

# Scale. Stability. Strength.



“

The Group has successfully delivered across its organic and inorganic value-orientated growth strategy, with a clear vision for further Scale. Stability. Strength.”

See p.6 





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## Operational highlights

### 2025 PRODUCTION

**119 kboe/d**

(2024: 80 kboe/d)

### PRODUCTION SPLIT

**56% liquids**

(2024: 61%)

**38% operated**

(2024: 43%)

### TIER 1 OR 2 PROCESS SAFETY EVENTS

**0**

(2024: 0)

### SERIOUS INJURY AND FATALITY FREQUENCY

**0**

(2024: 0)

### GROSS OPERATED EMISSION INTENSITY

**17.2 kgCO<sub>2</sub>e/boe**

(2024: 23.9 kgCO<sub>2</sub>e/boe)

## Financial highlights

### ADJUSTED EBITDAX<sup>1</sup>

**\$2,031m**

(2024: \$1,405m)

### (LOSS)/PROFIT FOR THE YEAR<sup>2</sup>

**\$(84)m**

(2024: profit of \$153m)

### NET CASH FLOW FROM OPERATING ACTIVITIES

**\$1,745m**

(2024: \$853m)

### ADJUSTED NET DEBT<sup>1</sup>

**\$1,258m**

(2024: \$885m)

### AVAILABLE LIQUIDITY<sup>1</sup>

**\$1,470m**

(2024: \$1,015m)

### PRO FORMA LEVERAGE POSITION<sup>1</sup> – ADJUSTED NET DEBT TO PRO FORMA ADJUSTED EBITDAX

**0.56x**

(2024: 0.45x)

<sup>1</sup> Non-GAAP measure as set out on pages 220 to 221.

<sup>2</sup> The loss for the year 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.



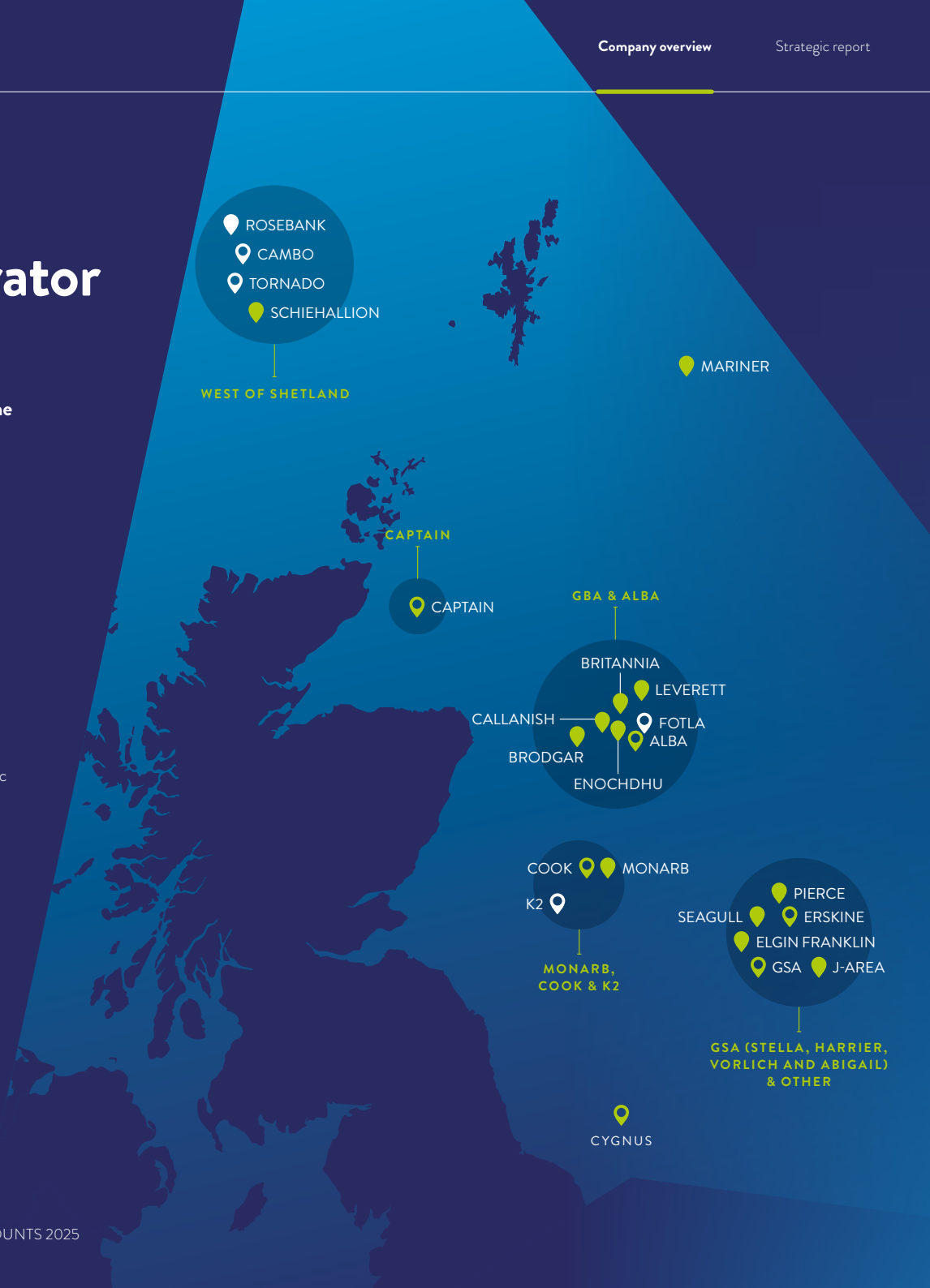
At a glance

# A new kind of oil and gas operator

Today, Ithaca Energy stands as one of the largest independent oil and gas operators in the UK North Sea by production and resources, offering a strong medium-term production outlook and significant long-term organic growth potential.

Our diverse, high-value portfolio of scale, with 36 producing UKCS fields, delivered average production of 119 kboe/d in 2025. Through disciplined execution and a commitment to sustaining and optimising production throughout 2025, we closed the year with a strong exit rate of 148 kboe/d, reflecting our increased installed production capacity as we enter 2026.

In 2025, we delivered material progress across our West of Shetland strategy, that supports our long-term organic growth ambitions, with the continued execution of the Rosebank development towards first production and the progression of key development assets, such as Cambo and Tornado, towards Final Investment Decisions (FID).



Producing UKCS fields

# 36

- Operated producing assets
- Non-operated producing assets
- Operated development assets
- Non-operated development assets

## Our portfolio in numbers

Operated producing fields

# 9

Average 2025 production

# 119 kboe/d

2025 production exit rate

# 148 kboe/d

2P reserves and 2C resources

# 658 mmboe

% of 2P reserves and 2C resources operated by Ithaca Energy

# 55%

Stakes in six of the ten largest fields in the UKCS

# 6 of 10

At a glance continued

# Our proud history of transformational growth

Our proven strategy and clear vision for value-accretive growth has seen the business execute two transformational phases of growth, leading us to our new era of growth.

## The beginning

### 2017

Established in 2004 and launched as a platform for inorganic growth in the UKCS in 2017 with a single hub asset development (GSA), following Delek Group's acquisition of the Company and its delisting from the Alternative Investment Market (AIM).

Average 2017 production  
**~10 kboe/d**

## 1st transformation

### 2019-2023

The Group's first phase of transformational growth, driven by value-accretive M&A, including material acquisitions of Chevron North Sea and Siccar Point Energy, built a UKCS independent with technical operating depth and sufficient scale, resource and portfolio longevity to support the Group's successful listing on the London Stock Exchange in 2022.



**Marubeni**



**SICCAR POINT ENERGY**

Average 2023 production  
**70 kboe/d**

## 2nd transformation

### 2024

Our Business Combination with Eni UK in 2024 was truly transformational creating a dynamic growth player with the largest resource base in the UKCS, at completion. Delivering pro forma production of over 105 kboe/d in the year, the combined business became the second-largest UKCS operator by production.

With material scale, enhanced global technical capability through a technical services agreement with Eni and increased financial strength the combination created an enhanced platform for growth with significant organic and inorganic investment optionality.

**ITHACA ENERGY**



Average pro forma 2024 production  
**105 kboe/d**

## A new era of growth

### Today and tomorrow

Our new era will build on our proven strategy for growth as we continue to sustain and optimise base production while evolving the business through unlocking unsanctioned projects and delivering value-accretive M&A, both in our core UKCS market and in support of the international expansion of our operations.

With substantial organic and inorganic growth potential, the Group strategy is value-led, focused on building further 'Scale. Stability. Strength.' and supporting our pathway to achieving Investment Grade status and our commitment to maximising long-term value for shareholders.

Sustained base production  
**>120 kboe/d**

At a glance continued

# Our purpose-driven approach

## For our people, shareholders, partners and communities, Ithaca Energy is a new kind of oil and gas operator.

As the energy world transitions, Ithaca Energy is positioned to play a pivotal role in safeguarding the UK's domestic energy supply, recognising that oil and gas will remain an important part of the long-term energy mix for decades to come.

We are guided by pragmatism and balance. Pragmatism, because the UK continues to need oil and gas. Balance, because we recognise our responsibilities to produce these resources while actively managing the environmental impact of our operations.

We acknowledge the fundamental challenge the energy transition poses to our industry and we remain committed to our sector's response. Our decarbonisation goals reflect our belief in the environmental benefits of domestically-produced energy over high-emission imports.

We remain committed to investing in sustainable, high-value and long-term oil and gas production that will create increased value for our stakeholders and reduce the environmental impact of the UK's oil and gas consumption.

### Our purpose

**To serve today's energy needs securely, responsibly and safely, while maximising shareholder returns.**

### Our mission

**Triumph.**

We are driven to succeed, to be a focused international E&P leader, maximising value for our shareholders.

**Together.**

We can only succeed if we work together, harnessing the collective expertise and experience of our people and partners.

### Our vision

To be the leading independent oil and gas company with

**Scale. Stability. Strength.**

focused on responsibly serving energy needs while growing value sustainably and efficiently.

See p.6

Our purpose and mission

Our vision

Our values

Our business model and strategy

Our ESG strategy





At a glance continued

### Our values

Our five core values, including our new value 'Make it safer', guide how we work responsibly, resiliently, collaboratively, openly and considerately.

#### Make it safer



#### Deliver results



#### Bring strength



#### Express yourself



#### Be considered



See p.20

### Our business model

## Operating safely and responsibly, developing our people and sharing our success.

### Our strategy for value-driven growth

- 01 Sustain and Optimise Production
- 02 Unlock Material Organic Growth
- 03 Consolidation in Core UKCS Market
- 04 Focused International Expansion

See p.24



### Our ESG strategy

## Responsible operations

We are committed to investing in sustainable long-term oil and gas production, reducing the environmental impact of the UK's energy consumption.

## Strong governance

We strive to maintain the highest standards of corporate governance with our principles rooted in dealing fairly and openly.

## Positive stakeholder engagement

We aim to actively engage with all of our key stakeholders, recognising and considering their views as part of our decision-making process.

See p.44



Our vision in action

# Our vision drives our ambition



Our vision for ‘Scale. Stability. Strength.’ is supported by operational excellence, a proven growth strategy and material financial firepower.



## Scale.

Our diversified portfolio of scale offers balance, resilience and significant investment optionality for long-term value creation.

See p.7 

## Stability.

Our strong operational performance underpins robust cash flow generation, providing a stable foundation for continued investment and attractive shareholder returns.

See p.8 

## Strength.

Our material financial firepower positions the Group with significant financial strength and flexibility to deliver on our growth aspirations, and is supported by a disciplined capital allocation policy.

See p.9 



Our vision in action continued

# Scale.



**Our diversified portfolio of scale offers a solid foundation for growth.** Standing as one of the largest UKCS operators by production and resources, our material long-life asset base provides significant growth optionality, supported by an attractive resource to production ratio of 15 years, while our balanced portfolio of 36 producing fields, provides operational resilience with no single asset contributing over 20% of total 2025 production. Targeted investment through the year to sustain and optimise production resulted in increased installed capacity as we exited the year.

See operations review:

See p.40



Average 2025 production

# 119 kboe/d

Adjusted EBITDAX

# \$2.0bn





Our vision in action continued

# Stability.



Our commitment to operational excellence, anchored by the 'perfect day' concept, has delivered higher production efficiency, improved safety and environmental performance, and reduced operating costs in 2025. By investing to sustain and optimise production performance, we have strengthened resilience across our portfolio underpinning robust cash flow generation, providing a stable foundation for continued investment, long-term value creation and sustainable shareholder returns.

See our 'perfect day' concept:

See p.37



2025 Production efficiency

# 83%

Tier 1 and tier 2 process safety events

# Zero



Our vision in action continued

# Strength.



**Our material financial firepower positions us with significant strength and flexibility as we enter 2026, supported by a disciplined capital allocation policy.**

With \$1.5bn of available liquidity, including an undrawn Reserves Based Lending facility of \$1.3bn, our focus remains on high-grading investment across our range of growth opportunities to maximise shareholder value. Our material hedge position provides us with strong cash flow protection and upside exposure through 2026 and 2027, designed to support our capital investment programme and secure dividends.

See our capital allocation policy:

See p.11 



Available liquidity

# \$1.5bn





Our investment case

# Our compelling investor proposition

Dynamic growth player focused on long-term value creation.

## 01

### UKCS operator with scale in high-quality fields

Leader in UK energy landscape, with a diverse and high-value portfolio of scale, including stakes in six of the ten largest fields in the UKCS.

See p.40

## 02

### Platform for value-driven growth

Our enhanced platform provides significant investment optionality for value-driven growth, with competition for capital guided by the Group's strict investment criteria.

See p.28

## 03

### Material organic growth potential

As one of the largest resource holders in the UKCS, our portfolio offers material organic growth opportunities, with a significant and growing presence in West of Shetland Area, supporting portfolio longevity.

See p.31

## 04

### Leading consolidator

We have a proven track record of transformational, value-accretive M&A and successful integration, supporting further consolidation in the UKCS basin and laying the foundations for targeted international expansion through strategic acquisitions.

See p.30

## 05

### Financial strength and flexibility

Our robust balance sheet provides significant available liquidity to support our strategic ambitions and, together with our balanced capital allocation framework, enables us to invest while maintaining resilience and flexibility.

See p.9

## 06

### Sustainable shareholder returns

We remain committed to delivering attractive and sustainable returns to our shareholders, underpinned by operational excellence and disciplined growth supporting long-term value creation.

See p.11



Our investment case continued

# Our refreshed capital allocation framework supports long-term growth and shareholder returns

01

## Invest

&gt;120 kboe/d

We aim to deliver an organic capital investment programme across our diverse portfolio, excluding pre-FID assets, to sustain base production above 120 kboe/d (previously 100 kboe/d) and drive sustainable cash flow generation.

02

## Protect

1.25x Net debt/ EBITDAX

We seek to protect our balance sheet through maintaining a low leverage position, with a 1.25x net debt/EBITDAX ceiling in the normal course of business (previously 1.5x), while proactively hedging and optimising our tax and financing position to protect cash flows and deliver resilience through the cycle.

03

## Return

20-35% Post-Tax CFFO<sup>1</sup>

We are committed to delivering attractive and sustainable shareholder returns with a commitment from IPO to maintain shareholder distributions at 15-30% post-tax cash flow from operations (CFFO), with a 30% commitment in 2025 and a dividend target of \$500 million for the year. In 2026, the Board has revisited its capital allocation policy increasing its targeted shareholder distributions range to 20-35% of post-tax CFFO, together with an equal dividend payment schedule with 50% following half year and 50% following full year results, from a 1/3rd and 2/3rd schedule previously.

04

## Evolve

We seek to preserve financial flexibility to evolve our business through investing in organic growth capex, consolidation activity in our core UKCS market, strategic expansion of our operations internationally and when appropriate yielding additional distributions.

IN FOCUS - STRENGTH



## Track record of delivering material shareholder returns

Since our IPO in 2022, we have returned \$1.4bn to shareholders, including our 2025 dividend of \$500 million, demonstrating our strong cash flow generation and commitment to meaningful shareholder returns.

Dividend distributions since IPO

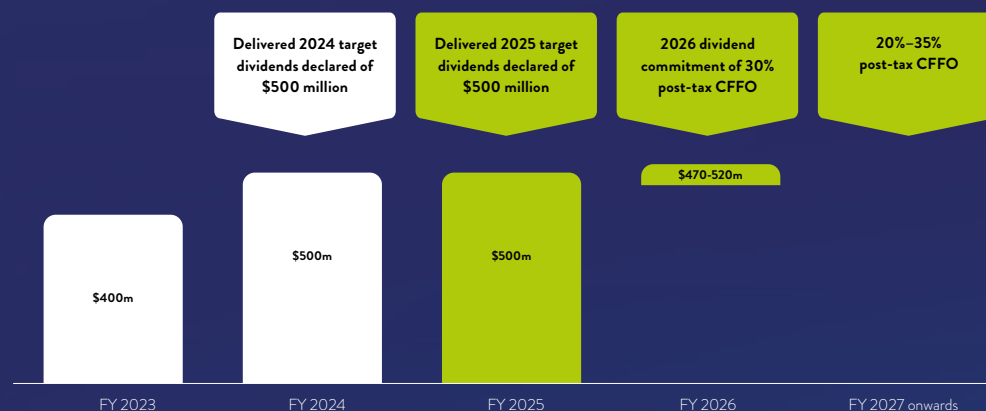
\$1.4bn

In 2026, we are refreshing this commitment with an increased shareholder distribution range of 20-35% post-tax CFFO, and a commitment to dividend distributions of 30% post-tax CFFO in 2026, reflecting our continued focus on providing attractive and sustainable distributions, while delivering capital growth.

2025 dividend declared

\$500m

Shareholder distributions (\$m)



1. All dividends are subject to operational performance and commodity prices as well as availability of distributable profits.



# Strategic report

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**Strong 2025 operational performance**

**Focus on 'perfect day' has driven improvements across all key operational metrics.**

See our operations review:

[See p.37](#)



## Executive Chairman's & Chief Executive Officer's Q&A

“

We will continue to high-grade investment across our broad range of growth opportunities, ensuring we deploy capital in line with our strategy as a value-led investor focused on long-term sustainable shareholder value.”

Medium-term production outlook

>120

kboe/d

Our resources

658

2P reserves and 2C resources (mmboe)



## Executive Chairman's &amp; Chief Executive Officer's Q&amp;A continued

**Q – October 2025 marked the one year anniversary of the Business Combination with Eni UK. Looking back, what has pleased you most over the past year?**

**Yaniv Friedman:**

My answer is very simple. What pleases me most is that we see our Company as 'one'. A year on, we no longer talk about two legacy businesses. We talk about a united organisation, that operates as a single, unified team with shared goals, a shared culture and collective focus on delivering value together.

**Luciano Vasques:**

For me, looking back, it is our ability to set clear standards as a newly formed Company and then consistently deliver against them. From the outset, one of our core objectives was to say what we will do and do what we say. That discipline has been fundamental to building credibility, both internally and externally, and I believe we have delivered on that exceptionally well. Most pleasingly, this has been demonstrated in our safety and environmental performance, where we have seen significant improvements in the year.

**“ The key driver behind our success can be summed up in one word – discipline. That consistent discipline underpinned our strong performance throughout the year.”**

**Net opex per barrel**

**\$19/boe**

**Medium-term opex per barrel outlook**

**~\$20/boe**

**Q – Ithaca Energy delivered a strong operational and financial performance in 2025. What were the key drivers behind this positive result?**

**Yaniv Friedman:**

The key driver behind our success can be summed up in one word – discipline. That consistent discipline underpinned our strong performance throughout the year.

Discipline in our operations, anchored in our focus on the 'perfect day', enabled us to deliver a strong safety and environmental performance alongside excellent average production of 119 kboe/d, meeting our increased guidance for the year following a strong H1 performance.

Our disciplined approach to cost management reduced our net unit cost per barrel to \$19/boe, while our proactive and disciplined hedging strategy protected revenues and supported adjusted EBITDAX of over \$2 billion.

Discipline in capital allocation, ensured we sustained base production, maintained our low leverage position, delivered attractive shareholder returns, and preserved the financial flexibility needed to evolve the business. Lastly, our disciplined approach to M&A activity delivered low-risk, value accretive acquisitions that continue to evolve our long-term outlook.

Discipline will remain a defining principle for us as we move forward.

**Luciano Vasques:**

I fully agree with Yaniv that discipline has been a defining factor in our performance this year. Equally important has been the quality of our asset base and the strength of our people. The Business Combination with Eni UK brought these together by design, and the results we've delivered clearly demonstrated the value of this.

We also benefitted from a clear strategic direction, which helped sharpen our focus on the areas that mattered most. From the outset, we identified our priority areas and, importantly, we acted quickly, whether in operational performance, organisational setup, systems, financing or M&A. This allowed us to build momentum early and sustain it throughout the year.

## Executive Chairman's &amp; Chief Executive Officer's Q&amp;A continued

**Q –**  
**The decision was taken to extend the Captain shutdown and utilise the flotel when in situ. Could you share more detail on this important operational decision?**

**Luciano Vasques:**

First, let me start by saying that Captain is a strategic asset for the Company, and one we have invested heavily in over many years. The Flotel Safe Caledonia was mobilised to the field in June 2025, to support optimisation, reduce maintenance backlog and progress life extension activities, following several months of careful planning, with the campaign delivered effectively and safely.

When you commit significant capital to extend an asset's production life, both through infill drilling campaigns and enhanced oil recovery, it is essential that this investment is protected. Given the strong performance of the flotel campaign and the fact that the flotel was already mobilised, extending the shutdown to complete additional critical work was a very logical decision. While we recognised that this extension would impact 2025 production, we made the right choice for the long-term outlook of the field. The extension provided an opportunity to strengthen reliability, safeguard performance and maximise asset value through to its long-term field life.

**Flotel personnel on board (POB)**

# 150

**2025 Turnarounds completed on time and within budget**

# 12 of 15

**Q –**  
**The West of Shetland remains a key basin for organic growth. Can you provide an update on progress across the Rosebank, Cambo and Tornado developments?**

**Luciano Vasques:**

West of Shetland is a strategically important basin for Ithaca Energy and is where we see the greatest potential for long-term organic growth. While we continue to progress attractive opportunities across our broader North Sea portfolio, the scale and value of our developments in this region make them central to our strategy. I'm pleased to say we have made significant progress in 2025, executing against our strategy, to unlock material organic growth opportunities in the area.

At Rosebank, the 2025 offshore campaign was completed safely and ahead of schedule, and the FPSO Rosebank sailed away in 2026 following major refurbishment. This positions the Operator, Adura, to deliver mooring and hook-up activities during the 2026 campaign, ahead of first production.

Our Cambo project has been strengthened through its technical review, resulting in a more robust technical and commercial project and at Tornado we submitted our Field Development Plan in 2025, moving both projects closer to a final investment decision in 2026/27.

# “

**West of Shetland is a strategically important basin for Ithaca Energy and is where we see the greatest potential for long-term organic growth.”**



## Executive Chairman's &amp; Chief Executive Officer's Q&amp;A continued

**Q –  
How does the farm-in to  
Tobermory support and  
complement this strategy?****Yaniv Friedman:**

The West of Shetland is a complex basin with harsh conditions to navigate both during operations and through the development phase. Maximising alignment with strong partners is therefore critical to our success. Our farm-in to Tobermory increases our presence in the basin alongside high-quality operators, strengthening collaboration and enhancing our ability to execute our West of Shetland strategy effectively.

**Luciano Vasques:**

Building on that, the Tobermory farm-in, together with the momentum we're making at Tornado, positions us to unlock a broader set of step-out opportunities, including existing prospects Sulven, Pemberton, Spitfire and Zeppelin, creating infrastructure synergies in the area and further strengthening the long-term strategic value of our position in the area.



“  
**Yes, the regime is not where we want it  
to be as an industry, but as a Company  
we continue to be very well placed.”**

**Q –  
Fiscal and regulatory uncertainty  
has been prominent in 2025. What  
are your views on the outcomes of  
the consultations, and what remains  
a priority for the Company in this  
area going forward?****Luciano Vasques:**

First, I'll touch on the process, before moving to my thoughts on the outcome. We took an active and constructive role throughout the consultation processes, engaging openly and transparently with HMT and HMRC, and I believe that engagement has been met with respect and a genuine willingness to listen. While the overall outcome of the fiscal consultation was not what we had ideally hoped for, the increased clarity on the future fiscal model, post 2030, was well received. We were influential in ensuring key elements of the new successor regime were well thought through, including setting appropriate commodity thresholds through to the structure of the mechanism itself. We were supportive of the Oil and Gas Price Mechanism (OGPM) taking the form of a revenue-based model and advocated for this approach as part of the consultation due, in part, to its simplicity.

Turning to the regulatory outlook, there remains less clarity around the workings of the North Sea Future Plan as published, and this will be a key focus for Ithaca Energy, and the wider industry, as the plan moves through the legislative process in 2026. We will seek to work closely with the Department of Energy Security and Net Zero to ensure genuine and constructive engagement between the sector and the UK Government. At the heart of this, we need to clearly articulate the economic, industrial and societal rationale that underpins the strategic importance of our sector to the UK and, wherever possible, seek cross-party alignment on the long-term energy future of the country.

**Yaniv Friedman:**

It's also very important to reflect on our position. Yes, the regime is not where we want it to be as an industry, but as a Company we continue to be very well placed. Our robust and diversified portfolio provides us with strategic optionality, even in a sub-optimal fiscal landscape.

We have been disciplined with our capital allocation as we've navigated the uncertainty while creating positive momentum in projects that we stand ready to unlock. The clarity provided from the Chancellor's Autumn Statement now allows us to make informed investment decisions to maximise value for our shareholders.

## Executive Chairman's &amp; Chief Executive Officer's Q&amp;A continued

**Q –**  
**The Group successfully completed a notes issuance and extension in 2025. Can you elaborate on this achievement and its significance for the Company?**

**Yaniv Friedman:**

Let me start by saying that this was our second sizeable notes issuance in just over a year and, once again, we saw exceptionally strong investor demand, with the offering vastly oversubscribed. That level of interest provides clear external validation of our strategy and reinforces the confidence the market has in our ability to maintain disciplined in our capital allocation priorities.

We talk frequently about our agility, and this can mean many things across our business. In this case it meant being alive to the external environment and having the agility to respond quickly to take advantage of favourable market conditions to optimise our financial position. Through the €450 million senior notes issuance and the \$300 million upsizing of our RBL facility, we were able to diversify our sources of capital and strengthen our balance sheet. This provides us with significant available liquidity and flexibility to pursue our growth ambitions, while ensuring we remain resilient in more challenging operating conditions or periods of commodity price volatility.

“  
**Through the €450 million senior notes issuance and the \$300 million upsizing of our RBL facility, we were able to diversify our sources of capital and strengthen our balance sheet.”**



**Q –**  
**M&A has again been a major theme throughout 2025. Will M&A remain a core strategic focus in 2026?**

**Yaniv Friedman:**

M&A has been a constant theme throughout our transformational growth journey and 2025 was no different as we continued to consolidate our position in the UKCS. I frequently say to our team, not every deal has to be transformational, and acquisitions that increase our ownership stakes in well-understood, high-quality assets at attractive investment metrics that match our emissions targets are equally as valuable to our ability to strengthen our business, build scale and support long-term value creation. Looking ahead

to 2026, M&A will remain a central part of our strategy as we target further value-accretive consolidation opportunities in the UKCS.

At that same time, the scale we have now achieved in our home basin, means we must now broaden our horizons beyond the North Sea as we pursue our vision for 'Scale. Stability. Strength.' Our approach to international expansion must be disciplined and patient, focused on targeted areas where we believe we can deliver meaningful value creation, and offer further opportunities for scale.

But let me be clear, we are far more than just an M&A machine. We have carefully crafted an organic pipeline of opportunities that offers significant investment optionality and we will continue to mature these organic growth options in 2026, and beyond, to create shareholder value. As is always the case, any M&A opportunity will have to compete for capital against the organic growth options already available to us.

Senior notes issuance completed in September 2025

**€450m**

## Executive Chairman's &amp; Chief Executive Officer's Q&amp;A continued

**Q –**  
**The Company refreshed its values in 2025. Why was this an important step for you?**

**Yaniv Friedman:**

Following the Business Combination with Eni UK, it was essential that we brought our organisation together around a shared identity focused on one common language, a joint culture and a collective set of expectations for how we work. Refreshing our values was a crucial step in creating that feeling of unity.

Over the past five years, we have completed more than a dozen acquisitions, including our Eni UK Business Combination. As a result, we brought together many different teams, cultures, systems and ways of working. While we have always seen ourselves as strong executors of M&A, it became increasingly clear that to unlock the full potential of our combined business, we needed a single, unified set of values that everyone could align behind.

**Luciano Vasques:**

I fully share Yaniv's sentiment, establishing these shared values and behaviours was necessary to create cohesion and unity across the enlarged organisation, ensuring that we all move forward with a common purpose.

I'd also add, I personally felt elevating safety to a core value was particularly important. Safety has always been fundamental to our operations but formally embedding it as a standalone value reinforces its role at the heart of everything we do. It also sends a clear message to our workforce that they are empowered and expected to speak up, challenge, intervene and lead by example.



Increase in employee engagement participation

**10%**

Our employees reported they felt empowered to use the Stop Work Authority

**91%**



**Q –**  
**The Business Combination with Eni UK brought together a new leadership team. How do you feel the team is performing?**

**Luciano Vasques:**

I've always believed that results speak louder than words, and our performance in 2025 is, in no small part, a testament to how effectively the new leadership team has worked together. It reflects not only the strength of the team itself across their respective technical areas, but also the way the entire organisation has aligned around our shared vision for success.

I think I can be nothing less than pleased with what the entire Ithaca Energy team has achieved so far. But equally important is how we carry this momentum forward and sustain this into 2026 and beyond.

## Executive Chairman's &amp; Chief Executive Officer's Q&amp;A continued

**Q –**  
**The employee engagement survey showed a significant increase in the engagement score. What were the key highlights and takeaways from the results?**

**Luciano Vasques:**

First and foremost, the level of participation was exceptional. The sheer volume of responses and comments showed that our people care deeply about the company and want to play an active role in shaping its future. This is indeed a perfect reflection of our value 'Express yourself'.

Secondly, the improvement in our engagement score was remarkable and sends a strong signal that we are moving in the right direction and that the changes we've made to date are resonating with our people. At the same time, the survey also highlighted areas where we must continue to focus, particularly around recognition and career development. It's encouraging to see our people recognise the progress we're making while also helping us prioritise what comes next. Now, our clear responsibility is to ensure we act on the feedback provided.

**Yaniv Friedman:**

The level of participation itself was an important result. It showed that our people are engaged, committed and genuinely invested in shaping the future of the Company. Seeing that level of interest and openness demonstrates to us that our people are comfortable sharing with us what's important to them and that they are invested in making those changes together.

For me, the significant increase in engagement is meaningful in its own right. It reflects the ability of our workforce to adapt to change, embrace new opportunities and demonstrate the agility we talk about so often.



**Q –**  
**Looking ahead, what is the outlook for Ithaca Energy in 2026 and beyond, and what are your top priorities for the year?**

**Yaniv Friedman:**

As we enter 2026, our focus will be on sustaining the high level of execution we delivered in 2025. As I've said before, maintaining discipline operationally, financially and strategically will be essential. That discipline will underpin our ability to optimise production safely and responsibly, manage our cost base effectively, and retain the agility to respond to opportunities as they arise.

We will continue to high-grade investment across our broad range of growth opportunities, ensuring we deploy capital in line with our strategy as a value-led investor focused on long-term sustainable shareholder value.

You should expect us to keep pushing for scale and growth, while at the same time maintaining the discipline that has served us well, ensuring we continue to deliver attractive returns to our shareholders.

**Luciano Vasques:**

I fully agree with everything Yaniv has highlighted, and I would emphasise again the importance of maintaining our focus on operational excellence, as it truly underpins everything we do. We have a clear vision and strategic pillars that continue to serve us well so, for me, our priority is achieving consistency. We must continue to deliver on our commitments and doing exactly what we say we will do.

For our people, our focus in 2026 will be to create exciting opportunities for personal growth while continuing to strengthen our culture and deepen our sense of belonging. Collectively, we are excited for the opportunities that lie ahead.



Our values in action

# Our purpose is underpinned by our five core values.

They guide how we work resiliently, collaboratively, openly, considerately and responsibly.

## Deliver results



**We control our destinies by harnessing our ambition and pragmatism to deliver successful outcomes.**

- Take accountability and ownership for our actions and performance
- Work collaboratively, with a united purpose to succeed
- Embrace innovation to create sustainable value

“  
**Delivering results drives accountability, gives purpose to our work and motivates us to continuously improve individually and as a team”**

**Michele Lucifora,**  
EVP – Technical



## Bring strength



**We are resilient, agile and committed. We bring our collective talent, expertise and determination to bear daily.**

- Strive for operational excellence in everything we do
- Take the initiative to strengthen our business
- Be adaptable, working in pursuit of continuous improvement

“  
**Our objective is to make every day a ‘perfect day’ through high quality planning, preparation and execution of all our activities whilst ensuring that they are flawlessly delivered through a caring and effective intervention culture.”**

**Odin Estensen,**  
Chief Operating Officer



## Express yourself



**We are empowered to question, sharing the right and responsibility to challenge and to use our voices in pursuit of ‘best’.**

- Promote an inclusive organisation with openness, respect and trust
- Challenge each other and our partners to act
- Encourage different perspectives and be confident to build on ideas

“  
**We are committed to being a Company where people bring their whole selves to work. Hearing all voices and valuing all contributions is how we develop the best solutions and deliver exceptional business outcomes that make Ithaca Energy the best place to work for our people.”**

**Nikki Fox,**  
EVP – People and Culture



## Our values in action continued

## Be considered



We act with integrity and genuinely care about making a positive impact for our people, partners and communities.

- Build trusting relationships with all our stakeholders
- Invest in our people and celebrate behaviours that reflect our values
- Support and energise one another to make a difference

“

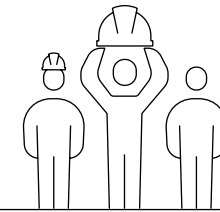
For me, ‘Be considered’ is about how we show up. It’s about making a genuine difference in our community and acting in a way that provides a real sense of pride, belonging and purpose for our workforce. It’s about doing, and recognising, the right thing.”

Julie McAteer,  
General Counsel and  
Company Secretary



OUR NEW VALUE

# Make it safer



We take personal ownership of safety and work together to protect our team, our assets and the environment.

- Demonstrate excellence in safety leadership
- Never compromise on safety and environmental standards
- Champion psychological safety

“

In 2025, we introduced our new ‘Make it safer’ value, responding directly to our workforce who asked us to make sure that safety was visible in our culture and at the front and centre of everything we do.

In line with our ‘Think. Speak. Act.’ model, our values ask us all to think about how we make it safer. We want our people to talk about safety, whether that’s raising improvement opportunities or exercising our Stop Work Authority and we want to make sure that everyone that works for us, or alongside us, acts responsibly and in line with our values at all times.”

Simon Taylor,  
EVP – Health, Safety and Environment



## Our market landscape

# Responding today to deliver tomorrow

Investing and operating responsibly to sustainably serve the energy demands of the UK for decades to come.

For more information see our strategy:

See p.28

## Market trends

### Energy security and decarbonisation

Link to strategy: [1](#) [2](#) [3](#)

### Mergers and acquisitions

Link to strategy: [3](#) [4](#)

### Fiscal and regulatory framework

Link to strategy: [1](#) [2](#) [3](#)

### Commodity prices

Link to strategy: [1](#) [2](#) [3](#) [4](#)

## Energy security and decarbonization

In a continued trend to the previous year, 2025 highlighted the UK's dual challenge of ensuring energy security while advancing decarbonisation, and how it manages the importance of domestic oil and gas production alongside investment in low-carbon technologies. The UK Government reinforced this direction in the period by committing £14.2 billion to new nuclear projects, expanding support for carbon capture, and launching a ten-year industrial strategy focused on clean energy. These policies signal an effort to reduce reliance on hydrocarbons and accelerate the Net Zero transition, with potentially significant implications for the North Sea sector.

### Our response and opportunity

Ithaca Energy continues to operate and invest in a responsible manner, delivering critical energy security while fundamentally transitioning our portfolio over the medium to long-term through investment in low-carbon intensity assets. In the meantime, domestic oil and gas production is key to strengthening not only the UK's economy but to Europe's wider energy sector. The majority of oil and gas produced in the UK North Sea is refined in Europe, due to the UK's declining refinery infrastructure, but 65% of production volumes, whether refined in the UK or Europe, serves the UK market and provides critical domestic energy security.

“  
Ithaca Energy remains focused on growing its capacity and adding to the UK's energy mix in a meaningful way.”

## Mergers and acquisitions

2025 saw a continued wave of consolidation in the oil and gas sector, particularly in the UK North Sea. Major deals included Shell and Equinor combining their UK North Sea oil & gas operations into a new incorporated joint venture, Adura, while Repsol and NEO Energy merged their North Sea operations to create NEO NEXT. Before the year end, Total Energies announced it would be combining its UK upstream business with NEO NEXT, with completion expected in 2026. These transactions were driven by the need for scale, portfolio optimisation, and resilience amid fiscal and regulatory uncertainty, as companies sought to strengthen their positions in a maturing basin.

### Our response and opportunity

Ithaca Energy continued to successfully execute on its UKCS consolidation strategy in 2025 by acquiring JAPEX UK, increasing our interest in the Seagull field to 50%. The period also saw the Group increasing its stake in the nationally strategic Cygnus gas field to 85%. These highly synergistic and value-accretive deals added 17 kboe/d to 2025 average pro forma production, strengthening the Group's position as a lead consolidator in the basin. We will continue to seek opportunities for further consolidation in the UKCS in 2026 to realise untapped value in the basin and in assets we know well, while broadening our M&A strategy to expand our operations globally.

% of UK oil production serving the UK market

65%



## Our market landscape continued



IN FOCUS – STRENGTH

# Energy addition for the AI age

The rapid expansion of artificial intelligence is fundamentally transforming the global energy landscape, with data centres at the heart of this revolution.

As investment in AI accelerates, the power requirements of data centres are soaring – AI-driven workloads are projected to drive a 160% increase in data centre power demand, with global electricity consumption from these facilities expected to more than double by 2030, reaching nearly 945 terawatt-hours.<sup>2</sup> The scale and speed of these demands mean that a transition to renewables alone cannot meet the requirements of this new digital era, and additional energy capacity is required.<sup>3</sup>

To ensure reliable power for AI and data centres while avoiding disruptions to local communities, the world will need a balanced energy mix, leveraging both renewable and traditional sources. Only by combining these resources can we support the next stage of global development and the continued growth of AI, while maintaining energy security and resilience. Ithaca Energy remains focused on growing its capacity and adding to the UK's energy mix in a meaningful way to serve today's needs for domestic energy through operating sustainably.

## Fiscal and regulatory framework

2025 was a year of continued uncertainty for the UK oil and gas industry with significant fiscal and regulatory consultations running throughout the year, culminating at the Autumn budget and the publication of the North Sea Future Plan. Chancellor Rachel Reeves' 2025 Budget confirmed that the Energy Profits Levy (EPL) would remain in place until March 2030, with a transition to a permanent Oil and Gas Price Mechanism (OGPM) thereafter. The Government's consultation process, which engaged nearly 100 industry stakeholders, resulted in the revenue-based OGPM, providing greater predictability, and taxing windfalls at an increased commodity threshold rate of \$90 per barrel for oil and 90 pence per therm for gas (inflation adjusted). Industry reaction was notably mixed, with the move towards fiscal stability welcomed, but the timing of the introduction of the OGPM in 2030 criticised for undermining investment and job security in the UKCS, intensifying calls for the earlier adoption of the OGPM, with the Chancellor acknowledging this post her Spring Statement.

### Our response and opportunity

The announced changes to the EPL and the future introduction of the OGPM has provided clarity for the sector, enabling Ithaca Energy and its peers to formalise its plans for further development in the UKCS. We were appreciative of the significant engagement between industry and the UK Government during the consultation processes, and believe the resulting revenue-based model post-2030 is proof of a collaborative and measured decision. Following publication of the North Sea Future Plan, we expect significant engagement with the UK Government through the legislative phase, primarily the Department of Energy Security and Net Zero, to ensure the UK continues to enjoy the vast benefits our industry offers while managing a just transition.

- <https://www.eia.gov/outlooks/steo/>
- <https://www.iea.org/news/ai-is-set-to-drive-surging-electricity-demand-from-data-centres-while-offering-the-potential-to-transform-how-the-energy-sector-works>
- <https://energyanalytics.org/the-rise-of-ai-a-reality-check-on-energy-and-economic-impacts/>

## Commodity prices

Brent crude prices declined steadily in 2025, averaging \$69/bbl, the lowest since 2020, amid perceived global oversupply and increased OPEC+ production. Geopolitical events, such as Israel-Iran tensions and Russia-Ukraine disruptions, caused only brief price spikes. Average gas prices of 90p/therm, were relatively flat to the previous year and well below spikes experienced in 2021 – 23. Sanctions and unplanned outages added volatility but did not reverse the downward trend. Looking ahead, as we entered the year forecasts for 2026 suggested continued downward pressure on Brent prices due to surplus builds, however conflict in the Middle East, threatening oil supplies, has seen a rapid spike in commodity prices with oil and gas reaching highs of ~\$117/bbl and ~160 pence per therm in Q1.

### Our response and opportunity

Ithaca Energy's strong performance during 2025 was amply supported by our robust hedging policy. Hedging gains and other income of \$184 million were recorded in 2025, reflecting a \$4/boe contribution to adjusted EBITDAX. Our material hedge position as at 17 March 2026 of 63.8 mmbœ (c.39% gas, c.61% oil) through the end of 2027 from 1 January 2026 is designed to support our capital investment programme and secure sustainable shareholder distributions. The 2026 hedge book has been built to deliver oil price certainty with >80% of oil volumes in 2026 hedged using swaps at an average of c.\$67 and with collars including some participating up to c.\$90/bbl ceilings. Gas hedges in 2026 deliver material upside to the business with >40% of gas volumes in Q1 to Q3 either unhedged or hedged via collars with up to 130p/therm average ceilings.

Oil and Gas Price Mechanism introduced  
**2030**

Hedged position at 17 March 2026  
**63.8 mmbœ**



Our business model

# Dedicated to sustainable delivery

**Driven by our purpose, vision and values, we are a Company dedicated to growing sustainably. This means operating safely and responsibly, developing our people and sharing our success.**

In 2025, our business model was demonstrated in full, with significant investment across the entire lifecycle of our operations. We advanced new field developments through tie-backs to existing infrastructure, progressed our West of Shetland development strategy, and invested heavily across our producing asset base with projects focused on optimisation, sustaining field performance and life extension. At the same time, we delivered responsible ultra-late-life operations and advanced decommissioning plans, as the Group's operated GSA and Alba fields move swiftly towards cessation of production in 2026. Our integrated approach enables us to create long-term value for all stakeholders including our investors, lenders, partners, suppliers, local communities, and our people, while maintaining our commitment to operational excellence and sustainable operations.

## Our operational lifecycle

### 1. Exploration and appraisal

**What we do**

We operate a targeted approach to exploration and appraisal drilling, prioritising prospects in close proximity to existing infrastructure hubs that offers short-cycle tie-back potential.

**Our responsible approach**

We aim to identify and commercialise tie-back developments using existing infrastructure reducing the emission intensity of the hub.

**In action**

Maturing and prioritising exploration opportunities in the Greater Cygnus Area and the Greater Tornado and Tobermory Areas in the West of Shetland.



### 2. Development

**What we do**

With a strong portfolio of brownfield and greenfield development assets, our focus is on high-grading investment across our portfolio to maximise shareholder value.

**Our responsible approach**

Through fast-tracking tie-back opportunities leveraging existing infrastructure and investing in the best available technologies and low-emission projects we aim to transition our portfolio to one of the lowest-carbon portfolios in the UK.

**In action**

Material momentum in West of Shetland basin strategy, with Rosebank development entering final phases and strong progression of Cambo and Tornado projects towards a final investment decision.

Our business model continued

### 3. Production

#### What we do

To meet continued demand for hydrocarbons, we aim to maximise field recovery from our producing assets by focusing on production efficiency and optimisation.

#### Our responsible approach

Our focus is on producing responsibly at all times, through the execution of portfolio-wide decarbonisation initiatives and the use of pioneering technology to reduce emission intensity.

#### In action

Execution of our 'perfect day' concept in 2025 has delivered production efficiency performance significantly above the UKCS industry average and above 2024 levels.



### 4. Late-life operations and decommissioning

#### What we do

We efficiently operate our assets in ultra-late life, maximising production while integrating decommissioning activities into everyday operations to maximise the value from our assets.

#### Our responsible approach

We are committed to the responsible execution of decommissioning programmes, reducing emissions and maximising recycling where possible.

#### In action

Ultra-late life and decommissioning plans were advanced in 2025 for the Greater Stella Area and Alba, moving towards cessation of production in mid-2026.



### 5. Inorganic growth

#### What we do

We seek to leverage our proven M&A execution capabilities and integration expertise to build a portfolio of scale.

#### Our responsible approach

All M&A opportunities are considered through an ESG lens, with a focus on alignment to our emission intensity targets.

#### In action

Executed disciplined value-led M&A, increasing interests in high-quality, well-understood assets in our core UKCS market, that delivered on every investment criteria metric.



Our business model continued

# Delivering value for all our stakeholders

## Shareholders and lenders

**\$500m**

Total dividends declared for 2025

**€450m**

5.5% Notes issuance

**\$300m**

Upsizing in RBL facility

**>80%**

2026 Hedge book protection

### Outcomes

- Material shareholder returns delivered in line with the Group's 2025 target, including the acceleration of a second interim dividend of \$133 million paid in December, taking total cash distributions declared to \$500 million in the year
- Successful finance raise of €450 million senior notes and \$300 million upsizing of RBL facility reflecting the Group's financial strength, flexibility and agility to market conditions
- Actively managed hedge programme to protect revenue while accessing upside exposure using volatility, in line with capital allocation policy, designed to protect dividend and capital programme cashflows



## JV partners, suppliers, and customers

**>10%**

% of the UK's oil and gas supply met by Ithaca Energy production

**26%**

Reduction in Total Recordable Incident Rate

**\$1.7bn**

Net capital and operating investment

**\$14bn**

Potential life of field GVA from Cambo project

### Outcomes

- Delivering oil and gas essential for UK energy security, in a safe and responsible manner with material improvements across safety and environmental metrics
- Significant capital investment across the portfolio, including producing asset capital investment of \$629 million allocated to optimisation and maintenance programmes, new well campaigns and investment in new developments (excluding Rosebank)
- Achieved material progress on the Group's West of Shetland Development Strategy, creating substantial opportunities for our supply chain partners as we move towards FID



## Our people

**12%**

Increase in overall employee engagement survey score

**81%**

Employee participation in engagement pulse survey

**92%**

Our employees responded they felt safe at work

**>90%**

Our employees responded they know our Company values and understand what they mean

### Outcomes

- Following the Group's 2024 Business Combination with Eni UK, the leadership team reviewed and relaunched the Company's refreshed values to the organisation
- Employee engagement survey participation rose by over 10%, delivering significant improvements across multiple engagement indicators and driving an overall 12% increase in the Company's engagement score
- We strengthened our safety culture throughout the year, with our refreshed values reinforcing safety as our top priority. This commitment was reflected in our engagement survey where 92% of employees reported feeling safe at work and 91% feeling empowered to exercise the stop-work authority





Our business model continued

### Communities

69%

2025 Engagement survey – Our employees responded saying they were proud of our work in the community

>70

Charities supported in 2025, including our five key charity partners

>2,000

Hours of workforce volunteering

11

Summer interns and graduates employed

### Outcomes

- Recognised by OEUK as the industry’s ‘Neighbour of the Year’ reflecting our significant contribution to our local community
- We continued to support our five key charity partners through financial contributions and volunteering support, while expanding our community reach with significant commitments to a further six local charities and contributions to more than 60 employee-led community engagement initiatives
- Investment in science, technology, engineering and mathematics (STEM) initiatives and technical apprenticeship programmes, including a newly established partnership with Developing the Young Workforce North East, supporting schools across the North East of Scotland



IN FOCUS – STABILITY

# The socio-economic impact of Cambo

As the largest pre-FID undeveloped discovery in the UKCS, with over 140 mmboe of commercial recoverable resources, Cambo is a critical UK asset, with the potential to deliver vital energy security for the UK. Beyond energy security, the benefits of the development to the UK are vast, including:

- **Economy:** Generating an estimated £14bn value add to the UK economy through direct, indirect and induced investment. At peak production in 2031, the GVA of the Cambo development is estimated to be equivalent to 0.7% of Scottish GDP
- **Employment:** Potential to create ~1,350 full-time jobs at development peak and ~700 UK based full-time jobs over the full life of field helping to preserve technical skills throughout the supply chain, essential both for today’s energy landscape and a low-carbon energy future, as part of a managed transition
- **Energy Security:** At plateau production, Cambo is expected to deliver over 44 kboe/d of hydrocarbons, with the potential to account for ~8% of the UK’s oil production between 2031 and 2035, rising to 20% towards 2050, with a significant supply/demand gap still in existence
- **Emissions:** Cambo is expected to produce at a significantly lower emissions intensity compared to the current UK average of 24 kgCO<sub>2</sub>e/boe

Est. peak number of UK FTE jobs created

~1,350

Percentage of UK’s oil production from first oil to 2035

8%



Our strategy

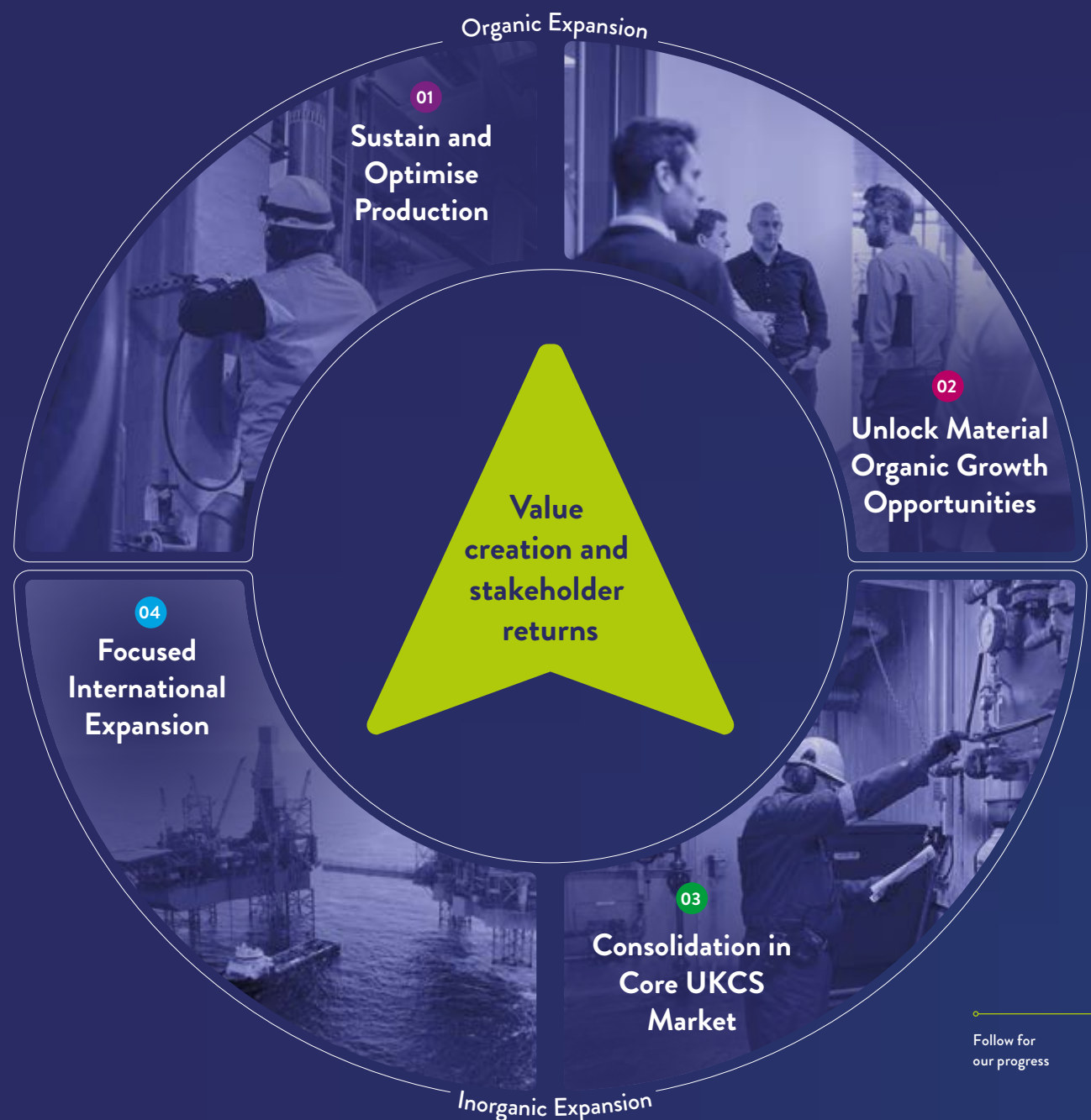
# A strategy for our next era

With meaningful organic and inorganic investment optionality, our strategy remains firmly centred on disciplined, value-orientated growth, with the aim of maximising value for our shareholders.

Leveraging our significant resource base and our enhanced operational and technical capabilities, we are committed to sustaining and optimising production performance to support our short to medium-term production outlook, while investing to unlock our material organic growth opportunities to generate long-term sustainable growth and value creation.

Our proven track record for value-accretive M&A positions the Group to deliver further consolidation in our core UKCS market, complemented by a disciplined and focused international expansion strategy, targeting regions that offer the potential for scale, further M&A opportunities, and stable fiscal environments.

In 2025, the Group has successfully executed across its organic and inorganic growth strategy, supporting our clear vision for 'Scale. Stability. Strength.'



