs and net of tariff income, divided by net production for the period. This measure is considered a useful indicator of ongoing operating costs and is also used to compare performance between assets. Operating costs for this calculation are as follows:

	3 months ended 31 March	
	2025	2024
Operating costs of hydrocarbon activities per note 4 ($m)	**202.7**	131.9
Less tanker costs included within operating costs of hydrocarbon activities ($m)	**(4.8)**	(4.0)
Less tariff income ($m)	**(8.9)**	(5.5)
Operating costs used to calculate unit operating expenditure ($m)	**189.0**	122.4
Production (mmboe)	**11.47**	5.34
Unit operating expenditure ($/boe)	**16.5**	22.9

Other key performance indicators

DD&A rate per barrel: depletion, depreciation and amortisation charge for the period divided by net production for the period. DD&A per barrel was:

	3 months ended 31 March	
	2025	2024
Depletion, depreciation and amortisation ($m)	**222.6**	145.0
Production (mmboe)	**11.47**	5.43
DD&A ($/boe)	**19.4**	26.7

Production: total hydrocarbons produced related to Ithaca Energy's equity in operated and non-operated fields divided by the number of days in the period. Production in Q1 2025 was 127,393 boe/d (Q1 2024: 58,699 boe/d).

Tier 1 and 2 process safety events: process safety incidents as defined by API 465 Process Safety-Recommended Practice On Key Performance Indicators. There were no Tier 1 or 2 process safety events recorded in Q1 2025 (Q1 2024: 0).

Serious injury and fatality frequency: the number of serious injuries resulting in permanent impairment, as defined by IOGP, per million hours worked. There were no such incidents in Q1 2025 (Q1 2024: 0).

Ithaca Energy PLC

Registered office:
33 Cavendish Square
London
W1G 0PP

www.ithacaenergy.com

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