Follow for our progress



Our strategy continued

# Reporting our strategic progress

## Sustain and optimise production

01

### Progress in 2025

- Delivered on upgraded production guidance following strong H1 operational performance, achieving average production of 119 kboe/d
- Increased investment in sustaining and optimising asset performance delivered strong exit rate of 148 kboe/d, and increasing installed production capacity for 2026
- Commitment to achieving 'perfect day' delivered improved operational metrics
- Execution of material and unprecedented levels of summer turnaround activity, including the Captain flotel campaign supporting life extension and optimisation activities
- Drilling campaigns delivered across Captain, Cygnus, Seagull, Elgin Franklin, Schiehallion and J Area
- Increased value-led investment at J Area, with additional well activity sanctioned at Judy East Flank and Joanne

### Priorities for FY 2026

- Execution of 14th drilling campaign at Captain and completion of flotel campaign
- Delivery of 13th and 14th wells at Cygnus and completion of Cygnus turnaround activity
- Sanction decisions for infill drilling campaigns at Schiehallion and Elgin Franklin, together with progression of J Area and MonArb hub strategies across NOJV portfolio
- Continued optimisation programme, prioritising predictive activities and maintenance to improve our overall efficiency rates
- Cessation of production at operated Greater Stella Area and Alba, with safe handover of FPF-1 and Alba FSU to recycling yard



## Unlock material organic growth opportunities

02

### Progress in 2025

- Material progress of Rosebank project toward first production with key milestones achieved in line with multi-year development timeline, with submission of downstream end-user combustion emissions ('Scope 3') assessment delivered in tandem
- Continued project maturation of Cambo development with successful conclusion of technical project refresh and extension of Cambo licence milestone to 30 September 2027 from 31 March 2026
- Significant progression of core West of Shetland Area investment strategy, initiating and maturing prospective and contingent resources towards development, in support of UK Energy Security
- Fotla Environmental Statement submitted
- Matured Suilven to development portfolio, highlighting selective project prioritisation

### Priorities for FY 2026

- Execute key remaining Rosebank project milestones including FPSO sail away, drilling, and hook-up and commissioning works, in tandem with awaiting regulatory approval, on pathway to first production in 2026/27
- Submission of updated Cambo Field Development plan and environmental statement, reflecting project optimisations, moving the project towards a FID in 2026/27
- Progress pre-FID projects, Tornado and Fotla, to execution, subject to fiscal, regulatory and commodity price environment
- Progress Suilven and Tobermory projects in line with broader West of Shetland gas development strategy



Our strategy continued

## Reporting our strategic progress continued

### Consolidation in core UKCS market

03

#### Progress in 2025

- Continued execution of consolidation strategy in the UKCS with attractive investment metrics achieved, increasing interests in high-quality, well-understood Cygnus and Seagull fields, that offer further upside potential
- Farm-in to Adura's Tobermory gas field (50%) positioning the Group as a strategic development partner in the West of Shetland Area
- Successful delivery of integration and reorganisation process, following Eni UK Business Combination in October 2024, realising operational and cost synergies
- €450 million senior note issuance and extension of RBL facility enhanced the Group's financial firepower for growth, including to support further M&A

#### Priorities for FY 2026

- Launch refreshed farm-out processes for Cambo and Folta, following the conclusion of the UK Government's fiscal and regulatory consultations in 2025
- Maintain position as lead consolidator in the UKCS, targeting further value-accretive consolidation in the basin, adding production and resources

### Focused international expansion

04

#### Progress in 2025

- Disciplined screening of international expansion opportunities to date, with future value creation potential at the forefront of screening process
- International expansion plans focusing on diversifying portfolio to Northern OECD countries offering attractive, less mature and comparatively similar jurisdictions

#### Priorities for FY 2026

- Targeted and disciplined approach to international M&A, ensuring we remain focused with operations over no more than two further regions
- Expansion opportunities focused on regions that offer further M&A potential to ensure sustainability and scale
- Investment grade status criteria will continue to guide our expansion approach



IN FOCUS - SCALE

## Consolidation in core UKCS basin

Pro forma 2025 production acquired

17 kboe/d

Attractive investment metrics achieved

&lt;\$10/boe

**The Group successfully executed against its inorganic growth strategy, pursuing low-risk consolidation in its core UKCS basin through the acquisitions of an additional 15% stake in Seagull from Japex and an additional 46.25% interest in the operated Cygnus Field.**

The bolt-on transactions enhanced our stakes in well-understood, high-quality, long-life assets delivering near-term production growth and cash flow generation, increasing 2025 pro forma production by 17 kboe/d and adding 44 mboe of 2P reserves and 2C resources as at 1 January 2025.



## Our strategy continued



IN FOCUS - SCALE

# West of Shetland

During 2025, the Group has made significant progress in the continued development of our core West of Shetland Area strategy, initiating and maturing prospective and contingent resources towards development.

### Developing our long-life, high-value oil 2P reserve and 2C resource base in the West of Shetland Area

In 2025, we have strengthened our presence in oil developments in the West of Shetland Area through the continued delivery of the Rosebank development, with first production expected in 2026/27 and the continued maturation of the Cambo project towards a FID in 2026/27. Together these developments have the potential to unlock further exploration in the area.

### Positioning Ithaca Energy as part of a new Northern gas hub in the West of Shetland Area and strategic partner of choice

Our 2025 farm-in to licences P2629 and P2630, containing the Tobermory discovery, has positioned Ithaca Energy as part of a new northern gas hub in the West of Shetland Area and a strategic infrastructure partner. In 2026, we will continue to mature two major gas areas, together with Adura, in the West of Shetland, the Greater Tornado Area, including the Suilven development identified as the areas first tie-back project, and the Greater Tobermory Area and pipeline infrastructure, acting as an enabler for further infrastructure-led exploration.



West of Shetland net 2P reserves and 2C resources

## 303 mmboe

% of West of Shetland resources operated

## 86%





Monitoring our performance

# Measuring progress

**Our Key Performance Indicators (KPIs) track and measure both operational and financial performance and are used to manage the business, to provide an objective comparison to our peer group and as performance measures for certain Executive compensation arrangements.**

**How we determine our KPIs**

Our KPIs are long established and have been used consistently over the years as the Group has evolved. These KPIs enable the Board and the Executive Leadership Team (ELT) to monitor the Group's performance. The ELT uses these measures to evaluate operational and financial performance and to make informed decisions on operational, financial and strategic matters.

**Non-GAAP measures**

Adjusted EBITDAX, unit operating expenditure, available liquidity, leverage ratio, adjusted net debt and certain other reported metrics are non- GAAP measures that are not specifically defined under International Financial Reporting Standards or other generally accepted accounting principles. Further details are set out on pages 220 to 221.

## Safety, production and emissions KPIs

**Tier 1 and tier 2 process safety events**

0

FY25	0
FY24	0
FY23	1

Link to Strategy

- 1 2

**Objective**

Ithaca Energy strives to maintain the highest standards of operational integrity to prevent any releases of hazardous material from primary containment.

**FY 2025 performance**

There were no tier 1 or 2 process safety events during 2025.

**Average daily production**

119 kboe/d

FY25	119
FY24	80
FY23	70

Link to Strategy

- 1 2 3 4

**Objective**

We aim to maximise value from our producing assets through operational efficiency and to grow production through our organic and inorganic growth strategy.

**FY 2025 performance**

Total production was 49% higher than 2024 principally due the full year effect of the Eni UK business combination, the JAPEX UK and Cygnus acquisitions and improved operational performance across most assets.

**Reserves & resources**

658 mmboe

FY25	658
FY24	657
FY23	544

Link to Strategy

- 1 2 3 4

**Objective**

We aim to have a stable to growing level of reserves and resources through our strategy to unlock material organic growth opportunities as set out on page 29.

**FY 2025 performance**

Reserves and resources are 0.2% higher than 2024 mainly as a result of the JAPEX UK and Cygnus acquisitions, partly offset by a full year of production.

**Serious injury & fatality frequency**

0/m hrs

FY25	0
FY24	0
FY23	0

Link to Strategy

- 1 2

**Objective**

We are committed to continually improve our safety performance and to take all steps necessary to ensure that there is no harm to our people.

**FY 2025 performance**

During 2025 we again had zero events resulting in serious injury or fatality.

**Scope 1 and Scope 2 emissions**

437.5 ktCO<sub>2</sub>e

FY25	437.5
FY24	448.2
FY23	435.8

Link to Strategy

- 1 2 3 4

**Objective**

Ithaca Energy aims to proactively manage its environmental impact and adhere to our plan to achieve Net Zero by 2040.

**FY 2025 performance**

Scope 1 and Scope 2 emissions from operated assets were 2% lower than 2024, despite the higher production, principally due to the success of our carbon reduction initiatives and low-emission acquisitions as described on pages 48 to 49.

**Green house gas (GHG) intensity**

17.2 kgCO<sub>2</sub>e/boe

FY25	17.2
FY24	23.9
FY23	25

Link to Strategy

- 1 2 3 4

**Objective**

The Group strives to proactively manage its environmental impact and is committed to the actions required to achieve Net Zero by 2040.

**FY 2025 performance**

GHG intensity was 28% lower than 2024 primarily due to higher production delivery from our lower intensity assets, comparing favourably against the latest basin average of approximately 24 kgCO<sub>2</sub>e/boe.



## Monitoring our performance continued

## Financial performance KPIs

Adjusted EBITDAX	Net cash flow from operating activities	Unit operating expenditure	Available liquidity	Pro forma leverage ratio – adjusted net debt/adjusted EBITDAX	Adjusted net debt																																				
<p><b>\$2,030.8m</b></p> <table border="1"> <tr><td>FY25</td><td>2,030.8</td></tr> <tr><td>FY24</td><td>1,405.0</td></tr> <tr><td>FY23</td><td>1,722.7</td></tr> </table> <p>Link to Strategy 1 2 3 4</p> <p><b>Objective</b> The Group aims to grow adjusted EBITDAX through increased production, strict cost control and our progressive hedging strategy.</p> <p><b>FY 2025 performance</b> Adjusted EBITDAX was 45% higher than 2024 due to higher production and improved operational performance partly offset by lower realised commodity prices net of hedging.</p>	FY25	2,030.8	FY24	1,405.0	FY23	1,722.7	<p><b>\$1,745.3m</b></p> <table border="1"> <tr><td>FY25</td><td>1,745.3</td></tr> <tr><td>FY24</td><td>853.3</td></tr> <tr><td>FY23</td><td>1,290.8</td></tr> </table> <p>Link to Strategy 1 2 3 4</p> <p><b>Objective</b> We aim to generate predictable and reliable cash flows to support investment and shareholder returns whilst maintaining financial stability and strength throughout the commodity price cycle.</p> <p><b>FY 2025 performance</b> Net cash flow was 105% higher than 2024 due to higher production along with improved working capital management and lower tax payments.</p>	FY25	1,745.3	FY24	853.3	FY23	1,290.8	<p><b>\$18.9/boe</b></p> <table border="1"> <tr><td>FY25</td><td>18.9</td></tr> <tr><td>FY24</td><td>22.4</td></tr> <tr><td>FY23</td><td>20.5</td></tr> </table> <p>Link to Strategy 1 2 3 4</p> <p><b>Objective</b> The Group aims to optimise unit operating expenditure by maintaining the highest levels of operational efficiency whilst not compromising on health, safety and environmental matters.</p> <p><b>FY 2025 performance</b> Unit operating expenditure was 16% lower than 2024 reflecting both the Group's continued focus on cost and the high netback capability of the enlarged portfolio.</p>	FY25	18.9	FY24	22.4	FY23	20.5	<p><b>\$1,470.1m</b></p> <table border="1"> <tr><td>FY25</td><td>1,470.1</td></tr> <tr><td>FY24</td><td>1,015.1</td></tr> <tr><td>FY23</td><td>578.8</td></tr> </table> <p>Link to Strategy 1 2 3 4</p> <p><b>Objective</b> Ithaca Energy aims to maintain material liquidity to enable flexibility by securing and maintaining appropriately structured facilities with third-party lenders.</p> <p><b>FY 2025 performance</b> Available liquidity was 45% higher than 2024 principally due to the Reserves Based Lending (RBL) upsizing (see page 71) and lower drawings under the RBL facility.</p>	FY25	1,470.1	FY24	1,015.1	FY23	578.8	<p><b>0.56x</b></p> <table border="1"> <tr><td>FY25</td><td>0.56</td></tr> <tr><td>FY24</td><td>0.45</td></tr> <tr><td>FY23</td><td>0.33</td></tr> </table> <p>Link to Strategy 1 2 3 4</p> <p><b>Objective</b> The Group aims to achieve a pro forma leverage ratio of 1.25x or lower throughout the commodity price cycle (in normal course), supported by our active hedging strategy, and whilst pursuing prudent capital investment and M&amp;A opportunities.</p> <p><b>FY 2025 performance</b> The pro-forma leverage ratio was 24% higher than 2024 principally reflecting higher net debt (see opposite) partly offset by higher pro forma adjusted EBITDAX.</p>	FY25	0.56	FY24	0.45	FY23	0.33	<p><b>\$1,258.2m</b></p> <table border="1"> <tr><td>FY25</td><td>1,258.2</td></tr> <tr><td>FY24</td><td>884.9</td></tr> <tr><td>FY23</td><td>571.8</td></tr> </table> <p>Link to Strategy 1 2 3 4</p> <p><b>Objective</b> We aim to pay down debt where it makes sense to do so within our capital allocation framework.</p> <p><b>FY 2025 performance</b> Adjusted net debt was 42% higher than 2024 principally due to the issuance of the unsecured notes due 2031 (see page 71) partly offset by lower drawings under the RBL facility</p>	FY25	1,258.2	FY24	884.9	FY23	571.8
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FY24	1,405.0																																								
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## Performance in review

# A year of strong strategic and operational execution

2025 has been another year of excellent operational delivery and disciplined strategic execution. With strong progress across all strategic pillars, the Group has delivered a significant increase in our installed production capacity, both through organic and inorganic investment, at the same time building momentum in unlocking material long-term growth opportunities through the advancement of our West of Shetland development strategy. Together, these achievements support our vision for 'Scale. Stability. Strength.' and position us to maximise long-term value creation for our shareholders.

With 2P reserves of 354 mmbob and 2C resources of 304 mmbob as at 31 December 2025 (2024: 2P: 340 mmbob; 2C: 317 mmbob), Ithaca Energy stands as one of the largest resource holders in the UKCS. Through continued organic and inorganic investment, we have delivered a 2P reserves replacement ratio of over 130%. Our own internal resources process which applies detailed Project Maturity Sub-classifications, enabling a more comprehensive assessment of the Group's resource base, has identified approximately 350 mmbob of unbooked contingent and prospective resource potential at year end, bringing our internal view of our resources to over 1bn barrels.



## Strong operational performance, delivering on upgraded production outlook for the year

2025 represents a year of outstanding operational performance, with significant improvements delivered across all key operational metrics and most notably a marked enhancement in our HSE performance. Our commitment to responsible operations and sustainable value creation, driven by a disciplined focus on achieving the 'perfect day' has delivered improvements in safety and environmental performance, higher production efficiency, and a reduction in operating cost per barrel.

The Group recorded zero Tier 1 and Tier 2 process safety events and delivered sustained improvements in personal safety performance with a material reduction of over 25% in the Group's Total Recordable Injury Rate (TRIR) to 1.7 (2024: 2.3), continuing the positive trend since 2023, where the TRIR stood at 3.3.

The Group's strong production performance in 2025 reflects the enhanced operational robustness of our enlarged and diversified asset base, supported by continued operational improvements, optimisations and the consistent reliable delivery across our portfolio. Average production for the year was 119 kboe/d (2024: 80 kboe/d), at the lower end of previously upgraded guidance driven by core asset performance in the first half of the year and reflecting unprecedented levels of summer turnaround activity in the year. Production for 2025 was split 56% oil and 44% gas, with the Group's operated assets accounting for 38% of total production.

Production efficiency performance in 2025 of 83% consistently exceeded the Group's 2024 average production efficiency of 80% and the industry average of 75% in 2024, including a sustained 4% improvement in unplanned production efficiency performance across our operated assets in the year.

The Group now enters 2026 with increased installed production capacity, having achieved a 2025 exit rate of approximately 148 kboe/d, and with peak daily production exceeding 150 kboe/d, following the successful delivery of new wells at Cygnus, Seagull and J Area in the final quarter of the year.

Adjusted net operating costs in 2025 of \$817 million (2024: \$570 million), representing an adjusted net

Reduction in Total Recordable Injury Rate in 2025

>25%

FY 2025 net unit opex cost

\$19/boe

## Performance in review continued

unit opex cost of \$19/boe (2024: \$22/boe), was at the mid-point of management guidance of \$790 million to \$840 million, reflecting the high netback capability of the portfolio. Our aim is to maintain opex per boe in the low \$20s in the medium-term to deliver resilient production in all commodity environments.

Total net producing asset capital expenditure of \$629 million (2024: \$448 million, including six months of Eni UK capital costs), came in at the lower end of the Group's management guidance range of \$630 million to \$670 million. Net capital expenditure relating to the Rosebank development totalled \$224 million (2024: \$198 million), falling below management's guidance range of \$230 million to \$270 million.

Group cash tax paid in the year of \$263 million (2024: \$351 million) was below the Group's management guidance range of \$270 million to \$300 million, relating solely to the Energy Profits Levy.

### Significant progress across all strategic pillars in 2025, supporting our vision for further 'Scale. Stability. Strength.'

The Group has successfully executed across its organic and inorganic growth strategy in the year, with a clear vision for further 'Scale. Stability. Strength'. As a disciplined and value-led business, we continued to high-grade investment in our diverse UK North Sea portfolio, sustaining and optimising our base production while investing to unlock material long-term growth opportunities and consolidating our positions in existing high-quality assets that offer upside potential.

#### Organic growth – Disciplined investment to sustain and optimise base production while unlocking material long-term growth opportunities

In 2025, we have seen the clear and immediate benefit of our strategy to invest in order to sustain and optimise our base production, with a significant increase in our installed production capacity as we exited the year. This was achieved through targeted investment toward new tie-in opportunities, asset optimisation and life extension

initiatives, and infill drilling campaigns with material investment across our operated and non-operated asset base.

The Group's operated Captain field continued to see very high levels of activity in 2025 from the execution of the 13th well campaign to the completion of a significant summer shutdown with material backlog reduction, optimisation and life extension activities completed. In the first half of the year, the Group successfully delivered the drilling, completion and production start-up of wells C73 and C74, the work over of well C47 and in response to the Enhanced Oil Recovery Phase II project, production from the subsea wells has doubled, together contributing to the highest reported production rate for the asset in recent years.

Recognising the importance of Captain as a strategic operated asset, a major flotel campaign commenced in mid-2025 to support the long-term stability and operational performance of the asset, ensuring that the facility remains safe and reliable through its long-term field life. The decision to extend the Safe Caledonia flotel campaign was made later in the year, executing further critical scopes and investment into safeguarding longer-term environmental and operational performance. The flotel has subsequently left station having performed its activities to a high operational and safety standard.

The Cygnus infill well campaign continued through 2025, with well C12 achieving first production in late December. As we enter 2026 further investment activity has been sanctioned to sustain and optimise production at the Cygnus field, supporting the continuation of the long-term infill drilling campaign with commitments to the 14th and 15th wells on Cygnus Alpha. The previously sanctioned 13th well was spudded in Q4 2025, scheduled to be followed by the 14th well in Q2 2026, with the final firm well planned for a Q4 2026 spud. Further investment opportunities for the field, including two further infill wells at Cygnus Bravo, are expected to reach final investment decision in H1 2026.

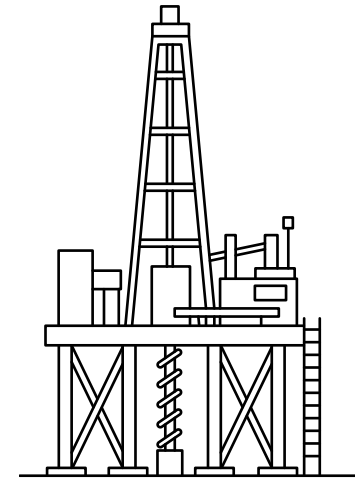
At Seagull, the fourth and final planned well was completed, with start-up achieved in November 2025 after extended well completion operations, with strong early well performance recorded. Completion of the J4 well marks the transition of Ithaca Energy's role as development well operator, to a non-operated owner.

Average net production in 2025 from the J Area reached over 20 kboe/d, delivering its highest average production rates in ten years and making the area the most significant contributor to the Group's 2025 production. The area's significant production contribution reflects the Group's increased stakes in the area post Eni UK Business Combination, material value-led investment in short-cycle, high-return opportunities including three new wells in the area: Jocelyn South, a long-extended reach Judy infill well and a final well at Judy east flank delivered late December, together with strong performance of the recently brought online Talbot field and a successful well stimulation campaign at Joanne.

The Group executed unprecedented levels of turnaround activity during the summer window, with 12 out of the 15 turnarounds completed to plan or better. This major investment across our operated and non-operated base was critical to supporting the ongoing production efficiency of our diversified asset base.

The Group continues to make strong progress in unlocking material value across its long-life, high-value resource base, predominantly in the West of Shetland. The publication of the UK Government's Scope 3 guidance in June, the North Sea Future Plan and the EPL successor regime in November, has provided increased regulatory and fiscal clarity. This evolving certainty supports the progression of key development assets towards a final investment decision, aligned with the UK's long-term energy security objectives.

At Rosebank, material project activity was executed in 2025, including the successful delivery of offshore subsea installation scopes delivered on time and within budget, ahead of drilling activities. The FPSO Rosebank



“**We have seen the clear and immediate benefit of our strategy to invest to sustain and optimise our base production, with a significant increase in our installed production capacity as we exited the year.**”

## Performance in review continued



recently sailed away from Dubai having undertaken major refurbishment works over the past two and a half years. Remaining completion and commissioning scopes are planned during this year as part of the programme to moor and hook-up in field ahead of first production in 2026/27. Further environmental information was submitted for the development in 2025, and we await the decision on environmental consent. As we enter the final full year of development, maintaining disciplined execution will be critical to delivering the project safely, on schedule and within the project cost window.

We have made significant progress during 2025 in the maturation of the Cambo project toward a potential FID in 2026/27. In the first half of the year, the regulator granted an 18-month licence extension, supporting the continued progression of the project towards its licence milestones. A technical refresh of the Cambo project

in H1 2025, leveraging the technical capabilities of Eni, delivered meaningful optimisation of the development concept, de-risking the project significantly and enabling the launch of tendering processes for major project packages including the FPSO Engineering, Procurement, Construction and Commissioning (EPCC) contract and EPCI contract for Subsea, Umbilicals, Risers and Flowlines package. In Q1 2026, the Group submitted an updated Field Development Plan and Environmental Statement, reflecting the project optimisations and reduction in environmental impact identified during the technical refresh. The farm-in process was reinvigorated in early 2026, to reflect the project's enhanced maturity, associated de-risking and the more stable fiscal and regulatory outlook, with a continued expectation that a farm-in agreement would be reached prior to project sanction.

Across the broader resource base, the Group continued to advance a number of projects through key regulatory milestones, with NSTA approval secured for the Fotla and Tornado Development Concepts, and the subsequent submission of the Field Development Plans for both projects in 2025. These projects have now reached a level of maturity that positions them close to final approval, demonstrating the robustness of the technical and regulatory work carried out to date. In support of the Group's West of Shetland gas strategy, Ithaca Energy announced its 50% farm-in to Tobermory, while continuing to progress the Sulven development, enabling potential synergies between the Tornado and Tobermory gas fields and infrastructure led exploration in the area and strengthening Ithaca Energy's position as a strategic infrastructure partner in the area. Together, Tornado, Tobermory and Sulven significantly strengthen our position and underpin the robustness of the Group's overall development strategy in the key West of Shetland Area.

#### **Inorganic growth: Disciplined execution of M&A strategy**

The Group successfully executed against its inorganic growth strategy, pursuing low-risk consolidation in its core UKCS basin through the acquisitions from JAPEX and Spirit Energy of an additional 15% stake in Seagull and 46.25% interest in the Group's operated Cygnus fields respectively. The bolt-on transactions enhanced the Group's stakes in well-understood, high-quality, long-life assets delivering near-term production growth and cash flow generation, increasing pro forma 2025 production by 17 kboe/d and adding 44 mboe of 2P reserves and 2C resources as at 1 January 2025.

The Cygnus acquisition enhances the Group's stake in the UKCS's largest producing gas field, adding additional operated high-margin, low-emission gas production to its portfolio and strengthening the Group's position as a leading UKCS gas producer, providing critical domestic energy security.

These strategic acquisitions reinforce the Group's position as a leading consolidator in the UKCS, delivering growth through targeted, value-accretive transactions that offer

tangible near-term benefits and long-term potential. Both transactions met the Group's disciplined investment criteria and were completed at attractive valuations of approximately \$10/boe (excluding tax losses) for Japex E&P UK and \$7/boe per 2P reserves for Cygnus.

In line with the Group's focused international expansion strategy, we continued to assess global M&A opportunities in an active but patient manner during 2025. Our priority as we enter 2026, is to target regions that offer meaningful follow-on consolidation potential, allowing us to build scalable positions and maximise returns. This selective approach ensures capital is allocated to markets where we can replicate our proven model for value creation.

Following completion of the Business Combination with Eni UK in October 2024, integration activities were completed by the end of H1 2025, including a restructuring process aimed at creating an optimised organisation to support our next phase of growth. The integration process, set the enlarged business up for success, realising operational synergies as efficiently as possible, including the relocation of our workforce to our Aberdeen headquarters.

#### **Responsible operator**

Our commitment to ESG serves as our licence to operate and guides the way we create long-term sustainable value. We recognise the need to balance the reliable long-term supply of hydrocarbons, critical to delivering

#### **% of UK oil and gas production supplied by portfolio**

# >10%

#### **M&A investment metrics achieved**

# <\$10/boe



IN FOCUS - STABILITY

# The 'perfect day'

Our focus on achieving the 'perfect day', following the introduction of the concept in 2025, has delivered strong operational performance with an improvement across all operational metrics in the year, including a strong HSE record confirming continued improvements achieved in process safety, occupational safety, emissions and unplanned releases to sea.



## WHAT IT MEANS

### The concept:

- Our drive for continuous focus, attention to detail, and situational awareness
- With improved planning and execution as an outcome

### Defined as a day:

- Without a Tier 1 or Tier 2 process safety incident
- Without a recordable personal safety injury
- Without a regulatory reportable event
- Where the Short-Term Production Target (STPF) has been exceeded

## HOW WE ARE PERFORMING

### Key deliverables

	Status
Tier 1 or 2 process safety event	■
Recordable personal safety injury	■
Regulatory reportable event*	■
STPF production forecast exceeded?	■

\*As per guidance  
STPF – Short-Term Production Forecast

### Current day vs. STPF (mboed)



■ Current day production  
■ STPF



## Performance in review continued

domestic energy security and affordability for the end user, with the necessity to lower our emissions footprint. In 2025, we supplied over 10% of the UK's oil and gas production, highlighting both the scale of our contribution and the material imbalance between domestic supply and consumption. In a period of heightened geopolitical tension and global energy uncertainty, this reinforces the strategic importance of developing and sustaining the UK's own resources to support energy resilience.

Our ESG mindset drives a clear commitment to value-led decarbonisation taking progressive, economically disciplined steps that strengthen the sustainability of our business. Our well-defined ESG strategy is built around three key pillars: acquiring assets that enhance our overall emissions; investing in low emission intensity assets capable of driving the meaningful long-term transition of our portfolio; while delivering targeted, economically-viable optimisation activities across our existing operations in the short-term.

In 2025, we delivered strong performance across all three pillars of our ESG strategy. Our M&A activity directly supported significant improvements to our medium-term emission profile through the acquisition of increased stakes in low-intensity assets, Cygnus and Seagull. In parallel, the progression of Rosebank towards first production alongside the continued maturation of

low emission intensity developments, such as Cambo and Tornado toward FID, in addition to preparing the high-intensity Greater Stella Area and Alba fields as planned for cessation of production and decommissioning, positions the Group to materially transform the emission intensity of our portfolio in the long-term. Across our portfolio, we also made significant progress on emissions reduction initiatives aimed at optimising our footprint in the short to medium-term, including flare gas recovery projects at Captain and Cygnus and pump replacement projects and export compressor projects at Captain, supported by the extension of the Safe Caledonia flotel campaign.

The Group delivered a significant improvement in its environmental performance in 2025, reflecting changes in portfolio composition post Business Combination with Eni UK, and through further consolidation activity in 2025, with the portfolio benefitting from the addition of lower-intensity assets, alongside continued investment in value-led decarbonisation activity. The Group's gross operated emissions intensity decreased to 17.2 kgCO<sub>2</sub>e/boe from 23.9 kgCO<sub>2</sub>e/boe in 2024, marking material progress towards its decarbonisation objectives and comparing favourably against the latest basin average of approximately 24 kgCO<sub>2</sub>e/boe. The Group also reported a material reduction in the number of reportable releases to sea (spills). A reduction of 67% was recorded in the year driven by clearer procedures, asset integrity investment, training and vendor oversight.

### Evolving UK regulatory and fiscal landscape

2025 has been characterised by continued fiscal and regulatory uncertainty, marked by three significant industry consultations covering the treatment of Scope 3 emissions, the Future of the North Sea and the design of a successor regime to the EPL ahead of its scheduled sunset in 2030. The significance of these consultations understandably placed the sector into a holding pattern throughout the year, contributing to a continued hiatus of material long-term investment activity across the sector.

Throughout the year, we welcomed significant engagement with His Majesty's Treasury (HMT) and His Majesty's Revenue & Customs (HMRC) in relation to the EPL successor regime, culminating in the announcement of the Oil and Gas Price Mechanism (OGPM) as part of the Chancellor's Autumn Statement. The revenue-based OGPM aims to establish a framework for future price shock environments, taxing windfalls at an increased commodity threshold rate of \$90 per barrel for oil and 90 pence per therm for gas (inflation adjusted). The introduction of the OGPM represents an important and welcome step in providing greater fiscal certainty necessary for making long-term investment decisions. We will continue to work collaboratively with HMT and HMRC as the mechanism progresses through the legislative process, while continuing to advocate for an earlier introduction to stimulate investment in the basin.

Alongside the OGPM announcement, the UK Government also published the North Sea Future plan, setting out its response to the Future of the North Sea consultation, which closed in early 2025. Following publication of the North Sea Future Plan, we expect significant engagement with the UK Government through the legislative phase, primarily the Department of Energy Security and Net Zero, to ensure policy development reflects the significant economic and strategic value our industry brings to the UK, while supporting a just and orderly energy transition.

### Material financial firepower to support growth aspirations and attractive shareholder returns

We remain firmly focused on maintaining a strong and flexible balance sheet as the foundation of our capital allocation priorities. Our enhanced financial position supports continued investment in sustaining base production, protects our low leverage profile, and enables disciplined hedging through the cycle. This approach ensures we continue to deliver attractive shareholder returns while preserving the financial agility to evolve our business by pursuing both organic and inorganic growth opportunities.

The Group further enhanced its liquidity position in the year, increasing available liquidity to \$1.5bn (2024: \$1.0bn), providing material financial firepower to support future growth. Our strong credit credentials were highlighted by the successful issuance of €450 million 5.5% senior notes, due 2031, which attracted significant investor demand. The proceeds were subsequently swapped to US Dollars at an effective all-in USD interest rate of approximately 6.7%.

Liquidity was strengthened further through a \$300 million upsizing of the Group's RBL facility via the accordion, with the participation of all new lending institutions. Combined, the notes issuance and RBL upsizing have optimised the Group's financial structure and extending its debt maturity profile. The Group's unused RBL accordion facility of \$435 million, secured as part of the 2024 refinancing, also remains available, offering incremental liquidity potential from \$1.5bn, up to approximately \$1.9bn.

Following the bond issuance, adjusted net debt increased to \$1,258.2 million (2024: \$884.9 million), with the Group's RBL facility of \$1,300 million (excluding letters of credit) remaining fully undrawn at year end. Pro forma leverage increased modestly to 0.56x (2024: 0.45x) and remains low, providing a robust financial foundation for disciplined future growth.

Our enlarged portfolio delivered strong financial results, generating adjusted EBITDAX of \$2.0bn (2024: \$1.4bn), net cash flow from operations of \$1.7bn (2024: \$0.9bn) and free cash flow of \$683.3 million (2024: 260.8 million). This step change in performance, despite a softening commodity price environment, reflects both the transformational Business Combination with Eni UK, which created a diversified and scaled portfolio, and the enhanced outlook reported mid-year as a result of sustained strong operational performance and continued optimisations and efficiencies being realised across the business.

Profit before tax for the year was \$840.3 million (2024: \$334.3 million). A one-off, non-cash deferred tax charge of \$327.6 million in Q1 2025, reflecting the substantive

“  
**2025 has been characterised by continued fiscal and regulatory uncertainty, marked by three significant consultations.**”



## Performance in review continued

## Pro forma leverage ratio

**0.56x**

## Net cash flow from operations

**\$1.7bn**

enactment of the two-year extension of EPL to 31 March 2030, resulted in a reported loss of \$84.1 million (2024: profit of \$153.1 million). Adjusted net income of \$289.2 million (2024: \$323.6 million) better reflects underlying performance.

The Group's net current liability position has improved to \$303.9 million (2024: \$456.5 million) largely as a result of deferred consideration payments made in 2025. The Group expects that the net current liability position will be addressed through a combination of operating cash flows and available liquidity.

The effectiveness of the Group's disciplined hedging strategy was demonstrated during the year, with hedge gains and other income of \$184 million recorded, reflecting a \$4/boe contribution to adjusted EBITDAX. Our proactive approach to commodity risk management is designed to strike the right balance between maintaining exposure to commodity price upside while ensuring strong downside protection of cash flows to support planned investment and uphold commitments to shareholder returns through the cycle. Following significant proactive hedging activity in Q1 2026, taking advantage of market volatility, the Group has built a material hedge position as at 17 March 2026 of 63.8 mmboe (c.39% gas, c.61% oil) through the end of 2027 from 1 January 2026. The 2026 hedge book has been built to deliver oil price certainty with >80% of oil volumes in 2026 hedged using swaps at an average of c.\$67 and with collars including some participating up to c.\$90/bbl ceilings.

Gas hedges in 2026 deliver material upside to the business with >40% of gas volumes in Q1 to Q3 either unhedged or hedged via collars with up to 130p/ therm average ceilings. The 2027 hedge book is expanding significantly during the current high price environment.

Our commitment to delivering attractive and sustainable shareholder returns remains unwavering. In 2025, our strong operational and cash flow performance has supported total cash dividend distributions of \$500 million, including the first interim 2025 dividend of \$167 million declared and paid in September 2025, and the acceleration of a second interim dividend of \$133 million declared and paid in December. The Board has today declared a third interim dividend of \$200 million in respect of the 2025 financial year to be paid in April 2026, bringing our total 2025 dividends declared to \$500 million, in line with our stated target for the year. Since our IPO in November 2022, we have built a strong track record of delivering material returns to shareholders with \$1.4bn of dividends declared and returned to shareholders across three financial years.

Looking ahead, the Board has reviewed the dividend policy, as part of the broader capital allocation framework and increased the targeted shareholder return range to 20-35% of post-tax CFFO, up from the previous range of 15-30%. This upward revision reflects the strength of the Group's enhanced portfolio and underpins our ability to deliver attractive sustainable returns, while continuing to invest in growth.

**Outlook**

Following a year of exceptional strategic and operational delivery, we enter 2026 from a position of considerable strength. We will continue to uphold our strategic, operational and financial discipline as we pursue value-driven growth, high-grading investment across our strategic pillars and operating within the parameters of our refreshed capital allocation policy to maximise value creation and deliver attractive, sustainable shareholder returns.

**Management provides the following guidance for the year, and medium-term outlook:****Our 2026 production guidance of 120-130 kboe/d**

reflects the Group's enhanced installed operating capacity at year end and the full year contribution of increased stakes in the Cygnus and Seagull field following continued consolidation in the year. Beyond 2026, the Group expects to maintain production above 120 kboe/d in the medium-term from its existing producing asset base, the start-up of the Rosebank development and other project investments.

**Our operating cost guidance for 2026 of \$820-860 million**

(based on USD: GBP exchange rate of 1.35) reflects a reduction in opex per barrel driven by the high netback capability of the portfolio. In the medium-term, we expect to maintain a relatively flat unit operating cost per barrel of approximately \$20/boe.

**Our producing asset capital cost guidance for 2026 of \$600-700 million**

(based on USD: GBP exchange rate of 1.35 and excluding capital investment for projects awaiting FID and Rosebank), reflects our continued high levels of organic investment activity to sustain and optimise production at Captain, Cygnus, J-Area and Mariner in support of our medium-term outlook.

**Rosebank development costs to be in the range of \$280-320 million**

reflecting increased activity in the final phase of the project development, including completion of FPSO modification, drilling and hook-up and commissioning works.

**Net decommissioning cost guidance of \$170-210 million**

(based on USD: GBP exchange rate of 1.35), reflects the cessation of production of the Group's operated Alba field and the Greater Stella Area in 2026.

**Estimated 2025 cash tax payments of \$290-340 million**

primarily EPL related.

**Our material hedge position at 17 March of 63.8 mmboe**

provides strong cash flow coverage into 2027 following significant proactive hedging through Q1, taking advantage of upside market volatility.

**Our 2026 dividend commitment**

is 30% post-tax CFFO with a target range of \$470-520 million.



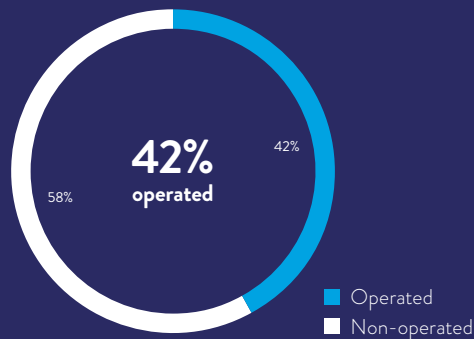
Operations Review

# Our operating review

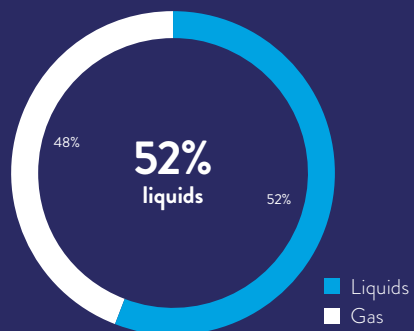
Diverse and high-quality portfolio of operated and non-operated assets in the UKCS.

Our UK North Sea portfolio consists of 36 producing field interests, which predominantly lie in the Northern, Central and Southern North Sea, Moray Firth and West of Shetland areas of the UKCS.

Net pro forma production<sup>1</sup> split (Operated and non-operated)



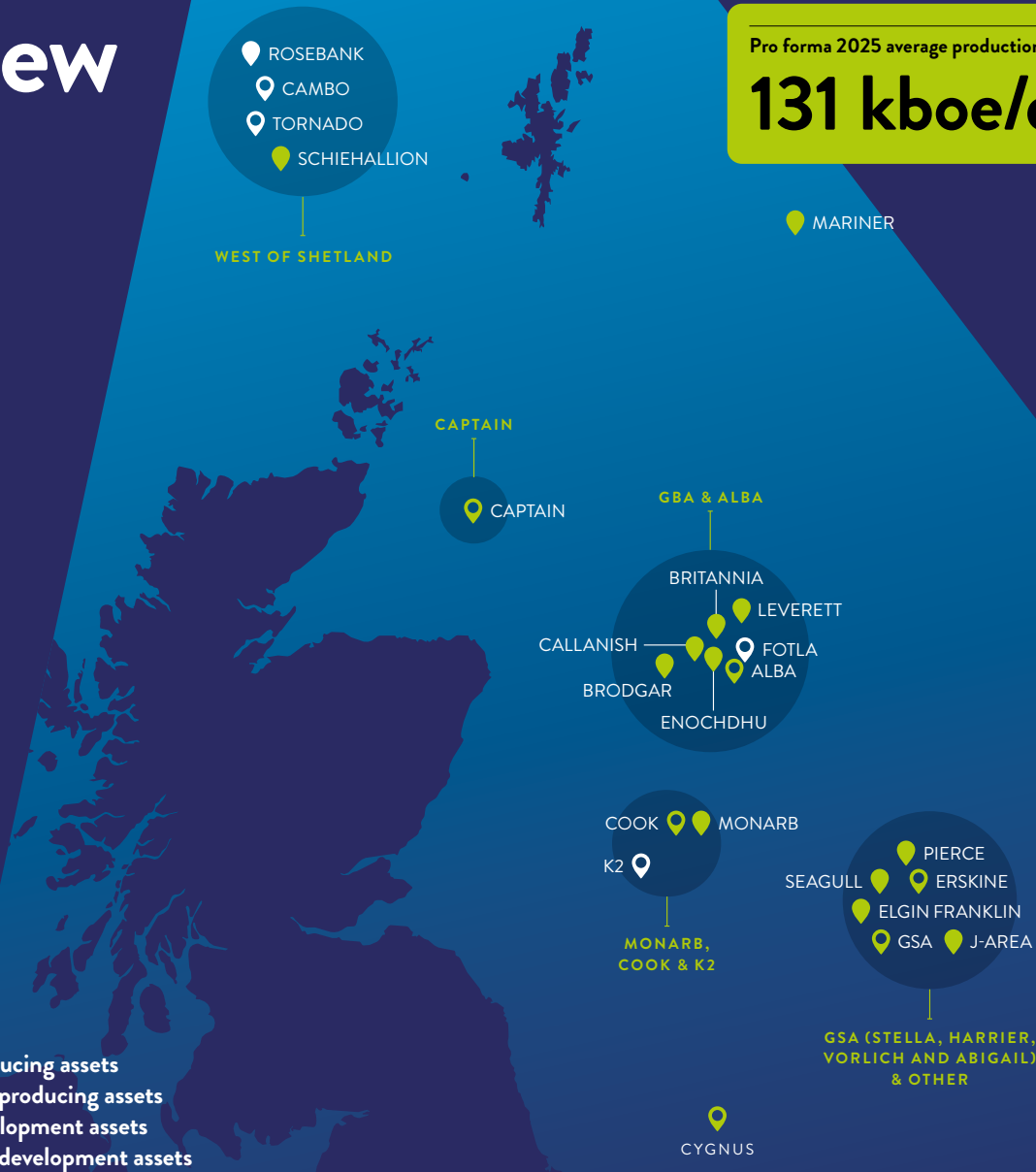
Net pro forma production<sup>1</sup> split (Liquids and gas)



- Operated producing assets
- Non-operated producing assets
- Operated development assets
- Non-operated development assets

Pro forma 2025 average production<sup>1</sup>

## 131 kboe/d



1. Pro forma results include contribution from increased interests in Cygnus and Seagull from 1 January 2025 to 31 December 2025

Operations Review continued

# Operated and non-operated assets



## 📍 Captain

Material investment in the Captain field has continued throughout 2025 in support of the 13th well campaign, backlog reduction and optimisation activities. During H1, Captain successfully drilled and completed two new production wells, contributing to the assets highest reported production in recent years. By year end, and in response to EOR Phase II, production from the subsea wells had doubled, with this positive performance sustained into 2026. To secure the continued expansion and long-term success of the EOR programme, the first phase of the 14th infill campaign was sanctioned in Q4.

To support longer-term stability and operational performance, a major flotel campaign commenced in 2025. The flotel enabled significant backlog reduction, optimisation activities and decarbonisation projects with key scopes including the export compressor B change out, process optimisation scopes, and the flare gas recovery project.

Average net 2025 production of 17.1 kboe/d, was lower than forecast, due to the decision to extend the Captain shutdown and flotel campaign to support increased scope and further investment to safeguard longer-term environmental and operational performance. The shutdown represented the most significant and complex turnaround undertaken on the asset for many years.

Average 2025 net production

# 17.1 kboe/d

## 📍 Cygnus

Ilthaca Energy increased its working interest in the Cygnus field by acquiring an additional 46.25% equity stake from Spirit Energy, taking our working interest up to 85.00% with an effective date of 1 January 2025. The transaction completed 1 October 2025.

The Cygnus field performed well in the year delivering production efficiency of ~90% and achieving average net production of 14.2 kboe/d, reflecting the Group's increased stake from 1 October. A 16-day turnaround was successfully completed in August ahead of schedule.

Material ongoing investment has been sanctioned at the Cygnus field to sustain and optimise production including the continuation of the long-term infill drilling campaign, with well C12 achieving first production in late December 2025. The previously sanctioned 13th well was spudded in Q4 2025, scheduled to be followed by 14th well in Q2 2026, with the final firm well planned for a Q4 2026 spud. Further investment opportunities at the field are expected to reach final investment decision in H1 2026.

Working interest post-acquisition from Spirit Energy

# 85%

Average 2025 net production

# 14.2 kboe/d

## 📍 Elgin Franklin

Elgin Franklin delivered strong operational performance in 2025, maintaining high production efficiency of ~94% while safely executing a major summer shutdown which included control system upgrades and flare gas recovery construction.

Average net production of 17.6 kboe/d benefited from successful perforation and surveillance campaigns. Key well activities included B1 P&A and preparatory work for the next tranche of wells to be executed with the Valaris Stavanger rig.

Average 2025 net production

# 17.6 kboe/d



## Operations Review continued

## 📍 Seagull

Following the acquisition of JAPEX UK, in July 2025, our equity in the Seagull field increased from 35% to 50%, equalling bp's interest as field operator.

Operationally, Seagull activity in 2025 centred on the drilling and completion of the J4 well, with start-up achieved in November 2025 after extended well completion operations.

Completion of this well marked the transition from Ithaca Energy's role as development well operator, to a non-operated owner. Early well performance of J4 has been strong, in line with expectations. Operational efficiency of the ETAP facility and existing Seagull wells were also in line with expectations, with average net production at 11.8 kboe/d.

Working interest following acquisition of Japex UK E&P

# 50%

Average 2025 net production

# 11.8 kboe/d



Significant investment activity, including

# 3 new wells

Average 2025 net production

# 20.2 kboe/d

## 📍 J Area

J-Area delivered strong operational performance through 2025, with strong field uptime and on time turnaround delivery. Key well activity centred on three high-value contributors executed with the Valaris 120:

- Jocelyn South (Well R03): A successful exploration well spud in 2024 and brought online in 2025, adding new reserves and supporting sustained hub deliverability
- R04: A long-extended reach Judy Infill well successfully brought online in the summer of 2025
- R5 (Judy East Flank – JEF): Drilled in 2025 with 11 fracture stimulation treatments completed. The well was brought online 29 December 2025

These new wells, together with strong performance of the recently brought online Talbot field and a successful well stimulation campaign, contributed to J area delivering its highest average production rates in over ten years at 20.2 kboe/d net.

## Operations Review continued



IN FOCUS – STABILITY

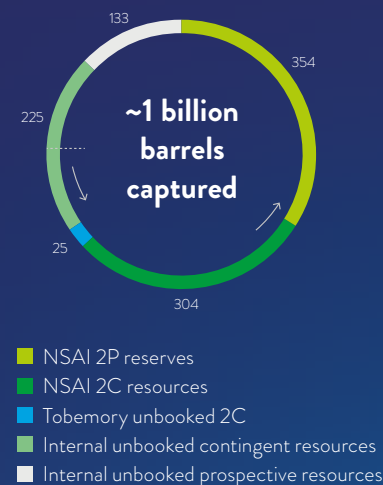
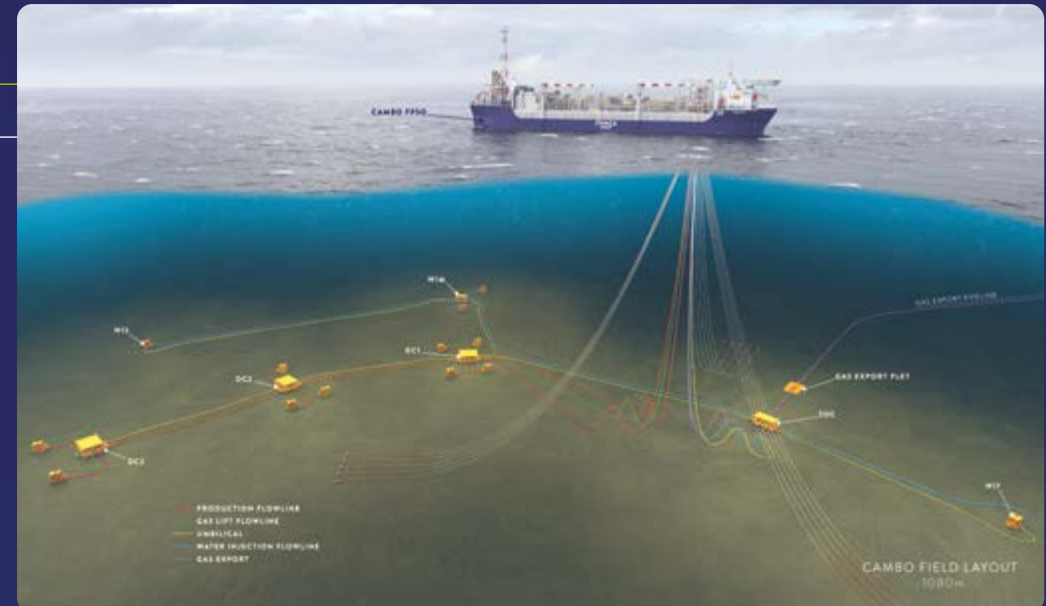
# Developing our resources

Unlocking the long-term potential of our material organic resource base represents a core pillar of our growth strategy. With 354 mmboe of 2P reserves and 2C resources of 304 mmboe, we have a significant resource base to support continued scale and longevity of our operations. Our focus on evolving our organic resource base is highlighted by our strong 2P reserves replacement ratio of over 130% in 2025.

During 2025, significant efforts have been made in establishing the Group's internal reserves and resources process, building on – but distinct from – the independent evaluation completed annually for the competent person report. The new PRMS-aligned framework applies detailed Project Maturity Sub classifications, enabling a more comprehensive assessment of the Group's resource base.

Through this internal review, the Group has identified substantial unbooked resource potential across both contingent and prospective categories. Internally, the results indicate up to 225 mmboe of unbooked contingent and 133 mmboe unbooked prospective resources representing additional resource potential that could mature into the booked portfolio over time.

These findings sit alongside the Group's booked 354 mmboe of 2P reserves and 304 mmboe of 2C contingent resources. Included within the unbooked 2C assessment is 25 mmboe of Tobermory 2C, added following the Group's 2025 farm-in, which is planned to be matured into booked contingent resources at year end 2026.



2P Reserves replacement ratio as per NSAI independent reserve audit

**134%**

Internal view of resource potential

**>1bn barrels**

## Sustainability review

# Caring for tomorrow

We take pride in being a responsible contributor to the UK's energy mix. Our strategy is centred on the addition of oil and gas resources within this mix, not a transition away from them, ensuring the UK continues to benefit from secure, domestically produced energy.

We are committed to upholding the highest standards of sustainability across all areas of our business. While the world continues to rely on oil and gas, we recognise our responsibility to produce and develop these resources responsibly, continually striving to reduce the environmental impact of our operations and to create lasting positive value for our communities, partners, and stakeholders.

**External alignment**

Our sustainability reporting is aligned with recognised international reporting framework and initiatives including;

- Task Force on Climate-related Financial Disclosures recommendations;
- United Nations SDGs; and
- United Nations Global Compact

Unless otherwise stated, all our environmental and safety data in this section of the report relates to the performance and activities of Ithaca Energy operated assets, and is reported on a 100% basis regardless of our equity interest in each asset.

**Our performance in FY25**

Gross operated Scope 1 and 2 emissions (tCO<sub>2</sub>e)

**437,455**



Gross operated emissions intensity (kgCO<sub>2</sub>e/BOE)

**17.2**



Total Recordable Incident Frequency (TRIF)

**1.7**

**Sustainability highlights**

**Reduction in Scope 1 and 2 emissions vs. 2018 baseline**

**Emissions intensity down 25%**

**TRIF down from 2.3 to 1.7**



Sustainability review continued

# For our planet

### 2025 Highlights

- Launch of Company Net Zero Policy
- Alignment and certification of combined environmental management system post Business Combination with Eni UK
- Awarded Gold Standard Pathway under OGMP 2.0
- Successful completion of extensive methane measurement campaign through NTZC joint industry partnership
- Completion of Company-wide ESG materiality assessment
- Extensive engineering tie-ins for FGR completed on Captain asset
- Significant reduction in events with direct impact of the marine environment

### Priorities for FY26

- Launch ESG strategy, focusing on material topics identified in 2025
- Reach OGMP 2.0 Level 5 across all operated assets
- Commence the operation of the Captain WPP and BLP FGR system

### Relevant material topics

**01** ▲  
Climate change

**02** ▲  
Energy use & GHG emissions

**03** ▲  
Effluents, spills and waste

**04** ▲  
Biodiversity

**05** ▲  
Decommissioning

# For our people

### 2025 Highlights

- Zero Tier 1 or Tier 2 safety incidents
- 25% reduction in Total Recordable Injury Rate
- Implemented harmonised Business Management System across the organisation
- Launch of our 'Make it safer' campaign
- Increase in employee engagement score of 12%
- Participation in employee engagement survey of 81%
- Reorganisation and integration complete following Eni UK Business Combination, with Senior Leadership Team established
- Over 2,400 hours of dedicated leadership development training

### Priorities for FY26

- Ensure no Tier 1/ Tier 2 process safety events are experienced across our assets
- Identify areas for improvement from engagement survey and action
- Launch our new recognition framework
- Launch and embed our behavioural framework – 'Our Way'

### Relevant material topics

**06** ▲  
Occupational health & Safety

**07** ▲  
Process Safety

**08** ▲  
Security

**09** ▲  
Emergency Response

# For our communities

### 2025 Highlights

- Delivered an estimated >10% of the UK's oil and gas production, supporting UK energy security
- 2025 OEUK 'Neighbour of the Year' winner
- New partnership with Developing the Young Workforce (DYW) North East formed
- Support of five key charity partners
- Positive increase in engagement, reflecting sense of purpose gained from supporting voluntary activities
- Over 2,000 hours of volunteering

### Priorities for FY26

- Mature critical UK assets towards FID
- Continued volunteering support for our key charity partners, including creation of dementia village at Crosby House (VSA)
- Relaunch partnership with North East Scotland Biodiversity Partnership (NESBiP)

### Relevant material topics

**10** ▲  
Our communities

## UNDERPINNED BY STRONG GOVERNANCE

### 2025 Highlights

- Continued to monitor the evolution of the Group's culture
- Issuance of €450 million senior notes and upsizing of RBL facility
- Cash dividends totalling \$500 million for 2025
- Supported strong governance through Board policies

### Priorities for FY26

- Execution of organic and inorganic growth strategy
- Continued focus on HSE performance
- Capital project approvals
- Adherence to capital allocation framework including delivering attractive shareholder returns

### Relevant material topics

**11** ▲  
Business ethics

**12** ▲  
Supply chain management

**13** ▲  
Employment practises & DE&I

## Sustainability review continued

### Our governance framework

We embed sustainability into our governance, risk management and decision-making processes. To ensure the effectiveness of our sustainability management, regular reviews are conducted by the Board, the Board's Health, Safety, Environment and Security Committee and the Executive Leadership Team. We use various assurance mechanisms, including internal and external audits, and participate in external performance ratings, to evaluate our progress and drive continuous improvement.

### Materiality assessment

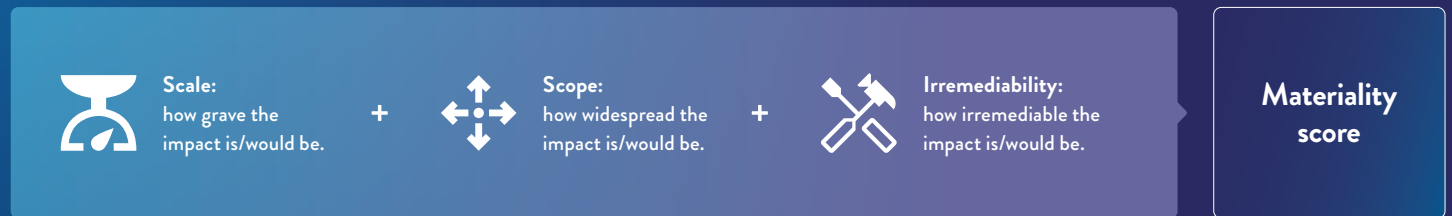
In 2025, we conducted a Double Materiality Assessment (DMA) to identify and evaluate the sustainability topics that are most significant to both our business and our stakeholders. This assessment forms a key part of how we shape our sustainability strategy and informs our environmental, social, and governance (ESG) reporting.

Our DMA process was guided by the methodology outlined in the European Sustainability Reporting Standards (ESRS), ensuring alignment with evolving global best practices and helping us prepare for the upcoming disclosure requirements under the International Sustainability Standards Board (ISSB).

To determine our material topics, we reviewed the latest regulatory developments, industry frameworks, and emerging sustainability trends, and engaged with a broad range of internal and external stakeholders. The final list of material issues was confirmed through close consultation with our Senior Leadership Team, ensuring that our priorities reflect both business relevance and stakeholder expectations.

The chart presents the most material topics identified through the DMA. Looking ahead, we will continue to align our reporting and disclosures with these priorities and the classifications set out under the ESRS framework.

In 2026, we will develop and launch a Company-wide ESG strategy, which will connect our most material topics with operational delivery and decision-making.





Sustainability review continued



# For our planet

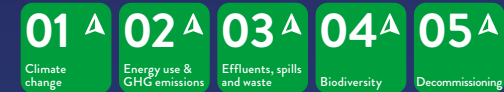
“

During 2025 we achieved significant improvements in our environmental performance, with the setting of challenging metrics and clear objectives across a range of topics providing us with real focus to deliver against. This section provides an excellent summary of the tangible outputs realised from the hard work put in across the Ithaca team. As we head into 2026, we have further initiatives planned to enable us to successfully achieve further improvements across our operational activities.”

Simon Taylor, EVP Health, Safety, and Environment



### Material topics



### Linked SDGs



### Targets and objectives

Reduce our net equity emissions by 50% by 2030, in line with the North Sea Transition Deal targets

Reach OGMP 2.0 Gold Standard status by 2027

Execute significant emission reduction projects and continually assess the suitability of our Emissions Reduction Action Plans

Achieve Zero Routine Flaring (ZRF) across our operated assets by 2030

Achieved In progress New

### Focus areas in 2026

Investing in our operations to reduce emissions in line with our ERAP

Completing methane materiality assessments and measurement campaigns to get us to OGMP 2.0 Level 5

Deliver ISO 50001 and ISO 14001 across operational assets

Enhance ESG data availability and make available on website to better publicise proactive workscopes undertaken in these areas

Move to implement Environmentally Conscious Organisation (EnCO) approach across operations

### Our progress

Gross operated Scope 1 and 2 CO<sub>2</sub>e emissions

# 437,455 tonnes



Emissions intensity (kgCO<sub>2</sub>e/BOE)



Sustainability review continued

FOR OUR PLANET



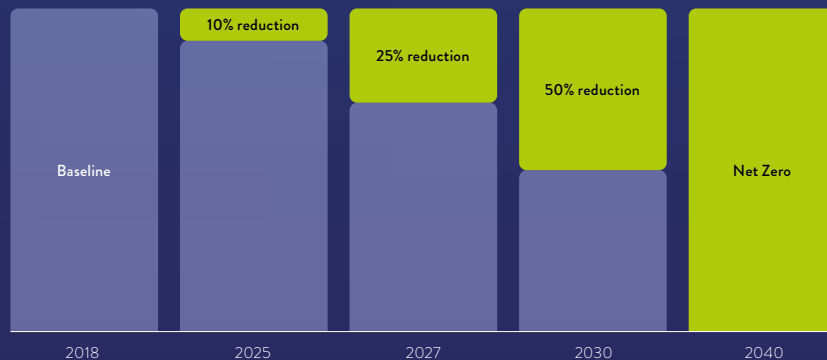
# Climate change and energy transition

We recognise that climate change presents both significant risks and critical opportunities for our business, our sector, and the communities we serve. As a UK North Sea operator, we are committed to playing a leading role in the transition to a lower-carbon future while continuing to provide secure and reliable energy.

Our ambition is to maintain one of the lowest-carbon portfolios in the UK North Sea and to achieve Net Zero Scope 1 and 2 emissions by 2040, a full decade ahead of the North Sea Transition Deal (NSTD) commitment.

Our 2025 gross operated emissions of 437,455 tCO<sub>2</sub>e is a 28% reduction since our 2018 baseline. Our 2025 gross operated Scope 1 and 2 emissions intensity of 17.2 kgCO<sub>2</sub>e/BOE is a 25% reduction since 2024 and is reflective of our commitment to lower-intensity production.

Net Zero Pathway Targets for absolute emissions (tCO<sub>2</sub>e)



## Approach

We support the ambition of the NSTD and are committed to contributing to the energy transition by producing oil and gas responsibly while low-carbon technologies develop. We aim to achieve Net Zero for our net equity Scope 1 and 2 CO<sub>2</sub>e emissions by 2040, ten years ahead of the NSTD target.

Recognising the importance of immediate action, we focus on reducing emissions as far as reasonably and economically practical. As our operations grow, we will continue prioritising climate-responsible, low-intensity production and, where necessary, mitigate residual emissions through verified carbon credits.

Our Net Zero Policy forms the basis of our current transition planning initiatives, and is supported by our Methane Implementation Plan and Emissions Reduction Action Plans (ERAPs). Our Methane Implementation Plan clearly outlines our methane reduction targets and reduction plans for each asset and ERAPs have been established for each field. To support these emissions reduction plans, we are also investing in R&D to determine the feasibility of large-scale GHG emission reduction projects (e.g., electrification) across our assets.

Ithaca Energy's Net Zero Policy was established in 2025 and lays out strategic priorities and an implementation roadmap across three phases:

- Phase 1 is concentrated on reducing our emissions across operated and non-operated assets over a short-term timeframe (2026-2030);
- Phase 2 prioritises transitioning our portfolio to lower carbon intensity assets over the medium term (2030-2035); and
- Phase 3 aims to achieve and sustain Net Zero through offsetting hard to abate residual Scope 1 and 2 emissions in the long-term (2035-2040).

To further mature our approach to managing climate change and the energy transition, we are also reviewing our existing transition strategy and working to identify priority areas for

refinement. This will help us to evaluate the effectiveness of our financial planning and strategic decision-making in relation to climate change. Through this exercise, we have identified several priority areas for further maturing our transition approach: i) consolidation of transition planning documentation and communication; ii) evaluation of costed abatement pathways; and iii) formalising distinct governance routes, processes and procedures to support Group-level financial and strategic decision-making. These elements will support our risk management and transition of the business moving forwards.

## Performance

The combined Scope 1 and Scope 2 emissions intensity of our operated assets was 17.2 kgCO<sub>2</sub>e/boe, representing a substantial improvement compared with 23.9 kgCO<sub>2</sub>e/boe in 2024. This reduction reflects continued delivery against our strategy to lower emissions intensity while meeting energy demand in the most sustainable manner possible. The year-on-year improvement was driven primarily by portfolio changes, most notably the addition of the Cygnus field, which operates at a very low emissions intensity. Cygnus now contributes a significant proportion of our gross operated production, materially lowering the overall emissions intensity of our operated asset base. We also continually assess and optimise our energy efficiency, minimising wasted energy and unnecessary activities such as flaring, venting and reprocessing, leading to more reliable, optimised operations at the lowest-emissions intensity practical.

In 2025, our owned and operated Scope 1 emissions totalled 437,455 tCO<sub>2</sub>e, representing a 10% reduction year-on-year and a 28% reduction from our 2018 baseline. This sustained downward trend reflects the cumulative impact of targeted emissions reduction initiatives across our operated assets, alongside continued portfolio evolution towards lower-intensity production. These outcomes demonstrate ongoing progress against our decarbonisation pathway and the effectiveness of embedding emissions management within day-to-day operational decision-making.

## Sustainability review continued

Total spend on energy transition activities during the year amounted to \$100 million, underscoring our commitment to delivering tangible emissions outcomes. This comprised \$74.6 million invested in decommissioning, \$24.5 million in emissions reduction projects, and \$0.2 million in methane quantification campaigns. These investments support both near-term emissions reductions and longer-term structural changes to our asset base. Further detail on emissions reduction project progress in 2025 is provided to the right, with additional information on our decommissioning programme and methane management activities set out on page 58.

We apply a structured approach to identifying, screening and prioritising emissions reduction opportunities, assessing initiatives against emissions impact, cost, delivery timeframe and operational feasibility. Selected opportunities are incorporated into our Emissions Reduction Action Plans (ERAPs), which are reviewed and updated regularly, ensuring continued alignment with our decarbonisation objectives and integration as technologies mature and asset plans evolve. Embedding ERAPs within wider business planning ensures emissions reduction remains integral to operational and investment decision-making.

During 2025, several major works were completed that did not translate into full-year emissions reductions but are expected to deliver measurable benefits from 2026 onwards, providing a strong foundation for continued progress against our emissions reduction ambitions.

The Captain Electrification project did not progress to final investment in 2025, and the group has no current plans to electrify the platform due to technical complexity, significant investment requirement and ongoing UK fiscal uncertainty. We continue to identify and assess decarbonisation options as part of our ERAP.

### ERAPs while exploring new technologies to enhance performance, including:

Major tie-ins were completed on the Captain WPP to allow commissioning of the flare gas recovery system in 2026. This will reduce CO<sub>2</sub>e emissions by up to 14,000 tonnes a year, around 8% of the total field emissions.

**8%**  
reduction of the total field emission

Modifications were made to the Alba North platform import gas pipework to allow power generation to continue to utilise imported fuel gas, reducing our reliance on emissions-intensive diesel and avoiding CO<sub>2</sub>e emissions of up to 13,000 tonnes a year during the decommissioning campaign.

**13,000**  
tonnes CO<sub>2</sub>e emissions avoided

Major tie-ins were completed on the Captain WPP to allow the reinstatement of export gas compressor B, which will improve compression reliability, increasing production efficiency and reducing flaring.

We also work closely with our partners to reduce emissions across our non-operated portfolio, and collaborate with industry bodies to share lessons learned and success stories in our emissions reduction efforts.

Preparations have been made on board the Captain FPSO so that the fired heater burners may be replaced early next year, reducing our NO<sub>x</sub> emissions by almost 50%, improving efficiency, and enabling dual fuel firing from 2027.

**50%**  
reduction in NO<sub>x</sub> emissions

Completed three aerial methane measurement surveys across our Captain and Cygnus assets, giving us clear understanding of our material methane sources and allowing us to target reduction efforts.

**3**  
aerial methane measurement surveys

Studies or progression of plans on Captain and Cygnus in other areas.





Sustainability review continued

FOR OUR PLANET



# How we manage climate risk (TCFD)

Pages 50 to 58 of this report align with the recommendations issued by the Financial Stability Board’s TCFD, which is aligned UK Listing Rule 9.8.6R(8).

Further, Ithaca Energy is in scope of the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 and, therefore, required to incorporate Climate-related Financial Disclosures (CFD)-aligned climate disclosures in its Annual Report and Accounts. We consider our climate-related financial disclosures consistent with the CFD disclosure requirements of section 414 CA and 414CB of the Companies Act.

Recognising the significance of managing climate-related risks and opportunities to the success of our business, we acknowledge the importance of continuously improving our reporting and transparency to further align with the TCFD recommendations. As such, we are building maturity in our climate management, resilience and disclosure in anticipation of emerging and enhanced UK reporting requirements under the UK Sustainability Reporting Standards (UK SRS). See page 85 for our TCFD index and compliance summary table.

## Climate governance

The Board has ultimate accountability and oversight for managing climate-related risks and opportunities, including reviewing assessed climate-related risks and opportunities and the effectiveness of mitigating actions. Two Board sub-committees support the Board’s oversight of climate-related issues:

- **Audit and Risk Committee (ARC):**

Receives quarterly updates on climate-related issues, risks and opportunities, ensuring climate risks are integrated into broader business processes for risk evaluation and management. Principal risks, which include climate risks, are a standing agenda item for the ARC, who advise the Board and Executive

management in their responsibilities over climate risk management. This includes risks associated with transitioning to a lower-carbon economy.

- **Health, Safety, Environment and Security (HSES) Committee:**

Working closely with the HSE&A Team, the HSES Committee meets quarterly to review and assess climate-related risks and opportunities, monitor Greenhouse Gas (GHG) emissions vs. corporate targets and ensure regulatory compliance. The HSES Committee reports quarterly to the main Board on emissions performance and intensity and periodically reviews progress towards Net Zero targets and emissions reduction commitments.

“

Sustainability, the communities in which we operate and governance matter deeply to us and are interwoven into our balanced business strategy.”





## Sustainability review continued

The Board reviews Ithaca Energy's Net Zero strategy through quarterly updates from the ELT and oversees its implementation and delivery, including performance against targets. Climate-related matters were discussed four times at Board meetings during 2025, which included evaluation of energy transition risks and the effectiveness of related risk management activities. The Board also conducts an annual strategy review, which includes discussion on climate-related risks and opportunities. Climate-related issues are considered by the Board in relation to their impact on strategy decision-making, risk management and financial planning and major capital investment decisions.

The EVP of HSE&A is also responsible for the annual HSE&A integrated objectives and improvement plan which outlines key elements and actions for measuring our success against our targets and ambition. This plan was endorsed by the ELT and the Board and in 2025, 88% of the elements in the plan were completed.

Climate performance, including performance against the Company's emissions targets, is embedded in the corporate scorecard and annual performance KPIs through the Remuneration Committee. More on our performance against our climate targets can be found on page 57.

At the management level, the EVP of HSE&A and the Chief Operating Officer (COO) (members of the ELT) lead the management of climate-related issues, risks and opportunities. The Environment team reports to the EVP of HSE&A, responsible for managing the Climate Risk Register, emissions data, associated regulatory reporting, performance tracking of emissions, and identifying reduction opportunities in collaboration with asset teams. The COO is accountable for asset performance against Company targets, including asset commitment to environmental compliance, emission reduction activities and efficiency improvements linked to Company climate targets. Together, they hold quarterly meetings to review climate-related risks and opportunities, emissions performance, emissions reduction opportunities,

regulatory developments, and strategic impacts. Key actions are tracked and reviewed at subsequent meetings. Committees are informed of emissions reduction progress and major climate-related issues to ensure appropriate management across the organisation.

The diagram on the right illustrates the Company's governance arrangements to oversee climate-related risk management and their interconnections

### Climate strategy

Our focus this year has been refining and enhancing our approach to climate risk management, drawing together stakeholder input, peer analysis and ISSB cross-industry topics, to refresh our climate risk register and the prioritised material climate risks and opportunities that were established last year. The work undertaken in the prior year included a risk and opportunities identification exercise which resulted in a short-list of potentially materially climate-related risks and opportunities. This year, a refreshed long-list of potential climate-related risks and opportunities were re-evaluated, supported by desktop research on wider market trends as well as consideration of any recent changes to our business and strategic priorities. Priority risks and opportunities were validated by senior management and taken forwards for financial quantification. We identified one physical risk, four transition risks and one opportunity as priority risks that have potential financial materiality. Two transition risks assessed in the prior year (access to capital and industry scrutiny and regulations) were consolidated into one reputational risk for ease of communication that may result in higher costs or financial penalties and/or reduced access to capital (R4, page 55). Further, one risk that was identified in the prior year analysis (legal risks from litigation or non-compliance) was determined to be immaterial based on the prior year analysis and has therefore been deprioritised for quantitative climate scenario analysis. We will continue to review and monitor our long-list of climate risks and opportunities on an annual basis to ensure that any potential changes to our risk exposure is considered.

## Climate governance structure

### Board

The Board has overall authority for the management and conduct of the Group's business, strategy and development, including the energy transition strategy.

With support from sub-committees, the Board holds responsibility for reviewing and assessing climate-related issues, risks and opportunities, tracking GHG emissions vs. corporate targets and ensuring compliance with regulations and reporting requirements.

**Audit and Risk Committee**

**Health, Safety, Environment and Security Committee**

### Executive Leadership Team (ELT)

The CEO, with support from the ELT, is responsible for delivering the Group strategy including energy transition commitments.

At the asset and investment level, climate-related risks and opportunities are assessed as part of the business planning and pre-investment due diligence stage.

Principal risks are reviewed and managed by the ERM. Emerging risks, including those related to climate change, are escalated to the Committee for discussion and potential escalation to a principal risk.

**Chief Executive Officer**

**Chief Financial Officer**

**EVP Health Safety and Environment**

**Investment Committee**

**Enterprise Risk Management Committee**

### Finance

The Finance team formally evaluates and updates the climate scenario analysis model, so that the Environment and Energy Transition teams may facilitate the climate risk register review on an annual basis through meetings and workshops with the ELT.

### Environment and Energy Transition

The Environment and Energy Transition teams have responsibility for monitoring climate performance against targets and for implementing our climate strategy.

## Sustainability review continued

### How we manage climate risk (TCFD) continued



#### Scenario mapping

Scenario	IPCC mapping	Primary climate scenario sources used in modelling	Description
Net Zero (1.5°C)	RCP 2.6	NGFS Orderly transition scenario IEA Net Zero scenario CMIP6 SSP1-2.6 scenario	All necessary climate policies and related measures are implemented sufficiently to achieve global Net Zero GHG emissions by 2050 and limit global warming to 1.5°C.
Current polices (3.5-4.5°C)	RCP 8.5	NGFS Hot House World scenario IEA Stated Policies scenario CMIP6 SSP5-8.5 scenario	Assumes limited climate policies are implemented, resulting in some global warming.

We note that the climate scenario analysis relies on a range of secondary scenario data that underpins plausible climate pathways, and that these pathways should not be interpreted as forecasts. The analysis is intended to complement our financial forecasts, while providing a broader assessment of climate-related risks and opportunities. We are monitoring those risks against the climate scenarios and intend to refine our approach to the climate scenario analysis periodically.

In line with the TCFD and FCA requirements, we assessed the impact of two climate scenarios on the identified potentially material climate risks and opportunities under our current business model and strategy. Climate-related risks and opportunities are assessed against three defined time horizons: i) short-term: to 2030; ii) medium-term: to 2040; and iii) long-term: to 2050. This aligns with the maturity mix of our asset portfolio (late-life, mid-life and long-life assets), as well as our emissions reduction targets and associated strategy focused on short-term operational improvements, mid-term portfolio revitalisation and long-term targeted electrification, consistent with the climate scenario analysis approach undertaken over the past two years.

Please refer to the adjacent tables for an overview of the climate scenarios used, including their alignment to IPCC temperature pathways, the scenario sources applied, and an overview of each scenario.

Full details on the material physical and transitional risks and opportunities and their potential financial impact to our business under defined climate scenarios and time horizons are provided in pages 54 and 55. Mitigation actions and strategic measures we have in place to manage our material climate-related issues, as well as the outcomes of the climate scenario analysis undertaken across our operated and non-operated assets, are also outlined. For further information on the impact of climate change on our financial performance, see note 3 of the Financial Statements.

This year, climate-related risks and opportunities have been assessed against the scoring criteria defined within Ithaca Energy's Enterprise Risk Management (ERM) framework. The financial impact ratings are derived from the absolute risk thresholds (£m) (defined within the ERM scoring criteria), relative to Ithaca Energy's 2024 baseline revenue (£m). The financial overall ratings are presented as a percentage value against the baseline revenue (%), defined in the Risk and Opportunity tables on pages 54 and 55. Our analysis utilises the latest financial risk thresholds (£m) defined in our 2025 ERM

scoring criteria, which has materially impacted our results. The financial ratings indicate the percentage of forecast revenue (%) at risk. In November 2025, Ithaca's ERM framework was revised including new risk-scoring thresholds set across the Company. For corporate-level risks, the financial values for the risk thresholds were increased. As part of this year's climate scenario analysis, we revised some scenario models, considering changes to our understanding of our risk exposure, as well as latest and/or newly available secondary scenario data. This refinement exercise, coupled with the updates to our ERM framework, resulted in a general reduction in risk scores across our defined climate scenarios and time horizons compared to prior year analysis.

The climate scenario analysis undertaken has strengthened our understanding of the potential impacts across the climate scenarios and time horizons assessed (see pages 54 and 55 for full details on the outcomes of this analysis). Through this analysis, we recognise transition risks as the most material challenges to the oil and gas sector, particularly those risks closely related to the energy transition, such as changing commodity demand and price volatility, as well as tightening policy and legal regulations. These risks will be exacerbated under a Net Zero scenario, where increased competitiveness for low-carbon energy sources is anticipated. As our strategy remains focused on oil and gas, Ithaca Energy may be most exposed to these transition risks over the medium- to long-term. However, the UKCS's lower-carbon-intensity production relative to the global average upstream operators, coupled with our short- and medium-term strategic priorities to improve energy efficiency and target lower-carbon assets, means our products are likely to be preferentially favoured as policies reduce spending on higher-emission products and we anticipate this will position us well in the future global energy market. We believe this will provide us with a short- to medium-term competitive advantage over other markets, however, we will continue to monitor the situation closely and take additional remedial actions or adjust our business strategy accordingly to ensure we remain resilient under a 2°C or lower scenario.

**Sustainability review** continued**How we manage climate risk (TCFD)** continued

Ithaca Energy will continue to enhance resilience using climate scenario analysis to guide our sustainability strategy and mitigate physical and transition risks.

For example, we will continue to implement our short and medium-term strategic priorities by investing in energy efficiency improvements and look to reduce the carbon-intensity across our portfolio, helping us to work towards our GHG emissions targets and commitments. Further, we have established additional KPIs to help us to effectively monitor and manage each of our climate-related risks and opportunities (see page 56).

To further strengthen our climate resilience, we have conducted a transition planning gap assessment to evaluate how effectively climate considerations are currently embedded within investment, capital planning and wider strategic decision-making processes (as outlined in the Climate change and energy transition section). The findings from this work will support Ithaca Energy to consider and manage our role in the global energy transition.

Moving forward, we will continue to periodically assess climate-related risks and opportunities and evaluate our mitigations and strategic resilience. At a minimum, we will undertake a high level review of the quantitative scenario analysis annually, with a comprehensive update every three years or following any major business changes such as divestments or acquisitions.

**Relative opportunity and risk impact**

Very low	Low	Medium	High	Very high
<3% revenue	<7% revenue	<16% revenue	<32% revenue	>32% revenue



Sustainability review continued  
How we manage climate risk (TCFD) continued

RISK 1 PHYSICAL RISK – ACUTE

## Increased frequency and severity of extreme weather events

Timeframes

CP	Short	Medium	Long
NZ	Short	Medium	Long

**Description of financial impact**

Increases in extreme weather, most notably storms and high winds and waves, could cause disruption to drilling operations as health and safety concerns cause a cease in operations, causing subsequent losses in revenue. This may also result in increased repair costs across operated and non-operated assets and potential increased costs from rising insurance costs.

**Key modelling assumptions**

- Modelling assumes two primary vectors: (i) disruptions to drilling and therefore operational delays; and (ii) increased insurance costs.
- CMIP6 global wind-wave data from CSIRO has been used as a proxy for calculating trends in adverse climate events and resulting estimated operational delays.

**How Ithaca Energy maintains resilience**

- Continue to assess and embed resilience and mitigation measures for environmental hazards and climate change allowances in offshore asset design and operations.
- Continue to maintain and update our severe weather policy and business continuity plans, including asset level action and emergency response plans.
- Continue to undertake meteorological and oceanographic studies for all our offshore developments, incorporating the latest climate scenarios.

RISK 2 TRANSITION RISK – POLICY & LEGAL

## Increased cost of carbon through taxation and other carbon pricing mechanisms

Timeframes

CP	Short	Medium	Long
NZ	Short	Medium	Long

**Description of financial impact**

Increased compliance, operating, capital expenditure and decarbonising requirements resulting in direct costs, particularly for our higher-emitting assets. Evolving carbon taxation legislation and other carbon pricing mechanisms would result in direct cost for Ithaca Energy (Scope 1 emissions) and indirect cost (Scope 3 emissions).

**Key modelling assumptions**

- Carbon tax costs (£/tCO<sub>2</sub>e) increase in line with the IEA’s World Energy Outlook 2025 explicit carbon price trends.
- Carbon tax costs (£/tCO<sub>2</sub>e) increase in line with the IEA’s World Energy Outlook 2025 explicit carbon price trends. Under the IEA’s ‘Net Zero Emissions by 2050’ scenario, the explicit carbon price (for advanced economies with Net Zero pledges) is forecast to grow 147% by 2035 and 257% by 2050, compared to 2025 values.
- Downstream Scope 3 GHG emissions are assumed to be passed through the downstream value chain.

**How Ithaca Energy maintains resilience**

- Continue to invest in low-carbon activities available to Ithaca Energy, to lower our emissions footprint and thereby reduce exposure to carbon taxes.
- Continue to use internal carbon pricing stress test resilience of Ithaca Energy’s operating model to market-based carbon price regimes.
- Continue to monitor carbon taxation mechanisms and hedge against anticipated policy changes.
- Continue to hedge against the rising cost of carbon by locking in short-term prices.

RISK 3 TRANSITION RISK – MARKET

## Reduction in demand for oil and commodity price volatility

Timeframes

CP	Short	Medium	Long
NZ	Short	Medium	Long

**Description of financial impact**

Changing consumer preferences towards lower-carbon energy sources and demand reductions as a result of changing climate policy may reduce demand for Ithaca Energy’s oil and gas products, resulting in reduced revenue and/or stranded assets. Coupling decreased demand with excess supply could significantly reduce global prices of hydrocarbons, which may reduce revenue and increase the risk of stranded assets.

**Key modelling assumptions**

- Changes to oil and gas market demand and commodity prices follow scenario trends from the IEA’s World Energy Outlook 2025. Under the IEA’s ‘Net Zero Emissions by 2050’ scenario, global demand for oil is set to decrease by 30% by 2035, and 76% by 2050, compared to 2025 levels. Global oil prices are expected to decrease 56% by 2035 and 67% by 2050, compared to 2025 levels under the same scenario.

**How Ithaca Energy maintains resilience**

- Continue to conduct reviews of our corporate strategy and business model in the context of the energy transition and changing demand/ prices for oil and gas.
- Continue to explore investment in emissions reductions to reduce the emissions intensity of our products.
- Continue to reduce our emissions footprint to maintain a competitive, low carbon-intensity hydrocarbon, which will position Ithaca Energy as a strong player in the UKCS and global oil market.

Sustainability review continued  
How we manage climate risk (TCFD) continued

RISK 4 TRANSITION RISK – REPUTATION

## Industry scrutiny increasing reputational risks and reducing access to capital

Timeframes

CP	Short	Medium	Long
NZ	Short	Medium	Long

**Description of financial impact**

There is increasing scrutiny on high-emitting sectors, including oil and gas, as global decarbonisation efforts heighten. These changes are likely to amplify our reputational risks, which could damage our social license to operate, reduce access to capital, increase capital costs, increase litigation and financial penalties, and make attracting and retaining skilled talent more difficult.

**Key modelling assumptions**

- Modelling assumes two primary vectors: (i) increased costs from financial penalties; and (ii) increased cost of capital.
- Exposure to a financial penalties are assumed to scale in line with carbon pricing scenario trends.
- Estimated changes in interest rates under the climate scenarios have been used as a proxy to assess the cost of capital.

**How Ithaca Energy maintains resilience**

- Continue to mature our transition planning, investment decision-making and overall pathway to Net Zero by 2040.
- Continue to monitor investor and lending appetite and preferences in the context of decarbonisation and the energy transition.
- Consider incorporating emissions reductions targets into any lending debt facility.

RISK 5 TRANSITION RISK – TECHNOLOGY

## Implementing low-carbon technologies may increase capital expenditure

Timeframes

CP	Short	Medium	Long
NZ	Short	Medium	Long

**Description of financial impact**

As Ithaca Energy invests in technologies to meet climate commitments and GHG targets, significant capital expenditure may be required. If we delay or fail to adopt required solutions, Ithaca Energy may face reduced revenue, stranded assets and/or increased costs.

**Key modelling assumptions**

- Modelling assumes two primary vectors: (i) increased capital expenditure on large-scale GHG emission reduction projects (e.g., electrification); and (ii) revenue loss associated with assets with tiebacks to non-operated hubs that do not meet regulatory requirements.
- Assumes the abated GHG emissions from modelled CapEx projects reduces (and may completely offset) Ithaca Energy’s exposure to carbon taxes (R2), thereby reducing the overall risk.

**How Ithaca Energy maintains resilience**

- Planned development of a roadmap to reaching our Net Zero 2040 target, including a costed decarbonisation pathway to set a clear strategy prioritising the most effective emissions reductions activities in terms of cost and reduction potential.
- Continue to monitor the global market for emerging low-carbon technologies, such as electrification, and associated government policies affecting technology development.

OPPORTUNITY 1 MARKET

## Increased demand attributed to lower relative carbon intensity products

Timeframes

CP	Short	Medium	Long
NZ	Short	Medium	Long

**Description of financial impact**

The UKCS low GHG-intensity products may be better positioned in the energy transition compared to global producers, as downstream consumers preferences shift. The competitive advantage of the UKCS market could mean that Ithaca Energy benefits from increased prices and/or increased demand.

**Key modelling assumptions**

- Assumes Ithaca Energy can expand its existing portfolio and operations to meet potential increase in market demand for lower carbon-intensive products.
- Ithaca Energy’s share of total UKCS production follows production forecast.

**How Ithaca Energy maintains resilience**

- Ongoing horizon scanning on how hydrocarbon characteristics are pricing into decisions on hydrocarbon selection (e.g. carbon intensity as well as API gravity and sulphur content).
- Continue to develop a lower-carbon intensity portfolio.

**Sustainability review** continued

## How we manage climate risk (TCFD) continued

**Climate risk management**

The Climate Risk Register is formally updated annually through the support of a third party, which involved re-evaluation of the long-list of climate-related risks and opportunities considering existing and emerging regulation, as well as wider industry and market trends. Following this, a risk validation workshop was held with key stakeholders from across the Company to determine the most material to climate-related risks and opportunities to Ithaca Energy, to be taken forwards for quantification through the climate scenario analysis described in Climate Strategy (see page 51).

At the organisational level, responsibility for the Climate Risk Register sits with the Environment group of the HSE&A team. This includes the evaluation of the risks and opportunities to account for additional planned mitigation measures used to calculate a post-mitigation residual risk level score. It is also used for the wider annual re-assessment of risks and opportunities or following any material change to the Company.

Material transition and physical climate-related risks are integrated into the Group's Enterprise Risk Management (ERM) processes as part of the 'Energy Transition and Net Zero Delivery' principal risk to be managed appropriately. Climate-related risks and opportunities are assessed against our ERM framework and Risk Prioritisation Matrix, to ensure the assessment of financial impact to the Company is consistent with evaluation of wider business risks. High and very high climate-related risks are monitored closely, with any material changes and progress communicated to the ELT.

Climate-related risks are also managed at the asset and investment level, considered as part of business planning and pre-investment due diligence stage, with each asset holding its own risk register which feeds into the organisation level climate risk register held by the Energy Transition team.

For wider information on Ithaca Energy's Principal risks, see pages 76 to 83.

**Climate metrics and targets**

In 2025, we performed an evaluation of appropriate KPIs and targets to help track our exposure and performance against climate-related risks and opportunities. The metrics detailed in the table opposite reflect the key indicators identified as part of this process, that will be used to continually monitor and report on our resilience to climate risk moving forwards. To inform the selection, the Group considered sector-specific metrics suggested by the TCFD implementation guidance.

Climate-related metrics identified include carbon price sensitivity and exposure, capital and operational expenditure on emission reduction projects, logistics delays due to adverse weather, percentage of production covered by OGMP compliance, among others including GHG emissions and energy use (see 'GHG emissions and energy use' section on the opposite page).

Progress towards targets is tracked against our baseline year, 2018, and against NSTD targets. For further details on performance against our climate targets and overall transition approach, see the Climate change and energy transition section above on pages 46 to 49. For further information on the integration of metrics with the Group scorecard, see the KPIs included in performance scorecards on page 32.

**Climate-related metrics**

	2025	2024
<b>Metrics to measure GHG emissions and climate performance</b>		
Gross operated Scope 1 and 2 GHG intensity (tCO <sub>2</sub> e/boe)	17.2	23.9
Gross operated Scope 1 and 2 emissions (tCO <sub>2</sub> e) <sup>1</sup>	437,455	488,003
Percentage change in Scope 1 and 2 emissions <sup>2</sup>	-27%	-18%
Scope 3 emissions (ktCO <sub>2</sub> e)	15,227	10,948
Percentage of annual bonus linked to GHG performance (%)	10	10
<b>Metrics to monitor climate-related risks and opportunities<sup>3</sup></b>		
(R1) Operations downtime due to severe weather (hrs)	944	-
(R2) Average cost of carbon (£/tCO <sub>2</sub> e)	41	-
(R2) Percentage of operations covered by carbon pricing schemes (%)	100	100
(R3/O1) GHG Intensity (per above)	17.2	23.9
(R4) Percentage of production covered by Level 5 OGMP compliance (%)	40	-
(R5) Spend on Emission reduction projects (£m)	24.5	-
(O1) Percentage of production from low carbon assets (lower than NSTA basin average) (%)	69.1	-
(O1) Total spend on decommissioning (\$m) <sup>4</sup>	74.6	-

1 2024 Gross operated Scope 1 and 2 emissions were reported as 448,190 tCO<sub>2</sub>e and included emissions from the Cygnus asset effective from the date of the business combination with Eni UK Ltd, 1st July 2024. The 2024 full calendar year emissions from Cygnus have been reported for 2024 here, in order for a like-for-like comparison to be made.

2 Percentage reduction is against the 2018 gross operated emissions baseline of 603 ktCO<sub>2</sub>e.

3 NEW reportable metrics for 2025 used internally to monitor our financial risk exposure to climate risks and opportunities.

4 Excludes spend on assets subject to decommissioning reimbursements



**Sustainability review** continued

## How we manage climate risk (TCFD) continued

**GHG emissions and energy use****Streamlined energy and carbon reporting (SECR)**

Ithaca Energy reports all emissions within its operational control in line with the Companies Act 2006 Regulations and the Energy and Carbon Reporting Regulations 2018. Reporting follows the GHG Protocol Corporate Accounting and Reporting Standard and the UK SECR guidance, with all reported emissions relating to our UK and offshore operations.

**Scope 1 and 2 Emissions**

The Group collects and tracks Scope 1 and 2 GHG emissions for each of its operated assets, as well as Scope 1 emissions for non-operated assets, measured in tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e). Ithaca Energy accounts are verified under the requirements, regulations and guidance of the 2020 UK GHG Order (UK ETS).

Our Scope 1 and 2 emissions reporting boundary includes our offshore assets over which we have operational control. We review our operational boundary regularly. In the event of M&A (mergers and acquisitions) that alter Ithaca Energy's equity interests in NOJV assets, there will be a re-baselining of emissions calculations. This ensures consistency in performance tracking against the 2018 baseline and alignment with net zero targets. Our baseline year remains set at 2018, in line with the NSTA transition deal. When calculating our emissions, we follow guidance from sources including the GHG Protocol, IPIECA Sustainability Reporting Guidance and the UK Environmental and Emissions Monitoring System.

	2025	2024
<b>Emissions<sup>1</sup></b>		
Scope 1 GHG emissions (ktCO <sub>2</sub> e)	436.9	487.7
Scope 2 GHG emissions (ktCO <sub>2</sub> e)	0.6	0.3
Scope 3 GHG emissions (ktCO <sub>2</sub> e) <sup>2</sup>	15,227	10,948
Scope 3 GHG emissions – excluding use of sold products (ktCO <sub>2</sub> e) <sup>3</sup>	447.0	506.6
Gross operated GHG intensity (kgCO <sub>2</sub> e/BOE)	17.2	23.9
Net Equity Scope 1 GHG emissions (ktCO <sub>2</sub> e) <sup>4,5</sup>	891.4	627.8
Net Equity Scope 1 GHG intensity (kgCO <sub>2</sub> e/BOE) <sup>4</sup>	23.5	20.7
<b>Flaring and Venting<sup>6</sup></b>		
Total Flared Mass (tonnes)	36,728	–
Flaring intensity (tonne flared/BOE)	0,002	–
Total Vented Mass (tonnes)	473.6	–
<b>Energy</b>		
Energy consumption (million MWh)	1.81	1.81
Energy Intensity (TJ/mBOE)	0.26	0.35

1 All emissions metrics are calculated in line with the GHG Protocol; Scope 2 emission calculations use a market-based method.

2 Scope 3 emissions are calculated in line with the GHG Protocol, including categories 1, 4, 6 and 11

3 Reduction versus 2024 due to a change in methodology which avoids double counting of emissions resulting from hired vessels

4 Increase in reportable 2024 emissions versus what was reported in 2024 accounts due to expansion of scope and improvement of methodology

5 Net equity emission metrics are reporting based on our equity share of producing assets in which we hold an operating interest

6 NEW reportable metrics for 2025 support our progress monitoring toward zero routine flaring and venting by 2030

In 2025, our owned and operated Scope 1 emissions were 436,915 tonnes, a 10% decrease from 2024 and a 27% decrease from our baseline year 2018. This decrease was largely driven by reduced power demand as a result of lower production throughput on our late-life assets. Our emissions intensity in 2025 was 17.2 kgCO<sub>2</sub>e/BOE, a marked decrease from 23.9 kgCO<sub>2</sub>e/BOE in 2024, reflecting our ongoing growth strategy of the addition of low-carbon producing assets.

Since 2023, Scope 1 greenhouse gas absolute emissions, and carbon intensity have also been reported on a net equity basis, incorporating the proportional contribution from both operated and non-operated assets. In 2025 our Scope 1 net equity emissions were 891,433 tCO<sub>2</sub>e.

**Scope 2 emissions**

Our Scope 2 emissions, from purchased electricity for our offices in Aberdeen were 540 tonnes, accounting for only a small percentage of our carbon footprint. Scope 2 emissions are calculated using the market-based methods separately as defined by the GHG Protocol Scope 2 Guidance. Scope 2 emissions are presented on a gross basis. Our Scope 2 emissions, from purchased electricity for our offices in Aberdeen were 540 tonnes, accounting for only a small percentage of our carbon footprint.

**Scope 3 emissions**

We expanded our reporting to include Scope 3 GHG emissions in 2024 and continue to report on 4 of the 15 Scope 3 categories. When prioritising Scope 3 GHG emissions categories to report, materiality and relevance to the oil and gas sector, as well as availability of data were considered. We will continue to assess our Scope 3 reporting boundary as our business grows.

Scope 3 GHG emissions are calculated with reference to the GHG Protocol's Corporate Value Chain Standard and IPIECA Estimating Petroleum Industry Value (Scope 3) GHG Emissions guidance. In 2025, our reported Scope 3 GHG emissions arising from sources not owned or operated by Ithaca Energy but occurring as a result of our activities totalled 15.23 MtCO<sub>2</sub>e (2024: 10.95 MtCO<sub>2</sub>e).

Emissions from our downstream products (category 11) contribute significantly to our overall Scope 3 footprint.

Our upstream Scope 3 emissions include our gross operated emissions associated with:

- Goods and services from projects and operational activities (category 1): 280.6 ktCO<sub>2</sub>e
- Upstream transportation and distribution from logistics (category 4): 165.7 ktCO<sub>2</sub>e
- Employee business travel (category 6): 0.7 ktCO<sub>2</sub>e

Our downstream Scope 3 emissions include our net equity share of emissions associated with:

- Use of sold products (category 11): 14.78 MtCO<sub>2</sub>e

Our category 11 scope 3 emissions have increased proportionally with our production increase from 2024 to 2025.

**Methane**

This year, just one year after becoming signatories, we achieved Gold Standard Pathway certification under OGMP 2.0, reflecting the significant progress made in strengthening methane management across our operated assets. This recognition acknowledges the rapid development and implementation of robust methane action plans, enhanced governance, and a clear, credible pathway towards higher-tier methane measurement and reporting. Our achievement of Gold Standard Pathway status demonstrates the pace at which we have embedded OGMP 2.0 requirements into our environmental management systems and aligns our approach with leading international best practice.

In November, our Captain assets became the focus of a joint industry partnership with the Net Zero Technology Centre, highlighting our proactive approach to collaboration, innovation and knowledge-sharing. More information can be found on page 59.

	2025	2024
Methane emissions (tonnes)	1,205.5	–
Methane Intensity (%)	0.05	0.10

## Sustainability review continued

### How we manage climate risk (TCFD) continued

#### Effluents, spills and waste

We are committed to preventing pollution and continually assessing the environmental risks associated with our production and related activities. All our operations have comprehensive spill contingency plans in place, supported by ongoing contracts with specialist spill-response providers to ensure rapid, effective action in the unlikely event of a major incident. Further details on our approach to emergency preparedness and crisis management can be found on page 62.

In 2025, we recorded ten loss of containment events, resulting in the release of 4.78 tonnes of material to the marine environment (2024: 27 events, 85.8 tonnes). This improvement is a result of improved environmental audit, assurance and awareness across our offshore and onshore teams. All incidents were thoroughly investigated, and corrective actions implemented to prevent recurrence and strengthen operational integrity.

#### Effluents and spills metrics

	2025	2024
Discharge of produced water (million tonnes)	4.78	4.84
Number of unplanned hydrocarbon release incidents	9	16
Quantity of unplanned hydrocarbon released to the environment (tonnes)	<0.01	-
Number of unplanned chemical release incidents	1	11
Quantity of unplanned chemicals released to the environment (tonnes)	4.71	-
Oil in produced water (mg/l) – planned discharges	6.03	5
Oil in produced water (tonnes) – planned discharges	30	-

#### Waste

Waste returned to shore from our operated producing assets is shown in the following table. The increase in waste for 2025 can primarily be attributed to increased platform drilling in the Captain field and associated regulatory compliance constraints. The addition of the Cygnus asset also accounted for additional waste although did not add significantly to the total for 2025.

	2025	2024
Total waste generated (tonnes)	6,695	4,774
Hazardous waste	4,509	-
Non-hazardous waste	2,183	-

#### Decommissioning

Ithaca Energy is committed to conducting decommissioning activities to the highest standards of safety, efficiency, and cost-effectiveness. We operate in full compliance with all applicable UK and international regulations, ensuring that our approach remains both responsible and sustainable. Through active collaboration with regulators, industry partners, and the supply chain, we continue to adopt best practices and drive continuous improvement across all decommissioning operations.

In 2024, the Anglia A platform, located in the Southern North Sea (UKCS Block 48/19b), was successfully removed and fully dismantled, with 97% of the asset (primarily scrap metal) recycled. The six platform wells associated with Anglia were plugged and abandoned (P&A'd) in 2023, followed by the P&A of a further subsea well in 2025.

In 2025, the Group commenced P&A activities on the Alba field (UKCS Block 16/26) in the Central North Sea. This marks the start of a major platform-based P&A campaign as Alba approaches cessation of production in 2026.

Ithaca Energy continues to progress decommissioning planning for several high-intensity assets approaching end of life, while simultaneously investing in lower-emission intensity assets such as Cygnus and Rosebank.

In 2026, three operated assets, the Alba North Platform, Alba Floating Storage Unit (FSU), and Stella Floating Production Facility (FPF-1), are expected to cease production, having depleted their recoverable reserves and become no longer economically sustainable. The floating assets (Alba FSU and Stella FPF-1) will be removed from location in 2026, with subsequent campaigns to remove wells and subsea infrastructure scheduled in later years.

#### Biodiversity

We consider impacts on biodiversity as part of our environmental impact assessments. We use the results of these assessments to identify and manage the actions we can take to lower our impact. In 2026, we will develop a biodiversity plan to further assess and manage our biodiversity impacts across our growing portfolio of operations. We are already working with industry and the local community to take action to protect and improve biodiversity and ecosystems on and offshore. We use an Offshore Bird Management Portal for our SNS assets which allows us to monitor bird activity. This is particularly important on our unmanned installations which play host to nesting sites for protected species such as kittiwakes. The portal allows us to monitor activity during the nesting

season and help prevent operational impact. In addition, we are partners in the North East Scotland Biodiversity Partnership, which takes action to preserve, promote and improve biodiversity through projects and awareness programmes in the North East of Scotland.

#### Environmental management

Ithaca Energy's Environmental Management System (EMS) establishes procedures to manage and mitigate environmental impacts and to assess and prioritise emission reduction opportunities. The EMS complies with OSPAR Recommendations 2003/5 and aligns with ISO 14001 and ISO 50001 standards, with these practices embedded in our governance, risk, and performance framework.

We monitor environmental impacts during operations and conduct audits as needed to ensure compliance and identify improvement opportunities. Stakeholder engagement is maintained throughout the lifecycle of our operations.

Further information on our environmental performance is disclosed in our annual environmental (OSPAR) report, available on our website.



Sustainability review continued  
How we manage climate risk (TCFD) continued



IN FOCUS – STABILITY

## Methane Joint Industry Partnership

**Ithaca Energy participated in a multi-operator Joint-Industry Project (JIP) led by the Net Zero Technology Centre to advance offshore methane measurement and support future OGMP 2.0 Level 5 reporting across the UK North Sea.**

**The Methane Measurement JIP brought together six North Sea operators and leading scientific partners to create consistent, science-driven methods for offshore methane quantification.**

The Captain field was chosen as the base for the project thanks to its mix of fixed platforms and an FPSO – an ideal setup for proving technologies across varied structures and wind environments.

The project will help advance industry guidance by providing CH<sub>4</sub> and CO<sub>2</sub> emissions data and tackling core technical challenges such as drone standoff distances, wind-characterisation best practice, and the effects of structural wind shadowing offshore.

Three specialist vendors – Flylogix, Aeromon and SINTEF – each added unique value. Flylogix’s long-range UAV flights provided the first Level 5 downwind baseline for plume behaviour. Aeromon’s drone surveys delivered detailed emissions mapping to validate mass-flow estimates. SINTEF contributed a full suite of bottom-up assessments – from LDAR walkdowns to flare efficiency checks – while also performing plume transects to align source-level data with site-level measurements.

For industry, the campaign raises the bar on measurement accuracy, supports credible emissions reporting, and strengthens the technical foundation for OGMP 2.0 compliance. For Ithaca Energy, participation deepened our understanding of methane behaviour and enhanced our capability to deliver more robust, defensible emissions reporting across our operated assets.

“

**The Methane Measurement JIP shows the power of industry collaboration. When operators and technology partners come together with a shared goal, we unlock new ideas, learn from each other’s experiences and make real progress toward more consistent, transparent methane measurement.”**

– Net Zero Technology Centre



## Sustainability review continued

## Our people



# For our people

“

Having joined the Executive Leadership Team of Ithaca Energy during 2025, I am energised by our growth ambition which sets us apart from other companies in the sector. We offer exciting opportunities across the whole life cycle and are building the Company we all want to work for, where people feel valued and recognised for their contribution to the success of the business. That’s why I joined and I am committed to making that happen at Ithaca Energy.”



Nikki Fox, EVP People and Culture

## Material topics



## Linked SDGs



## Targets and objectives

● Achieved ● In progress ● New

- Ensure no Tier1 and Tier 2 process safety events across our assets ▲
- Implement a new harmonised Business Management System ▲
- Launch and embed our behavioural framework – ‘Our Way’ ▲
- Integration of our people to form one team, following Business Combination with Eni UK ▲
- Identify areas for improvement from engagement survey and action ▲
- Launch refreshed grading structure ▲

## Focus areas in 2026

- Process safety leadership focus on training and competence, audit and assurance and risk management
- Deliver action in areas of leadership, recognition and development in response to our engagement survey
- Launch of a refreshed behavioural framework that supports how we work together and how we bring our values to life
- Build Senior Leadership capability that focuses on unlocking potential and putting people at the centre of driving business success
- Embed our values to support an inclusive and diverse workplace that values all our people





Sustainability review continued  
Our People continued

FOR OUR PEOPLE



# Our people are our greatest asset

**Health, Safety and Environmental performance is our highest priority, and we remain committed to providing a safe and healthy working environment for all employees, contractors and other personnel working for us.**

Our operations are underpinned by a robust HSE policy and a comprehensive management system. Accountability is embedded across the Group through setting challenging safety and environmental metrics within our performance scorecard, which is reviewed regularly by the Board. Our processes are further strengthened through rigorous risk assessments, strict compliance with legislation, and active participation in key industry bodies, such as OEUK and Step Change in Safety, ensuring we continue to contribute to and adopt best practice across the sector.

Our people are central to our success, and we continue to prioritise talent development, employee engagement, and creating a positive culture where individuals feel a strong sense of belonging and shared purpose. We recognised the importance of refreshing and embedding our values during our integration, to promote an inclusive and collaborative environment that empowers our teams to contribute to our shared success. It is important that our people feel listened to and valued, with our 2025 engagement survey and regular two way communications providing an opportunity for them to express themselves and contribute to shaping our culture.

## Values

### Our approach

At Ithaca Energy, our people are at the centre of everything we do. Our culture is rooted in collaboration and collective expertise, guided by a clear vision and a set of values. Following the Group's Business Combination with Eni UK in late 2024, we took the opportunity to review our values in partnership with employees, reinforcing our commitment to a 'one team' focus.

### Our performance

In 2025, our objective was to align our ways of working around our 'one team' focus. Our values have played a pivotal role in this, strengthened through employee collaboration and relaunched across our combined business.

A particular focus was placed on our safety value, making expectations around personal ownership of safety and the importance of human factor fundamentals clear.

Our five values – Make it Safer, Bring Strength, Be Considered, Express Yourself, and Deliver Results – underpin behaviours, decisions, and interactions across the organisation, helping to create a workplace where employees feel empowered, respected, and valued.

Our recent Company-wide employee engagement survey showed that 90% of employees understand our Company values, reinforcing the success of our communication and engagement efforts.

### Looking ahead

We will continue embedding our values through enhanced communication, discussions and activities across the business always tying back to our values, making the connection visible to all. We will also launch a refreshed behavioural framework that supports who we are and how we work together, bringing our values to life every day.

## Integration

### Our approach

Following the Group's Business Combination with Eni UK, we undertook a comprehensive review of our organisational structure, systems, processes and ways of working, with the aim of fostering efficiency, collaboration and accountability.

### Our performance

As part of this review, we implemented a new operating model and aligned systems, processes and policies, including performance management and succession planning while maintaining a strong focus on our people through clear communication, recognition and wellbeing support.

We also established a Senior Leadership Team (SLT) to provide consistent leadership across the business, strengthen relationships, and improve communication and collaboration. We were pleased to see a 12% increase in our employee engagement score at the end of 2025, which we believe reflects the positive impact of these changes.

### Looking ahead

We will continue to focus on unlocking the potential of our talent, as they deliver exceptional business outcomes that utilise the range of experience, background, cultures and approaches that our people bring. We recognise the value in the diverse backgrounds of our workforce and will continue to enhance this with the addition of new people who bring enthusiasm, energy and talent into Ithaca Energy.

## Leadership

### Our approach

Strong leadership is fundamental to our success, supporting our integration as one high performing team and shaping a Company we can all be proud of.

### Our performance

Our leaders play a critical role in driving our evolving culture through communication, coaching and role modelling our values. In 2025, we invested significantly in leadership development. Delivering 2,400 hours of training through our bespoke People Leaders Programme, participating in the Future Industry Leaders programme, and establishing new functional talent leads and teams to improve development opportunities. We also strengthened our succession planning and launched a new Development OIM programme.

In response to feedback from leaders and employees, we established a new Senior Leadership Team, bringing together key leaders from across the business, including offshore to enhance alignment, strengthen cross-functional collaboration, build relationships and drive progress on our priority performance areas. The SLT acts as a vital conduit between employees and the business, ensuring shared understanding and clarity on how each role supports business success.

### Looking ahead

In 2026, the SLT will continue to mature and improve its effectiveness by focusing on our highest priority performance goals and areas highlighted in our recent employee engagement including employee development and recognition.

To further support leadership development, we plan to deliver targeted sessions on feedback and change management, with longer-term plans to develop a bespoke in-house senior leadership programme.

**Sustainability review** continued

## Health and safety

# Health and safety

**Our approach**

At Ithaca Energy, Health, Safety, and Environmental (HSE) performance is our highest priority, and we remain committed to providing a safe and healthy working environment for all employees, contractors and other personnel working for us.

To drive effective HSE management we ensure that we:

- Include challenging safety and environmental performance measures in our scorecard designed to drive performance improvements, tracked at established meetings and reviewed by the Board;
- Diligently apply robust risk assessment and management of change processes;
- Manage activities in compliance with legislation and industry standards, through subscription to legislation services and proactive participation in groups led by industry bodies and groups such as OEUK, IOGP and Step Change in Safety;
- Ensure regulator accepted safety cases are in place for all offshore facilities which summarise our management of potential Major Accident Hazards (MAHs) and safety and environment sections of our Company management system;
- Undertake detailed Line of Defence (LOD) auditing, driving focus on prevention of Major Accident Hazards, with regular progress reporting to the Board HSE Committee;
- Effectively manage independent assurance of safety and environmental critical elements (SECE) by an Independent Competent Person (ICP) as part of our written scheme of verification;
- Undergo effective independent reviews of well programmes undertaken via our well examiner;
- Adhere to our framework for technical authorities, providing independent assurance of work activities;
- Maintain effective crisis management and emergency response processes, exercised regularly and supported by specialist agencies as required; and

- Have clear oversight and challenge of activities by the Board HSE Committee, which is led by experienced industry leaders.

Recognising that the prevention of process safety events, and the health, safety and security of those who work for, with, and alongside Ithaca Energy, are central to our business success, we work to proactively manage the potential risks of major incidents and actively drive improvements in our HSE performance by continuing to:

- Develop, implement and deliver clear improvement plans, covering all areas of HSE;
- Focus on developing a strong leadership culture, prioritising process safety culture and Stop Work Authority;
- Reinvigorate Company core values, including the launch of the 'Make it safer' HSE-focused value during 2025;
- Further develop our process safety culture, with continued focus on leadership training for senior leaders;
- Work to understand and effectively manage human factors within our activities, launching our Human Factor Fundamentals programme supported by Human Performance training;
- Continue frontline Operator Process Safety training;
- Increased focus on contractor selection and management activities, reflecting the importance of a 'one team' approach to delivering shared success; and
- Promote use, and adherence to, Life Saving Rules and Process Safety Fundamentals across our operations.

**Performance**

The Group continues to monitor and manage the Fatality and Permanent Impairment (FPI) and Total Recordable Case Frequency (TRCF) associated with its operated assets as a means of evaluating the health and safety performance of the Group and the suppliers working on the assets.

In addition, the Group progressively monitors process safety events, monitoring Tier 1, 2 and 3 events (as defined by Institute of Oil & Gas Producers IOGP AP1453) for learning, improving operational and process safety performance, within an open and transparent incident reporting culture, as a continual focus of the business and a combination of targets and specific measures are implemented with a view to facilitating this goal.

Our 2025 performance reflects the first full-year since the completion of Ithaca Energy's transformational Business Combination with Eni UK, incorporating data from all operated assets, operational MODUs, Flotel scopes (alongside Captain WPP) and vessel activities throughout the year.

Our performance with regard to Fatality and Permanent Impairment, Process Safety Events and Recordable Case or injury rates are shown in the following table, which confirms continued improvements versus prior years:

	2025	2024	2023	2022
Fatality and Permanent Impairment (FPI)	–	–	–	–
Process Safety Events Tier 1	–	–	1	–
Process Safety Events Tier 2	–	–	1	2
Total Recordable Case Frequency per million hours	1.7	2.3	3.3	3.4

**Looking ahead**

During 2025 we progressed integration activities following the completion of the Business Combination with Eni UK in 2024 to identify best practice opportunities to enhance HSE management and deliver business efficiencies. During 2025, we implemented our new 'Make it safer' value ensuring HSE matters are front and centre in our activities and representing a cornerstone of our proactive safety culture. We have undertaken standardisation of several key systems and processes via a comprehensive change management programme, including implementation of the Synergi tool for logging all incidents, events and associated actions, and implementation of an enhanced tool for recording and assessing environmental performance data.

Moving forwards, in 2026 we will continue with this harmonisation programme, and further refine our broader strategy around health, safety and environmental management to ensure ongoing suitability to our business and identification of opportunities to deliver improvements in our HSE performance. Key focus areas will include:

- Process Safety Leadership – detailed plans developed and being progressed covering a range of topics, aligned to industry focus areas including process safety training and competence, audit and assurance, and risk management

## Sustainability review continued

### Health and safety continued

- Enhancements to audit and assurance scopes in line with updated governance documentation and plans;
- Becoming more active members of Step Change In Safety, leveraging on their material where appropriate and actively sharing our information and tools with them as part of driving delivery of industry-wide improvements in safety performance;
- Delivery of enhancements to our Control of Work processes, including implementation of an updated E-permit to work process supported by updated site standards and procedures, alongside training for personnel;
- Continued harmonisation of our HSE processes and systems following completion of the Business Combination with Eni UK, seeking to identify and implement best practice approaches alongside simplification and standardisation;
- Enhancement of our ESG activities, with specific focus upon delivering further emissions management and reduction opportunities, through both technical solutions and behavioural activities;
- Identifying and delivering performance improvement scopes in line with our ISO certifications;
- Delivering enhancements to our occupational and industrial health and wellbeing activities, including embedding of a new online database for management of data which enables greater visibility of compliance;
- Implementing and embedding human performance principles across our activities, including delivery of human performance training to key personnel; and
- Further enhancements in contractor selection and management processes, in line with IOGP 423, with a 'one team' approach recognised as essential to delivering shared successes.



IN FOCUS - STRENGTH

## Investing in the next generation of OIMs



As part of our commitment to developing future leaders, we launched an Offshore Installation Manager (OIM) development programme in 2025, targeting high-potential individuals for accelerated progression to OIM level or onshore leadership roles. Combining technical and behavioural development, the programme ensures these future leaders have operational expertise and strategic vision.

Typically, without extensive experience working offshore, there is no formal route for progression to OIM. This new framework creates a structured path for people with diverse backgrounds, such as engineering or operational leadership, to develop the skills and experience they need to become our future offshore leaders.

Ben Anderson for Alba FSU, Nick Gill for FPF-1 and Kim Bain for Alba North are all undertaking the programme consisting of structured training and hands-on experience.

Kim Bain said: "Offshore, people are everything. There's no hiding – you live and work together, and you need to be someone your team can rely on. Whether it's a technical question, a welfare issue or something personal going on at home, I want to be someone who listens and supports. I'm excited to be part of the Alba team and play my part."



Sustainability review continued  
Diversity, equity and inclusion

# Diversity, equity and inclusion

## Our approach

Diversity Equity and Inclusion (DE&I) is fundamental to the well-being of our employees and the success of our business. We aim to build a workforce that is truly representative of the society in which we operate, where every employee feels respected and able to perform at their best. A diverse and inclusive workforce strengthens our capabilities, increases engagement and enhances business performance, contributing to fairer and more equitable communities.

In 2025, we launched a new DE&I framework built around four key pillars: Education, Empathy, Engagement and Accountability. This framework underpins all our activities and ensures our leadership team, DE&I Network and wider workforce are collectively accountable for advancing DE&I at Ithaca.

## Our performance

At the start of 2025, Ross Mitchell, EVP Business Development and Commercial, joined Ithaca's DE&I network as Executive Leadership Team sponsor, acting as the link between the employee network and the leadership team. Alongside launching the new framework, we conducted a Company-wide employee survey specifically on DE&I, the results of which shaped the focus and priorities of our DE&I network to ensure it reflects the needs and expectations of our people see.

We welcomed Dame Kelly Holmes to Ithaca Energy for an inspiring online session, where she highlighted the importance of inclusion, the strength that comes from diverse backgrounds, and the need for ongoing conversation and meaningful action.

Our employees told us that understanding neurodiversity was important to them. In response we hosted six specialised sessions delivered by Amy Cave from ADHD and beyond, covering Autism, Dyslexia, Dyscalculia, ADHD, Dyspraxia, Dysgraphia, Tourette's and OCD.

These sessions increased awareness and understanding while providing guidance for colleagues experiencing neurodiversity themselves or supporting family members. Following the sessions, a dedicated support group was established, working closely with the DE&I network work to ensure appropriate, ongoing support.

We also launched a working families group, offering a volunteer-led network to support colleagues during long-term sickness or family leave. Volunteers act as an independent point of contact, helping colleagues stay connected while away and supporting their transition back to work.

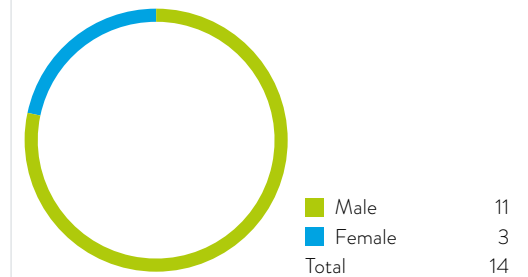
## Looking ahead

Guided by insights from the DE&I workforce survey, we remain committed to delivering an ongoing programme of equity and inclusion, based on topics that matter most to our people. In 2026, our focus will include activities and education related to mental health, gender equality, neurodiversity and cultural awareness. We want everyone in Ithaca Energy to feel comfortable being themselves, feel listened to and feel able to express themselves. Our DE&I Network will continue to educate, advocate, engage and empower our organisation as we work to sustain a culture that is diverse, equitable and inclusive.

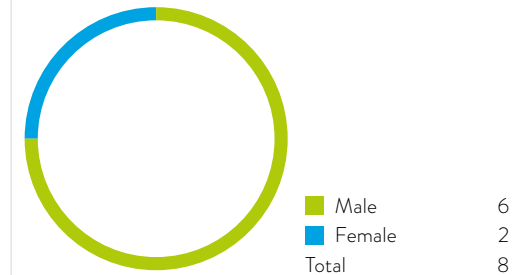
## Board, senior management and employee diversity

As at 31 December 2025, the gender breakdown of our employees and Directors was as follows:

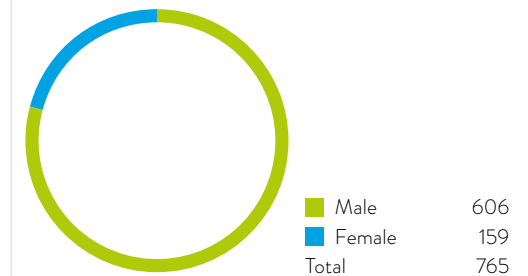
### Board directors



### Senior managers (ELT members)<sup>1,2</sup>



### Total employees<sup>2</sup>



1 Senior management includes the Executive Directors and the Executive Leadership Team  
2 Excludes secondees



Sustainability review continued  
Diversity, equity and inclusion continued



IN FOCUS - STRENGTH

## DE&I network impact summary – 2025

Following the Business Combination with Eni UK at the end of 2024, we relaunched our Diversity, Equity and Inclusion (DE&I) network, welcoming new members from the combined companies who had fresh ideas and different experiences to bring to the group.



“

The network placed listening at the centre of its approach, launching a Company-wide workforce survey to understand the topics that mattered most to our people.”

**Ross Mitchell**

EVP Business Development and Commercial, and sponsor of the DE&I Network.

Throughout the year, the network placed listening at the centre of its approach, launching a Company-wide workforce survey to understand the topics that mattered most to our people. This feedback directly informed our DE&I priorities, with mental health, neurodiversity, culture, gender equality and general DE&I awareness emerging as the top areas of focus.

A standout moment was an inspiring Company-wide online session with Dame Kelly Holmes, attended by more than 200 colleagues. Dame Kelly shared

powerful reflections on inclusion, resilience and representation, sparking conversation across the organisation and reinforcing why DE&I work matters.

The network also ran a comprehensive programme to deepen understanding of neurodiversity, hosting six expert led sessions. These sessions also led to the creation of a peer support community which connects parents, carers and neurodivergent colleagues, who are seeking advice and sharing experiences. This organically formed group became one of the year's

most meaningful demonstrations of the network's impact, showing how awareness and empathy can translate into real-world support.

The DE&I Network continued to evolve its ways of working, maintaining regular communication, gathering suggestions from employees and collaborating with leaders to ensure DE&I considerations were embedded across the business.

Through events, expert speakers, survey-driven priorities and a strong focus on accountability, the network made tangible progress in shaping a culture where everyone feels able to express themselves, be heard and belong. As a result, in our 2025 Employee Engagement Survey, all DE&I questions saw a positive increase from 2023.



Sustainability review continued  
Our communities



# For our communities

“

Giving back to our local communities provides a strong sense of purpose to our people, and supports our license to operate. This year we extended our longstanding charity partnership with VSA, which will allow teams across our organisation to continue to make a difference through continued volunteering, including the creation of a dementia village at Crosby House. I feel genuinely proud of the impact we are making in our local community.”



Julie McAteer, General Counsel and Company Secretary and Chair of Charity Committee

## Material topics

10 <sup>A</sup>  
Our communities

## Linked SDGs




## Targets and objectives

● Achieved ● In progress ● New

Establish key corporate charity partners and communicate commitments 

Reach FID for critical UK assets, in support of domestic energy security 

Provide continued volunteering support for our key charity partners, including creation of dementia village at Crosby House (VSA) 

Relaunch partnership with North East Scotland Biodiversity Partnership (NESBiP) 

## Focus areas in 2026

Maturation of development projects towards FID

Coralling a strong team of volunteers to help transform cabins at Crosby House into a welcoming dementia village

Providing a range of volunteering opportunities that allow our teams to make a real and lasting difference in our communities

In line with our NESBiP relationship, creation of bio-diversity action plan and implementation of biodiversity improvements for the office grounds





Sustainability review continued  
Our communities continued

FOR OUR COMMUNITIES 

# Contributing in a meaningful way

**Ithaca Energy believes in the vast societal benefits of access to low-cost energy and the importance of safeguarding the UK's domestic energy supply, together with giving back in a meaningful way to our local communities.**

Our operations in the UK play a critical role in delivering affordable and reliable energy. In 2025, we estimate Ithaca Energy contributed over 10% of UK's total oil and gas production, further strengthening national energy security through our increased stake in the Cygnus field. This investment supports the continued development of the UK's single largest producing gas field and reinforces our commitment to providing reliable, lower-cost energy for the UK.

Our social commitments extend beyond the workplace, as we continue to engage with and support the communities in which we operate. Ithaca Energy has built strong relationships with charity partners, contributing to causes related to poverty, mental health, environmental stewardship, palliative care, and social care to support the most vulnerable people of all ages living in our communities. Through both financial contributions and hands-on volunteering, we supported a wide range of initiatives that create meaningful impact across the North East of Scotland, while creating opportunities for our employees to engage with and learn about key social issues.

## Our approach

The communities in which we operate matter deeply to us. We believe that being a good neighbour is an essential part of our sustainability strategy and fundamental to our social licence to operate.

During 2025, we were honoured to continue working closely with our five charity partners, strengthening the collaborative relationships we have built since the inception of our partnerships. Through both financial contributions and hands-on volunteering, we supported a wide range of initiatives that create meaningful impact across the North East of Scotland. We also created opportunities for our employees to engage with and learn about key social issues, including poverty, dementia, mental health, cancer and special educational needs, while continuing our support for mainstream education from primary through to higher education.

Since launching these partnerships in 2023, our employee engagement surveys and informal employee feedback have shown a positive increase in engagement, reflecting the sense of purpose our people gain from supporting voluntary and charitable activities. Our people tell us that these experiences strengthen team cohesion and bring our shared behaviours to life. For our charity partners, our financial contributions remain vital; however, they consistently emphasise that the time, skills and energy our volunteers give is a hugely valued support that remains just as important.

In recognition of how our people and teams can benefit from increased social connection, all employees receive four volunteering days each year and are encouraged to participate in educational webinars and sessions during working hours. These have covered topics ranging from mental health, menopause and neurodiversity to personal experiences of dementia and cancer treatment, helping to build understanding, inclusivity and awareness across the organisation.

With a strong passion for supporting the next generation of talent in the energy sector, we continue to welcome interns, graduates and apprentices across the business. We partner with universities, colleges and schools and sponsor early career participation at conferences, helping foster capability and inspire future industry leaders.

## Our performance

We were honoured to receive OEUK's 'Neighbour of the Year' award, recognising companies that have exemplified exceptional corporate social responsibility and community engagement. This award reflects the significant contribution Ithaca Energy makes across our communities and celebrates both the vital work of our charity partners and the dedication of our people, who generously give their time and energy to volunteering and fundraising.



## Sustainability review continued

### Our communities continued

Our support is deliberately multi-faceted, covering financial support and volunteering, to raising awareness of social issues facing our community. In the past year, we donated £350,000 to our charity partners, helping them deliver essential services where they are needed most.

In 2025, 18 volunteer teams contributed almost 2,000 hours of their time and skills to meaningful community causes, creating a positive impact beyond our workplace. Our volunteers not only deepen our charity partner relationships, but also enrich our Company culture by promoting collaboration, empathy and a strong sense of shared purpose across our workforce.

We are delighted to have also supported initiatives including tea parties and choirs, golf days, endurance events such as rowing challenges, the Kilt Walk, the London Marathon, Run Balmoral and Aberdeenshire Enduro, Christmas Concert, Sing, Sing, Sing, Courage on the Catwalk, support to mental health charities and social events such as our Burns' Supper and annual charity balls. We also made end-of-year donations totalling £50,000 to six local charities, supporting Men in Mind, Forget Me Not Club, Somebody Cares, Alford Railway, Friends of ANCHOR and All Life Chances.

In addition to the annual funding we provide to our charity partners, in 2025 our Charity Committee approved more than 60 employee-led requests in support of causes that our people personally champion and volunteer with. Through this programme, we donated over £50,000 to

a wide range of community projects, charities, clubs and fundraising initiatives.

Beneficiaries spanned grassroots sports, health and social care charities, arts organisations, animal welfare groups and community support programmes, with highlights including: Buckie Rovers, The Archie Foundation, Charlie House, CLAN, Newmachar United 2016's, Attic Theatre, Con Anima Choir, The Judo Academy, Cats Protection, Grampian Women's Aid, the MS Society, Alzheimer's Society, Bucksburn Academy Friends of the ASN Wing, Friends of Johnstone Gardens, Animal Therapy Sessions at Westerton Farm, Feeling Blue, Thinking Differently, CHAS, Befriend a Child, Hamish Dear's Warm Hugs, UCAN, the ARI Maxillofacial Department, Cornerstone, Bucksburn & District Pipe Band, Northstar Community Football Club, the British Legion and Kayleigh's Wee Stars.

This broad range of support reflects the passion, commitment and community spirit of our people, and the importance we place on enabling colleagues to make a meaningful difference to the causes that matter most to them.

### Our charity partners VSA

2025 marked the third year of our corporate partnership with VSA, reinforcing our long standing commitment to supporting vital social care services across the North East of Scotland. This year, we were proud to promote VSA's Save Our Social Care campaign as a key funding partner,

helping the charity raise broader community awareness and support during a period of significant need.

We also launched our second major volunteering project with VSA, the creation of a dementia village at Crosby House. Modelled on the innovative concept first developed in the Netherlands, dementia villages help residents evoke memories, supporting mobility, independence and cognitive behaviour. Our volunteer teams transformed the garden area and built four summer houses, designed as a shop, hairdresser, post office and coffee shop, helping to create familiar, everyday spaces that provide residents with a sense of normality and the opportunity to engage in daily activities they may have been unable to enjoy since moving into care.

In addition, we supported VSA through a range of initiatives throughout the year, including the annual Charity Ball, Christmas Concert, golf days and fundraising events. Every department and team member across Ithaca Energy has played a part in this partnership, contributing their time, skills, creativity and energy, while building genuine relationships with VSA staff and service users and deepening the impact of this valued partnership.

### AberNecessities

We were proud to support AberNecessities' Believe in Magic campaign in 2025. In addition to our initial £25,000 donation, teams from across Ithaca Energy volunteered at the charity's Christmas HQ and generously contributed to the Giving Tree appeal.

Throughout the year, our people continued to support AberNecessities in a variety of meaningful ways, from building, quality checking and cleaning donated cots, highchairs and essential items for families in need, to helping maintain the charity's outdoor space through gardening and site improvement work.

### Friends of Roxburghe House

2025 marked our second year partnering with Friends of Roxburghe House. Across the year, multiple volunteer teams supported the charity's garden projects, planting

bulbs, clearing woodland paths and donating machinery, equipment and PPE to assist their work. Our people dedicated almost 200 hours of volunteering time, complemented by a further £21,000 donation to fund a new gardening initiative.

### The River Dee Trust

Having become River Dee Trust Guardians in 2024, we continued our partnership in 2025 with strong engagement from our teams. Volunteers joined efforts to remove Himalayan Balsam along the riverbanks of the Dee, participated in World Earth Day tree planting activities, and attended the Trust's River Restoration walks and talks to deepen understanding of local environmental stewardship.

### Mental Health Aberdeen

We worked closely with Mental Health Aberdeen (MHA) during 2025 prior to the charity's sudden closure. We were honoured to act as title sponsor for MHA's first ever Women's Golf Day, while colleagues supported the charity through generous shop donations and by hosting workplace talks led by MHA counsellors. We are proud to have supported the organisation and its vital work in the community during its final year.

### Looking ahead

In 2026, we have chosen to continue our main charity partnership with VSA, supporting the charity to provide the best of care in our community and reflecting the strong and trusted relationship we have built together. As a key funding partner, we have committed to support their Save Our Social Care Campaign, whilst also becoming principal supporter of VSA's Easter Anguston Farm. As part of this commitment, Ithaca Energy will donate £200,000 annually from 2026 to 2028.

VSA's Easter Anguston Farm is a vital community resource that offers education, fun and inclusion for all ages. It serves as a training facility for adults with additional learning and support needs, while also offering an outdoor learning space for children and young adults from the nearby Linn Moor School to explore nature and



## Sustainability review continued

### Our communities continued

creativity. Our support will help strengthen the farm's facilities and programmes, ensuring it continues to offer meaningful opportunities and experiences for those who benefit from it most.

We will also continue advancing our major volunteering initiative with VSA, the creation of a dementia village at Crosby House. Throughout 2026, our volunteers will refurbish one summer house at a time, transforming each into a hospitality or retail-themed space designed to help residents reconnect with familiar experiences and relive happy times from their life.

Alongside our principal partnership with VSA, we are pleased to extend our support for three valued charity partners in 2026, AberNecessities, the River Dee Trust and Friends of Roxburgh House. Across each partnership, our core focus remains on building strong, meaningful relationships; committing our time through volunteering; supporting fundraising activities and charity events; and providing direct financial assistance where it can make the greatest impact.

In 2025, we supported 60 employee-led requests for charitable funding. We remain committed to continuing this programme in 2026, offering up to £1,000 per employee requests to champion local charities and organisations across the North East of Scotland.

Through volunteer hours, financial donations and dedicated support, we will continue to invest our time, energy and commitment into a wide range of ongoing community projects and initiatives in support of our charity partners.

At Ithaca Energy, we genuinely care about making a positive impact for our people and our communities. We are honoured to stand alongside our charity partners and support the vital work they deliver across the North East of Scotland.



#### Employee led requests in 2025

# 60

#### Ongoing annual commitment to our main charity partnership from 2026 to 2028

# £200k annually



IN FOCUS - BEING CONSIDERED

## OEUK 'Neighbour of the Year' winners

**Ithaca Energy is deeply committed to its local community, working in partnership with charities to create lasting impact. From building sensory gardens and supporting dementia care, to championing mental health and providing beds for children in need, Ithaca Energy's employees also volunteer thousands of hours each year to support causes that matter.**

In 2025, we were proud to receive the OEUK 'Neighbour of the Year' award in recognition of the work we do in our local communities, and the dedication of our employees who give their time, skills and energy so generously.

Our CEO Luciano Vasques said: "Community engagement is at the heart of everything we do. We are proud to support Aberdeen and the wider North East region, and we believe being a good neighbour is essential to our sustainability and our licence to operate. Giving back is simply part of who we are.

Winning this award is a celebration of our people, who collectively give up thousands of hours to volunteer. It is also for our charity partners – and that is the key word. Partners. Working together to make a difference."



Financial review

“

# 2025 has been a pivotal year.

The successful integration of the Eni UK assets and our additional M&A activity have produced strong results and a robust future outlook. The value growth journey continues.”

Iain C S Lewis,  
Chief Financial Officer

ADJUSTED EBITDAX

**\$2.0bn**

(2024: \$1.4bn)

PRO FORMA LEVERAGE RATIO

**0.56x**

(2024: 0.45x)





## Financial review continued



## IN FOCUS - SCALE

## Business combinations

Successful delivery of inorganic growth in the UKCS in high-quality, long-life assets.

The acquisition of 100% of JAPEX UK completed on 7 July 2025 for a headline consideration of \$156.4 million, thereby increasing the Group's interest in the Seagull asset from 35.0% to 50.0% and the acquisition of 46.25% of Spirit Energy's interest in the Cygnus field completed on 1 October 2025 for a headline consideration of \$163.6 million, thereby increasing the Group's working interest in the Cygnus field from 38.75% to 85.0%.

From the date of acquisition, JAPEX UK contributed \$44.5 million of revenue and \$27.7 million of profit before tax and the additional Cygnus interest contributed \$57.4 million of revenue and \$26.5 million of profit before tax. Had these acquisitions completed 1 January 2025, the JAPEX UK acquisition would have contributed \$86.7 million of revenue and \$45.6 million of profit before tax and the Cygnus acquisition would have contributed \$282.7 million of revenue and \$173.4 million of profit before tax for the 2025 financial year.

## Headline consideration

# \$0.3bn



## IN FOCUS - STRENGTH

## Issuance of Eurobond and upsizing of RBL facility

The Group's strong credit credentials were highlighted by the issuance of €450 million of 5.5% senior notes, due 2031, with significant investor demand providing further financial firepower, optimising the Group's financial structure and extending the debt maturity profile. The proceeds were swapped to US Dollars at an effective interest rate of approximately 6.7%. Fees of \$11 million were incurred which are being expensed over the term of the facility.

Our liquidity position was further supported by a \$300 million upsizing of the Group's Reserves Based Lending (RBL) facility, via the accordion, with the participation of all new lending institutions.

## Available liquidity

# \$1.5bn

### Summary of financial results

## Financial key performance indicators (KPIs)

	2025	2024
Adjusted EBITDAX <sup>1</sup> (\$m)	2,030.8	1,405.0
(Loss)/profit for the year (\$m)	(84.1)	153.1
Adjusted net income <sup>1</sup> (\$m)	289.2	323.6
Basic EPS (cents)	(5.1)	13.2
Net cash flow from operating activities (\$m)	1,745.3	853.3
Available liquidity <sup>1</sup> (\$m)	1,470.1	1,015.1
Unit operating expenditure <sup>1</sup> (\$/boe)	18.9	22.4
Adjusted net debt <sup>1</sup> (\$m)	1,258.2	884.9
Pro forma leverage ratio <sup>1,2</sup>	0.56x	0.45x

## Other KPIs

	2025	2024
Average production (kboe/d)	119	80
Tier 1 and 2 process safety events	0	0
Serious injury and fatality frequency	0	0

<sup>1</sup> Non-GAAP measure.

<sup>2</sup> The pro forma leverage ratio includes the results from the JAPEX UK and Cygnus acquisitions for 1 January 2025 to 31 December 2025 (2024: results of Eni UK businesses from 1 January 2024 to 31 December 2024).

Details of non-GAAP measures are set out on pages 220 to 221.

The loss for the year was \$84.1 million (2024: profit of \$153.1 million) and adjusted net income was \$289.2 million (2024: \$323.6 million). A reconciliation between (loss)/profit for the year and adjusted net income is set out on page 73.



## Financial review continued

## Adjusted EBITDAX analysis

	2025		2024	
	kboe/d	mboe	kboe/d	mboe
<b>Production</b>				
Oil	61	22	41	15
Gas	52	19	25	9
Condensate	6	2	3	1
<b>Total production</b>	<b>119</b>	<b>43</b>	<b>69</b>	<b>25</b>
<b>Revenues<sup>1</sup></b>	<b>\$/boe</b>	<b>\$m</b>	<b>\$/boe</b>	<b>\$m</b>
Oil revenue	70	1,534	81	1,176
Gas revenue	63	1,117	64	599
Condensate revenue	44	81	48	47
Oil and gas hedging gains/other income	4	184	5	135
<b>Total</b>	<b>67</b>	<b>2,916</b>	<b>77</b>	<b>1,957</b>
Movement in oil and gas inventory	–	12	3	84
Tanker costs	–	(20)	(1)	(18)
Stella royalties	–	(2)	–	(2)
<b>Total value from production</b>	<b>67</b>	<b>2,906</b>	<b>79</b>	<b>2,021</b>
<b>Costs</b>				
Operating costs excluding restructuring costs, tanker costs and net of tariff income	(19)	(817)	(22)	(570)
Administrative expenses excluding restructuring costs and business combination costs	(1)	(43)	(2)	(41)
Foreign exchange losses/materials inventory provisions	–	(15)	–	(5)
<b>Other operating costs in arriving at adjusted EBITDAX</b>	<b>(20)</b>	<b>(875)</b>	<b>(24)</b>	<b>(616)</b>
<b>Adjusted EBITDAX<sup>2</sup></b>	<b>47</b>	<b>2,031</b>	<b>55</b>	<b>1,405</b>

1 Revenues in the above table exclude principally tariff income and premium payments on oil and gas derivative contracts.

2 Non-GAAP measure.

## Financial performance: revenue, costs and charges and adjusted EBITDAX

Adjusted EBITDAX is a key measure of operational performance delivery in the business and amounted to \$2,030.8 million (2024: \$1,405.0 million), mainly reflecting the higher production principally due to the Eni UK Business Combination, JAPEX UK and Cygnus acquisitions, and improved operational performance partly offset by lower realised commodity prices net of hedging.

Average realised oil prices for 2025 were \$70/boe before hedging results and \$72/boe after hedging results (2024: \$81/boe before hedging results and \$82/boe after hedging results). Average realised gas prices for 2025 were \$63/boe before hedging results and \$66/boe after hedging results (2024: \$64/boe before hedging results and \$78/boe after hedging results).

Movement on oil and gas inventory was a credit of \$11.7 million (2024: \$84.2 million) representing movements in underlift/overlift entitlements.

During the year, operating costs (excluding over/underlift) including tariff expenses but excluding restructuring costs, tanker costs and net of tariff income were \$817.3 million (2024: \$569.6 million) and unit operating expenditure was \$18.9/boe (2024: \$22.4/boe). The reduction in unit operating expenditure per boe compared to 2024 reflects both the Group's continued focus on cost control and the high netback capability of the enlarged portfolio.

Administrative expenses, excluding business combination costs of \$0.3 million (2024: \$16.3 million) and restructuring costs of \$3.5 million (2024: \$nil), were \$43.5 million (2024: \$41.0 million) with the increase principally due to the ongoing administrative costs of the former Eni UK businesses.

## Adjusted EBITDAX to profit before tax

	2025 \$m	2024 \$m
Adjusted EBITDAX	2,030.8	1,405.0
Depletion, depreciation and amortisation (DDA)	(840.6)	(600.2)
Impairment charges on oil and gas assets	(77.5)	(263.0)
Exploration and evaluation expenses	(2.1)	(24.6)
Net finance costs	(254.8)	(189.4)
Oil and gas put premiums	(0.3)	(4.9)
Fair value remeasurement of contingent consideration	(22.8)	27.3
Restructuring costs	(8.0)	–
Revaluation of derivative contracts	15.9	0.4
Business combination costs	(0.3)	(16.3)
<b>Profit before tax</b>	<b>840.3</b>	<b>334.3</b>

DDA charges were \$840.6 million (2024: \$600.2 million). The year-on-year increase was principally due to the higher production partly offset by most of the Group's new assets acquired in the last two years having a significantly lower DDA charge per boe than legacy Ithaca Energy assets. DDA per barrel was \$19.4 (2024: \$23.6).

Impairment charges on oil and gas assets of \$77.5 million (2024: \$263.0 million) principally reflects a charge of \$8.2 million for Alder which ceased production during the year (2024: a charge of \$116.4 million for the Greater Stella Area and a charge of \$32.4 million in respect of Pierce), and a charge of \$69.3 million (2024: \$114.2 million) principally relating to decommissioning cost estimate changes on assets that have either been fully written off or have ceased production.

Exploration and evaluation expenses amounted to \$2.1 million (2024: \$24.6 million) and principally relate to licence relinquishments during the year.

**Financial review** continued

Net finance costs were \$254.8 million (2024: \$189.4 million) with the increase due to higher drawings on the RBL, a full year of the increased borrowing under the senior notes 2029, the incremental senior notes due 2031 and higher accretion charges on decommissioning liabilities as a result of the Eni UK Business Combination. These items were partly offset by certain one-off charges in 2024. In the year to 31 December 2024, net finance costs included an early repayment charge of \$14.1 million on the senior notes due 2026 and the write-off of unamortised fees of \$5.3 million on the refinancing of the RBL and \$2.6 million on the refinancing of the senior notes due 2026.

Change in fair value of contingent consideration was a charge of \$22.8 million (2024: credit of \$27.3 million), mainly due to an updated view from management of the likelihood of certain milestones being achieved.

Restructuring costs of \$8.0 million (2024: \$nil) were incurred on reorganising and streamlining the organisational structure following the Eni UK Business Combination and comprise operational costs of \$4.5 million and administrative expenses of \$3.5 million.

Revaluation of derivative financial instruments was a credit of \$15.9 million (2024: \$0.4 million), principally reflecting gains on revaluation of foreign exchange forward contracts and foreign exchange collar contracts.

Transaction costs of \$0.3 million (2024: \$16.3 million) reflect principally professional fees and other cost directly related to acquisitions made in 2025.

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

	2025 \$m	2024 \$m
Profit before tax	<b>840.3</b>	334.3
Tax	<b>(924.4)</b>	(181.2)
<b>(Loss)/profit for the year</b>	<b>(84.1)</b>	<b>153.1</b>
Impairment charges on oil and gas assets	<b>77.5</b>	263.0
Tax credit on impairment charges on oil and gas assets	<b>(33.6)</b>	(160.3)
Restructuring costs	<b>8.0</b>	-
Business combination costs	<b>0.3</b>	16.3
One-off finance charges related to refinancing	-	22.0
Tax credit on restructuring costs, business combination costs and one-off finance charges	<b>(6.5)</b>	(28.6)
Deferred tax impact of EPL changes substantively enacted during the year	<b>327.6</b>	58.1
<b>Adjusted net income<sup>1</sup></b>	<b>289.2</b>	<b>323.6</b>

<sup>1</sup> Non-GAAP measure.

The reduction in adjusted net income year-on-year was principally due to higher taxable profits attracting tax at 78% as well as higher underlying finance costs and a charge for fair value remeasurements of contingent consideration in 2025 compared to a credit in 2024.

**Taxation**

The tax charge for the year was \$924.4 million (2024: \$181.1 million) with the increase mainly due to a deferred tax charge of \$327.6 million for the extension of EPL to 31 March 2030, higher taxable profits attracting tax at 78% and a higher level of non-deductible expenditure such as contingent consideration compared to 2024. The year to 31 December 2024 included a charge of \$58.1 million on the enactment of the increase in the EPL rate from 35% to 38%.

**Earnings per share (EPS)**

Statutory EPS was (5.1) cents (2024: 13.2 cents) and adjusted EPS was 17.5 cents (2024: 27.8 cents). Adjusted EPS is a non-GAAP measure which eliminates items which distort year-on-year comparisons such as impairment charges on oil and gas assets, restructuring costs, business combination costs, one-off finance charges related to refinancing, the tax effect of such items and deferred tax charges due to the substantive enactment of changes to EPL during the year.

**Shares in issue**

At 31 December 2025, there were 1,653.7 million (2024: 1,653.7 million) shares in issue. The weighted average number of shares during the year for EPS calculations, excluding shares held by the Employee Benefit Trust, was 1,648.8 million (2024: 1,164.3 million).

**Dividends**

Dividends paid during the year amounted to \$497.7 million (2024: \$432.7 million), reflecting the third interim dividend for 2024 of \$199.3 million and the first and second interim dividends for 2025 of \$298.4 million. A further interim dividend for 2025 of \$200.0 million will be paid in April 2026.

**Goodwill headroom**

At 31 December 2025, Goodwill amounted to \$1,339 million (2024: \$1,129 million). Due to declines in future commodity prices, goodwill headroom reduced to \$125 million (2024: \$419 million). Commodity prices would have to be 2% lower than those assumed in the base case impairment testing for there to be no goodwill headroom left. Further details are set out in notes 18 and 19.

**Financial position: assets, liabilities and shareholders' equity**

	2025 \$m	2024 \$m
Total assets	<b>8,447.0</b>	8,275.0
Total liabilities	<b>(5,875.2)</b>	(5,234.6)
<b>Net assets and shareholders' equity</b>	<b>2,571.8</b>	<b>3,040.4</b>

**Financial review** continued**Assets**

At 31 December 2025, total assets amounted to \$8,447.0 million (2024: \$8,275.0 million) and comprised current assets of \$1,152.5 million (2024: \$976.2 million) and non-currents assets of \$7,292.7 million (2024: \$7,300.6 million). The increase in total assets of \$172.0 million was primarily due to:

- Derivative financial instruments being \$328.3 million higher mainly reflecting gas trades which have moved from a liability position due to lower than previously forecast future prices;
- Property, plant and equipment increasing by \$557.1 million as asset additions, acquired assets and revisions to decommissioning cost estimates exceeded the depreciation charge for the year;
- Goodwill was higher by \$209.3 million reflecting the JAPEX UK and Cygnus acquisitions as well as revisions to the Eni UK fair values; partly offset by:
- Deferred tax was \$862.2 million lower principally due to the tax charge for the two-year extension of EPL, tax on cash flow hedges which go through the statement of comprehensive income and the utilisation of historic tax losses; and
- Trade and other receivables were \$62.0 million lower mainly due to reduced accrued income on lower liftings year-on-year.

**Liabilities**

At 31 December 2025, total liabilities amounted to \$5,875.2 million (2024: \$5,234.6 million). The increase in total liabilities during the year of \$640.6 million was mainly due to:

- Decommissioning provisions increased by \$426.8 million primarily due to \$266.5 million of revisions to cost estimates principally at Elgin Franklin, Captain, Heather, Strathspey, J-block and Cygnus. In addition \$125.4 million of liabilities were acquired through JAPEX UK and Cygnus;
- Borrowings were \$396.9 million higher due to the issuance of the senior unsecured notes, due 2031, partly offer by lower drawings under the RBL;
- Lease liabilities increased by \$72.1 million due to the addition of a drilling rig for Cygnus, a decommissioning vessel for Alba and a two-year extension to the Skandi Gamma contract;
- Current tax payable was \$69.8 million higher principally due to higher current EPL charges on higher taxable profits; partly offset by:
- Contingent and deferred consideration was \$202.2 million lower mainly due to Eni UK and Marubeni deferred consideration payments of \$164.0 million and \$70.0 million, respectively; and
- Derivative financial instruments liabilities reduced by \$141.6 million reflecting the gas trades which, as noted above, have moved to asset positions at 31 December 2025.

**Equity and reserves**

At 31 December 2025, total equity and reserves amounted to \$2,571.8 million (2024: \$3,040.4 million). The reduction in equity and reserves during the year of \$468.6 million was primarily due to:

- Dividends paid of \$497.7 million;
- The loss for the year of \$84.1 million; partly offset by:
- Favourable post-tax hedging reserve movements of \$95.1 million.

**Financial position: cash**

	2025 \$m	2024 \$m
<b>Opening cash</b>	<b>165.1</b>	<b>153.2</b>
Operating cash flows	1,745.3	853.3
Investing cash flows	(1,451.6)	(390.9)
Financing cash flows	(292.2)	(449.5)
Foreign exchange	3.5	(1.0)
Net cash flow	5.0	11.9
<b>Closing cash</b>	<b>170.1</b>	<b>165.1</b>
Undrawn borrowing facilities	1,300.0	850.0
<b>Available liquidity</b>	<b>1,470.1</b>	<b>1,015.1</b>

**Operating cash flows**

Net cash from operating activities amounted to \$1,745.3 million (2024: \$853.3 million), including favourable working capital movements of \$64.0 million (2024: adverse movements of \$124.2 million) and tax payments of \$262.9 million (2024: \$351.3 million). The increase in net cash flow from operating activities was largely driven by the higher production in the year.

**Investing cash flows**

Cash flow used in investing activities amounted to \$1,451.6 million (2024: \$390.9 million), an increase of \$1,060.7 million principally due to:

- Capital expenditure was \$420.2 million higher than 2024 reflecting drilling and workover activities at Captain, FPSO modifications and subsurface scopes on Rosebank and well work on Cygnus, Seagull and Judy/Joanne;
- Acquisition payments, net of cash acquired, were \$400.9 million higher due to the JAPEX UK and Cygnus acquisitions in 2025; and
- Deferred consideration payments were \$234.0 million higher due to the payments to Eni S.p.A and Marubeni.

**Financing cash flows**

Cash outflow from financing activities of \$292.2 million (2024: \$449.5 million), a decrease of \$157.3 million mainly due to:

- Proceeds of the senior notes, due 2031, of \$523.9 million were received in 2025;
- A loan from bp of \$100.0 million was repaid in the year to 31 December 2024; partly offset by:
- Net movements on the RBL facility, including fees paid on the 2024 refinancing, were \$268.4 million adverse year-on-year, reflecting repayments in 2025 compared to drawdowns in 2024;
- There was a net receipt of \$86.8 million in the year to 31 December 2024 on the refinancing of the senior notes due 2026 with the senior notes due 2029;
- Dividend payments were \$65.0 million higher year-on-year under our dividend policy; and
- Leases, interest and charges paid were \$45.8 million higher year-on-year because of new leases entered into and higher levels of debt following the refinancing in 2024 and the issuance of the senior notes due 2031.

**Financial review** continued

Cash balances were \$170.1 million (2024: \$165.1 million) at 31 December 2025 and available liquidity was \$1,470.1 million (2024: \$1,015.1 million).

**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 December 2025, the following hedges were in place:

	2026	2027
<b>Oil</b>		
Volume hedged (mmbbl)	16.7	3.1
Weighted average floor hedged price (\$/bbl)	63	66
<b>Gas</b>		
Volume hedged (mmbbl)	12.0	2.0
Weighted average floor hedged price (p/therm)	86	82

**Going concern**

Management closely monitor 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 financial statements on a going concern basis to be appropriate. This is due to the following key factors:

- A well-hedged portfolio over the next 12 months;
- Reserves Based Lending (RBL) facility is undrawn providing liquidity headroom of \$1,300 million, plus \$214 million of cash at the end of February 2026; and
- Robust operational performance and a well-diversified portfolio.

**Cash flow forecast – base case assumptions**

	2026	H1 2027	
Average oil price	\$/bbl	68	66
Average gas price	p/therm	83	72
Average hedged oil price (including floor price for zero cost collars)	\$/bbl	63	66
Average hedged gas price (including floor price for zero cost collars)	p/therm	84	76

The oil and gas price assumptions used in the going concern and viability assessments represent management's current best estimates at the date of approval of the Annual Report and Accounts, as supported by data from third-party analysis, of future commodity prices whereas the commodity prices used in impairment testing (see note 19) are based on market conditions at 31 December 2025.

Owing to the ongoing fluctuations in commodity demand and price volatility, management prepared sensitivity analyses 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 fall due. The analysis demonstrated that the Group would still continue to comply with financial covenants and have sufficient liquidity throughout the period to 30 June 2027 to continue trading.

In addition, reverse stress tests have been performed reflecting further reductions in commodity prices, prior to any mitigating actions, to determine what levels they would have to reach such that either lending covenants are breached or there is no liquidity headroom left. This stress test demonstrated that the likelihood of the fall in price required to cause a breach of covenants or liquidity issue, is considered sufficiently remote in the context of the mitigation strategies available to management. The mitigation strategies within the control of management include the reduction in uncommitted capital expenditure and variable opex savings in the low production scenario.

Notwithstanding the Group having net current liabilities at 31 December 2025 of \$303.9 million (2024: \$456.5 million), there are sufficient undrawn facilities available to enable current liabilities to be settled as they fall due.

Based on their assessment of the Group's financial position over the period to 30 June 2027, 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 consolidated financial statements.

## Risk management

# Throughout FY 2025 we have continued to mature and embed our risk management process.

### Risk governance structure

To achieve the strategic objectives of the Group, creating value over the long-term, it is important that risk is managed in a methodical and effective manner. To manage the risks the business faces, a robust risk management framework is in place to identify, assess and manage risk in a timely manner to ensure ongoing effective mitigation of risk.

We recognise that risk cannot be fully eliminated or mitigated, therefore, it is important to maintain one of four essential relationships with individual risks: avoid, accept, mitigate or share/insure. It is the role of the Board and senior management to determine the organisation's risk appetite and the levels of risk that is acceptable, in the drive to achieve the strategic objectives of the Group.

### Risk management in Ithaca Energy

The Board is ultimately responsible for ensuring that the Group maintains an effective risk management and internal control system by appropriately incorporating the 'three lines of defence model' into the governance structure of the Group.

The ARC, under delegated authority from the Board, is responsible for establishing and maintaining processes and procedures to manage risk and for overseeing the effectiveness of those risk management processes. Principal risks and mitigations are discussed with the ARC on a quarterly basis with revised principal risks and mitigations being approved by the ARC as required. It is acknowledged that principal risks can have interdependencies (such as Energy Transition and Net Zero delivery impacting workforce recruitment or Government, fiscal and political risk impacting capital project execution) and, therefore, risks are considered in combination as well as on a standalone basis.

Senior management is collectively responsible and accountable for the risk management process across the organisation with each principal risk assigned and owned by a member of the ELT. An Enterprise Risk Management Committee (ERMC) made up of the Leadership Team and Risk Management function, meet in alternate months. The principal risks facing the Group are determined and reviewed by the ERMC at each meeting. Risk assessments are revisited with consideration given to the risk velocity (the speed at which the risk could impact the business) with risks revised and updated as required. Mitigating actions are monitored and tracked to closure.

Each operation, project and function is responsible for the identification, assessment, tracking and management of risks within their area of responsibility, with formal risk registers maintained. Key risks are reviewed and challenged in monthly operational and project meetings with ELT members. Risks are escalated within the defined governance structure so they are owned by the appropriate level of management and can be used to inform the principal risks of the Group.

The Internal Audit Plan for 2026 was reviewed and approved by the ARC in November 2025. The areas and processes that are included in the approved Internal Audit Plan all map to a principal risk of the Group. As risk is dynamic, the Internal Audit Plan will be reviewed throughout the current year to ensure that it remains focused on the key areas of the Group and to ensure the most effective use of resources.

### Emerging risks

Our risk profile will continue to evolve as a result of future events and uncertainties. Horizon scanning is undertaken to help anticipate future events that may impact existing principal risks or support identification of emerging risks

that may lead to the requirement for the creation of a new principal risk. Emerging risks can be defined as risks where the scope, impact and likelihood are still uncertain but could have a major effect on the strategic objectives of the Group. These emerging risks are monitored to understand the potential impact on our business and the risk velocity, to allow timely decision-making. Where appropriate emerging risks are escalated to our ARC as part of our regular risk reporting processes.

Emerging risks, which are managed as a subset of our principal risks are:

- UK Government's Energy and Fiscal Policies – this continues to be an area of uncertainty following the change of UK Government and subsequent policy shifts in 2025. Recent announcements on energy transition targets, fiscal regime adjustments, and potential new regulatory requirements could materially impact the sector. This risk is closely monitored with current mitigation, including engagement with the UK Government, His Majesty's opposition and His Majesty's Treasury. This risk is managed as a subset of the Government, Regulatory, Political and Fiscal risk.
- Geopolitical instability – global geopolitical tensions remain elevated, with ongoing conflicts and trade disruptions continuing to affect energy markets and supply chains. The war in Ukraine, instability in the Middle East, and persistent security threats to international shipping routes have contributed to inflationary pressures and ongoing impacts on the global supply chain. This emerging risk is managed and monitored as a subset of the Supply Chain risk.
- Decommissioning environment – the level of decommissioning activity in the basin will continue to increase in the medium to long-term. The availability of vessels, equipment and expertise in the basin, as well as the stability of the regulatory environment,

including the fiscal regime for decommissioning costs, could have a significant impact on the Group. This emerging risk is managed as a subset of the Government, Regulator, Political and Fiscal risks.

- Infrastructure availability – there is an emerging long-term risk that existing offshore and onshore infrastructure, such as pipelines and processing facilities, may shut-in or become economically or operationally unviable earlier than anticipated. Remaining producers may face significantly higher costs to access shared infrastructure or be required to invest in alternative solutions, potentially leading to stranded reserves and impaired asset value. This risk is managed as a subset of the Project Delivery risks.

We handle climate risk in the same way as we manage other risks, albeit that time horizons may be longer. We have continued to develop our climate risk approach during 2025; more detail on this can be found in our TCFD disclosures on pages 50 to 58.

### Provision 29

In line with the enhanced risk management requirements of Provision 29, the Group has identified material controls that address principal and emerging risks. These controls will undergo dry run testing in early 2026 to validate their effectiveness and allow timely remediation ahead of the FY26 declaration.

The Board confirms that it has carried out a robust assessment of the Group's emerging and principal risks. Following the successful integration of the Eni UK upstream business, the Board agreed to the removal of the Business Integration risk. Set out below is the Board's view of the principal risks currently facing the Group, along with examples of how they might impact us and an explanation of how the risks are managed or mitigated.



## Risk management continued

Risk title	Risk description	Key risk mitigations	Activities and impacts in 2025
<p><b>Major HSE Incident</b></p> <p>Risk climate: Stable</p>	<p>Operations and well activities may face a major accident or process safety event, resulting in personal injuries, loss of containment, resultant physical asset damage and/or environmental impact. A major accident event could impact production and financial performance of the Group. The Group could also be subject to regulatory actions, including fines and external reputation could be affected.</p> <p><b>Board oversight:</b> The Board sets the expectations for compliance with health and safety policies and training across the Group and regularly seeks assurance of compliance with health and safety processes by reviewing health and safety management information.</p>	<ul style="list-style-type: none"> <li>Health and Safety is owned and driven by the leadership team who have a strong safety culture, prioritising process safety culture and ‘Stop Work Accountability’.</li> <li>Robust and comprehensive HSE policies and Company Major Accident Prevention Policy in place, providing a framework for all Group activities.</li> <li>Regulator-accepted safety cases for all offshore facilities, summarising management of potential Major Accident Hazards (MAH).</li> <li>Active engagement with key contractors at all levels in the organisation to ensure alignment on safety expectations.</li> <li>Line of Defence auditing framework in place, including independent assurance of safety and environmental critical elements and independent reviews of well programmes, driving focus on prevention of MAHs, with regular progress reporting to the Board HSE Committee.</li> </ul>	<p>During 2025 key focus areas included but were not limited to:</p> <ul style="list-style-type: none"> <li>Progression of the Process Safety Leadership Plan across all assets, building upon industry-wide focus areas identified by the Health and Safety Executive.</li> <li>In-depth regulatory inspection of Process Safety Leadership</li> <li>External audit and assurance of Process Safety competence and leadership, building into the Process Safety Leadership Plan Development of Human Performance training and Human Factor Fundamentals programmes, which will be fully launched in 2026.</li> <li>Launching of new enhanced Business Management System across the organisation, with forward plan to simplify and standardise documents, with greater linkage to role for enhancing knowledge and awareness of content. A BMS Standard sets out core expectations against various Elements, endorsed by the ELT</li> <li>Introduction of new action tracking system (Synergi) and incident investigation processes (COMET) across the organisation, supported by training for key personnel, which will greatly assist with event trending to enable further focus of improvement activities</li> <li>Greater involvement with contractor companies, including expectations regarding HSE-specific improvement plans aligned with Ithaca Energy’s objectives, and further enhanced collaboration tasks planned for 2026</li> <li>Enhanced audit and assurance process designed, for implementation in 2026. This will cover internal activities, contractor companies and implement major accident scenarios activities.</li> <li>Introduced a standalone ‘safety value’, reinforcing commitment to a strong safety culture.</li> </ul>
<p><b>Cyber security breach</b></p> <p>Risk climate: Increasing</p>	<p>Cyber security is an ongoing risk to the Group due to the constantly evolving and intensifying threat landscape which has heightened due to the increased Group profile and media attention around the oil and gas industry.</p> <p>Malicious attacks may lead to system unavailability, lack of access to systems and loss of data. Leading to production downtime, financial costs, fines and reputational damage which would have a significant impact on the Group and adversely affect the Group’s ability to achieve its strategic objectives.</p> <p><b>Board oversight:</b> The Board receives annual updates on the status of cyber security across the Group and emerging risks and reviews the adequacy of the Group’s cyber resilience.</p>	<ul style="list-style-type: none"> <li>Integrated Cyber Risk Governance: Oversight by a dedicated Cyber and Information Risk Management team, supported by external expertise where needed, to ensure alignment with evolving threats and organisational priorities.</li> <li>Workforce Engagement and Security Culture: Ongoing education, awareness, and targeted training programs to ensure all personnel understand cyber risks and adopt secure behaviours.</li> <li>Proactive Threat Detection and Response: Continuous monitoring of systems and networks, leveraging advanced tools and Security Operations Centre capabilities to detect and respond to incidents in real time.</li> <li>Independent Assurance and Testing: Regular independent testing, audits, and penetration tests to validate the effectiveness of controls and identify areas for improvement.</li> <li>Business Continuity and Recovery Preparedness: Regular review and testing of IT incident and disaster recovery plans, ensuring the organisation can maintain critical operations under adverse conditions.</li> </ul>	<p>In 2025, the external cyber threat landscape continued to evolve, driven by increasingly sophisticated attacks, emerging technologies, and ongoing geopolitical tensions. High-profile cyber incidents in the UK illustrate the critical need for a strong, proactive, and resilient approach to cyber security, including the ability to recover quickly and maintain operations under adverse conditions.</p> <p>Following last year’s Business Combination with Eni UK, efforts have focused on streamlining and consolidating systems and processes. This simplifies IT environments, reduces potential vulnerabilities, and improves oversight and control.</p> <p>Supply chain resilience has also emerged as a key priority, recognising that third-party systems and partners can introduce risk. Strengthening oversight, assessing exposures, and implementing robust controls across the supply chain will remain a focus in the year ahead.</p> <p>As threats continue to evolve, from opportunistic individuals to state-sponsored actors, we remain committed to protecting our systems, data, and operations by enhancing technologies, policies, processes, and training, while ensuring the organisation can respond effectively to any attack and maintain a proactive culture of security in an increasingly complex environment.</p>



## Risk management continued

Risk title	Risk description	Key risk mitigations	Activities and impacts in 2025
<p><b>Access to capital</b></p> <p><b>Risk climate: Decreasing</b></p>	<p>The Group does not have access to sufficient capital to fund the capital investment required to deliver the core strategy of the Group. ESG and fiscal regime instability is undermining lending with a number of banks withdrawing from RBL to oil and gas companies. Increasing decommissioning security postings exacerbates capital access risk.</p> <p><b>Board oversight:</b> The Board monitors the capital arrangements and structure of the Group on a quarterly basis as part of the financial reporting cycle.</p>	<ul style="list-style-type: none"> <li>Board approved capital allocation framework, including adjusted net debt/ adjusted EBITDAX cap of 1.25x (revised in 2025), which is calculated quarterly.</li> <li>Diversified capital structure, including RBL facility and Corporate Bonds.</li> <li>Actively managed relationships with banks in the RBL facility and bond holders via quarterly calls.</li> <li>Robust hedging programme to manage the impact of commodity price exposure on leverage ratios.</li> <li>Governance structure to provide regular oversight and scrutiny of the Group's financial position.</li> </ul>	<p>In 2025, the Group, undertook corporate refinancing activities to enhance liquidity including:</p> <ul style="list-style-type: none"> <li>Mid-year redetermination of the RBL facility of \$1.676 billion which is the largest borrowing base in the companies history;</li> <li>In Q3, the Seagull and Cygnus deals, together with general corporate purposes, were the basis for the issuance of 2031 €450 million Senior Note and a \$300 million extension of the RBL facility. The activity demonstrated the appetite of banking partners and the bond market to support the company in its strategic objectives.</li> </ul>
<p><b>Capital project execution</b></p> <p><b>Risk climate: Decreasing</b></p>	<p>The Group is currently engaged in a significant level of capital project activity, some of which require substantial levels of funding and technical expertise.</p> <p>Consequently, the Group faces significant risks associated with capital project execution and development.</p> <p>If a major capital project materially exceeds cost and schedule estimate it could erode project economics and create liquidity challenges for the Group.</p> <p><b>Board oversight:</b> The Board sanctions all new large capital projects and receives regular reporting on capital project progression throughout the year.</p>	<ul style="list-style-type: none"> <li>Ithaca Energy stage gate process provides a roadmap for moving an opportunity from initial concept through to a delivered project.</li> <li>Robust investment appraisal process to enable consistent evaluation of opportunities.</li> <li>Contract placement follows a formal tender Board process ensuring control and value realisation.</li> <li>Project reporting is prepared monthly and presented to all project stakeholders, internal and external.</li> <li>Independent technical and business assurance to provide confidence to decision-makers.</li> <li>Project governance is in place to ensure the project meets the needs of the organisation and that anticipated benefits are realised.</li> </ul>	<p>OPRED has issued guidance on how Scope 3 emissions and the Group will ensure that these are fully incorporated into future environmental assessments.</p> <p>Ithaca Energy has received a licence extension for the Cambo field and the project is progressing towards FID in 2026/2027, with a field development plan submitted in Q1 2026.</p> <p>Regulatory approvals are progressing with field development plans and environmental impact assessments submitted for Fotla and Tornado.</p> <p>The Judicial Review decision with respect to the Rosebank consent was issued in January 2025, the effect of which was reduction of the consent (but with the reduction delayed until the date on which the regulator makes a new decision on the consent). Meantime, the Rosebank project is continuing to progress in line with multi-year development timeline towards first production in 2026/2027.</p>



## Risk management continued

Risk title	Risk description	Key risk mitigations	Activities and impacts in 2025
<p><b>Commodity price volatility</b></p> <p><b>Risk climate: Stable</b></p>	<p>Future commodity prices are difficult to predict but are expected to remain subject to increased levels of volatility and speed of change. The fluctuations in supply and demand, and consequent impact on commodity prices, may result in the Group being unable to deliver the anticipated financial returns to shareholders and be unable to support all ongoing operations and capital projects. This could restrict growth opportunities for the Group and limit its ability to meet its strategic objectives.</p> <p><b>Board oversight:</b> The Board approves all changes to the Group's Hedging Policy and receives monthly reporting on the Group's hedging status.</p>	<ul style="list-style-type: none"> <li>• Effective oil and gas price hedging framework in place using swaps, puts and zero-cost collars to protect from price downside risk whilst providing substantial price upside exposure.</li> <li>• Capital allocation framework designed to protect liquidity.</li> <li>• Balance of short and long-cycle capital investments.</li> <li>• Carbon credits auction participation undertaken in a disciplined manner in order to reduce exposure to price volatility.</li> </ul>	<p>During 2025, the Group has continued to execute its tiered Hedging Policy with proactive hedging at commodity price peaks with material hedge positions continuing to be held 12 to 18 months ahead.</p> <p>GBP hedging has continued to be deployed in tandem with the commodity price Hedging Policy to manage the net exposure between GBP revenues and GBP costs in the business.</p>
<p><b>Production delivery issues</b></p> <p><b>Risk climate: Stable</b></p>	<p>Due to a range of factors, such as early cessation of production of third-party host infrastructure, alignment with JV partners, well performance, ageing assets and unexpected shutdowns/ expenditure, Ithaca Energy may be unable to deliver forecast production volumes which could then undermine the future growth and investment strategy.</p> <p><b>Board oversight:</b> The Board reviews performance of all assets and key production metrics throughout the year.</p>	<ul style="list-style-type: none"> <li>• Continual monitoring of production efficiency with losses identified and action taken to rectify.</li> <li>• Key metrics (leading and lagging) agreed with Board and leadership team that are regularly reviewed at all levels.</li> <li>• Diversified portfolio containing operated and non-operated assets across the lifecycle.</li> <li>• Continuous engagement with JV partners and regulatory bodies directly involved with North Sea oil and gas production.</li> </ul>	<p>Production reached a new peak of 150 kboe/d during Q4 2025, with an exit rate of 148 kboe/d.</p> <p>There has been a material improvement in production efficiency across the Group's asset base, with production efficiency for 2025 above the 2024 average of 80% and 2024 industry average of 75%, and reflected in strong operational performance.</p> <p>12 out of 15 TARs were delivered on plan or better. Captain turnaround execution extended due to increased scope, with further investments made safeguarding longer-term environmental and operational performance. Return to full production achieved in the first week of November.</p>



## Risk management continued

Risk title	Risk description	Key risk mitigations	Activities and impacts in 2025
<p><b>Energy Transition &amp; Net Zero delivery</b></p> <p><b>Risk climate: Stable</b></p>	<p>The Group is aligned with the Government and industry regulator NSTA's Net Zero Framework and recognises that our Group needs to evolve to support the transition as we continue to focus on reducing emissions whilst supporting the UK's long-term energy needs.</p> <p>Transitional risks on the route to Net Zero have been identified, including changes to supply, demand and pricing for our products as well as potential for changes to the regulatory landscape which may impact how we operate our Group and the associated costs of doing so. Changes to investor requirements could also impact our access to funding and societal expectations could impact our licence to operate. Longer-term physical risks related to changing meteorological conditions because of climate change are also considered. Refer to section strategy (b) on pages 51 to 53 of TCFD for more detail.</p> <p><b>Board oversight:</b> The Board sets the GHG/emissions targets for the Group and maintains oversight of the progress of the GHG/emissions reduction strategy.</p>	<ul style="list-style-type: none"> <li>• GHG/Emissions reduction strategy and policies in place including 2040 Net Zero goal, endorsed by the Board.</li> <li>• Progress versus targets regularly reviewed by CEO and leadership team monthly, and by Health, Safety, Environment and Security Committee quarterly.</li> <li>• Emission reduction activities linked to performance compensation.</li> <li>• Emissions metrics incorporated into investment decisions.</li> <li>• Emission forecasts built into annual Group planning processes, including review of risk and opportunities regarding climate change as part of the TCFD framework.</li> <li>• Processes established ensuring compliance with regulatory emissions reporting requirements, including independent verification by UKAS appointed verifier as part of UK ETS Order.</li> </ul>	<p>During 2025 key focus areas included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• Ithaca Energy responded to the consultation with OPRED regarding assessment of Scope 3 emissions following the Finch ruling and participated in the compilation of an industry-wide response developed by OEUK. We continued to work closely with OEUK through 2025 to understand developments and help shape industry guidance which will be incorporated into our future Environmental Statement submissions.</li> <li>• The Group progressed its participation in the Oil and Gas Methane Partnership (OGMP) and World Bank Zero Routine Flaring commitment. Our assets achieved OGMP Gold Standard, reflecting detailed monitoring and inspection activities, including innovative use of remote drone measurements. We also played a leading role in an industry Joint Industry Programme (JIP), reflecting a leading approach in UKCS activities.</li> <li>• Progress of emissions reduction scopes, with more details provided in ESG section (see pages 44 to 69).</li> <li>• Continued focus regarding flaring and venting, with more details provided in ESG section (see pages 44 to 59). We have dedicated focus to how we will monitor, review and report Scope 3 emissions, and have included some elements of Scope 3 reporting, as well as methane intensity in our ESG report.</li> <li>• Continued ISO 14001 and ISO 50001 certification, with plans to expand the latter during 2026.</li> </ul>



## Risk management continued

Risk title	Risk description	Key risk mitigations	Activities and impacts in 2025
<p><b>Workforce recruitment &amp; retention</b></p> <p>Risk climate: Stable</p>	<p>Ithaca Energy faces a continuous challenge competing with local markets and competitors for specific skills and disciplines, especially with the general shift in the workforce dynamic in the UK and our industry, including an ageing and experienced workforce offshore. This could impact the business's capabilities and capacity in delivering the business plan, affecting the achievement of our strategic objectives and a reduction in shareholder value.</p> <p><b>Board oversight:</b> The Board reviews workforce planning status and initiatives, including succession planning, at least annually to ensure key skills and knowledge are retained and developed across the Group.</p>	<ul style="list-style-type: none"> <li>• Succession planning and workforce planning is undertaken on a regular basis to evaluate our current and future needs, in line with the Group strategy (to help identify critical gaps and ensure continuity in key and leadership positions, retaining and developing the knowledge, quality and skills needed).</li> <li>• Compensation and benefits are benchmarked against the market and our peers, to ensure we remain fair, equitable and attractive to new and existing employees.</li> <li>• DE&amp;I Committee in place with the aim to improve awareness across the organisation and create a more inclusive environment.</li> <li>• Employee consultation forum providing direct access for onshore and offshore employees to senior management.</li> </ul>	<p>Employee survey completed in December 2025 showing a 12% improvement in engagement from the 2023 survey. Following the survey, we will be identifying key focus areas to be actioned at a team level with each team holding an engagement session and committing to action.</p> <p>The late-life asset steering group developed an offshore workforce plan, covering all facilities. This included a focus on matching career aspirations to business needs.</p> <p>We have continued with our commitment to early career programmes with a number of apprentices, interns and graduates joining us in 2025, along with improving our development programme for our early career employees.</p> <p>Following the Business Combination with Eni UK in 2024 there was a focus on integrating our business practices and establishing a one-team approach. This work was completed in 2025.</p>
<p><b>Supply chain capacity &amp; capability</b></p> <p>Risk climate: Decreasing</p>	<p>Group success and achievement of strategic objectives is dependent on supplier performance. We recognise that our suppliers are subject to similar risks to our own that impact on their capacity and capability, e.g. workforce retention and recruitment and cost escalation, volatile commodity prices and regulatory compliance. Supply chain risks could result in delays and/or increased cost to capital projects, increased unplanned production downtime, increased safety or environmental incidents, regulatory breaches which may impact achievement of strategic objectives and shareholder value.</p> <p><b>Board oversight:</b> The Board maintains oversight of the supply chain and associated key risks with a formal review at least annually.</p>	<ul style="list-style-type: none"> <li>• Formal tendering framework in place to ensure that both technical and financial hurdles are established and met by potential suppliers prior to appointment.</li> <li>• Diversification of suppliers and back-up providers contracted for key scopes.</li> <li>• Robust supplier due diligence and qualification process.</li> <li>• Enhanced liaison, communication and management of key suppliers throughout capital projects lifecycle.</li> </ul>	<p>Market conditions continue to deteriorate with suppliers leaving the market, decreasing availability of those suppliers who remain with some multi-national suppliers resources being directed overseas and price increases (although not to the levels that were seen in prior years).</p> <p>Improved internal planning, engagement and communication with contractors to ensure they have visibility of our requirements and can plan accordingly.</p> <p>Supply chain forums held during the year with a focus on safety performance and expectations.</p> <p>Engagement with key offshore labour suppliers on approach for late life assets</p>



## Risk management continued

Risk title	Risk description	Key risk mitigations	Activities and impacts in 2025
<p><b>Government regulator, political &amp; fiscal</b></p> <p><b>Risk climate: Increasing</b></p>	<p>The Group could be adversely impacted by changes to the fiscal, regulatory and political regime that may undermine its ability to meet its production commitments and deliver its strategy. Furthermore, the Group is entirely exposed to the UK jurisdiction and within the UK there is currently a significant level of political uncertainty that impinges on the UK oil and gas sector. The EPL was introduced by the UK Government in 2022, increasing the tax burden on the Group. Changes to the EPL have already been introduced since it was first announced, including the increase in rate and duration, reduction and removal of investment allowances, and the introduction of the Energy Security Investment Mechanism.</p> <p>The consequence of fiscal, regulatory or political change could significantly impinge on the future profitability of the Group and on the economic feasibility, scale and phasing of the future investment plans.</p> <p>The Group is also subject to increasing threat of legal challenge, e.g. environmental challenge. This may result in protracted legal cases/judicial reviews that may delay the planned completion of future capital project developments.</p> <p><b>Board oversight:</b> The Board oversees the key regulatory and governance requirements of the Group through at least annual review of the evolving risk areas, updates from relevant specialists and the detailed work of Board sub-committees on specific operational, HSE and fiscal matters.</p>	<ul style="list-style-type: none"> <li>• The Group engages in regular and constructive consultations with regulatory bodies, UK Government departments and industry associations, to ensure the value of the industry to energy security is understood.</li> <li>• Active member of the industry trade associate contributing to the strategic direction and supporting alignment across the industry.</li> <li>• The Group has considerable experience and robust procedures to manage legal cases and judicial reviews.</li> </ul>	<p>Ithaca Energy has been actively engaging with the UK Government and opposition parties during the year as part of the Government's Fiscal Forum and formal consultation process with the industry to determine a future successor regime to the EPL following its sunset in 2030. The Oil and Gas Price Mechanism (OGPM), was consulted on over several months with direct engagement with HMT and HMRC and concluding in the Chancellor's Autumn Statement. The Group has highlighted the consequential impact of reduced investment, from the EPL staying in place until 2030, to the UK's energy security and decarbonisation targets, and has advocated for an earlier introduction of the OGPM.</p> <p>Following the UK Government's regulatory review on Environmental Impact Assessment, OPRED has issued guidance on how Scope 3 emissions should be assessed and the Group will ensure that these are fully incorporated into future environmental assessments.</p> <p>The North Sea Future Plan was published in November 2025, together with the Fiscal Policy post 2030. The Group is working to understand the implications of increased NSTA principal objectives and the Maximising Economic Recovery strategy.</p> <p>We will continue to work closely with OEUK throughout 2026 to understand developments and help shape industry guidance which will be incorporated into any future Environmental Statements.</p>



## Risk management continued

Risk title	Risk description	Key risk mitigations	Activities and impacts in 2025
<p><b>Major compliance breach</b></p> <p><b>Risk climate: Stable</b></p>	<p>A failure to establish and maintain an effective compliance framework may lead to deficiencies in key processes or controls and to the risk of a major regulatory compliance breach that results in significant sanctions, reputational damage, financial loss and potentially a loss of licence to operate or a prohibition notice resulting in the shutdown of activities.</p> <p><b>Board oversight:</b> The Board sets the expectations of compliance with legislative and regulatory requirements and seeks regular assurance over compliance with Group policies.</p>	<ul style="list-style-type: none"> <li>Established governance committees with defined roles and responsibilities for Audit and Risk, HSE, Nomination, Remuneration and Disclosure.</li> <li>Board approved documented standards and policies.</li> <li>Competence and training, together with necessary safety culture, embedded across the Group.</li> <li>Appropriate joint venture management and support from commercial and legal with respect to licences, Joint Operating Agreement/Unitisation and Unit Operating Agreement compliance.</li> <li>Comprehensive system of internal controls over financial reporting with ongoing work to enhance and develop the robustness of material processes and controls.</li> </ul>	<p>The Groups Values were relaunched in October with the inclusion of a new safety value, 'Make it safer', reinforcing our commitment to a strong safety culture.</p> <p>Increased HSE and technical assurance auditing, linking to HSE compliance requirements.</p> <p>HSE compliance reviews against Weston Compass system commenced in 2025, for completion during early 2026.</p> <p>Mandatory Code of Conduct training and independent whistleblowing line in place.</p>



## Disclosures Statements

# Ithaca Energy non-financial and sustainability information statement

The following information is prepared in accordance with Section 414CA and 414CB of the Companies Act 2006 and the information is incorporated by cross-reference. Our policies, including the Code of Conduct and Modern Slavery Statement can be found on our website at [www.ithacaenergy.com/about-us/governance](http://www.ithacaenergy.com/about-us/governance)

Requirement	Our policies and standards	Information related to policies and due diligence processes
a Environmental matters	<ul style="list-style-type: none"> <li>• Net Zero Policy</li> <li>• Health, Safety and Environmental Policy</li> <li>• TCFD and CFD (governance and risk management)</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental, Social and Governance – see pages 44 to 69</li> <li>• Net Zero and Energy Transition – pages 48 to 49</li> <li>• Effluents, spills and waste – page 58</li> <li>• TCFD and CFD disclosures – pages 50 to 58</li> </ul>
b Employees	<ul style="list-style-type: none"> <li>• Code of Conduct</li> <li>• Diversity, Equity and Inclusion Policy</li> <li>• Board Diversity, Equity and Inclusion Policy</li> <li>• Health, Safety and Environmental Policy</li> </ul>	<ul style="list-style-type: none"> <li>• s.172 Statement – page 87</li> <li>• Environmental, Social and Governance – pages 44 to 69</li> <li>• Corporate Governance Report – pages 88 to 153</li> <li>• Nomination and Governance Report – pages 114 to 116</li> </ul>
c Social matters	<ul style="list-style-type: none"> <li>• Code of Conduct</li> </ul>	<ul style="list-style-type: none"> <li>• s.172 Statement – page 87</li> <li>• Social – pages 60 to 69</li> </ul>
d Respect for human rights	<ul style="list-style-type: none"> <li>• Modern Slavery Statement</li> <li>• Modern Slavery and Human Trafficking Policy</li> <li>• Code of Conduct</li> <li>• Supply Chain Policy</li> <li>• Whistleblowing Policy</li> </ul>	<ul style="list-style-type: none"> <li>• Purpose, mission and values – pages 4 to 5</li> <li>• Our people – pages 60 to 65</li> </ul>
e Anti-corruption and anti-bribery	<ul style="list-style-type: none"> <li>• Anti-Bribery and Corruption Policy</li> <li>• Code of Conduct</li> <li>• Whistleblowing Policy</li> </ul>	<ul style="list-style-type: none"> <li>• Governance – pages 88 to 153</li> <li>• Whistleblowing Policy – pages 100 and 121</li> </ul>
Description of principal risks relating to matters (a-e above)		<ul style="list-style-type: none"> <li>• Risk management – pages 76 and 118</li> <li>• Principal risks – pages 76 to 83</li> <li>• TCFD disclosures – pages 50 to 58</li> </ul>



Disclosures Statements continued

# TCFD Index

We consider our Task Force on Climate-related Financial Disclosures on pages 50 to 58 to be compliant with the FCA Listings Rule disclosure requirements of section 414CA and 414CB of the Companies Act 2006.

Recommendation and recommended disclosure	Disclosure Level	Reference
<b>Governance</b>		
(a) Describe the Board's oversight of climate-related risks and opportunities	Full	TCFD section: Governance (a), pages 50 to 51.
(b) Describe management's role in assessing and managing climate-related risks and opportunities	Full	TCFD section: Governance (b), pages 50 to 51.
<b>Strategy</b>		
(a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long-term	Full	TCFD section: Strategy (a), pages 50 to 56.
(b) Describe the impact of climate-related risk and opportunities on the organisation's businesses, strategy and financial planning	Full	TCFD section: Strategy (b), pages 50 to 56.
(c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Full	TCFD section: Strategy (c), pages 50 to 56.
<b>Risk management</b>		
(a) Describe the organisation's processes for identifying and assessing climate-related risks	Full	TCFD section: Risk management (a), pages 50 to 56.
(b) Describe the organisation's processes for managing climate-related risks	Full	TCFD section: Risk management (b), pages 50 to 56.
(c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	Full	TCFD section: Risk management (c), pages 50 to 56.
<b>Metrics and Targets</b>		
(a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Full	TCFD section: Metrics and targets (a), pages 56 to 58.
(b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	Full	TCFD section: Metrics and targets (b), pages 56 to 58.
(c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Full	TCFD section: Metrics and targets (c), pages 56 to 58.

Disclosures Statements continued

# Viability statement

The Directors have assessed the viability of the Group over a three-year period to 31 December 2028 (the viability statement period) which was selected for the following reasons:

- At least annually, the Board considers the Group's operating cycles, business plan projections and debt facility requirements over the coming three-year period.
- Beyond three years, forecast results may be affected by changes in Government fiscal and other policies and changes in regulations.

In selecting this three-year period to 31 December 2028, management considered FRC recommended best practice that the viability statement should be assessed over a minimum of five years. However, the Directors believe that a viability assessment period of three years is more appropriate given the nature of the business and exposure to short-term commodity pricing.

The viability assumptions are consistent with the going concern assessment for the period to 30 June 2027 as set out in note 3 of the financial statements with the following additional assumptions:

	H2 2027	2028
Crude oil price (\$/bbl)	65	66
UK NBP gas price (p/ therm)	64	60

The oil and gas price assumptions used in the going concern and viability assessments represent management's current best estimates, as at the date of approval of the Annual Report and Accounts, as supported by data from third-party analysis, of future commodity prices whereas the commodity prices used in impairment testing (see note 19) are based on market

conditions at 31 December 2025. The timeframe of the cash flow projections used in impairment testing is also significantly longer than the viability statement period as it is based on the expected life of each field which can extend up to 40 years. It is not considered appropriate to use such a long period for viability or going concern assessments.

This assessment included the potential financial and operational impacts, in severe but plausible scenarios, of the principal risks faced by the Group, relevant financial forecasts and sensitivities, and the availability of adequate funding.

The only debt facility which starts to fall due within the viability period is the \$150 million project capital expenditure facility. Repayments under this facility are linked to revenue generated from a specific field which is currently at the development stage. Further details of this facility are set out in note 20.

It should be noted that key assumptions that underpin the amounts recognised in the consolidated statement of financial position, such as future oil and gas prices, discount rates, future costs of decommissioning, and tax rates, all go well beyond the viability statement period and take account of climate change and the energy transition as set out in note 3 and note 19.

### Climate change

The Board has also considered how climate risk could impact the Group's viability. Further details of the Group's assessment of risks and opportunities from climate change is contained in the strategy (b) section of our TCFD disclosures on pages 50 to 58.

The section in the TCFD disclosures which outlines the associated risks over various time horizons, has a short-term window to 2030. This short-term view most closely aligns to the three-year period considered in the viability assessment. As outlined in the TCFD section, the impact of direct climate-related matters during the short-term window is expected to be limited to certain transition

risks relating to policy and legal matters as well as physical, reputational and market-related risks.

### Sensitivity analysis and reverse stress tests

Sensitivity analysis to the base case have been undertaken in line with the principal risks of the business that are considered to have the potential to directly impact the viability of the Group in the three-year period, namely:

- Reductions in crude oil prices and UK natural gas prices of 20%;
- Reductions in production levels of 10%; and
- Increases of 10% in both opex and capex were modelled across the viability statement period.

In addition, management aggregated these scenarios to create a reasonable combined worst-case scenario. In this combined downside scenario, after consideration of mitigation strategies within the control of management, the Group is forecast to have sufficient financial headroom and to operate within the requirements of its financial covenants throughout the viability statement period. The mitigation strategies within the control of management include the reduction in uncommitted capital expenditure and variable opex savings in the low production scenario.

A reverse stress test has also been performed reflecting further reductions in commodity prices, prior to any mitigating actions, to determine what level prices would have to reach such that there is no liquidity headroom left. This stress test demonstrated that the likelihood of the fall in prices required to cause a liquidity issue is considered sufficiently remote in the context of the mitigation strategies available to management.

### Other principal risks

The sensitivities outlined above have particularly focused on the following principal risks: production delivery issues risk, commodity price volatility risk and capital project execution risk. The other principal and emerging risks facing the Group as set out on pages 76 to 83 have also been considered over the viability statement period.

On top of the sensitivities run for commodity prices, production volumes and increased opex and capex described above, the potential impacts of the Group's other principal risks on the viability of the Group over the viability statement period has been considered.

The Board has reviewed the risk mitigation strategy for each of these individual risks and believes that either the risks are likely to manifest outside the three-year viability window or that the mitigation strategies are sufficient to reduce the likelihood and impact of these risks such that either individually or collectively, they would be unlikely to jeopardise the Group's viability over the period to 31 December 2028.

### Conclusion

Based on the results of this analysis as set out above, the Directors confirm that they have a reasonable expectation that the Group will be able to continue in operational existence and meet all its liabilities as they fall due over the period to 31 December 2028 and that the likelihood of extreme scenarios, which would either lead to a breach of covenants or lack of liquidity, is remote.



# Section 172 (1) statement

The Board recognises the importance of engaging and taking into account the views of all stakeholder Groups, in accordance with our purpose to create value for all stakeholders in a safe and responsible manner. The Section 172 (1) statement can be found below.

To shape our long-term strategy and maximise value for our stakeholders, we must understand what matters to them. Through regular engagement, we gain insight into the different perspectives of our diverse stakeholders, ensuring our vision and strategy is understood.

Considering their feedback on our strategy, business model and performance builds strong, constructive relationships and enables robust decision-making at Board-level. The Directors are required by law to act in a way that promotes the success of the Group for the benefit of its shareholders.

## Section 172 (1) statement

In accordance with the requirements of Section 172 (1) of the Companies Act 2006 (s.172), the Directors consider, that during the financial year ended 31 December 2025, they have acted in a way that they consider, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole, and in doing so, have had regard to the likely consequences of any decision in the longer term and the broader interests of other stakeholders.

## How the Board has had regard to s.172 Duties

In order to support the s.172 statement, further information on how the Directors fulfil their s.172 duty can be found throughout the Governance report, including the skills and experience of our Directors on page 90; our Stakeholder Engagement on pages 101 to 104, principal Board decisions on pages 98 to 99, key Board activities on pages 96 to 97.

The table (right) provides where additional information can be found to explain how the Directors have had regard for the matters set out in s.172.

s.172 duties	Read more	Page
The likely consequences of any decision in the long-term.	Our business model	24 to 27
	Our strategy	28 to 31
	Governance framework	108
	Principal risks	76 to 83
	Key decisions of the Board	98 to 99
The interests of our employees.	Our people	60 to 65
	Diversity, equity and inclusion	64 to 65
	Whistleblowing policy	100, 121
	Purpose, values and culture	4, 61, 105
The need to foster business relationships with our suppliers, customers and others.	Our stakeholders	101 to 104
	Principal risks	76 to 83
	Key Board activities	96 to 97
The impact of our operations on the community and environment.	Our stakeholders	101 to 104
	Environment, Social and Governance	44 to 69
	TCFD and CFD Disclosures	50 to 58
	HSE Committee report	122 to 123
Maintaining a reputation for high standards of business conduct.	Code of Conduct	84
	Whistleblowing policy	100, 121
	Modern Slavery	84
	Purpose, values and culture	4, 61, 105
Acting fairly between our shareholders.	Shareholder engagement	102
	Annual General Meeting	151

This strategic report was approved on behalf of the Board on 17 March 2026:

**Iain C S Lewis**

Director



# Corporate governance



## Site Visits

Read more about the Director's site visits to Cygnus and Captain.

See p.106 

## In this section

Governance at a glance	89
Executive Chairman's introduction	89
Board of Directors	92
Nomination and Governance Committee report	114
Audit and Risk Committee report	117
Health, Safety, Environment and Security Committee report	122
Remuneration Committee report	124
Directors' report	150
Statement of Directors' responsibilities	154

Governance at a glance  
Executive Chairman's introduction

# Leading responsibly

## Highlights of 2025

Monitored the evolution of the Group's culture following the Business Combination with Eni UK in 2024 and refreshed the Company's values.

Approved the €450 million senior notes issuance and the \$300 million upsizing of the RBL facility.

Approved and paid cash dividends totalling \$500 million to our shareholders in 2025.

Completed the Tobermory farm-in to increase our presence in the West of Shetland.

Approved the acquisitions of increased working interests in the Seagull and Cygnus fields.

Positive trend in HSE performance with zero Tier 1 or Tier 2 safety events recorded in the year.

“  
We have continued to deliver on our strategy through disciplined investment, operational excellence and targeted growth”

Yaniv Friedman,  
Executive Chairman



Dear Shareholder,  
I am pleased to present the Corporate Governance report for Ithaca Energy plc for the year ended 31 December 2025.

### Corporate governance

At Ithaca Energy, we strive to maintain the highest standards of corporate governance and have created a culture where honesty, openness and equity are valued. The Board's remit is to provide direction to help shape Ithaca Energy's strategy and ensure that it is being executed effectively within a framework that is well controlled, mitigates risk and is compliant with corporate and social responsibility.

The ELT, with the guidance of the Board, continue to focus on maximising value for shareholders through the safe, efficient and responsible production of our assets and the pursuit of the Group's strategic objectives, see more on page 28.

### Board activities

It has been a busy year for the Board, we have continued to deliver on our strategy of disciplined investment, operational excellence and targeted growth across our core assets, further strengthening our position as a leading independent operator in the UK North Sea, all while delivering material improvements in our HSE performance.

Details on the Board's activities during 2025 can be found on pages 96 to 97 and further information on the principal decisions of the Board can be found on pages 98 to 99, including details on our successful pricing of the senior notes offering and upsizing of the RBL facility, and details on our organic and inorganic growth investments.

### Board changes

In October 2025, we welcomed Geraldine Murphy to the Board, as Independent Non-Executive Director. Geraldine's experience in energy investment banking and M&A advisory is a tremendous asset to the Board as we continue to drive our growth strategy. Details of Geraldine's appointment process can be found on page 116.

### Board priorities for 2026

Building on the momentum in the year to date the Board will continue to monitor the progress made on our West of Shetland growth strategy supporting the Group's long-term production outlook and will remain vigilant in evaluating M&A opportunities that fulfil our investment criteria, aided by our significant liquidity position of \$1.5 billion following our successful bond issuance and RBL expansion, see page 71. The Board and its Committees will continue to focus on ensuring the safety of our workforce and protecting the environment while monitoring our Group-wide controls.

Finally, I would like to thank all of our Directors, employees, shareholders, stakeholders, partners and contractors for their continued support over the course of the year.

Yaniv Friedman  
Executive Chairman



Governance at a glance continued

# Board meeting attendance and composition

	Board and Committee meeting attendance <sup>7</sup>					Committee membership				Skills and experience											
	Board <sup>8</sup>	Audit and Risk Committee	Remuneration Committee	HSES Committee	Nomination and Governance Committee	Audit and Risk Committee	Remuneration Committee	HSES Committee	Nomination and Governance Committee	Independence	Oil & Gas Sector	Finance & Accounting	Operational Excellence	Risk Management	Health, Safety & Environment	Mergers & Acquisitions	Strategy	Technology, Digital & Innovation	People Leadership & Reward	Organisational Transformation	Governance & Regulatory
<b>Executive Chairman</b>																					
Yaniv Friedman	6/6				5/5				▲		●	●	●	●	●	●	●	●	●	●	●
<b>Executive Directors</b>																					
Luciano Vasques	6/6										●	●	●	●	●	●	●	●	●	●	●
Iain Lewis	6/6										●	●	●	●	●	●	●	●	●	●	●
<b>Non-Executive Directors</b>																					
Idan Wallace	6/6				5/5				△		●	●	●	●	●	●	●	●	●	●	●
Itshak Tshuva <sup>1</sup>	3/6										●	●	●	●	●	●	●	●	●	●	●
Tamir Polikar	6/6										●	●	●	●	●	●	●	●	●	●	●
Francesco Gattei <sup>2</sup>	4/6										●	●	●	●	●	●	●	●	●	●	●
Guido Brusco <sup>3</sup>	2/6				1/5				△		●	●	●	●	●	●	●	●	●	●	●
<b>Independent Non-Executive Directors</b>																					
Zvika Zivlin (SID)	6/6	9/9	7/7	4/4	5/5	△	△	△	△	●	●	●	●	●	●	●	●	●	●	●	●
Assaf Ginzburg <sup>4</sup>	4/6	7/9	4/7	0/3	5/5	△	△	△	△	●	●	●	●	●	●	●	●	●	●	●	●
Dave Blackwood <sup>5</sup>	5/6	9/9	7/7	4/4		△	△	▲		●	●	●	●	●	●	●	●	●	●	●	●
Deborah Gudgeon	6/6	9/9	7/7			▲	△			●	●	●	●	●	●	●	●	●	●	●	●
Lynne Clow	6/6	9/9	7/7		5/5		▲		△	●	●	●	●	●	●	●	●	●	●	●	●
Geraldine Murphy <sup>6</sup>	1/1			1/1				△		●	●	●	●	●	●	●	●	●	●	●	●

1 Itshak Tshuva was unable to attend three Board meetings due to existing external commitments.

2 Francesco Gattei was unable to attend two Board meetings due to existing external commitments. Francesco requested that an alternate attend on his behalf at each of the meetings, which the Board approved.

3 Guido Brusco was unable to attend four Board meetings and four Nomination and Governance Committees due to existing external commitments. Guido requested that an alternate attend on his behalf at each of the meetings, which the Board and Nomination and Governance Chair approved.

4 Assaf Ginzburg was unable to attend two Board meetings, two Audit and Risk Committees, three Remuneration Committees and HSES Committees due to existing external commitments. Assaf resigned from the HSES Committee with effect from 1 October 2025.

5 Dave Blackwood was unable to attend one Board meeting due to existing external commitments.

6 Geraldine Murphy was appointed to the Board and as a member of the HSES Committee with effect from 1 October 2025.

7 All Directors unable to attend meetings received copies of the meeting materials in advance and provided input to the meetings.

8 There were six scheduled Board meetings and eight ad-hoc Board meetings held in 2025.



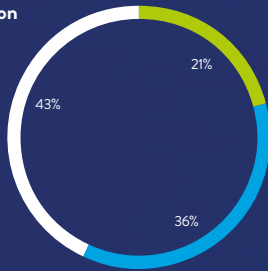
## Governance at a glance continued

## Board independence

43%

## Board composition

Executive Directors  
Non-Executive Directors  
Independent Non-Executive Directors

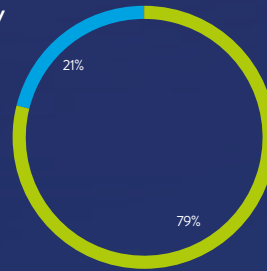


## Female representation

21%

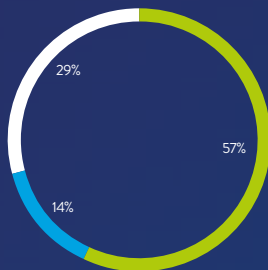
## Gender diversity

Men  
Women



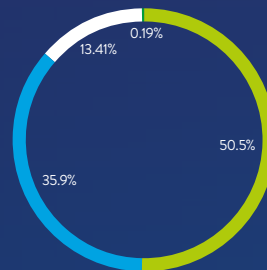
## Ethnic diversity

White  
Mixed multiple ethnic groups  
Other ethnic group



## Shareholders

Delek Group Limited  
Eni S.p.A Limited  
Free Float  
EBT



## Reporting under the Financial Reporting Council's UK Corporate Governance Code (the Code)

During the year Ithaca Energy reported under the Financial Reporting Council's 2024 UK Corporate Governance Code (the Code). The table below, together with the Directors' Remuneration Report, set out on pages 128 to 141 describes in greater detail how the Company has applied the principles and complied with the provisions of the Code.

### 1. Board leadership and Company purpose

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### 2. Division of responsibilities

F. Role of the Chair	109
G. Division of responsibilities	108 to 110
H. Role of the Non-Executive Directors	109
I. Board policies, processes, information, time and resources	94 to 107

### 3. Composition, succession and evaluation

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L. Board evaluation	111 to 112

### 4. Audit, risk and internal control

M. Independence and effectiveness of internal and external auditors	120
N. Fair, balanced and understandable assessment	121
O. Effective risk management and internal control	121

### 5. Remuneration

P. Alignment to purpose, values and long-term success	126
Q. Remuneration Policy	142 to 150
R. Remuneration outcomes	128 to 141



## Board leadership and Company purpose

### Board of Directors

- C Chair
- A Audit and Risk
- N Nomination and Governance
- R Remuneration
- H HSES
- D Disclosure

N D



D



D



## Board of Directors

Full biographies can be found [on our website](#)

**Yaniv Friedman**  
Executive Chairman

**Date of appointment:** July 2024

Yaniv brings to the Board significant global executive experience working in the energy and infrastructure sectors and has a wealth of strategic, commercial, public company and M&A expertise. Yaniv previously held the role of CEO of Modiin Energy LP.

**External appointments:**  
None

**Luciano Vasques**  
Chief Executive Officer

**Date of appointment:** October 2024

Luciano brings a wealth of executive and energy industry experience to the Board with a career spanning over 30 years covering a range of leadership, technical and operational roles. Luciano was previously Managing Director of Eni UK Limited.

**External appointments:**  
UK Offshore Energies Association (OEUK)

**Iain Lewis**  
Chief Financial Officer

**Date of appointment:** October 2022

Iain has over 25 years of upstream oil and gas finance experience having held senior positions with EY and TAQA in Europe, Canada and the Middle East. He is a Chartered Accountant with extensive technical expertise in financial reporting, capital allocation and risk management.

**External appointments:**  
None

A R H N



H N A



R N



A R



**Zvika Zivlin**  
Senior Independent Director

**Date of appointment:** May 2024

Zvika brings a wealth of board experience having held non-executive directorships at listed companies, both in the UK and Israel, including roles as chair of the remuneration committee and member of the audit, nominations and compliance committees.

**External appointments:**  
Afcon Holdings Ltd

**Dave Blackwood**  
Independent Non-Executive Director

**Date of appointment:** October 2022

Dave has over 50 years' experience in the oil and gas sector, including seven years in the service sector with Schlumberger in the North Sea and the Middle East, and 27 years in various global roles within bp, including heading up bp's upstream business in the UK and Norway.

**External appointments:**  
None

**Lynne Clow**  
Independent Non-Executive Director

**Date of appointment:** October 2022

Lynne is an experienced HR and operations director and has a wealth of human resources, strategic and commercial experience which enables her to make a valuable contribution to the Board.

**External appointments:**  
Highlands and Islands Airports Limited; Scottish Prison Service; Office for Nuclear Regulation

**Deborah Gudgeon**  
Independent Non-Executive Director

**Date of appointment:** October 2022

An experienced finance professional, Deborah has over 30 years of corporate finance and business transformation expertise, with international board level experience across a range of sectors.

**External appointments:**  
Petra Diamonds Limited; Serabi Gold plc; Valterra Platinum

**Board leadership and Company purpose** continued

## Board of Directors continued


**Assaf Ginzburg**  
 Independent Non-Executive Director

**Date of appointment:** October 2022

Assaf has over 15 years of experience in the energy industry. He is currently the CFO of Ormat Technologies, a global operator and developer of renewable energy projects which offers geothermal, recovered energy, energy management and storage solutions.

**External appointments:**  
Ormat Technologies Inc.

**Geraldine Murphy**  
 Independent Non-Executive Director

**Date of appointment:** October 2025

Geraldine has over 35 years of energy investment banking and M&A advisory experience, currently holding the position of independent non-executive director at Seascope Energy Asia. Geraldine holds a BSc. (Hons) degree in Geology and a MSc. in Petroleum Geology from University College Dublin.

**External appointments:**  
Seascope Energy Asia plc

**Francesco Gattei**  
 Non-Executive Director

**Date of appointment:** October 2024

Francesco has over 25 years of experience in the oil and gas industry across various senior roles at Eni S.p.A. He is currently Chief Transition & Financial Officer, Chief Operating Officer and General Manager for Eni S.p.A.

**External appointments:**  
Eni S.p.A; Vår Energi

**Guido Brusco**  
 Non-Executive Director

**Date of appointment:** October 2024

Guido brings over 25 years of international experience in the energy sector within Eni S.p.A group, where he has held senior executive positions and he currently serves as Chief Operating Officer Global Natural Resources and General Manager.

**External appointments:**  
Eni S.p.A, Vår Energi; Azule Energy Holdings Limited


**Itshak Sharon Tshuva**  
 Non-Executive Director

**Date of appointment:** March 2023

Itshak is an Israeli entrepreneur and businessman with global business operations. As the major shareholder of Delek Group, he is responsible for the discovery of significant natural gas reserves offshore Israel, which contributed to its emergence as an international player.

**External appointments:**  
Delek Group Limited

**Idan Wallace**  
 Non-Executive Director

**Date of appointment:** October 2022

Idan was appointed the CEO of Delek Group in January 2020 and has served as strategic advisor to the CEO of NewMed Energy. A qualified lawyer, Idan brings a wealth of global business and strategic expertise.

**External appointments:**  
Delek Group Limited

**Tamir Polikar**  
 Non-Executive Director

**Date of appointment:** October 2024

Tamir has over 30 years of experience in various roles in the energy and finance sectors, including as CFO, CEO and director at public companies. Tamir was appointed the Principal Chief Financial Officer of Delek Group Ltd in August 2020 and serves as a director at NewMed Energy.

**External appointments:**  
Delek Group Limited; NewMed Energy

**Julie McAteer**  
 General Counsel and Company Secretary

**Date of appointment:** October 2022

Julie joined the Group in February 2020 and has over 25 years of experience in the oil and gas sector. As Company Secretary, Julie is responsible for advising the Board on all governance matters.

**External appointments:**  
Offshore Pollution Liability Association Limited



Board leadership and Company purpose continued

# Board meetings and activities

## Board meetings

The matters outlined below provide insight into the nature of the Board's discussions during the year and demonstrate how its activities support the delivery of the Group's strategy.

The Board follows a structured programme of activities and will meet at such times as are necessary, but not less than six times a year, including a full day dedicated to strategy. Details of the Board's attendance at meetings can be found on page 90.

Board agendas are drawn up in advance by the Company Secretary in conjunction with the Executive Chairman and Chief Executive Officer to facilitate the comprehensive Board programme. Flexibility in the scheduled programme is important to allow key items to be added to any agenda, so that the Board can focus on evolving and important matters at the most appropriate time.

All Board papers are published via an online Board portal which offers a fast, secure and reliable method of distribution. When a Director is unable to attend a Board or Committee meeting, they receive the papers for consideration at that meeting and have the opportunity to discuss any issues or make any comments in advance and thereafter follow up with the Chair of the relevant meeting.

A typical Board meeting will comprise the following elements:

- Review and approval of previous minutes of meetings and review of actions arising.
- Updates from the Board Committee Chairs on the proceedings of those meetings, including the key discussion points and particular matters to bring to the Board's attention.

- Business Performance updates to allow the Board to challenge management on Company performance, including: CEO overview, HSE report, people and culture report, operational report and CFO report.
- Financial reporting, including approval of financial results.
- Strategy and M&A updates on areas of particular strategic importance, opportunities and risks, to evaluate progress, provide insight and, where necessary, decide on appropriate action.
- Corporate governance updates, including: approval of delegated authorities' matrix, annual review of matters reserved to the Board and Committee Terms of Reference; and approval of the Modern Slavery and Human Trafficking Statement.

Details on some of the key topics considered during 2025 can be found in our Board activities on pages 96 to 97.

Time is set aside in between Board meetings for the Executive Chairman to meet privately with Non-Executive Directors where it is considered appropriate which provides the opportunity for discussion on key agenda items and other matters without the Executive Directors and management present. In addition, the Senior Independent Non-Executive Director meets regularly with the Independent Non-Executive Directors to discuss key agenda items and other matters as necessary.

On the evening before most scheduled Board meetings, the entire Board and the General Counsel and Company Secretary, with other members of the Executive Leadership Team have an opportunity to meet. This time is usefully spent enabling Board members to build rapport with each other and relationships on a personal level, share external views and consider issues impacting the Company, resulting in better Board dynamics and decision-making.

## Inform

The agenda for each meeting is discussed and agreed in advance with the Executive Chairman in conjunction with the Chief Executive Officer and General Counsel and Company Secretary, along with the matters arising from the previous meeting.

Performance reports and presentations on key areas of the business are prepared for the Board meetings, based on the annual calendar of business, to inform and make recommendations for the Board's consideration.

## Recommend and consider

To facilitate decision-making, recommendations from senior leaders, as well as external advisors, are presented to the Board for consideration.

## Approve and action

The Board will consider matters and agree and approve actions to take forward.

Board leadership and Company purpose continued

# Maintaining high standards of corporate governance

## Compliance with the UK Corporate Governance Code

Ithaca Energy and its Board of Directors are fully committed to upholding the highest standards of corporate governance as these play a vital part in driving the right behaviour while being crucial to overall business integrity and performance and to maintaining a sound framework for the control and management of the Group.

During the year under review and up until the date of this report, the Company applied the principles and complied with the provisions of the Code, with the exception of: provision 9, which recommends that the Chair be independent on appointment; provision 11 which recommends that at least half the Board, excluding the Chair, should be Non-Executive Directors whom the Board considers to be independent; and provision 17 which recommends that a majority of members of the nomination committee be independent non-executive directors. Details of where the Company has departed from the Code regarding these provisions is set out in the 'Code in action' sections within the Corporate Governance report.

Details of The Code can be found on the Financial Reporting Council's website at [www.frc.org.uk](http://www.frc.org.uk).

The Company is aware that the composition of the Board is impacted by the rights of the significant shareholders under their respective Relationship Agreements, see further details in the Director's report on pages 151 to 152.

## UK Listing Rules statement on Board diversity targets

In accordance with UK Listing Rule 6.6.6R (9), the Company acknowledges that, as at 31 December 2025, the Board has not met the following targets on Board diversity:

- (i) at least 40% of the Board are women; and
- (ii) at least one senior Board position (Chair, CEO, CFO or SID) is a woman.

The Board has met the target of at least one individual on its Board is from a minority ethnic background, see page 116.

Further details on the reasons for not meeting targets in (i) and (ii) above are set out within the Nomination and Governance Committee report on page 115.

## Section 172 (1) statement

The Board recognises the importance of engaging and taking into account the views of all stakeholder Groups, in accordance with our purpose to create value for all stakeholders in a safe and responsible manner. The Section 172 (1) statement can be found on page 87.





Board leadership and Company purpose continued

# Key Board activities

A selection of Board activities that were carried out during the year, together with an indication of the stakeholders affected and how those decisions relate to the strategic priorities of the Board, are set out over these pages.

Further information on the key principal decisions of the Board during the year, including the outcomes of those decisions can be found on pages 98 to 99.

### Strategy linkage

- 01 Sustain and optimise production
- 02 Unlock material organic growth opportunities
- 03 Consolidation in core UKCS market
- 04 Focused international expansion

### Stakeholder groups

- 01 Our people
- 02 Shareholders
- 03 Communities
- 04 Suppliers and customers
- 05 Joint venture partners
- 06 Lenders
- 07 Government and regulators

## Strategic

### Business Plan

Approved the Group's Business Plan for 2026.

### Organic growth

As part of the Group's West of Shetland strategy:

- Approved the farm-in to the Tobermory gas discovery (see page 99).
- Received regular updates on the Rosebank development, Cambo and Tornado projects.

### Inorganic growth

As part of the Group's consolidation strategy in the UKCS approved:

- Acquisition of Japex UK, increasing its stake in the Seagull field by 15% (see page 98).
- Acquisition of additional interest in the Cygnus field (see page 98).

As part of the Group's inorganic growth strategy regularly reviewed the M&A pipeline of opportunities both in the UKCS and internationally.

### Link to strategy

- 01 02 03 04

### Stakeholders considered

- 01 02 03 04 05 06 07

## Operational

### Performance

Received regular updates on the Group's operated and non-operated portfolio activities.

### Capital Project approvals

Investment to sustain and optimise production is a core strategic activity. The Board:

- Approved the extension to the Captain flotel campaign beyond the initial term to complete additional critical work.
- Approved ongoing infill drilling campaign at Cygnus.
- Approved the decision to proceed with further value-led investment in the J Area, including sanctioning additional well activity.

### Health and Safety

Received regular updates on HSE performance.

### Link to strategy

- 01 02 03

### Stakeholders considered

- 01 02 03 04 06 07

## Financial

### Annual Report and Accounts

Approved the 2024 Annual Report and Accounts for 2024 to ensure it is fair, balanced and understandable.

### Dividends

Approved the third interim dividend for 2024 in March 2025 and the first and second interim dividends for 2025 in September and December 2025, respectively.

### Liquidity

Approved the launch of a €450 million Senior Note and upsizing of the RBL facility to \$1.3 billion via the utilisation of the accordion (see page 98).

### Link to strategy

- 02 03

### Stakeholders considered

- 02 06



Board leadership and Company purpose continued  
Key Board activities continued

### Environmental

#### TCFD disclosures and emissions discussions

Approved the TCFD and emissions disclosures in the 2025 Annual Report and Accounts.

#### Net Zero strategy

Approved the Company's Net Zero strategy (see page 50).

Link to strategy

01 02

Stakeholders considered

03 04 05 07

### Risk and Regulatory

#### Going concern and long-term viability reviews

Assessed the viability statement and going concern for the purposes of the 2024 Annual Report and Accounts.

#### Fraud risk assessment

Reviewed the Group's fraud risk assessment as part of the 2024 Annual Report and Accounts.

#### Regulation

Received regular updates on key fiscal and regulatory matters, including the Oil and Gas Price Mechanism consultation, the Scope 3 consultation and the Future of the North Sea consultation.

Link to strategy

01 02 03

Stakeholders considered

01 02 04 05 06 07

### Governance

#### Annual General Meeting (AGM)

Hosted the AGM on 14 May 2025. The Board received updates on institutional investor reports and a debrief on the AGM.

#### Corporate governance

Continued to monitor the Group's progress to comply with the UK Corporate Governance Code, including readiness for Provision 29 (see page 120).

#### Board policies

Reviewed and approved changes to:

- The Hedging Policy.
- Matters Reserved to the Board.
- Modern Slavery Statement.

#### Board evaluation

Conducted an internal Board evaluation review (see page 111 to 112).

Link to strategy

01 03

Stakeholders considered

01 02 03 04 05

### People and Culture

#### Culture and values

As part of the Board's priority to monitor the Group's culture:

- Received regular updates on business integration following the Business Combination with Eni UK in October 2024.
- Board members attended the roll-out of the Group's refreshed values day.

#### Succession planning

Approved the appointment of Geraldine Murphy to the Board and HSES Committee (see page 116).

#### Site visits

Board members undertook offshore site visits to Captain and Cygnus (see page 106).

Link to strategy

01 04

Stakeholders considered

01 03

Board leadership and Company purpose continued

# Principal Board decisions in 2025

We cover four of the key strategic decisions made by the Board during 2025, together with an explanation of how the Board considered the matters set out in Section 172(1) (a)–(f) of the Act.

## 1. Inorganic growth

### Acquisitions of increased stakes in Seagull and Cygnus fields

Link to stakeholder groups [01](#) [03](#) [04](#) [07](#)

#### Board decision and outcome

The Board approved the acquisition of the entire issued share capital of JAPEX UK, for an enterprise value of \$193 million, increasing the Group's working interest in the Seagull field from 35% to 50% and the acquisition of a further 46.25% stake in the Cygnus field from Spirit Energy for a purchase price of £116 million.

The decisions taken by the Board following extensive due diligence supports the Group's strategy of disciplined, value-accretive M&A within the UK Continental Shelf.

Together, the acquisition added approximately 44 mboe of 2P reserves and 2C resources and 17 kboe/d of pro forma production in 2025, with the fields expected to remain in production until the mid-2030s.

## 2. Enhanced balance sheet

### Successful issuance and pricing of senior notes offering and upsizing of RBL facility

Link to stakeholder groups [02](#) [06](#)

#### Board decision and outcome

The Board approved the upsize of the reserves-based lending facility from \$1.0 billion to \$1.3 billion, via the accordion, and the issuance of €450 million senior notes, due 2031.

The chosen financing structure diversifies the Group's funding sources, extends debt maturity and maintains financial flexibility to support strategic growth and capital returns.

The significant investor demand and material oversubscriptions seen in the market is testament to the strength and agility of the business and validates the Group's growth strategy, as it continues to execute its strategic priorities and delivers strong operational performance as well as further growth and returns to the Group's shareholders.

#### s. 172 considerations

- (a) Long-term consequences: Improves liquidity and maturity profile, supporting long-term financial resilience.
- (b) Employees: Supports business stability and investment capacity, underpinning employment security.
- (c) Business relationships: Strengthens relationships with banks and credit markets.
- (d) Community and environment: Ensures continued funding for safe and responsible operations.
- (e) Business conduct and reputation: Transparent engagement with lenders and investors reinforces market confidence.
- (f) Fairness between members: Balances cost of capital with prudent risk management for shareholders.

#### s. 172 considerations

- (a) Long-term consequences: Strengthens long-term production and cash flow resilience through increased exposure to high-margin producing assets.
- (b) Employees: Workforce implications and integration plans were considered, with a focus on maintaining high safety and operational standards.
- (c) Business relationships: The Board considered relationships with the operator and joint venture partners, ensuring continued collaborative working.
- (d) Community and environment: Environmental and safety performance of the Cygnus and Seagull fields and its impact on the UK Continental Shelf were reviewed.
- (e) Business conduct and reputation: Robust governance, due diligence and regulatory engagement supported the Group's reputation for high standards of conduct.
- (f) Fairness between members: The transactions were assessed for value accretion and alignment with long-term shareholder interests.

#### Stakeholder groups

- [01](#) Our people
- [02](#) Shareholders
- [03](#) Communities
- [04](#) Suppliers and customers
- [05](#) Joint venture partners
- [06](#) Lenders
- [07](#) Government and regulators



Board leadership and Company purpose continued  
Principle Board decisions in 2025 continued

### 3. Value creation and shareholder returns

#### Interim dividend

Link to stakeholder groups [01](#) [02](#) [06](#)

#### Board decision and outcome

During 2025, the Board approved and reaffirmed cash dividends totalling \$500 million, including the acceleration of the second interim 2025 dividend in light of strong financial performance and cash generation.

The dividend payments were consistent with the Group's Capital Allocation Policy and long-term sustainability.

#### s. 172 considerations

- (a) Long-term consequences: Maintains a sustainable dividend aligned with cash flow generation and investment needs.
- (b) Employees: Employees who are shareholders benefit directly from the Dividend Policy.
- (c) Business relationships: Supports ongoing confidence among investors and lenders.
- (d) Community and environment: Capital allocation decisions continue to allow investment in safe and responsible operations.
- (e) Business conduct and reputation: Consistent delivery against stated policy enhances credibility.
- (f) Fairness between members: Ensures equitable treatment of shareholders through transparent distributions.



### 4. Organic growth and investment

#### Tobermory farm-in

Link to stakeholder groups [01](#) [03](#) [04](#) [05](#)

#### Board decision and outcome

The Board approved a farm-in agreement with Shell UK for a 50% working interest in the Tobermory gas discovery, strengthening the Group's position in the West of Shetland region.

The Board's strategic decision to invest in the West of Shetland basin is critical not only to the UK's Energy Security strategy, but also in supporting thousands of highly skilled jobs and our world-class supply chain and providing significant gross value add to the UK economy.

#### s. 172 considerations

- (a) Long-term consequences: Advances long-term growth and production optionality in a strategic basin.
- (b) Employees: Supports skilled employment and long-term workforce development.
- (c) Business relationships: Deepens strategic partnership with Acura and supply chain partners.
- (d) Community and environment: Responsible domestic oil and gas development contributes to the UK economy.
- (e) Business conduct and reputation: Demonstrates commitment to responsible investment and partnership.
- (f) Fairness between members: Positions the Company for long-term value creation for shareholders.

Board leadership and Company purpose continued

# Shaping business performance

## Workforce policies and practices

The Board is committed to ensuring that its policies and procedures remain in line with the Company's vision and values.

## Whistleblowing Policy

The Board maintains overall responsibility for the Company's Whistleblowing Policy through which senior managers, officers, Directors, employees, consultants, contractors and all persons associated with us, wherever their location, are encouraged to report any behaviour which they feel is not right, whether this affects them personally, or a colleague, or the safety or compliance of the business, without any fear of the consequences.

For those wishing to keep their identity anonymous, they may raise their concerns on a dedicated whistleblower hotline, which is maintained by an independent external provider who will take the details of the incident and provide a report to the Group of the concern raised. This ensures concerns or issues can be escalated and dealt with effectively, without fear of victimisation, discrimination or disadvantage, in the interests of the business, colleagues, shareholders and other stakeholders.

All matters raised will be reported to and investigated by the Audit and Risk Committee. No matters were raised or reported during 2025.

The Board is satisfied that the Whistleblowing Policy, the hotline, and their administration remain effective.

## Anti-bribery and corruption

The Company is committed to business integrity, high ethical values and professionalism in all of its business dealings and relationships, wherever we operate and to implementing and enforcing effective systems to counter bribery and corruption. It has a zero-tolerance approach to bribery and corruption and the Group's Anti-bribery and Corruption Policy specifically prohibits the offering, giving, solicitation or acceptance of any bribe to or from any person or company, wherever they are situated and whether they are a public official or body or private person or company. Any breach of this policy is regarded as a serious matter and may result in disciplinary action, including, where appropriate, summary dismissal.

In order to mitigate such risks, all employees and contractors are required to complete an annual anti-bribery and corruption course, which is built around a clear understanding of how and where bribery risks affect the business and comprises key controls such as: policies (anti-bribery, gifts and entertainment, supply chain); procedures including conducting due diligence on suppliers; training colleagues on bribery risks; and ongoing assurance programmes including external as well as internal audits to test that the controls are functioning effectively. No breaches of the Anti-bribery and Corruption Policy were identified during the year.

## Conflicts of interest

The Company has procedures in place for managing conflicts of interest. All Directors are required to avoid situations in which they have, or could have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company. Should a Director become aware that they, or any of their connected parties, have an interest in an existing or proposed transaction with the Company or its subsidiaries, they should notify the Board in writing or at the next Board meeting.

Internal controls are in place to ensure that any related-party transactions involving Directors, or their connected parties, are conducted on an arms-length basis. Directors have a continuing duty to update any changes to these conflicts.



Board leadership and Company purpose continued

# Engaging with our stakeholders

## 01 Our people

**Our people are central to our success. By nurturing a culture where they feel valued and listened to, we fulfil our purpose to serve today's energy needs, securely, responsibly and safely while maximising shareholder returns.**

Engaging with employees helps to identify and address their concerns in an open and transparent manner while building relationships to support future growth. Issues that are important to our people include: health, safety and wellbeing; development and progression; reward and recognition; and diversity, equity and inclusion.

We recognise that frequent, open and interactive communication with our workforce is critical, both onshore and offshore. Face-to-face and digital channels help to support accessibility for our workforce.

### How we engage

- Employee engagement survey
- Weekly messages from the CEO
- Town halls
- Village halls

- Live with Leaders
- Breakfast meetings with leadership
- Board site visits offshore
- Employee Consultation Forum
- Project deep dive days
- Employee helpline available to all employees
- Network groups

### How the Board engages

- Workforce Engagement Director engages with employees and keeps Board apprised of any matters relating to the workforce – see opposite.
- Directors engage with employee on site visits – see page 106.
- Employees who are shareholders have an opportunity to meet the Board and submit questions at the AGM.
- Refreshed our values and introduced a dedicated value for safety 'Make it safer' – see page 61.
- Board received updates on the employee survey results and steps taken to feedback received.

### Engagement outcomes and highlights in 2025

Re-launch of the company's

## Core values

See page 61

Town halls held in 2025

## Seven

Increase in employee engagement score of

## 12%

See page 61

Enhance leadership interaction

## Launched SLT

See page 61



IN FOCUS – STRENGTH

## Workforce engagement

**In line with provision 5 of the Code, the Board has appointed Lynne Clow, Independent Non-Executive Director, as the Group's Workforce Engagement Director.**

Lynne has a vast amount of human resources experience and is Chair of the Remuneration Committee. This approach was selected as it allows Lynne to regularly engage with employees while ensuring that workforce perspectives are formally fed back into Board discussions and decision-making.

During the year, Lynne met with the Employee Consultation Forum (ECF) on a number of occasions. She spoke to employees and the key themes arising from this engagement included safety, culture following the Business Combination with Eni UK, and alignment to the Company's values.

In October 2025, Lynne attended the 'One year on. One vision, One Ithaca' day which included the relaunch of the Company's values and the introduction of a new value, Make it safer, which was adopted in response to employee feedback. The day was well-attended with different sessions running on safety, people and culture, and innovation.

Lynne had an opportunity to speak to a number of employees on a one-to-one basis to understand their views and fed back the key themes, together with her observations on the Company's culture and opportunities for improvement, through regular Board meetings and discussions with Board members.



Board leadership and Company purpose continued  
Engaging with our stakeholders continued

## 02 Shareholders

**By engaging in an open and transparent manner with all our shareholders we aim to build long-term, supportive relationships with our investors as we continue to pursue our growth aspirations.**

We engage regularly with all our shareholders through numerous forums. The issues that matters to our shareholders include strategic direction, capital allocation, including shareholder returns policy; our M&A strategy and progress; our financial and operational performance and updates in relation to UKCS fiscal and regulatory framework.

Details on the Company's relationship agreements with our major shareholders can be found on page 151.

### How we engage

- Quarterly publication of financial results
- Capital Markets Day in March 2025
- Investor roadshows, webcasts, conferences and one-to-one investor meetings
- Annual General Meeting
- Website

### How the Board engages

- Approved interim dividends in 2025 totalling \$500 million – see page 99.
- Active investor programme, led by the Group's Executive Chairman, CEO, CFO and Head of Investor Relations and External Affairs.
- The Executive Chairman met with our majority shareholders throughout 2025.
- Opportunity for shareholders to meet the Board at the Annual General Meeting.
- Directors consulted with shareholders on the Remuneration Policy – see page 126.

### Engagement outcomes and highlights in 2025

Total dividends declared in 2025

**\$500 million**

See page 99

% Free float post majority shareholder  
sell-down during 2025

**13.6%**

Capital Markets Day held on

**26 March 2025**

See page 102

2026 Annual General Meeting to be held

**13 May 2026**

See Notice of Meeting



IN FOCUS – STRENGTH

## Capital Markets Day

In 2025, the Group held its first Capital Markets Day since its IPO in November 2022. The Ithaca Energy Leadership Team came together to present the Group's vision for long-term value creation, refreshed growth strategy following completion of its Business Combination with Eni UK in October 2024, together with presentation of the Full Year 2024 results. Presenters included the Group's Executive Chairman, CEO, CFO, COO and General Counsel.

The event was well attended, bringing together analysts and investors, in person and online, providing an opportunity to ask the Leadership

Team questions on performance against strategy, operational activities, the fiscal and regulatory environment, and the outlook for the year ahead. Following formal proceedings, the presenters hosted an informal lunch where participants could ask follow-on questions, while also building relationships with the Group's management.

We look forward to hosting similar events in the future, recognising the importance of strong relationships with both our investors and the analyst community.



**Board leadership and Company purpose** continued**Engaging with our stakeholders** continued**03 Communities**

We recognise that we play an important role in supporting our wider society, not only through providing highly skilled jobs, vital UK energy security and the delivery of responsible operations and decarbonisation initiatives but also in giving back to the local communities in which we operate.

Our commitment to giving back to local communities is embedded in our Company values and continues to be a great source of pride for our workforce. See more on pages 66 to 69.

The issues that matter to our communities include: energy security and affordability, charity and community support; environmental impact of our operations; and good governance and ethics.

**How we engage**

- Charity partnerships
- Employee volunteering days
- STEM (Science, Technology, Engineering and Mathematics) apprenticeship programme
- Graduate programme

**How the Board engages**

- Receives regular updates on HSE performance.
- Approved the TCFD and emissions disclosures in the Annual Report and Accounts 2025.
- Approved the Company's Net Zero strategy.
- Approves the Company's policies and procedures including the Code of Conduct.

**Engagement outcomes and highlights in 2025**

OEUK 'Neighbour of the Year'

**Winner 2025**

Continued commitment to

**5 key charity partners**

**04 Suppliers and customers**

With a focus on UK energy security, affordability and decarbonisation, our purpose of delivering domestic energy in a safe, sustainable and reliable manner to meet end-user demand is of vital importance. Our supply chain and trading partners are critical to our ability to deliver; therefore it is imperative that we maintain strong relationships across our supply chain to support our operations.

Acknowledging the significance of our key suppliers, the Group's contracting strategies seek to emphasise collaboration and build robust supplier relationships, with a focus on operational and safety performance. The Group has formed and continues to form and maintain strategic partnerships with key suppliers when appropriate to secure attractive terms and manage supply chain risks. Our produced oil volumes are sold under various term (1 year+) offtake and marketing agreements with established specialist crude marketers. Our terminal grades, Forties and Ekofisk, are sold at the UK terminals with offshore loaded grades, such as Captain, delivered to buyers via shuttle tanker. Our natural gas volumes are sold to major gas trading partners at entry to the UK onshore gas grid (National Transmission System) following terminal processing.

**How we engage**

- Meetings with suppliers and customers
- Safety workshops
- Performance reviews with particular focus on our key strategic partners

**How the Board engages**

- Monthly business performance update on all operated and non-operated assets which includes supply chain updates.

**Engagement outcomes and highlights in 2025**

No Tier 1 or Tier 2 safety incidents.

Gross operated emissions intensity decreased to 17.2 kgCO<sub>2</sub>e/boe.

Maturation of Cambo, Tornado and Fotla discoveries towards final investment decision, with engagement on key project supply chain packages initiated.

**05 Joint venture partners**

With a diverse portfolio of scale and a balanced mix of operated vs non-operated assets, building and sustaining strong relationships with our joint venture partners is essential to our operations. By working together with our partners, we seek to achieve alignment across key short-term operational decisions and the broader strategic direction of our assets. In an evolving fiscal and regulatory environment, partner alignment and collaboration has never been so critical.

Whether acting as the Operator or as a JV partner, we are committed to working in a collaborative and transparent manner to maximise the value of our assets, while putting safe and responsible operations as our top priority.

**How we engage**

- Operating Committee Meetings
- Technical Committee Meetings
- Day-to-day interaction between asset managers
- Supply Chain Tender Board

**How the Board engages**

- Monthly business performance update on all non-operated assets.

**Engagement outcomes and highlights in 2025**

Acquisition of an additional 46.25% interest in the Cygnus gas field from Spirit Energy, bringing Ithaca Energy's operated interest in the Cygnus field to 85%.

Acquisition of additional 15% stake in the Seagull field. Increasing Ithaca Energy's interest in the Seagull field from 35% to 50%.

Operatorship of Seagull asset transferred to bp, following completion of fourth and final firm well.

**Board leadership and Company purpose** continued**Engaging with our stakeholders** continued**06 Lenders**

Ensuring the Group is well capitalised and maintains the financial strength and capacity to support the Group's long-term growth aspirations is critical to delivering against our corporate strategy.

Building strong relationships with our lending groups is vital to ensuring access to long-term debt financing enabling the business to respond to growth opportunities as they arise.

**How we engage**

- Regular meetings with syndicate banks and bond holders
- One-to-one meetings
- Quarterly webcasts
- Roadshows
- Conferences

**How the Board engages**

- Approved the €450 million Senior Notes issuance and upsizing of our RBL by \$300 million.
- Authorised the Executive Directors to proactively hedge at commodity peaks.
- The Executive Directors actively engage with our lending groups during the year.

**Engagement outcomes and highlights in 2025**

€450 million notes offering and upsizing of our Reserves Based Lending facility by

**\$300m**

2026 Hedge book protection

**>80%**

**07 Government and regulators**

The importance of an open dialogue with the UK Government and opposition parties has never been so critical with operators in the UKCS facing both fiscal and regulatory changes in the sector. The core aim of our engagement during the year has been to highlight the importance of our sector and the continued investment in our domestic assets to support highly skilled jobs and the attainment of the UK's energy security and decarbonisation objectives.

Our ability to operate depends on satisfying licensing and other regulatory requirements. We continue to maintain strong and transparent relationships with the regulators to ensure we comply with regulations, maintain our licence to operate, satisfy consenting obligations and contribute to the evolving regulatory framework.

**How we engage**

- Participation in fiscal and regulatory consultation processes
- Fiscal Forums
- Industry roundtable events
- Meetings with key advisors
- Meetings with North Sea Transition Authority (NSTA), Offshore Petroleum and Regulators for Environment and Decommissioning (OPRED)

**How the Board engages**

- Executive directors meet with HM Treasury, the Department for Energy Security and Net Zero, and the North Sea Transition Authority.
- Board meeting updates on UK government consultation processes and outcomes.

**Engagement highlights in 2025**

EPL successor regime, the Oil and Gas Price Mechanism, to be introduced in

**2030**

Participation in significant consultation processes in 2025

**3** fiscal and regulatory consultations



Board leadership and Company purpose continued

# How the Board monitors culture

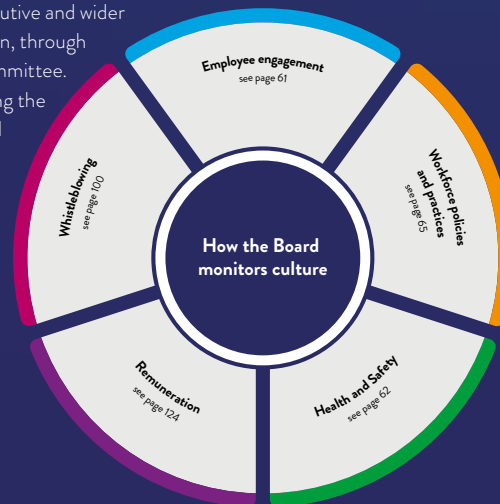
The Board plays a central role in monitoring, assessing and reinforcing the culture of the Group and its alignment with the Company's purpose, values and strategy.

The Board considers culture to be a key driver of sustainable performance, effective risk management and long-term value creation. Our purpose is underpinned by our five core values. Our values guide how we work safely, resiliently, collaboratively, openly and considerately. These values align with the organisational goals that create a differential advantage and emphasise excellence throughout the business.

During the year, the Board assessed the Group's culture through a range of qualitative and quantitative indicators and undertook the following actions to assess how the culture was embedded into the organisation:

- Reviewing the results of employee engagement surveys and overseeing management's response to areas of focus identified by employees.
- Embracing two-way communications, using leadership breakfasts, recognition lunches and bringing on board the Senior Leadership Team for effective cross function working.
- Receiving regular updates from the EVP People and Culture, on cultural integration following the completion of the Business Combination with Eni UK in October 2024, including progress against agreed integration milestones.
- Reviewing and approving workforce policies and practices to ensure continued alignment with the Company's purpose and values, including the Code of Conduct.
- Monitoring any reports or concerns that have been raised through HR or the Whistleblower helpline under the Whistleblowing Policy (see pages 100 and 121).
- Reviewing and approving the Group's Gender and Ethnicity Pay Gap Report and monitoring related trends and actions.

- Overseeing diversity and inclusion matters through regular updates at the Nomination and Governance Committee.
- Monitoring health and safety performance, including initiatives to reduce lost time injuries, through the Health, Safety, Environment and Security Committee and monthly performance reporting.
- Considering feedback from shareholder engagement, including views on executive and wider workforce remuneration, through the Remuneration Committee.
- Reviewing and approving the wider workforce reward framework to ensure incentives support the desired culture and behaviours, through the Remuneration Committee.



## Our purpose

To serve today's energy needs securely, responsibly and safely, while maximising shareholder returns.

## Our values

Our five core values guide how we work responsibly, resiliently, collaboratively, openly and considerately.

Make it safer



Deliver results



Bring strength



Express yourself



Be considered



Board leadership and Company purpose continued

Engaging with our stakeholders continued

## Site visits

Site visits are important as they allow the Board to directly engage with the workforce, whilst also deepening its understanding and knowledge of our operations.

Read more about how the Board engages with its stakeholders on pages 84 to 90.



IN FOCUS - **STRENGTH**

### Executive Chairman's site visit to Cygnus

In September 2025 Yaniv, our Executive Chairman, visited our Cygnus platform and the Valaris Norway, which successfully completed the C12 well in Q4 2025. He spent a busy day meeting platform leadership, safety representatives and the crew onboard, as well as holding a very well attended town hall. The meeting with safety representatives was open and transparent, demonstrating their commitment to Stop Work Authority and teamwork as key principles for the crew.



IN FOCUS - **STABILITY**

### Site visit to Captain campaign operations

In July 2025, Deborah Gudgeon, Independent Non-Executive Director, Yaniv Freidman, Executive Chairman, and Odin Estensen, COO, visited the Captain platform to see the campaign work in action.

With 355 people on board across the Safe Caledonia and WPP during the flotel campaign, the scale and complexity of turnaround operations were significant. Yaniv, Deborah and Odin spent the day with the team, meeting with offshore leadership and safety representatives, and taking part in a town hall discussion with Ithaca Energy leaders.





## Board leadership and Company purpose continued

## Code in action – Board leadership and Company purpose

Principles	How does the Board apply this principle?	Further information
<p><b>A</b> A successful company is led by an effective and entrepreneurial board, whose role is to promote the long-term sustainable success of the company, generating value for shareholders and contributing to wider society. The board should ensure that the necessary resources, policies and practices are in place for the company to meet its objectives and measure performance against them.</p>	<p>The Board provides strategic leadership and ensures the Company and its management remain focused on delivering long-term sustainable value for all stakeholders.</p> <p>The Board regularly challenges management to ensure the necessary resources and Group policies and practices are in place to allow the Company to meet its objectives and measure performance.</p>	<p>Chair's Introduction – see page 89 Board biographies – see pages 92 to 93 Workforce policies and practices – see page 100 Key Performance Indicators – see pages 32 to 33</p>
<p><b>B</b> The board should establish the company's purpose, values and strategy, and satisfy itself that these and its culture are all aligned. All directors must act with integrity, lead by example and promote the desired culture.</p>	<p>The Board recognises the importance of the Group's culture in supporting sustainable performance and long-term success. It sets the Company's purpose, vision and values. During the year, the Board agreed the strategic direction of the Company and monitored the evolution of the Company's culture following the Business Combination with Eni UK in October 2024. In January 2026, the Board, as part of its strategy review, redefined the Company's purpose to better reflect and align with the priorities of all stakeholders.</p>	<p>Purpose, values and culture – see pages 4, 61 and 105 to 106 How the Board monitors culture – see pages 105 to 106 Employee engagement – see pages 60 to 65 and 101 Strategy – see pages 28 to 31</p>
<p><b>C</b> Governance reporting should focus on board decisions and their outcomes in the context of the company's strategy and objectives. Where the board reports on departures from the Code's provisions, it should provide a clear explanation.</p>	<p>The Directors carefully consider all matters presented to the Board, taking a number of factors into consideration when making decisions, including the Company's strategy and objectives, Directors' duties set out in s.172 of the Act and the Company's stakeholders.</p> <p>Departures from the Code are set out in the Governance report, along with a clear explanation as to why the Group has departed from the Code.</p>	<p>Key Board activities – see pages 96 to 97 Principal Board decisions and outcomes – see pages 98 to 99 Strategy – see pages 28 to 31 Division of responsibilities – see pages 108 to 110</p>
<p><b>D</b> In order for the company to meet its responsibilities to shareholders and stakeholders, the board should ensure effective engagement with, and encourage participation from, these parties.</p>	<p>The Board is accountable to shareholders for the effective management of the Company's operations and for maintaining high standards of corporate governance in support of the Company's long-term strategy and sustainable value creation.</p> <p>The Board engages regularly with all stakeholders, including major shareholders, governments, suppliers, partners and employees. Engagement with the workforce is supported through the Workforce Engagement Director.</p>	<p>Engaging with our stakeholders – see pages 101 to 104 Site visits – see page 106 Workforce engagement – see page 101</p>
<p><b>E</b> The board should ensure that workforce policies and practices are consistent with the company's values and support its long-term sustainable success. The workforce should be able to raise any matters of concern.</p>	<p>Workforce policies are reviewed by the Board and are aligned with the Company's values. Any employee can raise matters of concern confidentially through the Whistleblower helpline.</p>	<p>Workforce policies and practices – see page 100 Whistleblowing Policy – see pages 100 and 121</p>



## Division of responsibilities

# Well defined responsibilities and accountability

### Governance framework

The governance framework for the Board is clearly documented in the Ithaca Energy plc Articles of Association, Division of Responsibilities, Schedule of Matter Reserved to the Board and Terms of Reference for each Committee which are all available on our website at [www.ithacaenergy.com/about-us/governance](http://www.ithacaenergy.com/about-us/governance)

### Board of Directors

The overall role of the Board is to ensure the long-term sustainable success of the Group, making considered decisions for the enduring benefit of its shareholders and relevant stakeholders. The Board is chaired by the Executive Chairman and makes decisions in relation to the Group's business in accordance with its Schedule of Matters Reserved to the Board.

### Responsibilities of the Executive Leadership Team (ELT)

Chaired by the CEO, the ELT meets on a weekly basis. The ELT is responsible for the operational management of the Group and for defining and driving the business priorities that will achieve delivery of the Group's strategy. The ELT discharges its responsibilities through a number of management committees, including the Investment Committee and the Enterprise Risk Management Committee.

### Disclosure Committee

The Disclosure Committee is a committee of the Executive Directors and General Counsel and Company Secretary and is responsible for ensuring the timely and accurate disclosure of all information that is required to be disclosed to the market to meet its legal and regulatory obligations.

### Governance framework



Board activities – see pages 96 to 97. Principal decisions of the Board – see pages 98 to 99. Director biographies – see pages 92 to 93.

Division of responsibilities continued

## Board roles

**The roles of the Executive Chairman and Chief Executive Officer are held separately, and their responsibilities are well-defined, set out in writing and are regularly reviewed by the Board. In addition, there is a clear division of responsibilities, which ensures accountability and oversight, between the Executive Directors and the Non-Executive Directors, both independent and nominated.**

### Executive Chairman

The Executive Chairman is accountable for the leadership of the Board and has responsibility for ensuring the Board's overall effectiveness and governance while promoting a strong culture of openness and debate. The Executive Chairman is primarily focused on setting and developing the Company's strategy, setting and sustaining the culture and purpose of the Company and ensuring there is effective communication and messaging between the Board, the Executive Leadership Team, shareholders and the Company's wider stakeholders. The Executive Chairman works collaboratively with the Chief Executive Officer in setting the Board agenda and ensuring that any actions agreed by the Board are effectively implemented.

### Chief Executive Officer

The Chief Executive Officer leads the Executive Leadership Team and is accountable to the Board. His role is to develop, in conjunction with the Executive Chairman, implement and deliver the agreed strategy. The Chief Executive Officer oversees the operational and strategic management of the Company and contributes to the succession planning and implementation of the organisational structure of the Group.

### Chief Financial Officer

The Chief Financial Officer provides financial leadership to the Group and is responsible for providing accurate and detailed financial information to the Board on the performance and developments across the business. Additionally, he supports the Executive Chairman and the Chief Executive Officer in providing executive leadership to the Group and implementing the Group strategy.

### Senior Independent Director

The Senior Independent Director provides a sounding board for the Executive Chairman and provides a communication conduit between the Executive Chairman and the Non-Executive Directors as well as serving as an intermediary between the other Directors and the shareholders as and when necessary. The Senior Independent Director has an important role on the Board in leading on corporate governance issues and being available as an additional point of contact for shareholders and other stakeholders if they have concerns that are not satisfactorily resolved by the Executive Chairman. The Senior Independent Director further ensures an annual performance evaluation of the Executive Chairman, with the support of the Non-Executive Directors.

### Non-Executive Directors

The Non-Executive Directors, both independent and nominated, come with their wealth of business and commercial expertise from many industry sectors with objective judgement which allows them to constructively challenge the actions of the Group's management and Leadership Teams. They provide a crucial role in providing assurance that the Executive Directors are exercising good judgement when it comes to decision-making and their delivery of the Group's strategy. The Non-Executive Directors receive regular updates from the Group's management and Executive Leadership Team to allow them to monitor both the performance of the Group and the culture within the organisation. See more on the independence of the Directors on page 110.

### General Counsel and Company Secretary

The General Counsel and Company Secretary supports the Board in ensuring all policies, processes, information and resources are in order to ensure the Board can operate effectively and efficiently. She supports the Executive Chairman in the provision of accurate and timely information to the Board, its Committees and between senior management and the Non-Executive Directors. The General Counsel and Company Secretary is responsible for advising the Board on all governance matters. She assists with the ongoing training and development of the Board and is instrumental in facilitating the induction of new Directors. The appointment and removal of the Company Secretary is a Board matter. Each Director has access to the advice and services of the General Counsel and Company Secretary.

## Division of responsibilities continued

### Code in action – Division of responsibilities

Principles	How does the Board apply this principle?	Further information
<p><b>F</b> The chair leads the board and is responsible for its overall effectiveness in directing the company. They should demonstrate objective judgement throughout their tenure and promote a culture of openness and debate. In addition, the chair facilitates constructive board relations and the effective contribution of all non-executive directors, and ensures that directors receive accurate, timely and clear information.</p>	<p>The Company has an Executive Chairman and as such he is not considered to be independent, as recommended by Provision 9 of the Code. The Board considers that the role of an Executive Chairman is in the best interests of the Group. The Executive Chairman brings to the Board significant global executive experience and the benefit of his sound leadership and significant experience ensures the ongoing commercial success of the Group. The Directors are of the view that there is sufficient challenge and judgement on the Board to ensure highly-effective, independent governance.</p> <p>The Executive Chairman promotes an active culture of openness and debate, he facilitates constructive Board discussions to ensure all Directors contribute effectively whilst ensuring receipt of accurate, timely and clear information.</p>	<p>Division of responsibilities – see pages 108 to 110            Board independence – see page 110            Board performance review – see pages 111 to 112            Board activities – see pages 96 to 99            Timely, clear information – see page 94</p>
<p><b>G</b> The board should include an appropriate combination of executive and non-executive (and, in particular, independent non-executive) directors, such that no one individual or small group of individuals dominates the board’s decision making. There should be a clear division of responsibilities between the leadership of the board and the executive leadership of the company’s business.</p>	<p>As recommended by Provision 11 of the Code at least half the Board, excluding the Chair, should be Non-Executive Directors whom the Board considers to be independent. Following the appointment of Geraldine Murphy to the Board as an Independent Non-Executive Director in October 2025, there are now 14 Directors on the Board. Three Executive Directors, five nominated Non-Executive Directors and six Independent Non-Executive Directors. Whilst we have increased the number of independent Non-Executive Directors to the Board, we still fall below the recommended threshold of the Code. The Board believes that all our Non-Executive Directors, whether nominated or independent, bring sufficient diversity and experience to the Board and that the Board continues to promote effective discussion and decision-making. There is representation on the Board from two key shareholders and given the current size of the Board it would be ineffective to increase the number of Directors to comply with the Code.</p> <p>In November 2025, the Board re-affirmed that the Independent Non-Executive Directors remain independent from executive management and free from any business or other relationship which could materially interfere with the exercise of their judgement.</p>	<p>Division of responsibilities – see pages 108 to 110            Board biographies – see pages 92 to 93            Board independence – see page 90            Relationship agreements – see pages 151 to 152            Appointment of Geraldine Murphy as Independent Non-Executive Director – see pages 114 and 116</p>
<p><b>H</b> Non-executive directors should have sufficient time to meet their board responsibilities. They should provide constructive challenge, strategic guidance, offer specialist advice and hold management to account.</p>	<p>The Non-Executive Directors commit sufficient time to fulfil their responsibilities, including providing constructive challenge, contributing to the development of the Company’s strategy and holding management to account for performance.</p> <p>The Senior Independent Director meets regularly with the Non-Executive Directors without the Executive Directors present.</p>	<p>Role of the Non-Executive Directors – see page 109</p>
<p><b>I</b> The board, supported by the company secretary, should ensure that it has the policies, processes, information, time and resources it needs in order to function effectively and efficiently.</p>	<p>All Directors have access to the Company Secretary who provides advice and support on all governance matters.</p>	<p>Division of responsibilities – see pages 108 to 110            Board biographies – see pages 92 to 93</p>

## Composition, succession &amp; evaluation

# Board performance review 2025

The effective functioning of the Board and its Committees is key to the success of the Company and Ithaca Energy recognises that performance evaluation is extremely valuable in contributing to the effectiveness of the Board.

Due to the significant number of changes to the Board during 2024, the Board concluded that it would gain most value from an external Board evaluation in 2026 when dynamics and roles are fully established. The Board therefore agreed that an internal Board review, using an online questionnaire, would be more appropriate this year.

The Board further agreed to undertake an external evaluation of the Board's performance in 2026. To achieve this, and following a comprehensive tender, the Board appointed Catherine Stalker at Harper Webb to carry out the performance review. The process will involve reviewing documents, interviewing Board members and observing meetings.

The 2025 Board performance evaluation was an internally facilitated review conducted using a detailed questionnaire focused on seven areas, strategy; Board discussions during 2025; risk and internal controls; Board composition and succession; stakeholders; Board process; and leadership, as well as the Board's interactions with each of the Audit and Risk, Nomination and Governance, Remuneration, and Health, Safety, Environment and Security Committees.

To ensure continuity and alignment with best practice, Catherine Stalker reviewed and provided input on the questionnaire, supporting consistency with the externally facilitated review planned for 2026.



IN FOCUS - STRENGTH

## Outcome of 2025 Board performance review

**On completion of the questionnaire, the results were carefully collated and anonymised before being presented in detail to both the Senior Independent Director and Executive Chairman, and finally the Board for discussion.**

The report included a summary of comments and suggestions, together with the rating allocated to each question by Directors.

Separately, feedback on the Executive Chairman's performance was gathered and discussed with the Senior Independent Director. The Executive Directors' performance was also reviewed, and this feedback was communicated to the Nomination and Governance Committee.

Zvika Zivlin, our Senior Independent Non-Executive Director, commented, "Overall, the evaluation confirmed that the Board continues to operate highly effectively. The evaluation demonstrated a committed and engaged Board that benefits from

strong expertise and constructive challenge. It also reflected a culture of open and constructive debate, with Directors providing robust challenge and drawing on a wide range of experience. It was pleasing to see that there was high agreement among the Board regarding management's robust analysis of performance, particularly when discussing our strategy. It is also reassuring to note that our processes for risk management and internal controls are considered strong and effective. This recent review of the Board's Committees confirmed that they are performing to a fully effective standard, which is testament to the commitment and diligence of everyone involved. Additionally, I am pleased that the Board has continued to advance its governance practices over the past year, by engaging in focused

governance sessions and placing a strong emphasis on diversity and succession oversight, ensuring we are well positioned for the future. Thank you all for your ongoing dedication and contributions to these positive developments."

Several key focus areas for the Board and Committees were highlighted as part of the review, and these will be used to inform and shape future agendas and discussions throughout 2026.

### Key focus areas for the Board and Committees for 2026

Board discussions

Stakeholders

Nomination and Governance Committee

Increase the Board's visibility of the wider senior team.

Enhance workforce engagement mechanisms.

Increased focus on succession planning for ELT members.

Enhance HSE discussions at Board.



## Composition, succession & evaluation continued

### Board performance review 2025

The questionnaire has been designed to encourage Directors to optimise their contribution to the success of the Group and add value, beyond their statutory requirements, by building on existing strengths, agreeing on the challenges ahead and preparing for the future. It further provides an opportunity for the Non-Executive Directors, through their exposure on other company boards, to draw on their experience and suggest where improvements can be made.

### Board performance review 2024

The Board performance review process in 2024 highlighted a number of areas of focus for the Board and an update on the progress made during the year in these areas is set out below.



#### Board evaluation 2024 area of focus

#### Progress made in 2025

##### Increase Board focus on management of cyber risk.

- In November 2025, the Audit Committee received a detailed update on cyber security risk and the Board undertook a dedicated training session on cyber security delivered by Pinsent Masons LLP.
- This strengthened the Board's understanding of the evolving cyber threat landscape and enhanced oversight in this key risk area.
- Focus on cyber security will continue into 2026, and beyond.

##### Ensuring the Board has the right mix of skills and expertise.

- On 1 October 2025, the Board appointed Geraldine Murphy as an Independent Non-Executive Director. Geraldine brings deep expertise in finance and M&A enhancing the Board's collective capability as the Company drives its growth strategy.
- More information on the Directors skills and experience can be found on page 90.

##### Greater focus on implementation of the DE&I strategy.

- The appointment of Geraldine Murphy during the year increased female representation on the Board, supporting the Board's commitment to diversity and inclusion.
- In addition, the refreshed DE&I Network reinforces Ithaca Energy's commitment to fostering an inclusive and welcoming environment for all employees, providing a framework to support engagement, development and belonging across the workforce. Further information is set out on page 65.

##### Improve workforce engagement mechanisms following the Business Combination with Eni UK, with a focus on Company values and culture.

- A range of initiatives were undertaken during the year to strengthen workforce engagement. In July 2025, Deborah Gudgeon, Independent Non-Executive Director, undertook a site visit to Captain to engage directly with the offshore workforce. See more on page 106.
- In October 2025, the Company re-launched its values, including the introduction of a new value, 'Make it safer', with several Independent Non-Executive Directors, including Lynne Clow, Director of Workforce Engagement, attending and speaking to employees on a one-to-one basis. See more on page 61.

##### Following the Business Combination with Eni UK, review the timing and number of Board meetings.

- The number and timing of Board and Committee meetings were reviewed during the year and were considered to be appropriate.
- This area will continue to be kept under review.

##### Improve Board inductions and development.

- A new Board induction process was developed and implemented during the year.
- See more on Geraldine Murphy's induction on page 116.

##### Increased focus on succession planning.

- The Nomination and Governance Committee held a number of discussions during the year on succession planning. See more on page 114.

**Composition, succession & evaluation** continued  
Board Performance Review 2025



**Code in action – Composition, succession and evaluation**

Principles	How does the Board apply this Principle?	Further information
<p><b>J</b> Appointments to the board should be subject to a formal, rigorous and transparent procedure, and an effective succession plan for the board and senior management should be maintained. Both appointments and succession plans should be based on merit and objective criteria. They should promote diversity, inclusion and equal opportunity.</p>	<p>The Nomination and Governance Committee is responsible for ensuring that plans are in place for orderly succession to the Board and senior management positions. Provision 17 of the Code recommends that a majority of the Committee members should be Independent Non-Executive Directors. The Committee consists of the Executive Chairman, who is not considered to be independent, two Nominated Non-Executive Directors and three Independent Non-Executive Directors. The Directors are of the view that there is sufficient independent challenge and judgement on the Committee to ensure highly-effective, independent governance.</p> <p>During the year, the Committee oversaw the recruitment of the newly appointed Independent Non-Executive Director, Geraldine Murphy. The appointment followed a formal, rigorous and transparent process and was supported by an external search agency. The Committee continues to work on succession planning for both the Board and senior management of the Company.</p>	<p>Induction process – see pages 114 to 115</p> <p>Succession planning – see page 114</p>
<p><b>K</b> The board and its committees should have a combination of skills, experience and knowledge. Consideration should be given to the length of service of the board as a whole and membership regularly refreshed.</p>	<p>The Board and Committees maintain a balanced mix of skills, experience, knowledge and diversity. The Nomination and Governance Committee reviews the skills matrix and Director tenure annually to align succession planning with business needs.</p>	<p>Board skills and knowledge – see page 90</p>
<p><b>L</b> Annual evaluation of the board should consider its performance, composition, diversity and how effectively members work together to achieve objectives. Individual evaluation should demonstrate whether each director continues to contribute effectively.</p>	<p>The Board and its Committees undertake an annual performance evaluation.</p> <p>The 2025 performance review was conducted through an internal questionnaire, overseen by Catherine Stalker at Harper Webb Limited, who has been appointed to undertake the 2026 external review. The performance review concluded that the Board continues to operate effectively.</p> <p>Catherine Stalker has no connection to the Company or any of its Directors.</p>	<p>Board evaluation – see pages 111 to 112</p>



Composition, succession & evaluation continued  
Nomination and Governance Committee report

“

The Committee's key objective is to ensure that the Board and the Executive Leadership Team is comprised of individuals with the requisite levels of skills, knowledge, experience and diversity to deliver the long-term success of the Group.”

Yaniv Friedman,  
Executive Chairman & Committee Chair



Details on Committee membership and attendance can be located in the Governance at a glance section on page 90.

**Dear shareholder,  
I am pleased to present the Nomination and Governance Committee (the Committee) Report for the year ended 31 December 2025.**

This report provides an overview of the Committee's principal activities and key areas of focus during the year.

**Role of the Committee**

The primary objective of the Committee is to ensure that Ithaca Energy's Board and Executive Leadership Team are diverse and qualified, with the skills, experience and ability to deliver the long-term success of the Company. The Committee is further charged with evaluating the performance of the Directors each year, measuring how they are performing their roles against the objectives and the goals they have set for themselves. This is a critical tool for assessing Board effectiveness and efficiency.

**Terms of reference**

The terms of reference of the Committee, setting out the key responsibilities of the Committee are available on the Company's website. They are reviewed on an annual basis and if there are any changes they are recommended to the Board for approval. There were no changes to the Terms of Reference during the year.

**Activities during the year**

The Committee has specific responsibilities on behalf of the Board, and these are detailed in the report below.

**Board changes and succession planning**

Following the significant Board changes in 2024, the past year has been comparatively stable. As part of the Committee's succession planning and as disclosed in last year's Annual Report and Accounts we were advanced on our search for a new Independent Non-Executive Director and in September, we were delighted to announce the appointment of Geraldine Murphy to the Board, with effect from 1 October 2025.

Geraldine's appointment supports the Committee's objective to increase the minimum number of women on the Board, which has now increased from 15% to 21%. Details of Geraldine's recruitment process can be found on page 116 and her biography can be found on page 93.

During the year, the Committee continued to focus on succession planning for both Independent Non-Executive and Executive Director roles. It was concluded that regular reviews would be valuable and that the Committee would continue to engage with shareholders and key stakeholders to ensure alignment on succession planning priorities and processes.

**Induction and training**

All Directors who join the Board receive a comprehensive induction programme, which includes an induction pack, covering a range of topics including recent operational performance and strategic direction, key areas of the business and Directors' duties and responsibilities. The induction pack also includes information about Board processes and administration including meeting dates, key Company policies and governance documentation as well as Ithaca's Share Dealing Policy. Directors are also given access to the Board portal containing Board and Committee papers, minutes and resource materials.

The induction involves meetings with the members of the Board, together with the members of the Executive Leadership Team, focusing on matters within their areas of responsibility. Directors are also offered the opportunity to meet with our external advisors. More information on the appointment process and induction of Geraldine Murphy, our new Independent Non-Executive Director, can be found on page 116.

The training needs of Directors are reviewed as part of the Board's annual performance review and is an ongoing process. Training can include external courses or webinars organised by professional advisors and internal

## Composition, succession & evaluation continued

### Nomination and Governance Committee report continued

presentations from the Executive Leadership Team to ensure that Directors' knowledge, skills and familiarity with the Company's business is maintained. Directors are regularly updated, both at Board meetings and through information provided between meetings, on the Company's operations and any significant factors affecting it.

During the year, updates were provided to the Board and Committees via the General Counsel and Company Secretary on cyber security, mandatory reporting and legal/governance changes. With regards to the latter, teach-ins were provided by Pinsent Masons LLP and specifically covered a refresher on the legal and regulatory framework, Directors' Duties and the UK Market Abuse Regulation.

### Workforce engagement

The Board has a variety of means to engage directly with employees throughout the year, including the Employee Consultation Forum (ECF) and through the work of the Company's Workforce Engagement Director. The Committee recognises the benefits of engaging openly with people through various forums. Lynne Clow is Ithaca Energy's Workforce Engagement Director and Chairs the Employee Engagement Group, meeting with the ECF for their insights, incorporating their feedback into the Board's decision-making and providing guidance across the Company's workforce engagement programme.

The Workforce Engagement Director has met with office-based staff several times during the year and will continue to ensure there is more formal engagement with offshore crews going forward. The ECF plays an integral role in improving communication, involving employees in the business of the Company through information sharing, communication and engagement. It is a forum through which management can communicate and discuss issues which have widespread application, either to all employees or certain groups of them, providing the opportunity to consult over business-related issues and gain commitment to implementing new ideas and new ways of working to improve the organisation. Employees

can contact the ECF either through the ECF mailbox or by speaking with a member of the ECF. All questions submitted are done so in confidence and names are not passed to management or HR.

The forum met three times during 2025 discussing both onshore and offshore issues including politics, pay, working conditions, healthcare as well as the integration with Eni UK following the Business Combination in October 2024. Outside of the formal ECF forum meetings, weekly meetings with HR and management were held.

The Board discussed the outputs of the ECF with the Executive Leadership Team throughout the year, to support the evolution of the Company's culture by building on feedback received from employees. Lynne Clow leads the Board's efforts to engage with the ECF to increase engagement levels and build a strong culture within the organisation.

### Diversity, equity and inclusion

The Committee understands the strategic importance of DE&I, both in the boardroom and across the whole business, and more information on how Ithaca Energy's DE&I Policy helps create an open, diverse and inclusive organisation where everyone feels engaged and supported can be found on page 65.

Inclusivity remains a core value and our aim is for everyone to feel comfortable to be themselves, feel listened to and be able to express themselves. We are committed to an ongoing programme of equity and inclusion for all. The Board supports the principles of gender and ethnic diversity and pays close attention to the international nature of its makeup.

Members of the Board and the Executive Leadership Team collectively possess diversity of gender, national birthplace, social backgrounds, cognitive and personal strengths, along with a combination of skills, experience and knowledge – all of which are vital for the effective operation of the Board and oversight of the Group.

## The Board Diversity, Equity and Inclusion Policy objectives are:

- Encourage a diverse and inclusive working environment in the boardroom where everyone is accepted, valued and receives fair treatment without discrimination or prejudice;
- Make all appointments to the Board on merit against objective criteria which takes into account skills, knowledge and experience alongside all aspects of diversity, including but not limited to, those described above;
- Consider candidates for appointment to the Board from as diverse a pool of applicants as possible and ensure that the recruitment and selection process has been reviewed to mitigate bias; and
- As a minimum, set a target of at least 40% of Board members who are women, at least one senior Board position (Chair, CEO, CFO or SID) held by a woman, and at least one member of the Board is from a minority ethnic background.

We believe that Board diversity makes us a better and more sustainable business, contributing to high performance and enhanced commercial results. As well as a diverse Board, we promote an open and inclusive culture in Board and Committee meetings, where all Directors are encouraged to share their views and all views are taken into account without bias or discrimination.

The Board Diversity, Equity and Inclusion Policy was approved and adopted by the Board in May 2024, which sits alongside the Company's core values as supported by a set of behaviours, the Company's general Diversity, Equity and Inclusion Policy, the Code of Conduct and associated policies.

While the Board is supportive of the FCA's UK Listing Rule on diversity and inclusion, requiring that: (i) at least 40% of the Board are women; (ii) at least one senior Board position (Chair, CEO, CFO or SID) is a woman; and (iii) at least one Board member is from a minority ethnic background, it acknowledges that as at 31 December 2025, targets (i) and (ii) have not yet been met.

Whilst we have yet to reach the 40% target, the Board continues to put these targets to the front of mind when searching for new Board appointments and recognises the importance that diversity brings.

New Directors with technical and professional skills to complement the existing mix of skills and experience on the Board will be sought. All appointments to the Board are based on merit. Candidates will be considered against appropriate criteria, including diversity of social and ethnic backgrounds, as well as of cognitive and personal strengths, in addition to gender diversity since the primary consideration is to maintain and enhance the Board's overall effectiveness to deliver strong performance and growth, in line with the Company's ongoing strategic objective.

### Committee performance evaluation

The Committee's annual performance review exercise was carried out in December 2025 and a key area for the Committee for 2026 will be to continue the focus on succession planning. See page 111.



**Composition, succession & evaluation** continued  
Nomination and Governance Committee report continued

**FCA Diversity Disclosure Table**

In accordance with UK Listing Rule 6.6.6R (10), the Company's diversity data, as at the reference date of 31 December 2025 is set out opposite. The figures were calculated based on the data provided by the Board and Executive management upon appointment.

**Focus areas for 2026**

For 2026, the Nomination and Governance Committee will be focused on succession planning for senior management and will continue to monitor that the Company's strategy is aligned with its vision and values.

**Yaniv Friedman**

Committee Chair

**Reporting on gender identity at year-end 2025**

(Relevant persons were provided with a copy of UKLR9 Annex 2 which each completed)

	Number of Board members	% of the Board	Number of senior Board positions	Number in executive management	% of executive management
Men	11	79%	4	7	78%
Women	3	21%	0	2	22%

**Reporting on ethnic background at year-end 2025**

(Relevant persons were provided with a copy of UKLR9 Annex 2 which each completed)

	Number of Board members	% of the Board	Number of senior Board positions	Number in executive management	% of executive management
White British or other white (including minority-white groups)	8	57%	2	8	89%
Mixed/multiple ethnic groups	2	14%	1	–	–
Asian/Asian British	–	–	–	–	–
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group	4	29%	1	1	11%
Not specified/prefer not to say	–	–	–	–	–



IN FOCUS - SCALE

## Appointment of Geraldine Murphy, Independent Non-Executive Director

During 2025, this process continued and we were pleased to appoint Geraldine Murphy to the Board as an Independent Non-Executive Director in October 2025. Her appointment and onboarding process is set out below. Her biography can be found on page 93.

**Appointment and onboarding process**

**1. Skills review**

Identified the need for an additional independent Non-Executive Director and reviewed the current expertise and experience of the Board to identify areas where the Board could benefit from additional knowledge and input.

**2. Identification of candidates**

Engaged executive search firm Russell Reynolds Associates (RRA), providing them with a detailed candidate brief. RRA does not have any connection with the Company nor its Directors. A diverse longlist of candidates were carefully considered by the Committee, leading to a shortlist.

**3. Interviews**

Members of the Committee met with the shortlisted candidates assessing their alignment with the Company's culture and values. This resulted in two final candidates being identified who were then interviewed by the remaining Board members.

**4. Appointment**

The Committee agreed that Geraldine was the best candidate, possessing the necessary skills and experience required to strengthen the Board. Geraldine's appointment was recommended to the Board and announced in September 2025.

**5. Induction**

Geraldine joined the Board and HSES Committee on 1 October 2025 and has undergone a thorough induction programme including:

- Introductory meetings with the CEO, CFO and General Counsel and Company Secretary.
- Undertook Market Abuse Regulation and

Directors Duties training.

- Tailored meetings with senior management, including an in-depth induction with the EVP of HSE for her role on the HSES Committee, and M&A and operational deep dives with the EVP of Business Development & Commercial and COO respectively.
- Attended the 'One Vision, One Ithaca' employee event at the Aberdeen office. The event focused on the roll-out of the Company's values and culture. See page 61.

As stated in the Annual Report and Accounts 2024, the Nomination & Governance Committee had begun a recruitment process to identify a suitable female candidate to enhance not only the independence of the Board but to bring complimentary skills and experience to the Company.



Audit, risk and internal control  
Audit and Risk Committee report

“

This report sets out the Committee's work to ensure the interests of the Group's stakeholders are protected through comprehensive systems supporting both financial reporting and risk management.”

Deborah Gudgeon,  
Audit and Risk Committee Chair



Details on Committee membership and attendance can be located in the Governance at a glance section on page 90.

**Dear shareholder,  
I am pleased to present the Audit and Risk Committee (the Committee) report for the year ended 31 December 2025.**

This report provides an overview of the Committee's principal activities and key areas of focus and describes how the Company has approached compliance with the provision of the FRC's Audit Committees and the External Audit: Minimum Standard, during the financial year.

The Committee members are considered to possess the appropriate skills and experience required to monitor and ensure the integrity of the Group's financial reporting, internal audit, internal financial control and risk management systems and to support the Group's governance. I am a qualified accountant with extensive experience of acting as Audit Committee Chair, including in extractive industries. Mr Zivlin has extensive executive experience, Mr Blackwood has significant executive experience within the oil and gas industry, and Mr Ginzburg is the chief financial officer of a global operator and developer of renewable energy projects. Further details on the Directors skills and experience can be found on page 90.

In addition to the Committee members, the Executive Chairman, the Chief Executive Officer, the Chief Financial Officer, the Company Secretary, the Deputy Company Secretary, the Head of Financial Reporting, the Head of Internal Audit, Risk and Insurance, the External Audit Partner and observers from Delek Group Ltd and Eni S.p.A. routinely attend meetings of the Committee. Other senior managers of the business are invited to attend meetings as required to provide the Committee with a deeper level of insight on relevant business matters. Other members of the Board have an open invitation to attend Committee meetings to facilitate a deeper understanding of the business and support their role as Directors of the Company. The Committee meets periodically without management present and private meetings are held with internal audit and external audit without management present.

**Role of the Committee**

The Committee's role is to assist the Board with the discharge of its responsibilities in relation to financial reporting, including reviewing the Group's annual, half-yearly and quarterly financial statements and accounting policies, internal and external audits and the extent of the non-audit work undertaken by external auditors.

In addition, it advises on the appointment of external auditors and reviews the effectiveness of both external and internal audit, internal controls, whistleblowing and fraud systems in place within the Group. The Committee further oversees and advises the Board on the Group's overall risk appetite, tolerance and strategy and reviews the overall risk assessment process that informs the Board's decision-making. The Committee, additionally, considers annually how the Group's internal audit requirements will be satisfied and makes recommendations to the Board accordingly as well as on any areas that need improvement or action.

**Terms of reference**

The terms of reference of the Committee, setting out the key responsibilities of the Committee, are available on the Company's website. They are reviewed on an annual basis and if there are any changes they are recommended to the Board for approval. The terms of reference were updated during the year to reflect the changes in the Internal Auditors Standards and approved by the Board in August 2025.

**Activities during the year**

During the year, the following financial reporting risks were identified as being significant, based on feedback from management and external auditors, and were considered by the Committee in respect of the FY 2025 Annual Report and Accounts:

- Oil and gas reserves;
- Goodwill and oil and gas assets;
- Deferred tax recognition and recoverability;
- Business Combination accounting;
- Adequacy of decommissioning provisions; and
- Going concern.

## Audit, risk and internal control continued

### Audit and Risk Committee report continued

Further details of these significant risks are set out on page 119.

The work of the Committee to the date of this report broadly fell into the following areas, which are summarised below:

#### Financial reporting

- Reviewed and approved the prior period adjustments to share premium and merger reserve, as detailed in note 2;
- Reviewed and approved the quarterly and half-yearly financial statements and associated trading update statements;
- Reviewed and approved the Group's Annual Report and Accounts and considered the material accounting policies, principal estimates and accounting judgements used in their preparation, the transparency and clarity of the disclosures within them, and compliance with international financial reporting standards;
- Received regular reports from management on distributable reserves;
- Considered and recommended to the Board the interim dividends for 2025;
- Reviewed the basis for preparing the Group full-year financial statements on a going concern basis. The related disclosures in the Annual Report and Accounts were, additionally, reviewed;
- Considered and approved management's assessment of the Group's prospects and longer-term viability contained in the Annual Report and Accounts;
- Considered and approved disclosures on climate-related matters;
- Received reports from management and external auditors on accounting, financial reporting and taxation matters;
- Reviewed and assessed whether the Annual Report and Accounts, taken as a whole, were fair, balanced and understandable;
- Reviewed and approved the assumptions such as oil and gas reserves, future commodity prices, growth

rates, resultant cash flows and discount rates used in the impairment reviews and related disclosures and sensitivities, including considerations around climate change;

- Reviewed and approved the assumptions underpinning decommissioning liabilities such as inflation and discount rates and related disclosures and sensitivities;
- Reviewed and challenged the key assumptions underpinning the business combination accounting; and
- Reviewed and endorsed the updated internal Reserves and Resource Assessment process.

#### Internal control, risk management and internal audit

- Reviewed the structure and effectiveness of the Group's system of risk management and internal control and the related disclosures in the Annual Report and Accounts;
- Reviewed the risk management activities undertaken by the Group in order to identify, measure and assess the Group's principal and emerging risks and review the velocity and scale of these;
- Reviewed reports from the internal audit department relating to control matters and monitored progress against the internal audit plan;
- Reviewed status and progress of the ongoing work to mature and develop internal controls for the forthcoming changes in reporting requirements; and
- Assessed the effectiveness of internal audit by considering the inputs and outputs of the activities described above.

#### External audit

- Considered and approved the scope, audit plan, terms of engagement and fees for external audit work to be undertaken in respect of the FY 2025 audit;
- Received reports from the external auditor on their findings regarding quarterly and half-year financial statements;
- Received reports from the external auditor on their findings in relation to the full-year audit;
- Considered the objectivity and independence of the external auditor and the effectiveness of the external audit process, taking into account their policies to

safeguard independence, non-audit work undertaken by the external auditor and compliance with the Company's policy on the provision of non-audit services and applicable regulations;

- Considered and recommended to the Board the re-appointment of the external auditor; and
- Considered and approved letters of representation to the external auditor in respect of the half-yearly and full-year financial statements.

#### Governance and policy

- Considered and recommended to the Board updates to the Hedging Policy, and Treasury and Risk Policy;
- Received deep dives on the Company's disaster recovery and business continuity plans, decommissioning and cyber security; and
- Recommended to the Board an update to the Committee's terms of reference.

The matters the Committee considers to be the most significant for the FY 2025 Annual Report and Accounts can be found on page 119.

#### Internal control environment

The Board is responsible for establishing a framework of prudent and effective controls, which enable risk to be assessed and managed. The Committee is responsible for reviewing the effectiveness of the Group's risk management and internal control systems, that include:

- Delegation of Authority that sets out clear authority for specific matters requiring senior management and Board approval;
- Annual financial budget and operational targets that are monitored by management and the Board;
- Financial reporting processes and preparation of financial statements that comply with relevant regulatory reporting requirements;
- Risk management process to identify principal and emerging risks and management's response; and
- Risk-based internal audit programme.

Principal and emerging risks are discussed more fully on pages 76 to 83 in the risk management section.

There are specific internal controls surrounding the financial reporting process and the preparation of financial statements, including clear guidance and procedures to ensure that the Group's financial reporting processes and the preparation of consolidated financial statements comply with all applicable regulatory and financial reporting requirements.

These policies are applied consistently by the financial reporting team and by other areas involved in the preparation of financial information.

Monthly performance reports and quarterly detailed management accounts are prepared and subject to thorough review by management. These reports detail the performance of the business and support the preparation and processes for external financial reporting.

The Committee receives quarterly updates from the Head of Internal Audit, Risk and Insurance on the Group's system of internal control, including details of the design and effectiveness of key controls mitigating financial, operational and compliance risk. Management intends to continue to focus on further standardisation, documentation and strengthening of internal controls to give the Committee greater comfort around the effectiveness of the control environment.

Overall, the Committee is satisfied that the Group's internal control framework was operating satisfactorily during the year. The Committee will continue to work with management to identify opportunities to further enhance the internal control framework.



**Audit, risk and internal control** continued  
**Audit and Risk Committee report** continued

Significant risks and judgements	How the Committee addressed these risks and judgements
<p><b>Oil and gas reserves</b></p> <p>The estimation of oil and gas reserves from existing and yet to be commissioned fields is inherently judgemental. The Group estimates its reserves using standard recognised evaluation techniques. This estimate is reviewed internally at least annually and is further reviewed at least annually by independent consultants</p>	<p>The Committee reviewed the process applied by management to estimate oil and gas reserves, whether they were in line with general industry practice and were consistent with the methodology applied in prior years.</p> <p>The Committee reviewed differences between management's view of reserves and those of a third-party expert, obtained satisfactory explanations of such differences and noted that management's estimates of proven and probable oil and gas reserves were materially in line with those prepared by independent consultants.</p> <p>The Committee concluded that the methodology adopted for estimating oil and gas reserves, which is used, amongst other things, in impairment testing, deferred tax recognition calculations and the going concern and viability assessments, was fair and reasonable.</p>
<p><b>Carrying value of oil and gas assets and goodwill</b></p> <p>Significant judgement is required in determining whether there are indications of impairment, and conducting an impairment review involving the selection of suitable assumptions for future commodity prices and discount rate, applying the EPL and considering the impact of climate change on long-term commodity prices.</p>	<p>In assessing the impairment reviews the Committee:</p> <ul style="list-style-type: none"> <li>Reviewed and challenged management's key assumptions for the discount rate;</li> <li>Reviewed and challenged management's key assumptions for future commodity prices; and</li> <li>Based on available market data, approved management's long-term assumptions of \$62/bbl in 2026, \$65/bbl in 2027 and \$70/bbl to \$80/bbl thereafter for crude oil and 82p/therm in 2026, 75p/therm in 2027 and 75p/therm to 79p/therm thereafter for UK NBP gas.</li> </ul> <p>The Committee also considered the disclosures on impairment, including sensitivities, and concluded that they were appropriate. In addition, the Committee reviewed and approved the assumptions regarding goodwill headroom of \$125 million (2024: \$419 million).</p> <p>The Committee also considered the critical judgement in respect of the Rosebank field as set out in note 3.</p> <p>Details of impairment reviews are set out in note 19 to the consolidated financial statements.</p>
<p><b>Deferred tax recognition and recovery</b></p> <p>The calculation of deferred tax is typically complicated in the oil and gas industry requiring significant estimation on future performance and profitability of assets.</p>	<p>The Committee reviewed and challenged management's projections of UK taxable profits, which were consistent with those utilised in impairment reviews, and which support the recognition of the net deferred tax asset at 31 December 2025. The Committee was satisfied that these projections were reasonable. The Committee, additionally, reviewed and challenged management's assumptions with respect to accessibility of UK corporate tax history for decommissioning expenditure relief which further supports the recognition of a net deferred tax asset of \$362.0 million at 31 December 2025.</p> <p>The Committee was satisfied that these assumptions were reasonable.</p> <p>Further details of the net deferred tax asset are set out in note 28 to the consolidated financial statements.</p>
<p><b>Business combination accounting</b></p> <p>During the year, the Group made material business combinations comprising the acquisition of JAPEX UK and Spirit Energy's 46.25% interest in the Cygnus field. The accounting for these business combinations involves a significant degree of estimation in arriving at the fair values of assets and liabilities, including material deferred tax assets and liabilities.</p>	<p>In assessing the accounting for the business combination, the Committee reviewed and challenged:</p> <ul style="list-style-type: none"> <li>Management's key assumptions for valuing the assets, including future crude oil prices and UK NBP gas prices;</li> <li>Management's key assumptions related to the valuation of decommissioning liabilities; and</li> <li>The taxation treatment of these items, together with the recognition of tax loss position acquired. The Committee concluded that these assumptions and valuation techniques were reasonable.</li> </ul> <p>Details of the business combination are set out in note 17 to the consolidated financial statements.</p>
<p><b>Adequacy of decommissioning provisions</b></p> <p>Decommissioning cost estimates and assumptions are inherently judgemental with the key assumptions, including the decommissioning methodology (e.g. type of vessel or type of work programme), day rates, durations and discount rate.</p>	<p>In assessing the adequacy of decommissioning liabilities, the Committee:</p> <ul style="list-style-type: none"> <li>Reviewed and challenged management's key assumptions; and</li> <li>Questioned and obtained satisfactory answers to significant changes for particular assets from FY 2024.</li> </ul> <p>The Committee concluded that the methodology used was reasonable and the assumptions of supply chain rates and discount rates were appropriate and supported decommissioning liabilities of \$3,081.9 million at 31 December 2025.</p> <p>Further details of decommissioning liabilities are set out in note 23 to the consolidated financial statements.</p>
<p><b>Going concern and viability</b></p> <p>In preparing the consolidated financial statements, the Directors are required to consider the appropriateness of the going concern basis of accounting.</p>	<p>The Committee reviewed management's projections and resultant liquidity position. In addition, the Committee challenged the sensitivities modelled and agreed that they were appropriate. Overall, the Committee concluded that the projections were reasonable and supported a going concern basis of accounting.</p> <p>The going concern statement is set out on page 75 and the viability statement is set out on page 86 of the Annual Report and Accounts.</p>

## Audit, risk and internal control continued

### Audit and Risk Committee report continued



#### Provision 29 readiness

Provision 29 of the UK Corporate Governance Code 2024 focuses on audit, risk and internal control. It introduces a new requirement for Boards to declare the effectiveness of material controls in the Annual Report. To support the Boards declaration for FY 2026, a process to identify material controls has taken place during the year. This process has involved a review of material risks, to identify existing and new controls by a cross-functional team, with a proposal on material controls put to the Committee for approval. The material controls identified either mitigate the Group's principal risks or are controls over disclosures in the Annual Report and Accounts. The process has identified a mix of existing and new material controls with work now completed to document all new controls and bring them into the Group's internal control framework. Material controls will be subject to dry run testing in Q1 2026. This will allow time to remediate any failings ahead of the FY 2026 testing cycle. Going forward, material controls will be included in the quarterly Committee reports on internal controls and risk management.

#### Internal audit

Internal audit provides independent, objective and timely assurance to senior management and the Board through the Committee, over the design and operational effectiveness of key processes and controls that manage the risks across the organisation.

The Head of Internal Audit, Risk and Insurance reports functionally to the Chair of the Committee and administratively to the Chief Financial Officer regarding internal audit matters. Our internal audit department operates on a co-sourced model, utilising external subject matter expertise to supplement the in-house team. The Head of Internal Audit, Risk and Insurance, additionally, provides oversight of internal controls compliance and the enterprise risk management process.

Nine internal audits were completed or commenced during 2025:

- Eni UK Business Combination – IT
- Eni UK Business Combination – Management of Change

- Director's Remuneration Statement
- Expenses
- Fraud Risk Assessment
- Flaring and Venting Reporting
- Hydrocarbon Accounting and Metering
- Readiness for Corporate Governance Reforms
- Seconded and Contractual Expenses

In addition, the department oversees the annual audit programme for non-operated joint ventures and conducts ad-hoc audits and investigations on behalf of the Board and sub-committees.

During the year, the Committee:

- Reviewed and approved the 2026 internal audit plan, ensuring it aligned to the Group's principal risks; and
- Received regular reports from internal audit on its activities and progress against the Group 2025 internal audit plan, allowing the Committee to monitor delivery against the plan.

#### External auditor independence and objectivity

Deloitte were appointed as the Company's external auditor during 2021 as a result of Delek Group Limited selecting Deloitte as auditor of the Group. During the year, David Paterson, external audit partner, stepped down following three years acting in this capacity. He was replaced by David Sweeney with effect from 1 April 2025. A thorough handover between the external audit partners was completed as part of the changeover.

The independence of the external auditor is essential to the provision of an objective opinion of a true and fair view presented in the financial statements. Deloitte's independence is safeguarded through a number of control measures including:

- Limiting the nature of non-audit services performed by the external auditor;
- The external auditor's own internal processes to vet and approve any requests for any non-audit work to be performed by the external auditor;

- Monitoring changes in legislation related to auditor independence and objectivity to assist the Company to remain compliant;
- The rotation of the lead audit partner after five years;
- Independent reporting lines from the external auditor to the Committee; and
- An annual review by the Committee of the policy in place to ensure the objectivity and independence of the external auditor is maintained.

#### Assessing the effectiveness of the external audit process

The Committee, other Board members, senior management and finance team members evaluated Deloitte's performance and the effectiveness of the external audit process for FY 2025 financial reporting.

The Committee considered the following factors:

- The quality of the interactions between the audit team and the Committee, other Board members, management and those involved in the preparation of the accounts;
- Whether the scope of the audit and the planning process were appropriate for the delivery of an effective audit;
- The external auditor's progress achieved against the agreed audit plan and communication of any changes to the plan, including changes in perceived audit risks;
- The robustness and perceptiveness with which the external auditor handled the key accounting and audit judgements and communication of the same with management and the Committee;
- The expertise and resources of the external audit team conducting the audit; and
- The quality of the auditor's recommendations for the financial reporting process and control improvements.

Taking the above factors into account and the feedback from the finance team, management, members of the Committee and the Board, the Committee concluded that the external audit process and services provided by Deloitte were satisfactory. The feedback will be shared with Deloitte and any opportunities for improvement will be considered and agreed.



**Audit, risk and internal control** continued  
**Audit and Risk Committee report** continued

A formal recommendation to reappoint Deloitte as external auditor will be made at the Annual General Meeting.

**Policy on the provision of non-audit services**

The Committee’s policy on the use of the external auditor for non-audit services includes the identification of non-audit services that may be provided and those that are prohibited. The policy requires that the external auditor will only be used for non-audit services where regulation permits, the Group benefits in a cost-effective manner and the external auditor maintains the necessary degree of independence and objectivity.

The policy provides for a cap on fees for non-audit work of 70% of the average of fees paid to the audit firm over the previous three years for audit services.

The Committee receives regular reports on all non-audit assignments awarded to the external auditor and a breakdown of non-audit fees incurred. The principal non-audit fees incurred during the year were in respect of the Q1 2025 review, the half-year review, the Q3 2025 review and work performed in relation to the Offering Memorandum for the senior unsecured notes due 2031. Given these are audit-related services, the Committee considered the external auditor the most appropriate firm to perform them. Details of amounts paid to the external auditor for audit and non-audit services are set out in note 7 to the consolidated financial statements.

The Committee is satisfied that the Company complies with CMA Order 2014 regarding statutory audit services.

**Whistleblowing Policy**

The Group has a formal Whistleblowing Policy (see page 100 for further details) whereby all employees, contractors, consultants and officers are able to raise concerns regarding potentially dangerous, unlawful or unethical activities which may be going on at work or could be affecting (or risks affecting) them or other colleagues. Any such reports are thoroughly investigated by suitably qualified personnel and where necessary appropriate action is taken.

**Effectiveness of risk management and internal control systems**

The Committee has completed its annual review of the effectiveness of the Group’s risk management and internal control systems on behalf of the Board in order to approve the statements on risk management set out in the Strategic Report on pages 1 to 87.

**Fair, balanced and understandable**

The Committee has completed its annual review of the processes in place to prepare the 2025 Annual Report and Accounts and to ensure that they are fair, balanced and understandable in order to support the statement of Directors’ responsibilities on page 154.

**Tax strategy**

The Committee believes that we have a responsibility to manage our tax affairs in a way that sustainably benefits the customers and communities that we serve. We further have a responsibility to shareholders to ensure that we pay the right amount of tax and ensure compliance with UK tax rules.

**Committee evaluation**

The Committee’s annual performance evaluation exercise was carried out in December 2025 and no concerns were highlighted.

Finally, I would like to express my thanks to both management and the external auditor.

On behalf of the Audit and Risk Committee:

**Deborah Gudgeon**  
Committee Chair

**Code in action – Audit, risk and internal control**

Principles	How does the Board apply this Principle?	Further information
<b>M</b> The board should establish formal and transparent policies and procedures to ensure the independence and effectiveness of internal and external audit functions and satisfy itself on the integrity of financial and narrative statements	The Audit and Risk Committee is responsible for assessing the independence and effectiveness of both the internal audit function and the external auditor. Formal and transparent policies and procedures are in place to support the Committee in its review of the Group’s financial statements.	Independence and effectiveness of internal and external auditors – see pages 120 to 121.
<b>N</b> The board should present a fair, balanced and understandable assessment of the company’s position and prospects.	The Board, with the support of the Audit and Risk Committee, is satisfied that the Annual Report and Accounts present a fair, balanced and understandable assessment of the Company’s position and prospects.	Fair, balanced and understandable assessment – see page 121.
<b>O</b> The board should establish and maintain an effective risk management and internal control framework, and determine the nature and extent of the principal risks the company is willing to take in order to achieve its long-term strategic objectives.	The Audit and Risk Committee supports the Board in setting the Company’s risk appetite, overseeing the internal control framework, including preparation to meet the new requirements set out in provision 29 of the Code relating to material control effectiveness, and reviewing the principal risks facing the business. During 2025, the Committee conducted in depth reviews (‘deep dives’) of specific risks during the year.	Risk and internal control – see page 118. Provision 29 readiness – see page 120. Deep dives – see page 118.

Audit, risk and internal control continued  
Health, Safety, Environment and Security Committee report

“

**In terms of HSE performance we have continued to deliver improvements across a range of key metrics during 2025.”**

Dave Blackwood,  
Committee Chair



Details on Committee membership and attendance can be located in the Governance at a glance section on page 90.

**Dear fellow shareholder,  
I am pleased to present the Health, Safety, Environment and Security Committee (the Committee) Report for the year ended 31 December 2025.**

This report summarises the Committee’s key activities, areas of oversight and priorities during the year.

**Role of the Committee**

The Committee’s role is to assist the Board with the discharge of its responsibilities in relation to the Group’s HSE commitments. This includes reviewing and monitoring the Group’s HSE strategy, assessing the scope and effectiveness of the HSE management system framework and investigating, on behalf of the Board, reports from management concerning all serious incidents and high potential incidents within the Group.

The Committee will further review principal findings from Line of Defence (LOD) 2 and 3 HSE internal audits, which may be discussed at the Audit and Risk Committee. The Audit and Risk Committee retain overall responsibility for monitoring and reviewing the effectiveness of the Group’s risk management and internal control systems. Where a detailed review of HSE risks or audit findings is undertaken, this will be reviewed by the Committee. Similarly, if the Committee determines that specific HSE incidents have broader implications, for risk management or internal control, across the Group these will be referred to the Audit and Risk Committee. See Figure 1 on page 123.

**Terms of reference**

The terms of reference of the Committee, setting out the key responsibilities of the Committee, are available on the Company’s website. They are reviewed on an annual basis and if there are any changes they are recommended to the Board for approval. There were no changes to the Terms of Reference during the year.

**Activities during the year**

During 2025, the Committee has undertaken a number of activities, a selection of which are summarised within this report.

**HSE performance – Summary**

At each meeting, the Committee focused on HSE performance, which included operational health and safety performance, environmental compliance, and incident trends and learnings from High Potential Incidents and process safety events. In-depth reviews covered a range of activities, including well integrity status, maintenance management activities, HSE management system arrangements, competency and training, and various control of work improvements.

In terms of our HSE performance we have continued to deliver improvements across a range of key metrics during 2025, specifically:

- Zero tier 1 or tier 2 process safety events;
- A material reduction achieved in total recordable case frequency;
- A continued reduction in emissions intensity, with year-end performance c. 30% lower than the UKCS average, with further improvements expected in 2026; and
- A significant year-on-year reduction in unplanned releases to the sea.

**Safety**

During 2025 we continued to deliver improvements in HSE performance across a range of key metrics alongside the implementation of our new ‘Make it safer’ value, ensuring HSE matters are front and centre in our activities and representing a cornerstone of our proactive safety culture (see page 62). Through 2025 we undertook standardisation of several key systems and processes in line with a diligent change management programme, including implementation of the Synergi tool for logging all incidents, events and associated actions, and implementation of an enhanced tool for recording and assessing our environmental performance data.

## Audit, risk and internal control continued

### Health, Safety, Environment and Security Committee report continued

All events and injuries are rigorously investigated, with actions to prevent recurrence identified and implemented and, during 2025, we introduced a new root cause methodology across our business, supported by numerous training sessions and ongoing support for key personnel, to enhance our arrangements in this area. Findings from investigations into critical incidents are reviewed by the Committee and include updates on the outcomes and actions taken by management alongside wider initiatives to drive improvement across our operations.

### GHG emissions, Net Zero and environmental management

The Committee reviewed Ithaca Energy's GHG emissions performance, forecasts and targets across the portfolio, taking the effects of mergers and acquisitions into account, alongside the status of emission reduction projects, our approach to Scope 3 emissions, reporting of net equity emissions and methane management activities.

The Committee also completed its annual review of the Company's strategy in relation to GHG emissions and Net Zero, and approved Ithaca Energy's Net Zero Policy which confirms our Net Zero targets, including interim targets, strategic priorities and implementation roadmap.

During 2025 we successfully achieved Gold-rating under the Oil and Gas Methane Partnership (OGMP), ISO 14001 across assets, and ISO 50001 across heritage Eni UK assets.

The Committee also reviewed Ithaca Energy's unplanned releases to sea performance and noted a significant decrease in the number of unplanned oil and hydrocarbon release events to the environment during 2025 versus previous years, noting that the majority of releases which did occur were of low volume. In each case the circumstances were investigated, with corrective actions put in place. See page 58 for more information.

### Integration activities

Following the completion of the Business Combination with Eni UK in 2024, the Group progressed integration

activities to identify best practice opportunities to enhance HSE management and deliver business efficiencies.

Key developments have included the implementation of the Agility system as the single repository for BMS documentation, with: an updated BMS Standard developed in readiness for roll-out in 2026; updates to incident investigation and personal accountability processes, implemented across all assets; development of an extensive HSE communications programme, designed to raise awareness amongst the workforce of key initiatives and tools across all areas of HSE; and enhancements to our occupational and industrial health and wellbeing activities.

Through 2026 we will continue with integration scopes, including harmonisation of relevant documentation as part of an approach to standardise where considered appropriate.

### Audit and assurance

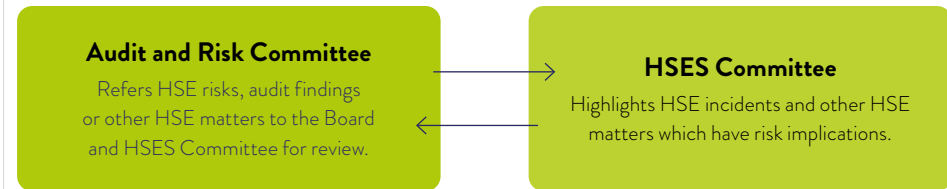
The Committee reviewed and monitored performance and progress against the harmonisation and HSE performance improvement strategy throughout the year and assessed the scope and effectiveness of the management system to deliver the strategy and maintain regulatory compliance.

The Committee received regular updates on audit activities, specifically status of HSE and Technical Assurance LOD Level 2 and 3 plans and principal audit insights, which included feedback on flare and vent management and cyber security aspects amongst other core areas. Details of independent reviews of our critical control of work process were also shared, including details of the resourced implementation plan in place through 2026 to drive improvements in this key area.

### Competency

The Committee continued to focus on workforce capability, in particular offshore training and competency. Improvements during the year included a revised technical

**Figure 1: Relationship between the HSES Committee and the Audit and Risk Committee**



training matrix, which encompassed a three-tier structure focusing on safety critical training. Preparations for the implementation of a new integrated standardised competency tool and a review of the forthcoming offshore safe weight limit and its operational and culture impacts on the offshore workforce were also undertaken. The Committee reviewed supply chain capability within the UKCS, recognising industry-wide challenges in this area, and received updates regarding enhancements to our contractor selection and ongoing management processes.

### Regulatory matters

The Committee reviewed key regulatory developments and learning from inspections, including themes raised through the OEUK HSE Forum and the OPRED consultation on assessing the effects of Scope 3 emissions on climate from oil and gas projects.

### Look ahead to 2026

In 2026, the Committee will review progress across the following areas:

- Organisational integration, including the status of HSE system and process harmonisation across the organisation.
- Improvements to process safety management, including Process Safety Leadership Plan status, barrier model tool and Operational Risk Assessment enhancements and further embedding of the Process Safety Fundamentals.
- Human Performance activities, including the launching and embedding of the Human Factor

Fundamentals and Human Performance training across the organisation.

- Safe operations, including further enhancements regarding Control of Work and contractor engagement alongside consideration towards expansion of ISO 45001 certification.
- Enhancements to the scope and organisation of audit and assurance activities, covering both internal audits and assurance activities surrounding key vendor companies.
- Contractor selection and management activities, with specific focus on updates to contractor management expectations, HSE plan alignment, visible safety leadership and HSE contractual expectations to ensure all parties are fully aligned towards key areas of focus.
- Environmental compliance improvements, with regard to permit compliance, environmental 'Must Wins' and opportunities to harmonise our ISO 14001 certification, and to give consideration towards expansion of ISO 50001 certification currently in place on our Cygnus assets.
- Emissions, covering status of OGMP and progress towards delivering Zero Routine Flaring commitments.
- Emissions Reduction Action Plan status and overall progress regarding our Group GHG targets and North Sea Transition Deal commitments.

### Dave Blackwood

Committee Chair



## Remuneration Committee report

“

The Committee believes that the remuneration outcomes for 2025 fairly reflect performance, and our focus remains on ensuring reward programmes incentivise employees to achieve Ithaca Energy’s strategy and performance goals.”

Lynne Clow

Chair of the Remuneration Committee

Details on Committee membership and attendance can be located in the Governance at a glance section on page 90.



**Dear shareholders, On behalf of the Remuneration Committee (the ‘Committee’), I am pleased to present the Company’s Directors’ Remuneration report (the ‘report’) for the year ended 31 December 2025, and the proposed Directors’ Remuneration Policy (the ‘Policy’) which is being put to a binding shareholder vote at the Company’s 2026 AGM.**

The Committee works hard to ensure alignment with shareholder interests and that our approach to remuneration fully supports the Company’s strategy and growth ambitions.

The Committee met seven times during the year and is comprised of five independent Non-Executive Directors (‘INED’). The Executive Chair and CEO are invited to all Committee meetings and the Group General Counsel and Company Secretary acts as secretary to the Committee. In accordance with the relationship agreements with Delek Group Limited and Eni S.p.A, appointed observers are invited to attend meetings.

During the year, the Committee received assistance in considering Executive remuneration from a number of senior managers, who attended certain meetings (or parts thereof) by invitation during the year, including the CFO and the Executive Vice President, People and Culture.

No person was present during any discussion relating to their own remuneration.

#### The role of the Remuneration Committee

The Remuneration Committee is responsible for determining the Remuneration Policy and remuneration packages for the Executive Chair, Executive Directors and senior management team, including salary, bonuses, long-term incentive plans, pension arrangements, benefits and service contracts.

#### Terms of Reference

The terms of reference of the Committee, setting out the key responsibilities of the Committee, are available on the Company’s website. They are reviewed on an annual basis and if there are any changes they are recommended to the Board for approval. The terms of reference were updated during the year and approved by the Board in February 2025.

#### Activities during the year

The activities of the Committee are set out in this report. The key matters considered during the year were:

- Remuneration benchmarking for the Executive Chair, CEO and CFO and senior management team roles.
- Review of performance measures and targets to ensure that they remain aligned with our strategy.
- Assessment of variable remuneration outcomes for the Executive Directors and senior managers.
- Review of the Remuneration Policy and determining the Proposed Policy following that review.

#### External Advisors

Due to a conflict of interest, PriceWaterhouseCoopers LLP (PWC) stepped down as external advisors. In June 2025, following a competitive tender, Farient Advisors (‘Farient’) were appointed by the Committee to be its external advisors. There are no connections with Farient and the Company or individual Directors. The Committee notes that Farient is a member of the Remuneration Consultants Group and voluntarily adheres to its Code of Conduct in relation to Executive remuneration consulting in the UK. Pinsent Masons LLP (‘Pinsents’), appointed by the Company, provided advice on share incentive plan-related matters, including on senior Executive remuneration issues.

A representative from Farient attends, by invitation, all Remuneration Committee meetings to provide information and updates on external developments affecting remuneration as well as specific matters raised by the Committee. Outside the meetings, the Committee Chair seeks advice on remuneration matters on an ongoing basis. The advice that the Committee receives is independent and objective.

## Remuneration Committee report continued

Fariant's total fees or other charges (based on hourly rate) for the provision of remuneration advice to the Committee in 2025 (save in respect for legal advice) were £99,050. Pinsents provided legal advice on specific compliance matters and share plan related matters to the Committee and total fees in 2025 were £8,493. Other services provided to the Company by Pinsents include corporate and employment law advice.

The Committee reflects on the quality of the advice provided and whether it properly addresses the issues under consideration as part of its normal deliberations. The Committee is satisfied that the advice received during the year was objective and independent.

The Committee reviews its remit and effectiveness each year. See more on the Board evaluation on page 111.

### Company performance

2025 was a year of strong progress for Ithaca Energy as we continued to execute our value creation strategy. We successfully integrated a number of accretive acquisitions, strengthened our financial capacity for growth, and significantly improved our HSE performance. We delivered material increases in production and adjusted EBITDAX while reducing costs, driving higher free cash flow and underpinning our \$500 million dividend target. We enter the year ahead with a significantly higher production base and strong momentum across the business.

We measure our success not only by our financial performance and returns for shareholders, but in our safety and operating performance. In 2025, we maximised the production and value of our assets in a safe and responsible manner. In summary:

- We recorded a 43% increase in adjusted EBITDAX of \$2.0 billion (2024: \$1.4 billion), reflecting the Group's significantly enhanced cash generation capacity.
- Our portfolio delivered strong average production of 119 kboe/d for 2025, (2024: 80 kboe/d) in-line with previously upgraded guidance.

- Our team demonstrated an improved safety culture and ensured safe operations during the year, with zero Tier 1 or Tier 2 events recorded in the year and improved HSE performance with a material 20% reduction in Total Recordable Injury Rate from 2024.
- Achieved net operating costs of approximately \$817 million, equivalent to a unit operating cost of \$19 per barrel of oil equivalent, compared with \$22 per barrel in 2024, reflecting the portfolio's strong netback performance and improved operating efficiency.
- Strategically, the Company delivered strong performance, including the 2025 acquisitions from JAPEX and Spirit Energy of further interests in the Seagull and Cygnus fields that increased production in well-known quality assets.

- We continued to focus on shareholder returns, with the acceleration of the second interim dividend of \$133 million paid in December due to strong performance and cash generation, taking the Group's total 2025 cash distribution to \$500m.
- We delivered strong share price performance, with an increase of more than 50% over the past year.

The Group has developed its position as a leading UKCS production and growth company in 2025. Ithaca Energy is positioned as one of the largest resource holders in the UKCS and is focused on executing against the Group's organic and inorganic strategy, with a clear vision for future 'Scale. Stability. Strength'.

### Remuneration outcomes for 2025

#### 2025 Annual bonus

The Committee reviewed performance against the annual bonus conditions for 2025. The performance in the year resulted in an annual bonus for the Executive Directors of 116% of salary, with half deferred into shares, which will vest after three years conditional upon continued employment.

The Committee considered the bonus outcome in terms of overall business performance, shareholder and workforce experience. The Committee concluded that there were no grounds for exercising its discretion, and that the outcome reflected the overall position of the business at the year end. Further details on the bonus outcomes are on page 129.

## Code in action – Remuneration

Principles	How does the Board apply this Principle?	Further information
<p><b>P</b> Remuneration policies and practices should be designed to support strategy and promote long-term sustainable success. Executive remuneration should be aligned to company purpose and values, and be clearly linked to the successful delivery of the company's long-term strategy.</p>	<p>The 2026 Remuneration Policy, to be put to shareholders at the 2026 AGM, has been designed to incentivise Executives to deliver on the Company's strategic objectives and long-term sustainable success.</p>	<p>Remuneration Policy – see pages 140 to 149</p>
<p><b>Q</b> A formal and transparent procedure for developing policy on executive remuneration and determining director and senior management remuneration should be established. No director should be involved in deciding their own remuneration outcome.</p>	<p>No Director is involved in determining their own remuneration outcome. A formal and transparent procedure is in place, which takes into account external benchmarking and workforce considerations.</p>	<p>Remuneration outcomes – see pages 128 to 135</p>
<p><b>R</b> Directors should exercise independent judgement and discretion when authorising remuneration outcomes, taking account of company and individual performance, and wider circumstances.</p>	<p>The Remuneration Committee, comprising of only Independent Non-Executive Directors, exercises independent judgement and discretion when determining performance related executive remuneration outcomes.</p> <p>The Committee determines outcomes by assessing performance against a balanced scorecard of measures.</p>	<p>Independent judgement and discretion – see pages 129 to 131</p>

## Remuneration Committee report continued

### Vesting of the 2022 Long-Term Incentive Plan (LTIP)

The LTIP award granted in December 2022 to our CFO, Iain Lewis, had performance measures based on relative Total Shareholder Return (TSR) against a comparator group (50% weighting) and a balanced scorecard comprising of financial, operational and safety/environmental measures (50% weighting), measured over the three financial years ended 31 December 2025.

The Company's three-year relative TSR performance was above the upper quartile against the bespoke comparator group, therefore resulting in 100% of this portion of the 2022 LTIP award vesting.

Performance outcomes against all of the balanced scorecard measures achieved 8.85% of 50% (17.70% of maximum). This translates to a total outcome of 58.85% of maximum for the 2022 LTIP. Further detail of performance against these measures is set out on page 130.

The Committee reviewed the outcome considering the overall business performance and shareholder experience. Taking these factors into account, the Committee considered the outcome to be fair and did not exercise discretion to adjust the 2022 LTIP vesting.

### Proposed changes to the Directors' Remuneration Policy

Since IPO in 2022, Ithaca Energy has achieved substantial growth and is now one of the leading independent energy producers in the UKCS. As we look to continue our high growth trajectory, we are focused on executing against the Group's organic and inorganic strategy, with a clear vision for future 'Scale, Stability and Strength.'

Against this backdrop, the Committee has undertaken a review of the Directors' Remuneration Policy ('Policy'), to ensure that remuneration arrangements remain relevant for Ithaca Energy today, and into the future. The current Policy was last approved by shareholders at our 2023 AGM, and in line with the triennial cycle, the revised Policy will be subject to shareholder approval at the 2026 AGM.

As part of the Policy review, a detailed benchmarking exercise was conducted which reviewed the competitiveness of our remuneration package against two peer groups: Global Oil and Gas companies and FTSE-listed companies of a similar market capitalisation (excluding financial services). We found that:

- Both incentive opportunities fall between the lower quartile and the median of the Global Oil and Gas peer group.
- The maximum annual bonus opportunity and LTIP opportunity are positioned at the lower quartile compared with FTSE peers.

Reflecting on this data, the Committee felt that remuneration packages should not be positioned so far below the market, especially given the share price growth achieved over the last financial year, placing Ithaca Energy as one of the best performing stocks within the FTSE250.

Following this review, a number of key changes are proposed to the Policy:

- 1. Increase the annual bonus maximum opportunity**
  - Increase the maximum annual bonus opportunity from 150% of salary to 200% of salary.
- 2. Reduction in of annual bonus deferral once the Share Ownership Guidelines are achieved**
  - Reduce the mandatory requirement for 50% of the annual bonus to be deferred into shares, to 20% of the annual bonus, when an Executive Director has met their shareholding guidelines.
  - Where an Executive Director has not achieved their shareholding guidelines, the requirement to defer 50% of the annual bonus into shares for 3 years will be maintained.
- 3. Increase LTIP maximum opportunity**
  - Increase the maximum long-term incentive opportunity from 225% of salary to 250% of salary.
  - All other elements of the LTIP remain the same.

### 4. Increase Share Ownership Guidelines to align with the new LTIP opportunity

- Make the shareholding guideline 1x value of the total annual LTIP award for each Executive Director (up to 250% of base salary under the proposed Policy).
- Maintain time-period to achieve shareholding requirements within 5-year period from date of appointment to the Board.

In determining the appropriateness of the proposed changes, the Committee considered the following factors:

- **Alignment to business strategy** – Ithaca Energy operates a growth framework that combines both organic development of the existing asset base and inorganic expansion through strategic acquisitions. Continued consolidation in the UKCS supports the focus on long-term value creation and ability to deliver strong shareholder returns. Given the emphasis on high dividends and sustained share price appreciation, retaining the existing Performance Share Plan ('PSP') with a relative TSR metric remains the most appropriate approach.
- **Need to be competitive in the market** – The new Policy aims to ensure Ithaca Energy remain competitive in the UK listed market, aligning incentive opportunities with the median of the UK market, balancing shareholder expectations whilst ensuring the remuneration framework supports the Group to grow and continue to deliver on its future strategic aims.
- **Focus on performance** – The proposed changes are all related to incentives which are linked to the performance of the business through both performance conditions and alignment with the share price.
- **In line with UK market norms** – The proposed Policy will continue to contain best practice features adopted across the UK, including using a PSP for the LTIP, and five-year time horizons for LTIP awards.
- **Long-term focused** – The long-term incentive will remain the most substantial component of the remuneration package, aligning participants with the long-term success of the business.

The Committee consulted with major shareholders on the proposed changes and received valuable feedback. Shareholders agreed with the importance of the next three-year cycle and as such, have been supportive of the proposed changes and acknowledged that changes are primarily incentive-led, ensuring greater emphasis on value creation.

### Wider workforce considerations

The Committee reviewed the wider workforce reward framework and relevant policies to ensure that rewards and incentives align with the culture. This provided important context for our decisions during the year.

For 2026, the average increase in salaries across the wider workforce is 4%. The Committee and Board believe this delivers a balanced approach to retention while supporting a sustainable cost base for the business.

### Executive Director remuneration for 2026

#### Base salary

Executive Director salaries were reviewed by the Committee in September 2025. Yaniv Friedman received a 11.1% salary increase in September 2025 (effective 1 September 2025), to bring his salary in line with the market, given his role and responsibilities, particularly around mergers and acquisitions which is a key part of our strategy. Luciano Vasques and Iain Lewis' salary were considered appropriately placed to the market at £600,000 and £500,000 (full time equivalent) respectively. Effective 1 January 2026, Iain Lewis returned to full-time employment, having previously worked four days per week. Accordingly, his salary as Chief Financial Officer was reinstated to the full-time equivalent level at £500,000. The normal salary review process for the Executive Directors has been delayed and shall be carried out in 2026, with the outcome detailed in the 2026 Annual Report and Accounts. 2026 salaries for the Executive Directors, at the date of publication, are summarised on the next page.

## Remuneration Committee report continued

### Executive Directors Salaries

	Salary
Executive Chair	£500,000
Chief Executive Officer	£600,000
Chief Financial Officer	£500,000

### 2026 Annual bonus and LTIP opportunities

Subject to shareholder approval, the maximum annual bonus opportunity for the three Executive Directors for 2026 will be 175% of salary, applicable for the 1 January 2026 to 31 December 2026 performance year, and payable in April 2027. The 2026 bonus scorecard utilises measures and weightings consistent with those used in 2025.

In addition, the Committee is considering a method of incentivising and rewarding the successful delivery of transformational M&A transactions in the performance period, which would not exceed an overall bonus outcome of 175% of salary. M&A is critical to the success of Ithaca Energy and therefore we want to ensure that management are incentivised to deliver deals in the right way and continue their strong record of value-accretive M&A. Full details of the final approach will be reported in the 2026 Annual Report and Accounts. Further details on the 2026 scorecard can be found on page 137.

The intention is to grant LTIP awards to the Executive Directors aligned with the proposed policy effective date of 1 January 2026, and applicable for the performance period 1 January 2026 to 31 December 2028, at an award level of 225% of salary, subject to shareholder approval at the 2026 AGM. The Committee reviews performance targets for LTIP awards each year to ensure they continue to reflect and incentivise the Company's strategy. For 2026 the measure remains unchanged, maintaining the 100% weighting on Relative TSR against a bespoke comparator group. There are no proposed changes to the bespoke comparator group. Further details are set out on page 137.

	Annual Bonus <sup>1</sup>		LTIP opportunity <sup>2</sup>
	Target opportunity	Maximum opportunity	
Executive Chair	87.5%	175%	225%
CEO	87.5%	175%	225%
CFO	87.5%	175%	225%

- 50% of any bonus earned will be deferred into shares for three years, apart from where an executive has achieved their shareholding requirement, in which deferral reduces down to 20% of any bonus earned. The bonus will be assessed against financial, strategic and HSE targets aligned with the business plan. The metrics and weightings are set out on page 137.
- The shareholding requirement for each ED will align with their LTIP award size.

### Conclusion

The Committee looks forward to engaging with shareholders and stakeholders on an ongoing basis and welcomes any feedback or comments on this report.

I look forward to seeing shareholders at the upcoming AGM.

### Lynne Clow

Chair of the Remuneration Committee



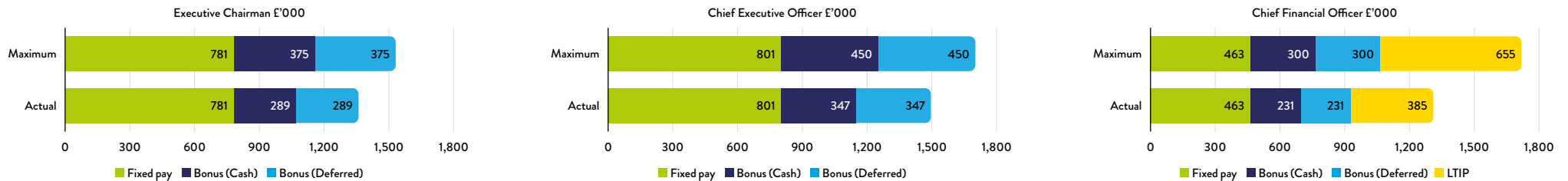
## Remuneration Committee report continued

### Annual Report on Remuneration – Directors Remuneration Report

This section of the report sets out how each director was paid in the year ended 31 December 2025 in accordance with the requirements of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended).

#### Summary of outcomes: Total remuneration outcomes in 2025

The charts below show the remuneration outcomes for Executive Directors in 2025 based on performance compared to the maximum opportunity.



#### Single figure of remuneration.

This table sets out the remuneration received, or receivable, for each executive director.

#### Single total figures of remuneration (audited)

Executive Directors <sup>1</sup>	Base Salary <sup>2</sup> £'000	Benefits <sup>3</sup> £'000	Annual bonus <sup>4</sup> £'000	LTIP <sup>5</sup> £'000	Pension <sup>6</sup> £'000	Other <sup>7</sup> £'000	Total £'000	Total Fixed Pay £'000	Total Variable Pay £'000
<b>Yaniv Friedman</b>	<b>467</b>	<b>339</b>	<b>578</b>	<b>–</b>	<b>61</b>	<b>5</b>	<b>1,449</b>	<b>867</b>	<b>583</b>
Yaniv Friedman (2024)	227	184	207	–	30	1	649	440	208
<b>Luciano Vasques</b>	<b>600</b>	<b>122</b>	<b>694</b>	<b>–</b>	<b>80</b>	<b>1</b>	<b>1,496</b>	<b>802</b>	<b>695</b>
Luciano Vasques (2024)	148	154	133	–	17	–	452	319	133
<b>Iain Lewis</b>	<b>400</b>	<b>9</b>	<b>463</b>	<b>385</b>	<b>54</b>	<b>6</b>	<b>1,316</b>	<b>463</b>	<b>854</b>
Iain Lewis (2024)	483	11	435	–	65	5	999	559	440

1 2025 figures show remuneration for Yaniv Friedman, Luciano Vasques and Iain Lewis all who were Directors for the whole year. 2024 figures reflect remuneration earned since appointment as a Director of the Company: Yaniv Friedman was appointed on 28 June 2024; Luciano Vasques was appointed on 3 October 2024; Iain Lewis was a Director for the whole year 2024.

2 The 2025 base salary includes a salary increase of 11.1% (£50,000), for Yaniv Friedman with effect from 1 September 2025. Base salary for 2025 for Iain Lewis reflects part time working (contracted hours of 30 per week). For Iain Lewis, the 2024 salary reflected a change in hours from 100% full-time equivalent to return to his normal contracted hours 80% of normal business hours.

3 Benefits includes the cost, where relevant, of private medical insurance, accommodation, travel, relocation support and car allowance 2025 benefits with a value over £5,000 are shown in the table below and include car allowance, relocation assistance and taxable travel. Yaniv Friedman and Luciano Vasques received relocation support during 2025. The 2024 value for Yaniv Friedman has been restated to include an additional amount of £42,000 for travel costs which were identified after the publication of the 2024 report.

4 Bonus payable for the financial year; Executive Directors are required to defer half of any bonus award into Ithaca Energy shares and held for a three year period. Malus and clawback provisions were not used in the reporting period.

5 LTIP refers to the 2022 LTIP with a performance period ending 31 December 2025 vesting in April 2026. Iain Lewis is the only director in receipt of this award. The initial award was 200% of salary and was calculated using a share price of £2.50, the Admission share price. The illustrative value reflects the 58.85% of maximum reflective of performance outcomes and the share price of £1.6580, the closing price on 31 December 2025 being the end of the performance period. Executive Directors must retain the net of tax number of vested LTIP awards for a two year holding period. Malus and clawback provisions were not used in the reporting period.

6 Pension provision is up to 15% of salary as a payment into a defined contribution pension scheme and/or a cash amount in lieu of a pension contribution. Any cash allowance paid is reduced to take into account additional employer costs.

7 For all directors other represents the value of matching shares under the Company Share Incentive Plan (SIP).

**Remuneration Committee report** continued**2025 Benefits with a value over £5,000**

Executive Director	Car allowance £'000	Relocation assistance £'000	Taxable travel £'000
Yaniv Friedman	9	206	122
Luciano Vasques	9	100	–
Iain Lewis	7	–	–

**Outcome of performance measures ending in the financial year, 31 December 2025**

This section summarises performance against targets for the annual bonus, and full details on the assessment of the performance conditions.

**2025 Annual bonus outcomes**

The maximum bonus opportunity for Executive Directors in 2025 was 150% of salary and subject to an assessment of performance against a scorecard of measures. Measures were split between HSE, Operations, Financial & Strategy & Growth. 50% of any bonus earned is payable in cash following the year-end, and the other half is deferred into Ithaca Energy shares, which vest after three years.

**Performance against scorecard (audited)**

The measures, weightings, targets and assessment of outcomes are detailed below.

**Scorecard Overview:**

Category	Metric	Weighting	Threshold 25%	Target 50%	Maximum 100%	2025 outcome	% of metric achieved	% of overall bonus outcome
HSE – 25%	Tier 1 and Tier 2 safety events	7.0%	0 x Tier 1 2 x Tier 2	0 x Tier 1 1 x Tier 2	0 x Tier 1 0 x Tier 2	0	100.0%	7.0%
	Personal safety (TRIF)	3.0%	<2.3	<2.07	<1.84	1.65	100.0%	3.0%
	Safety Critical Maintenance, Action Management & HSE Leadership	5.0%	Assessment against achievement of planned deliverables as detailed on page 130			–	100.0%	5.0%
	Emissions management & reductions	10.0%				–	100.0%	10.0%
Operations <sup>1</sup> – 35%	Production (kboed)	17.5%	105	114	121	118.5	83.5%	14.6%
	Operating expense (inc net G&A) (\$m)	17.5%	974	927	834	888	71.0%	12.4%
Financial <sup>1</sup> – 20%	Free cash flow (\$m)	20.0%	293	585	1170	735	62.8%	12.6%
Strategy & Growth – 20%	Performance against strategic plan	20.0%	Assessment against planned deliverables as detailed on page 130			–	62.5%	12.5%
<b>Total</b>		<b>100%</b>						<b>77.1%</b>

1. The scorecard ranges for production, operating expense and free cash flow were updated during the performance year to reflect the acquisitions that were completed during 2025 (specifically additional interests in the Seagull and Cygnus fields). The targets were updated to reflect the Board approved acquisition expectations; the threshold and maximum levels were set proportionate to the original scorecard range spans.

## Remuneration Committee report continued

### Performance against qualitative metrics

The following table describes the achievement of strategic plan deliverables aligned to HSE and Strategy & Growth categories of the 2025 Company scorecard.

Category	Metric	Highlights from assessment	Weighting	Result (% of overall outcome)
HSE	Safety Critical Maintenance, Action Management & HSE Leadership	Delivered safety critical backlog reduction Zero regulatory & Level 3 action outstanding Completed HSE Leadership visibility commitment	5%	5%
	Emissions Management and reductions	Delivered emissions at plan – emissions performance (kgCO <sub>2</sub> e/BOE) better than maximum performance target and all identified emissions management and reduction projects delivered	10%	10%
Strategy & Growth	Performance against strategic plan	Strategic deal growth measured by Gross Asset Value (GAV) achieved on target, resulting in 62.5% payout on the metric. Organic growth considered against the achievement of specific milestones achieving maximum	20%	12.5%
			<b>35.0%</b>	<b>27.5%</b>

### 2025 annual bonus scorecard outcome

The following table sets out the final outcome for the 2025 annual bonus, based on the calculated scorecard outcome of 77.1%. Bonusable salary is considered the salary as at 31 December 2025, aligned with the practice for the wider workforce. Maximum bonus for all Executive Directors was 150% in 2025, with target set at 50% of maximum. Of the total bonus payout 50% will be deferred into shares for vesting after three years, in accordance with the rules of the deferred bonus plan.

	Annual Salary £'000	Maximum bonus % of salary	Scorecard Board approved outcome %	Outcome % of salary	Annual bonus value £'000
Yaniv Friedman	500	150%	77.1%	116%	578
Luciano Vasques	600	150%	77.1%	116%	694
Iain Lewis	400	150%	77.1%	116%	463

### Discretion

The Committee is conscious of the provisions of the updated 2024 code, with Remuneration Committees being encouraged to review incentive outcomes against individual and Company performance, together with any wider circumstances, and to exercise independent judgement and discretion in relation to remuneration outcomes. The Committee considered the bonus outcome in terms of overall business performance, shareholder and workforce experience. The Committee concluded that there were no grounds for exercising its discretion, and that the outcome reflected the overall position of the business at the year end.

### LTIP vesting in respect of a performance period ending in 2025

The figures stated in the single figure of remuneration table for Iain Lewis refers to the 2022 LTIP, with a performance period ending 31 December 2025. The participation level was 200% of salary. The table below summarises the metrics and outcomes for the 2022 LTIP, which is based upon targets that represent 50% 'Company Scorecard' and 50% 'rTSR', over the three-years covered by the LTIP cycle.

Relative TSR has been calculated in line with Ithaca Energy's methodology as set out in the 2022 and 2023 annual report – the peer group was restated in the 2023 Annual Report to remove seven companies that were incorrectly included. Ithaca Energy's TSR performance for 2022-2025 was assessed against that of: Capricorn Energy, Diversified Energy, DNO ASA, Energean, EnQuest, Genel Energy, Harbour Energy, Kosmos Energy, Maurel & Prom, Meren Energy, Okea ASA, Seplat Energy, Serica Energy, Tullow Oil and Vermillion Energy. Relative TSR is calculated using the 3-month average for each peer prior to the start and end of the relevant performance period. As Ithaca Energy listed on 9th November 2022, a 16-day average share price was used to determine the starting value for the FY22 LTIP performance period, while the standard three-month averaging period was retained for the end of the performance period. TSR is calculated on a local currency basis.

**Remuneration Committee report** continued**Company Scorecard measures (audited)**

A summary of the Company Scorecard performance measures, weightings and proposed outcomes is included in the table below. All measures and proposed outcomes reflect the Ithaca business (and assets) as at December 2022. The total outcome was 58.85%.

Category	Weighting	Metric	Weighting	Threshold <sup>1</sup> (25% vesting)	Maximum (100% vesting)	Result (% of overall outcome)	% of measure achieved	2025 outcomes
<b>TSR</b>	<b>50%</b>	TSR versus comparator group	50%	Median	Upper quartile or above	50%	100%	Above upper quartile
<b>Balanced scorecard</b>	<b>50%</b>							
Safety and Environment		Aggregate Tier 1 and 2 process safety events	5%	6	2	5%	100%	1
		Average gross operated emissions intensity (kg CO <sub>2</sub> e/boe)	5%	23.9	19.6	-	-	26.7
Operational <sup>3</sup>		Cumulative Reserves Replacement Ratio <sup>2</sup>	10%	100%	150%	3.85%	38.5%	109%
		Average Production (kboe/d)	10%	72.3	88.3	-	-	-
Financial <sup>3</sup>		Cumulative Group Adjusted EBITDAX <sup>2</sup>	20%	\$5.0bn	\$6.0bn	-	-	-

1 Nil vesting below threshold performance; performance between threshold and maximum ranges between 25% and 100% on a straight-line basis.

2 Targets for these metrics are cumulative over the performance control.

**Awards granted during 2025 (audited)**

Awards granted in 2025 under the LTIP are subject to the terms of the Director's Remuneration Policy and the LTIP rules approved at the 2023 AGM. Awards were:

	Date of award	Award type <sup>1</sup>	Basis of award	Face value of award <sup>2</sup>	Threshold performance	Vesting for maximum performance	End of performance period	End of holding period	Dividends
Yaniv Friedman	1 Sep 2025	LTIP	200% Salary	£1,000,000	25%	100%	31-Dec-27	31-Dec-29	Dividend equivalents are accrued on a notional basis and transferred as additional shares
Luciano Vasques	1 Sep 2025	LTIP	200% Salary	£1,200,000	25%	100%	31-Dec-27	31-Dec-29	
Iain Lewis	1 Sep 2025	LTIP	200% Salary	£800,000	25%	100%	31-Dec-27	31-Dec-29	

LTIP awards granted as nil-cost options, which will vest and become exercisable when the Committee determines whether the performance conditions have been met. The shares from any options exercised cannot be sold until after five years from the grant date, except to meet any tax liability. Face value of the awards have been calculated using a share price of £2.2540. This was the share price used to calculate shares awarded and is the average share price for the five trading days preceding date of grant.

**Performance metrics for the 2025 LTIP**

Performance is measured over a period of three financial years, and subject to a post vesting holding period of two years. Targets for these metrics are for the performance period 1 January 2025 to 31 December 2027.

Category	Weighting	Metric	Threshold <sup>1</sup> (25% vesting)	Maximum (100% vesting)
TSR	100%	TSR versus comparator group <sup>2</sup>	Median	Upper quartile or above

1 Nil vesting below threshold performance, performance between threshold and maximum ranges between 25% and 100% on a straight-line basis.

2 Ithaca Energy's TSR performance will be assessed against that of: Capricorn Energy, Diversified Energy, DNO ASA, Energean, EnQuest, Genel Energy, Harbour Energy, Kosmos Energy, Maurel & Prom, Meren Energy, Okea ASA, Seplat Energy, Serica, Tullow Oil, Vermillion Energy. The peer group will be subject to re-evaluation throughout the performance period to adjust for the effects of corporate events such as mergers and acquisitions, with substitutes introduced where necessary to maintain the approximate size and comparability of the Group. Relative TSR will be calculated incorporating a 3-month average of return index prior to start and at the end of the performance period. The calculation will be on a local currency basis.

**Remuneration Committee report** continued**Payments to past Directors and payments for loss of office (audited)**

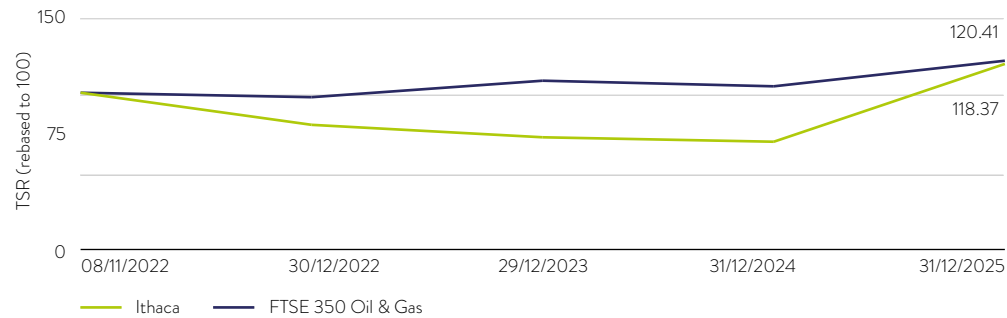
There were no payments to past Directors or for loss of office during 2025.

**Executive remuneration in context****Historical TSR performance**

The chart below compares the TSR performance of the Company since admission against the TSR of the FTSE 350 Oil and Gas sector. This index was chosen as it is a recognised equity market index of which Ithaca Energy is a member and includes companies that Ithaca directly competes with.

**Total Shareholder Return**

Ithaca vs FTSE 350 Oil & Gas Index

**Historical CEO remuneration outcomes**

The table below outlines the Group CEO's single figure for total remuneration, and annual bonus and LTIP outcomes as a percentage of maximum opportunity and will be built up over a period of ten years:

	2025	2024	2023	2022
Annual bonus payout (as a % of maximum opportunity)	77.1%	60%	60%	78%
LTIP vesting (as a % of maximum opportunity) <sup>1</sup>	–	–	–	–
Group CEO single figure of remuneration (£000) <sup>2</sup>	1,496	452	969	6,036

1 There is no LTIP vesting for the CEO in 2025.

2 CEO single figure remuneration in 2024 represents remuneration earned since appointment on 3 October 2024.

## Remuneration Committee report continued

### Percentage change in remuneration of the Directors

The table below shows the change in remuneration over time including salary, bonus and benefits of each of the Directors and that of the wider workforce.

	2024-25			2023-24			2022-23		
	Salary <sup>1</sup>	Benefits <sup>2</sup>	Bonus <sup>3</sup>	Salary	Benefits	Bonus	Salary	Benefits	Bonus
<b>Executive Directors</b>									
Yaniv Friedman (Executive Chair)	105.8%	84.5%	179.4%	–	–	–	n/a	n/a	n/a
Luciano Vasques (CEO)	304.1%	(20.9%)	422.6%	n/a	n/a	n/a	n/a	n/a	n/a
Iain Lewis (CFO)	(17.2%)	(14.2%)	6.3%	61.1%	20.4%	61.6%	0%	1.3%	61.1%
<b>Non-Executive Directors<sup>4</sup></b>									
David Blackwood	10.6%	–	–	9.5%	–	–	0%	–	–
Guido Brusco	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Lynne Clow	10.6%	–	–	9.5%	–	–	0%	–	–
Francesco Gattei	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Assaf Ginzburg	17.7%	–	–	5.3%	–	–	0%	–	–
Deborah Gudgeon	10.6%	–	–	9.5%	–	–	0%	–	–
Tamir Polikar	–	–	–	–	–	–	–	–	–
Itshak Sharon Tshuva	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Idan Wallace	1.8%	–	–	n/a	n/a	n/a	n/a	n/a	n/a
Zvika Zivlin	92.3%	–	–	–	–	–	–	–	–
Geraldine Murphy	–	–	–	–	–	–	–	–	–
All UK-based employees <sup>5</sup>	4.4%	3.9%	25.1%	5.8%	5.6%	6.4%	5.2%	7.0%	(0.6%)

1 Changes in salary for Yaniv Friedman reflect a part year for 2024 from his appointment date of 28 June 2024 and a salary increase from 1 September 2025. Changes in salary for Luciano Vasques reflect a part year for 2024 from his appointment date of 3 October 2024. Changes in salary for Iain Lewis reflect a decrease in his contracted hours from 100% of normal business hours for the period 1 January 2024 to 31 October 2024 to 80% for the period 1 Oct 2024 to 31 December 2025.

2 Changes in benefit for Yaniv Friedman are due to the part year for 2024 and relocation support received during 2025. Changes in benefit for Luciano Vasques are due to the part year for 2024 and a lower relocation support amount received during 2025. The change in benefits for Iain Lewis is due to the variation in working hours between 2024 and 2025.

3 The percentage change in bonus for both Yaniv Friedman and Luciano Vasques reflects the part year for 2024 and stronger Company performance in 2025. The percentage change in bonus for Iain Lewis reflects the reduction to his contracted hours for the period offset by stronger Company performance in 2025.

4 Geraldine Murphy was appointed as an independent NED on 1 October 2025.

5 UK-based employees are shown as this comprises Ithaca Energy's entire workforce. The same population as at 31 December 2024 and 31 December 2025 has been used to calculate the change in remuneration which is calculated on a full-time equivalent basis.

### How pay was set across the wider workforce in 2025

Our approach for setting pay across the wider workforce aligns with our executives. Base salaries are targeted at an appropriate level to reflect an individual's role and responsibilities against the relevant market for which the Company competes for talent. In 2025, all employees were eligible to be considered for a bonus award which rewards for performance at a suitable level for the employee's role. The Company engages with its employee associations on remuneration matters.

Additionally, the Board has established a programme to connect with and gather feedback from employees, details of which are set out on page 52. This provides opportunities to have direct communication between employees and NEDs on a range of topics, including remuneration.

**Remuneration Committee report** continued**CEO Pay ratio reporting**

The table below shows the ratio at median, 25th and 75th percentile of the total remuneration received by the Group CEO compared to the total remuneration received by UK employees. Total remuneration reflects all remuneration received by an individual, and includes salary, benefits, bonus, pension and value from incentive plans. Details on total remuneration for each quartile employee, and the salary component within are shown.

Year	Method	P25 (lower quartile)	P50 (median)	P75 (upper quartile)
2025	Option B	14:1	13:1	9:1
2024	Option B	13:1	12:1	9:1
2023	Option B	11:1	9:1	6:1
2022	Option B	65:1	57:1	44:1

The Company has reviewed the methodology to calculate the CEO pay ratio and has used Option B, whereby we have identified employees for comparison using our gender pay gap data set (snapshot data from 5 April 2025) as it uses a data set which has already been processed and reviewed by the Remuneration Committee and enables timely reporting for disclosure purposes. Employees at P25, P50 and P75 were identified; no adjustments were made to the data set. The total remuneration was calculated on a full-time basis for these three employees, and for others either side of the quartiles to check for anomalies.

The single figure for the CEO used to calculate the ratio is based on the earnings for Luciano Vasques for the full year. It does not include any LTIP vesting outcomes.

All employees receive a base salary that is market competitive for their role, with a benefits offering that is consistent across all levels of employees. Executive Directors and senior managers have a competitive total remuneration package that includes differentiation in variable pay elements, which is designed to balance fixed and variable pay and ensure alignment to business strategy and shareholder value, focused on both short and long-term performance. The Company believe the median pay ratio is consistent with the wider pay and reward principles and anticipates the CEO pay ratio reporting will demonstrate the variable pay difference as the LTIP plans vest.

The table below shows the total remuneration figure for each quartile employee and the salary component within this.

Year	Method	P25 (lower quartile)	P50 (median)	P75 (upper quartile)
2025	Salary <sup>1</sup>	£78,525	£89,500	£112,088
	Total remuneration	£107,839	£118,915	£158,653

<sup>1</sup> Given the different fixed pay structures for offshore and onshore employees, applicable offshore allowances have been included in the salary figures.

In reviewing the employee pay data, the Committee is comfortable that the P25, P50 and P75 individuals identified appropriately reflect the employee pay profile at those quartiles, and that the overall picture presented by the ratios is consistent with our pay, reward and progression policies for employees.

**Relative importance of spend on pay**

The table below outlines the Group's adjusted net income, dividends paid to shareholders and share buybacks, compared to overall spend on pay in total. Adjusted net income is shown, as this is one of the Group's key measures of performance.

	2025 \$m	2024 \$m	% change between 2024-2025
Adjusted net income	289.2	323.6	(11.6)%
Ordinary dividends paid to shareholders	497.7	432.7	15%
Share buybacks	-	-	-
Total staff costs	189.6	132.8	42.8%

**Remuneration Committee report** continued**Statement of Directors' shareholding and share interests****ED share ownership requirements**

Under the current Policy, EDs are required to build a shareholding in the Company of 1x value of their total annual LTIP award. As all of the Executive Directors received the same LTIP award, the shareholding requirement is the same.

Role	% of base salary
All Executive Directors	200%

- EDs are required to retain 50% of the net shares released from Deferred Share Bonus Plan and LTIP awards until the shareholding requirement is met
- The shareholding requirement should normally be built up over a period not exceeding five years
- Unvested share awards that are subject to performance conditions are not taken into account in applying this test
- A post-cessation holding period of two years applies. This is at the same level as the current (within employment) guideline for the first year, reducing to half in the second year. The Committee retains the discretion to waive part or all of the guideline where considered appropriate, for example in exceptional or compassionate circumstances

**ED share ownership requirements (audited)**

	Shares held		Options held		Shareholding requirement (% of salary)	Shareholding at 31 December 2025 <sup>5</sup>	Requirement met
	Owned outright <sup>1</sup>	Vested but not exercised <sup>2</sup>	Unvested and subj. to continued employment <sup>3</sup>	Unvested and subj. to perf. conditions <sup>4</sup>			
<b>Current Executive Directors</b>							
Yaniv Friedman	41,715	–	86,464	1,171,104	200%	29%	No
Luciano Vasques	152	–	53,014	1,352,356	200%	8%	No
Iain Lewis	3,137	63,399	552,418	1,163,200	200%	137%	No

1. Shareholding reflects shares owned outright for all Executive Directors include purchased shares under the SIP. Yaniv Friedman purchased 40,000 ordinary shares on 1 December 2025.
2. Iain Lewis: 40,000 options after exercises from a one-off grant of 120,000 nil cost options in December 2022, which are now fully vested. The amount includes a dividend equivalent of 23,399 shares.
3. Yaniv Friedman and Luciano Vasques: Shares awarded under the deferred bonus share plan for 2023 and 2024 annual bonus plan and the share incentive plan. Iain Lewis: Shares awarded under the deferred bonus share plan for 2023 and 2024 annual bonus plan, 2022 LTIP vesting in April 2026 (performance period ending 31 December 2025) and the share incentive plan.
4. 2024 and 2025 LTIP Awards granted to Yaniv Friedman, Luciano Vasques and Iain Lewis.
5. Current shareholding requirements calculated using shares held (beneficially or in trust), and options (on a net of tax basis) that are vested or unvested subject to continued employment, using a share price of £1.6580, the closing price on 31 December 2025.

The only changes to EDs interests in Ithaca Energy Shares during the period 1 January 2026 to 17 March 2026 relate to 944 shares each acquired by Yaniv Friedman, Luciano Vasques and Iain Lewis under the Company's Share Company's Share Incentive Plan, in which all employees are eligible to participate.



## Remuneration Committee report continued

### Promoting all-employee share ownership

We believe that share ownership by our employees helps them to understand the interests of the Company's shareholders. On 31 December 2025 a total of 644 employees (83%) were shareholders through participation in the Ithaca Energy plc Share Incentive Plan, with an average monthly contribution of £146. This allows employees to buy Ithaca Energy plc shares directly from their earnings.

### Statement of implementation of Policy in the following financial year

The following provides guidance on the proposed application of the Directors Remuneration Policy, subject to approval at the May 2026 AGM.

### Salary

Executive Director salaries were reviewed by the Committee in September 2025. Yaniv Friedman received a 11.1% salary increase in September 2025 (effective 1 September 2025), to bring his salary in line with the market, given his role and responsibilities, particularly around mergers and acquisitions which is a key part of our strategy. Luciano Vasques and Iain Lewis' salary were considered appropriately placed to the market at £600,000 and £500,000 (full time equivalent) respectively. Effective 1 January 2026, Iain Lewis returned to full-time employment, having previously worked four days per week. Accordingly, his salary as Chief Financial Officer was reinstated to its full-time equivalent level at £500,000. As a result, the normal salary review process for the Executive Directors has been delayed and shall be carried out in 2026, with the outcome detailed in the 2026 Annual Report and Accounts. The Committee considers this appropriate, in the context of the market.

Name	Position	Current Salary	Revised Salary	% increase
Yaniv Friedman	Executive Chairman	£500,000	£500,000	0%
Luciano Vasques	Chief Executive Officer	£600,000	£600,000	0%
Iain Lewis	Chief Financial Officer	£500,000	£500,000	0%

**Remuneration Committee report** continued**2026 Bonus award levels and performance**

The maximum bonus award level for all Executive Directors is 175% of salary, with target set at 50% of maximum (87.5%). 50% of any bonus achieved will be deferred to shares. The Committee set targets for the 2026 performance year in March 2026. Due to commercial sensitivity, actual targets and ranges will be disclosed at the end of the performance period. The Remuneration Committee retains an appropriate level of flexibility to apply discretion to ensure that remuneration outcomes reflect overall performance and values.

**Performance metrics for the 2026 annual bonus**

Category	Weighting	Metric
Health, safety and environment	25%	Safety events (15%), Emissions intensity (5%) Strategic Plan (5%)
Operations	35%	Production (17.5%), Operating expense (17.5%)
Financial	20%	Free cash flow (20%)
Strategy & Growth <sup>1</sup>	20%	Strategic plan (20%)

- M&A is critical to the success of Ithaca Energy and therefore we want to ensure that management are incentivised to deliver deals in the right way and continue their strong record of value-accretive M&A. Therefore, the Committee is considering a method of incentivising and rewarding the successful delivery of transformational M&A transactions in the performance period, which would not exceed an overall bonus outcome of 175% of salary. Full details of the final approach will be reported in the 2026 Annual Report and Accounts.

**2026 LTIP award levels and performance measures**

LTIP participation levels for the performance period 1 January 2026 to 31 December 2028 will be 225% for all Executive Directors.

Performance is measured over a period of three financial years, and subject to a post vesting holding period of two years. The performance measure for the 2026 LTIP is proposed as 100% weighted to TSR versus the comparator group. There is no change to the comparator group from 2025, which is considered relevant. The peer group will be subject to re-evaluation throughout the performance period to adjust for the effects of corporate events such as mergers and acquisitions, with substitutes introduced where necessary to maintain the approximate size and comparability of the Group. Relative TSR will be calculated incorporating a 3-month average of return index prior to start and at the end of the performance period. The calculation will be on a local currency basis.

Category	Weighting	Metric	Threshold (25% vesting)	Maximum <sup>1</sup> (100% vesting)
TSR	100%	TSR versus comparator group <sup>2</sup>	Median	Upper quartile or above

- Nil vesting below threshold performance, performance between threshold and maximum ranges between 25% and 100% on a straight-line basis.
- Ithaca Energy's TSR performance 2026-2028 will be assessed against that of: Capricorn Energy, Diversified Energy, DNO ASA, Energean, EnQuest, Genel Energy, Harbour Energy, Kosmos Energy, Maurel & Prom, Meren Energy, Okea ASA, Seplat Energy, Serica Energy, Tullow Oil and Vermillion Energy.



## Remuneration Committee report continued

## Remuneration for Non-Executive Directors

## Single total figure for remuneration for Non-Executive Directors (audited)

The table below sets out the total remuneration earned by each NED who served during 2025:

Non-Executive Directors	Fees 2025 £'000	Benefits 2025 £'000	Other 2025 £'000	Total 2025 £'000	Fees 2024 £'000	Benefits 2024 £'000	Other 2024 £'000	Total 2024 £'000
David Blackwood	115	–	–	<b>115</b>	104	–	–	<b>104</b>
Guido Brusco <sup>1</sup>	–	–	–	–	–	–	–	–
Lynne Clow	115	–	–	<b>115</b>	104	–	–	<b>104</b>
Francesco Gattei <sup>1</sup>	–	–	–	–	–	–	–	–
Assaf Ginzburg	93	–	–	<b>93</b>	79	–	–	<b>79</b>
Deborah Gudgeon	115	–	–	<b>115</b>	104	–	–	<b>104</b>
Itshak Sharon Tshuva <sup>2</sup>	–	–	–	–	–	–	–	–
Tamir Polikar <sup>3</sup>	92	–	–	<b>92</b>	–	–	–	–
Idan Wallace <sup>4</sup>	79	–	–	<b>79</b>	78	–	–	<b>78</b>
Zvika Zivlin <sup>5</sup>	138	–	–	<b>138</b>	72	5	–	<b>77</b>
Geraldine Murphy <sup>6</sup>	21	–	–	<b>21</b>	–	–	–	–

1. Guido Brusco and Francesco Gattei are nominated Directors by Eni S.p.A as a majority shareholder. They receive no fee from Ithaca for their directorship of the Company.
2. Itshak Sharon Tshuva was appointed on 30 March 2023. He is a nominated Director by Delek as a major shareholder and receive no fees from Ithaca for their Directorship of the Company.
3. Tamir Polikar was nominated Director by Delek as major shareholder and appointed to the Board on 3 October 2024. He receives a fixed fee, as a shareholder nominated Director, of £79,000 per annum.
4. Idan Wallace is a nominated Director by Delek as a major shareholder and was appointed to the Board on 10 October 2022. He receives a fixed fee, as a shareholder nominated Director, of £79,000 per annum.
5. Zvika Zivlin is appointed to the Board 16 May 2024. Benefits represent the gross taxable value of expenses relating to travel incurred whilst on company business.
6. Geraldine Murphy was appointed to the board on 1 October 2025. Fees and benefits for her appointed term are shown.

All other NEDs were appointed to the Board on 31 October 2022.

**Remuneration Committee report** continued**Approach to NED fees for 2026**

The fee structure for the INEDs is reviewed annually to ensure it is appropriate to reflect time commitments, demands and responsibilities for the role. The next review will take place during 2026.

Role	1 January 2026	1 January 2025
Board membership fee	£85,000	£85,000
Additional fees paid:		
Senior Independent Director	£45,000	£45,000
Committee Chair <sup>1</sup> :		
Audit and Risk, Remuneration, HSE	£30,000	£30,000
Committee Members:		
Additional Committee member fee where a member of three or more Committees <sup>2</sup>	£8,000	£8,000

- Yaniv Friedman's base salary is deemed to include any other fees as a Director of the Company or Group; as such a fee for his role as the Chair of the Nomination Committee has not been set.
- Where a NED is a member of three or more Committees, but not where they are the Committee Chair, and attend more than 75% of meetings, an additional fee is paid.

**NED shareholdings (audited)**

NEDs	Shares held at 31 Dec 2025	Shareholding requirement (% of fees)	Current shareholding <sup>1</sup> (% of fees)	Requirement met
David Blackwood	20,000	100%	39%	No
Lynne Clow	24,932	100%	49%	No
Assaf Ginsburg	110,000	100%	215%	Yes
Deborah Gudgeon	20,000	100%	39%	No
Tamir Polikar	0	100%	0%	No
Idan Wallace	0	100%	0%	No
Zvika Zivlin	0	100%	0%	No
Geraldine Murphy	0	100%	0%	No

- Current shareholding has been calculated using shares held (beneficially or in trust) using a share price of £1.6580, the closing share price on 31 December 2025.

There were no changes to NEDs interests in Ithaca Energy Shares during the period 1 January 2026 to 17 March 2026.

**Remuneration Committee report** continued**Statement of voting at AGM**

The results of the shareholder vote at the Company's 2025 AGM on 14 May 2025 in respect of the 2024 Directors' Remuneration report is set out below.

	Percentage of votes cast		Number of votes cast		Withheld
	For	Against	For	Against	
Director Remuneration report	99.69%	0.31%	968,269,705	3,013,328	63,545
Directors' Remuneration Policy (result from the Company's AGM on 24 May 2023 in respect of the Policy presented in the 2022 report)	99.64%	0.36%	957,531,800	3,493,618	925

**Ithaca Energy's Remuneration Policy**

This section of the revised Directors Remuneration Report sets out the Directors Remuneration Policy, (the Policy), as reviewed and approved by the Board. As required, it complies with Schedule 8 to The Large and Medium-sized Companies and Group (Accounts and Reports) Regulations 2008 (as amended).

It is intended that the Policy will be put before shareholders for approval by way of a binding vote at the Company's AGM on 13 May 2026. If approved by shareholders, the Policy will have effect immediately thereafter, and applied to the 2026 bonus and LTIP awards. Until such approval, the Company's existing Remuneration Policy will continue to apply.

**Summary of decision-making process and changes to Policy**

In determining the Policy, the Committee followed a robust process which included discussions on the content of the proposed Policy at a number of Committee meetings. The Committee considered input from Management and our independent advisors, and sought the views of our major shareholders. The Committee also assessed the proposed Policy against the principles of clarity, simplicity, risk management, predictability, proportionality, and alignment to culture.

**Overview of key changes**

Following the review of the Remuneration Policy, the following key changes have been made:

- The annual bonus maximum opportunity has been increased to 200% of salary
- Bonus deferral will continue at 50% of the bonus earned until the share ownership guideline has been achieved, at which point the Committee will have the ability to reduce the deferral requirement down to 20%
- The long-term incentive plan maximum opportunity has been increased to 250% of salary
- Share ownership guidelines have increased to align with the value of the annual LTIP award (up to maximum of opportunity of 250% of base salary)
- The One-off recruitment award providing the ability to grant a one off share award has been increased to 250% of salary

The context in which the changes have been made, and the associated rationale, are set out in the Remuneration Committee Chairs letter on pages 124 to 127. Other minor changes have been made to improve the operation and clarity of the Proposed Policy.



## Remuneration Committee report continued

### Policy Table

Element	Operation	Maximum opportunity	Performance Conditions and Assessment
<p><b>Base salary</b> Provides a competitive fixed level of remuneration to attract and retain EDs of the necessary calibre to execute Ithaca Energy's strategy and deliver shareholder value.</p>	<p>Base salaries are paid in cash and reflect an individual's responsibilities, performance, skills and experience.</p> <p>Base salaries for the EDs will normally be reviewed annually by the Committee.</p> <p>Salaries are set with reference to pay increases for the general workforce, market data for peer companies in the Oil and Gas sector and UK listed companies, company performance and affordability, experience and responsibilities of the individual ED.</p>	<p>There is no prescribed maximum base salary or maximum annual increase.</p> <p>The Committee is guided by the general increase for the broader employee population but on occasion may need to recognise, for example, an increase in the scale, scope or responsibility of the role, as well as market rates.</p>	<p>Individual and Group performance are taken into consideration when deciding salary levels.</p>
<p><b>Benefits</b> Provides EDs with a suitable but reasonable package of benefits as part of a competitive remuneration package.</p>	<p>In line with the wider workforce, benefits may be provided where appropriate and on a market-related basis, including but not limited to health insurance, life insurance/death in service, reasonable travel (including the tax cost where appropriate), car allowance and relocation expenses (where relocation is required by the Company).</p> <p>EDs will be able to participate in the Company's all-employee share plans on the same basis as other eligible employees.</p>	<p>There is no maximum level of benefits provided to an individual Executive Director. The Committee determines the appropriate level taking into account market practice and individual circumstances.</p> <p>The maximum annual value is based on the cost to the Company and is not pre-determined.</p> <p>Maximum contributions under all employee share plans will be set in line with the wider workforce and within any other relevant operating limits.</p>	<p>Not applicable</p>
<p><b>Pensions</b> Provides market-competitive retirement benefits for EDs</p>	<p>Pension provision is a payment into a defined contribution pension scheme and/or a cash amount in lieu of a pension contribution.</p> <p>Pension payments do not form part of salary for the purposes of determining the extent of participation in the Company's incentive arrangements.</p>	<p>The maximum pension provision for EDs is in line with the wider workforce which is currently 15% of salary.</p> <p>Any cash amount paid may be reduced to take into account additional employer costs.</p>	<p>Not applicable</p>

**Remuneration Committee report** continued

Element	Operation	Maximum opportunity	Performance Conditions and Assessment
<p><b>Annual Bonus</b></p> <p>Rewards EDs for the delivery and achievement of short-term, annual stretching financial targets and key performance indicators which form part of the business strategy.</p>	<p>Performance measures and targets are normally set at the beginning of each financial year. Performance is normally assessed over one financial year.</p> <p>Normally, 50% will be paid in cash and 50% will be deferred into ordinary shares for three years, unless the Committee determines otherwise. However, once an ED has achieved the minimum shareholding requirement, the deferral portion will normally be reduced down to 20% (deferred into ordinary shares for three years) with remaining 80% paid in cash.</p> <p>Deferred share awards may include additional shares (or, at the discretion of the Committee, cash) equivalent to the value of the dividend roll-up, and may assume dividend reinvestment.</p> <p>Malus and clawback provisions apply.</p> <p>The Committee has discretion to adjust formulaic outcomes if they are not considered to be representative of the overall financial performance of the Company. Any adjustments applied will be explained in the relevant Directors' Remuneration Report.</p>	<p>The maximum annual bonus opportunity is 200% of base salary.</p>	<p>Performance measures and weightings are reviewed annually to ensure they continue to support the achievement of the Company's key strategic priorities and are sufficiently stretching in the context of the business plan.</p> <p>Performance measures typically relate to financial, strategic and operational KPIs.</p> <p>Up to 25% of the maximum bonus is paid for achieving a threshold level of performance and the full bonus is paid for delivering stretching levels of performance. For performance below threshold, no bonus is paid.</p>

**Remuneration Committee report** continued

Element	Operation	Maximum opportunity	Performance Conditions and Assessment
<p><b>Long Term Incentive Plan (LTIP)</b> Rewards EDs for achievement of the Group's longer-term objectives. Aligns the EDs interests with those of shareholders.</p> <p>Aids in the recruitment and retention of key personnel and encourages focus on delivering against the Group's long-term strategy.</p>	<p>Annual awards of shares granted which vest subject to performance and continued employment at the end of the performance period, which is usually at least three years.</p> <p>Performance Share Plan (PSP) awards will normally be subject to a two-year holding period following vesting. Upon vesting, sufficient shares can be sold to pay the tax.</p> <p>LTIP awards may include additional shares (or, at the discretion of the Committee, cash) equivalent to the value of the dividend roll-up, and may assume dividend reinvestment over the period from grant to the earlier of the end of the holding period and the date of exercise.</p> <p>Malus and clawback provisions apply.</p> <p>The Committee has discretion to vary the percentage of awards vesting downwards or upwards in appropriate circumstances, if they are not considered to be representative of the overall financial performance of the Company. Any adjustments applied will be explained in the relevant Directors' Remuneration Report.</p>	<p>Maximum annual award is 250% of base salary in performance share equivalents.</p>	<p>The Committee sets performance measures and targets for each PSP grant. Measures, weightings and targets are selected based on the business priorities for Ithaca Energy at that time, to ensure they are challenging and fair. Financial metrics (including TSR) will comprise of at least half of the PSP award. The Committee may exercise its discretion to introduce additional or alternative measures which are aligned to the delivery of the business strategy.</p> <p>The applicable performance conditions for awards granted in the year under review and for future awards will be set out in the relevant Directors Remuneration Report.</p> <p>Up to 25% of the award vests for threshold level of performance. For performance below threshold, no award vests.</p>
<p><b>Shareholding requirement</b> To ensure that EDs interests are aligned with those of shareholders.</p> <p>To ensure long-term alignment through the operation of post-employment shareholding requirements.</p>	<p>EDs are required to hold shares in the Company:</p> <ul style="list-style-type: none"> <li>• During service as an ED, equal to the value of the same multiple of salary at which LTI awards are made to that ED. This requirement should be achieved over a five-year period; and</li> <li>• For two years following cessation of employment, EDs are subject to a post-employment shareholding requirement. The requirement is equal to the lesser of the shareholding on cessation and the in-employment requirement</li> </ul> <p>The Committee will regularly review the shareholding guidelines. It has discretion to disapply or reduce the shareholding guidelines in extenuating circumstances.</p>	<p>There is no maximum, but minimum levels have been set at the equivalent of the EDs most recent annual long term incentive opportunity</p> <p>EDs who have not yet met their shareholding guideline will normally be expected to retain at least 50% of any deferred bonus awards and PSP awards which vest (net of tax) until such time as this level of holding is met.</p>	<p>Not applicable.</p>

## Remuneration Committee report continued

### Notes to the Policy table

#### Explanation of chosen performance measures and target setting

Performance measures will be selected to reflect the key performance indicators which are critical to the realisation of our business strategy and delivery of shareholder returns, which normally includes Total Shareholder Return (TSR). The performance targets are reviewed each year to ensure that they are sufficiently challenging. When setting these targets the Committee will take into account a number of different reference points including, for financial targets, the Group's business plan and consensus analyst forecasts of Group performance. Full vesting will only occur for what the Committee considers to be excellent performance.

#### Malus and Clawback

The following table illustrates the time periods during which malus and clawback provisions may apply for each element of variable remuneration. The selected malus and clawback periods have been set to ensure that the Remuneration Committee retains appropriate oversight of performance outcomes over a timeframe that reflects both the nature of Ithaca Energy's business and prevailing industry practice.

Remuneration Element	Malus	Clawback
Annual bonus (cash)	Up to the date of the cash payment.	Up to three years post the date of any cash payment.
Annual bonus (deferred shares)	To the end of the three-year vesting period.	Up to three years post-vesting.
LTIP	To the end of the three-year vesting period.	Up to three years post vesting.

Conditions under which malus and clawback may apply include:

- If it is discovered that there has been a material misstatement of the Group's financial results for any period;
- If it is discovered that an error of calculation has occurred when assessing the performance conditions or size of award;
- If the participant has committed fraud or misconduct;
- If circumstances where the Participant has, by an act or omission, contributed to injury to the reputation of the Group;
- If the behaviour of the participant materially fails to reflect the governance or values of Ithaca Energy or has caused injury to the reputation of the Group; and/or
- If the Company has suffered an instance of material corporate failure.
- Any other circumstances that the Committee, in its discretion, considers to be similar in nature or effect to those above.

#### Discretions

In line with market practice, the Committee retains discretion relating to operating and administering the Annual Bonus and LTIP. This discretion includes:

- Who participates;
- Timing of awards and/or payments;
- Size of awards, within the overall limits disclosed in the Policy table;
- The manner in which awards are settled;
- Determination of vesting;
- Ability to override formulaic outcomes;
- Treatment of awards in the case of change of control or restructuring;
- Treatment of leavers within the rules of the plan, and the policy on payments for loss of office; and
- Adjustments needed in certain circumstances, for example, a rights issue, corporate restructuring or special interim dividend. In exceptional circumstances such that the Committee believes the original measures and/or targets are no longer appropriate e.g. corporate activity, the Committee has discretion to amend performance measures and targets during the year.

The Committee may also, in exceptional circumstances, amend the formulaic annual bonus pay-out and/or amend the LTIP vesting upwards or downwards should the formulaic outcome not, in the view of the Committee, reflect the overall business performance or individual contribution.

Any such changes would be explained in the subsequent Report and, if appropriate, be the subject of consultation with the Company's major shareholders. Consistent with best practice, the LTIP rules also provide that any such amendment must not make, in the view of the Committee, the amended condition materially less difficult to satisfy than the original condition was intended to be before such event occurred.

**Remuneration Committee report** continued**Approach to recruitment remuneration**

In the event that a new ED or NED was to be appointed, the Committee will offer a package that is sufficient to attract, retain and motivate the right talent, with remuneration determined consistent with the Policy table, paying no more than is considered necessary. The table below sets out the additional elements of remuneration that would be considered for the appointment of a new ED.

Remuneration element	Policy and Operation
Buy-out awards	<ul style="list-style-type: none"> <li>If it were necessary to attract the right candidate, due consideration would be given to making awards necessary to compensate for forfeited awards in a previous employment.</li> <li>In making any such award, the Committee will take into account any performance conditions attached to the forfeited awards, the form in which they were granted and the timeframe of the forfeited awards.</li> <li>The value of any such award will be no higher, on recruitment, than the forfeited awards and will not be pensionable nor count for the purposes of calculating bonus and LTIP awards.</li> <li>Any such award would be in addition to the normal bonus and LTIP awards set out in the Policy table.</li> </ul>
Relocation Costs	<ul style="list-style-type: none"> <li>Where appropriate, the Company will offer reasonable relocation benefits to assist them, and their dependants in moving home and settling into the new location and to help support with the costs of a relocation or a residence outside a home country.</li> <li>Benefits would normally be market-related and time-bound.</li> </ul>
One-off recruitment award	<ul style="list-style-type: none"> <li>The Remuneration Committee retains the ability to grant a one-off share award that ordinarily would be subject to performance conditions of up to 250% of salary in addition to a normal LTIP award in exceptional recruitment circumstances, where absolutely necessary and in the best interests of shareholders.</li> </ul>

**Alignment of the Policy with the wider employee population**

The Group aims to provide a remuneration package for all employees that is market-competitive and operates the same reward and performance philosophy throughout the business. The table below sets out details on the remuneration approach for employees, including EDs:

Element of reward	Approach
Base salary	<ul style="list-style-type: none"> <li>Salaries for employees are set in line with market levels, in order to attract and retain employees.</li> <li>Employees' salaries are reviewed annually, with increases for EDs normally being set with reference to increases for employees.</li> </ul>
Benefits	<ul style="list-style-type: none"> <li>All employees, including EDs, are eligible to participate in the Company's benefits, which include 3.5 times salary death-in-service cover, private medical benefit, dental plan and income protection. Employees can increase and/or extend cover if they so choose.</li> <li>The Company will operate a Share Incentive Plan (SIP), which will offer a 2:1 match on shares purchased by employees up to statutory limits. All employees will be eligible to participate in this plan.</li> </ul>
Pension	<ul style="list-style-type: none"> <li>All employees are eligible to participate in a defined contribution pension scheme with a 15% employer contribution. The approach is the same for EDs.</li> </ul>
Annual bonus	<ul style="list-style-type: none"> <li>All employees are eligible to participate in annual bonus arrangements, with payouts being based on a combination of corporate and personal performance. The same corporate scorecard is used for EDs as the employee population.</li> <li>Different bonus opportunities reflect the levels of employee seniority, determined by grade, with more senior employees receiving higher bonus opportunities to increase the proportion of their pay that is performance-based and at risk.</li> </ul>
Long-term incentives	<ul style="list-style-type: none"> <li>Long-term incentive awards are available to senior management, with the same performance conditions as those for the EDs.</li> <li>In addition, a number of more junior individuals participate in the Restricted Share Plan (RSP), under which share awards are granted without performance conditions.</li> </ul>
Shareholding requirements	<ul style="list-style-type: none"> <li>Only EDs have a shareholding requirement.</li> </ul>



## Remuneration Committee report continued

### Service contracts for Executive Directors

The period of notice required in the service contracts is six months by the ED and the Company. The service contracts and letters of appointment are available for inspection by shareholders in advance of and at the forthcoming AGM, and during normal business hours at Ithaca Energy's registered office address. There are no further obligations which could give rise to a remuneration or loss of office payment other than those set out in the Policy table, the policy on payments for loss of office and change of control.

### Payments for loss of office

We are committed to ensuring a consistent approach, so that we do not pay more than is necessary in circumstances of loss of office. In the event of any termination of a contract, the aim is to seek to minimise any liability. If an ED's employment is terminated, any compensation arrangements will not normally exceed those set out in their service contract or the rules of the relevant incentive plans.

When assessing whether payments will be made in respect of loss of office, the Committee will take into account individual circumstances including the reason for the loss of office, performance of Ithaca Energy and individual performance up to the loss of office and any contractual obligations of both parties.

### Contractual payments

In the event of early termination, the Company may make a payment in lieu of notice up to a maximum of six months' salary. Any payment is subject to phasing and mitigation requirements.

In the event of gross misconduct, the Company may terminate the service contract of an ED immediately and with no liability to make further payments other than in respect of amounts accrued at the date of termination.

The current ED service contracts permit the Company to put an ED on garden leave for some or all of the duration of the notice period.

### Annual bonus and LTIP

The treatment of awards under the Annual bonus and LTIP for leavers will depend on whether or not they are classified as a Good Leaver. This would typically be where an ED left for reasons including retirement, redundancy, death, ill-health, injury or disability, the sale of a business outside of the Group or the employing Company ceases to be a member of the Group, or any other circumstances as determined by the Committee.

For 'other' leavers, account will be taken of individual circumstances, contractual terms, circumstances of the termination and the commercial interests of the Company to determine whether or not to treat as a Good Leaver.

## Remuneration Committee report continued

The table below sets out the leaver treatment for awards under the Annual Bonus and LTIP.

Remuneration Element	Treatment for Good Leaver	Treatment for Other Leaver	Remuneration Committee Discretion
Annual Bonus (cash)	<ul style="list-style-type: none"> <li>Eligible for a bonus paid, taking into account performance.</li> <li>Any bonus paid would normally be subject to pro-rating for time served as an ED during the year.</li> <li>Bonus payments would ordinarily be made at the normal time following the year end</li> <li>Normally, a portion of any bonus earned would be deferred into shares for three years, consistent with the treatment in the Policy table.</li> </ul>	<ul style="list-style-type: none"> <li>No eligibility for bonus</li> </ul>	<ul style="list-style-type: none"> <li>It is at the discretion of the Committee as to whether departing EDs would be paid a bonus. In exercising its discretion on determining the amount payable, and the form and timing of payment, to an ED on termination of employment, the Board would consider each instance on an individual basis, taking account of factors such as performance and circumstances of the termination.</li> <li>When determining whether a bonus or any other payment should be made to a departing ED, the Committee will ensure that no 'reward for failure' is made.</li> </ul>
Annual Bonus (Deferred)	<ul style="list-style-type: none"> <li>Unvested deferred bonus awards continue to vest at their normal vesting date, unless the Committee determines otherwise</li> </ul>	<ul style="list-style-type: none"> <li>Unvested deferred bonus awards will lapse</li> </ul>	<ul style="list-style-type: none"> <li>The Committee may allow deferred bonus awards to vest as soon as reasonably practicable on cessation of employment in exceptional circumstances, such as ill-health</li> </ul>
LTIP	<ul style="list-style-type: none"> <li>LTIP awards continue to vest at their original vesting date, subject to satisfaction of the relevant performance conditions.</li> <li>In the event of death, LTIP awards will normally vest immediately. The number of awards vesting will be determined by the Committee taking into account performance as at the date of cessation. The number of awards vesting will normally be reduced to reflect the proportion of the vesting period that has elapsed at the date of cessation of employment. Any vested but unexercised awards can be exercised in the 6-month period (or 12-month period in the case of death) following cessation or vesting.</li> </ul>	<ul style="list-style-type: none"> <li>Unvested LTIP awards lapse on the date of cessation of employment.</li> </ul>	<ul style="list-style-type: none"> <li>The Committee may allow LTIP awards to vest as soon as reasonably practicable on cessation of employment in exceptional circumstances, such as ill-health. The Committee may decide, acting fairly and reasonably, that a lesser reduction for time may be made.</li> </ul>

## Payments in the event of a change of control

The treatment of each element of remuneration under a change of control is set out in the table below.

Remuneration element	Remuneration Policy and operation
Annual bonus (cash)	<ul style="list-style-type: none"> <li>An annual bonus may be paid subject to time pro-rating (unless the Committee determines otherwise) and performance to the date of the change of control.</li> <li>Any annual bonus awarded would be paid fully in cash.</li> </ul>
Annual bonus (deferred shares)	<ul style="list-style-type: none"> <li>Unless the Committee agrees to exchange outstanding deferred bonus awards into awards in the acquiring Company, any outstanding deferred shares will ordinarily vest in full at the date of change of control (other than in respect of an internal reorganisation).</li> </ul>
LTIP	<ul style="list-style-type: none"> <li>Unless the Committee agrees to exchange outstanding LTIP awards into awards in the acquiring Company, LTIP awards will vest subject to time pro-rating and performance at the date of change of control (other than in respect of an internal reorganisation).</li> <li>The Committee has discretion to reduce the extent of or disapply time pro-rating.</li> </ul>

**Remuneration Committee report** continued**Remuneration Policy – Independent Non-Executive Directors**

Independent Non-Executive Directors are appointed pursuant to a letter of appointment for an initial period which is normally three years, which may be subject to renewal thereafter. The letters of appointment are available for viewing at Ithaca Energy's registered office during normal business hours, and prior to and at the AGM.

The NEDs will only receive payment until the date their appointment ends and no compensation is payable on termination. The appointment of any non-independent NED is terminable in accordance with the relevant Relationship Agreement.

The table below sets out the key elements of the Policy for NEDs:

Element	Operation	Maximum opportunity	Performance conditions and Assessment
<b>NED Fees</b> Provides a market competitive level of fees to reflect the time commitment and contributions that are expected from the NEDs.	The Board as a whole is responsible for setting the remuneration of the NEDs, other than the Chair whose remuneration is determined by the Committee.	The fees paid to NEDs will normally be reviewed annually, but the Committee reserves the right to review fees on a discretionary basis if it believes an adjustment is required to reflect market rates, scope of responsibilities or performance.	Not applicable
	NED fees can be paid in cash or shares (with no performance conditions) but are currently paid all in cash. Additional fees may be paid for additional responsibilities such as acting as Senior Independent Director or for membership or chairing sub-committees of the Board.	There is no prescribed maximum increase, but in general the level of fee increase for the NEDs will be set taking account of any change in market rates, responsibility or time commitment required, and the general rise in salaries across the UK workforce.	
	The NEDs do not participate in Ithaca Energy's incentive arrangements and no pension contributions are made in respect of them. Reasonable travel and subsistence expenses (including the tax cost where appropriate and within the Company's travel and expenses policy) may be paid or reimbursed by Ithaca Energy.		
<b>Shareholding requirement</b> To ensure that NEDs' interests are aligned with those of shareholders.	NEDs are expected to build and maintain a holding in the Company's shares of 100% of their base fee.		
	NEDs have seven years from the date of their appointment to the Board to build and maintain this holding. The Committee may waive this requirement for certain exceptional personal circumstances.		

**Consideration of wider employee views**

Remuneration arrangements are determined throughout Ithaca Energy based on the same principle that reward should be achieved for delivery of Ithaca Energy's business strategy and should be competitive within the market to attract and retain high calibre talent, without paying more than is necessary.

Senior managers below Board level with a significant ability to influence Ithaca Energy's results may participate in an annual bonus plan and a long-term incentive which reward both performance and loyalty and are designed to retain and motivate.

When forming this Policy and reviewing the remuneration of the EDs and other senior employees, the Committee considered pay and employment conditions across Ithaca Energy and is comfortable that the proposed Policy is appropriate and consistent with the approach to remuneration across the Group. Whilst the Committee did not undertake a formal employee consultation exercise during this policy review, to ensure the policy remains aligned with the wider employee experience, the Committee considered the range of base salary increases across Ithaca Energy when determining increases to award to the EDs. Other considerations include: changes in benefits and bonus, in addition to salary, of UK employees compared with that of Directors; the ratio of CEO pay to that of employees; spend on pay compared with, for example net income and dividends; and gender pay gaps.



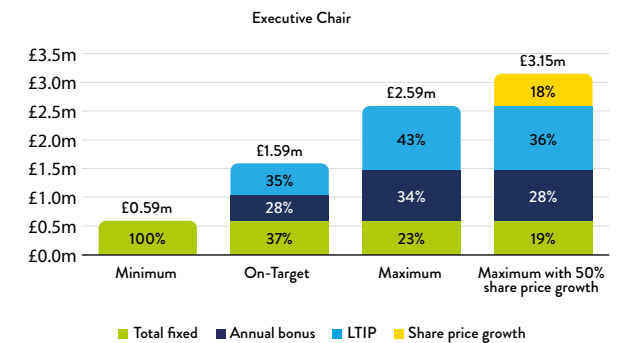
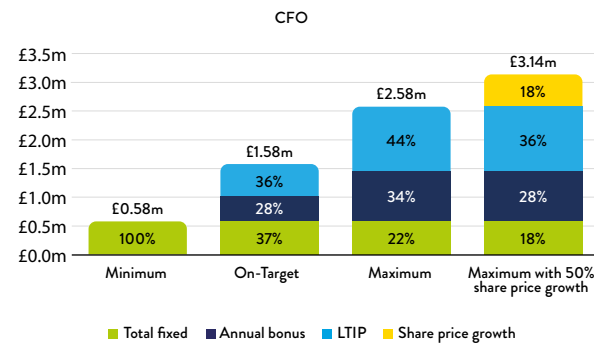
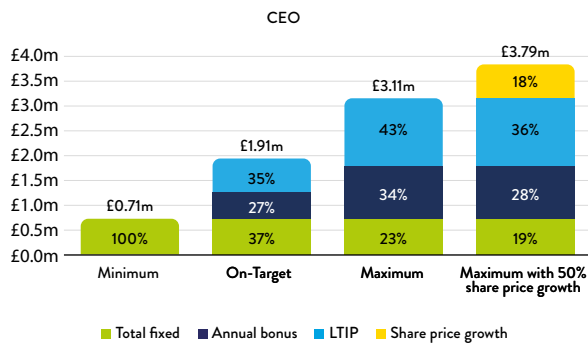
## Remuneration Committee report continued

### Consideration of shareholder views

The Committee takes the views of shareholders seriously and these views are taken into account in shaping remuneration policy and practice. Shareholder views are considered when evaluating and setting remuneration strategy and we actively engage with our major shareholders on a range of topics including executive remuneration to better understand their perspectives and solicit feedback. The Committee welcomes an open dialogue with its shareholders on all aspects of remuneration.

### Illustrations of the application of the Policy

The charts below illustrate the potential future value and composition of the ED's total remuneration opportunities under four performance scenarios ('Minimum', 'On-Target', 'Maximum' and 'Maximum with 50% share price appreciation between award and vest of the PSP') for the first complete year in which the Remuneration Policy will apply.



### Fixed Pay

- 2026 salaries, as disclosed on page 136
- Benefits reflect the core benefits for each of the Executive Directors
- Pension contribution of 15% of salary

	Minimum	On-Target	Maximum	Maximum with 50% share price growth
<b>Annual Bonus</b>	• Nil payout	• Bonus pays out at 50% of maximum (87.5% of salary for CEO, Executive Chair and CFO)	• Bonus pays out at 100% of maximum (175% of salary for CEO, Executive Chair and CFO)	• As per maximum
<b>Long Term Incentive Plan</b>	• Nil payout	• LTIP vests at 50% of maximum (112.5% of salary for CEO, Executive Chair and CFO)	• LTIP vests at 100% of maximum (225% of salary for CEO, Executive Chair and CFO)	• As per maximum with a 50% share price appreciation over three years

1 Dividend accrual on deferred remuneration has been excluded from all four scenarios, share price movement has been excluded from the minimum, target and maximum scenarios.

### Lynne Clow

Remuneration Committee Chair



## Director's report

## The Directors present their Annual Report with the audited Group and Company Accounts for the year ended 31 December 2025.

The Directors' report comprises pages 150 to 153 and the sections of the Annual Report incorporated by reference, as set out below.

### Membership and meeting attendance in 2025

Disclosure	Page reference
Conflicts of interest	see page 100
Corporate governance statement	see page 95
Directors' share interests, including LTIPs	see pages 128 to 136
Employee diversity and inclusion	see pages 64 and 115
Employee involvement and engagement	see pages 60 to 69
Financial risk management	see pages 52 and 76
Future developments and research and development	see page 23
Greenhouse gas emissions	see pages 56 to 58
Interest capitalisation (UKLR 6.6.1R)	see Note 9
Internal control and risk management	see pages 120 to 121
Principal risks and uncertainties	see pages 76 to 83
Stakeholder engagement including suppliers, customers and others	see pages 101 to 104
Streamlined Energy and Carbon Reporting	see page 57
TCFD reporting	see pages 50 to 59
Waiver of dividends (UKLR 6.6.1R)	see page 151

This Annual Report has been prepared for, and only for, the members of the Company, as a body, and for no other persons. The Company, its Directors, employees, agents and advisors, do not accept or assume responsibility to any other person to whom this document is shown or into whose hands it may come, and any such responsibility or liability is expressly disclaimed.

This report sets out the information the Company and the Group are required to disclose in the Directors' report in compliance with the Companies Act 2006 (the Act), the Financial Conduct Authority's Listing Rules (Listing Rules), the Disclosure Guidance and Transparency Rules (DTRs), and the UK Corporate Governance Code 2024 (the Code). Details of the Code can be found on the Financial Reporting Council's website at [www.frc.org.uk](http://www.frc.org.uk)

This report should be read in conjunction with the Strategic Report on pages 1 to 87 and the Corporate Governance Report on pages 88 to 153. In accordance with Section 414C(11) of the Act, the Company has decided to include certain matters in its Strategic Report that would otherwise be required to be disclosed in this Directors' Report. Together, the Strategic Report, this Directors' Report, and other sections of the Corporate Governance Report incorporated by reference, when taken as a whole, form the Management Report as required under Rule 4.1.5R of the DTRs.

### Articles of Association

The Company's Articles of Association may only be amended by special resolution at a General Meeting of shareholders. The Company's Articles of Association contain provisions regarding the appointment, retirement and removal of Directors along with their powers and duties. A Director may be appointed by an ordinary resolution of shareholders in a general meeting following nomination by the Board or a member (or members) entitled to vote at such a meeting.

### Annual General Meeting

The Annual General Meeting 2026 will be held at P&J Live, East Burn Road, Aberdeen AB21 9FX, Scotland on Wednesday 13 May 2026 at 8am. Details of how to participate at the AGM are set out in the Notice of AGM and on our website.

### Company number

Ithaca Energy plc is registered in England with the Company number 12263719.

### Directors

The Directors' of the Company during the year were:

Director	Appointed	Resigned
Dave Blackwood		
Guido Brusco		
Lynne Clow		
Yaniv Friedman		
Francesco Gattei		
Assaf Ginzburgh		
Deborah Gudgeon		
Iain Lewis		
Geraldine Murphy	1 October 2025	
Tamir Polikar		
Itshak Tshuva		
Idan Wallace		
Luciano Vasques		
Zvika Zivlin		

The Directors' biographies are detailed on pages 92 to 93. In accordance with the UK Code, all Directors will retire at the AGM being held on 13 May 2026 and may offer themselves for re-election.

**Director's report** continued**Director indemnities**

During the financial year, the Company had in place an indemnity to each of its Directors under which the Directors of the Company may be indemnified out of the assets of the Company against certain costs, charges, expenses, losses or liabilities which may be sustained or incurred in or about the execution of their duties. The indemnity was in force for all Directors who served during the year.

**Directors' interests**

The interests of the Directors in the Ordinary Shares of the Company as at 31 December 2025 are set out on pages 134 and 140.

**Dividends**

On 26 March 2025, the Company declared a third interim dividend of \$200 million. The third interim dividend was paid on 25 April 2025 to shareholders on the register on 4 April 2025 delivering a total dividend of \$500 million for 2024.

The Company declared on 20 August 2025, a first interim dividend of \$167 million. The first interim dividend was paid on 26 September 2025 to shareholders on the register on 5 September 2025. A second interim dividend of \$133 million was declared on 19 November 2025. The second interim dividend was paid on 18 December 2025 to shareholders on the register on 28 November 2025. A third interim dividend for the year of \$200 million will be paid to shareholders on 16 April 2026, following the publication of the full-year results, delivering a total dividend of \$500 million for 2025.

Computershare Nominees (Channel Islands) Limited (the Trust) waived the following dividends payable by the Company in respect of the ordinary shares it held. The Trustee has agreed to waive its right to all dividends payable on the ordinary shares held in the Trust.

Dividend	Number of shares waived	Total value of dividends waived
Interim April 2025 (paid April 2025)	5,395,444	£508,423.48
Interim August 2025 (paid September 2025)	4,609,648	£343,925.84
Interim November 2025 (paid December 2025)	3,206,030	£194,788.76
Total for the year to 31 December 2025	13,211,122	£1,047,138.08

**Employment of people with disabilities**

The Company is committed on building a diverse organisation, this includes ensuring that people with disabilities are treated fairly, supported and encouraged to apply for employment and to process and receive training once employed. Every reasonable effort is made for people with disabilities to be retained in the employment of the Company by investigation reasonable adjustments to the role, workplace or equipment.

**Fair, balanced and understandable assessment**

The Board confirms that, in its view, the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy. For more information, please see the Audit and Risk Committee Report on pages 117 to 121 and the Directors' Report and statement of Directors' responsibilities on page 154.

**Political donations**

No political donations were made during the financial year.

Name of shareholder	Notified number of voting rights	Notified percentage of voting rights	Nature of holding
HSBC Global Custody Nominee (UK) Ltd	594,048,748	35.92	Direct
HSBC Global Custody Nominee (UK) Ltd	494,912,545	29.93	Direct
Vidacos Nominees Ltd	339,650,582	20.54	Direct

**Share capital**

The issued share capital of the Company comprises of 1,653,732,455 Ordinary Shares of £0.01 each, all of which are fully-paid and freely transferable. The liability of each shareholder is limited to the amount, if any, unpaid on the shares held by that shareholder. Since incorporation, the Company's share capital has been issued in conformity with the laws of England and Wales. Details of the Company's issued share capital, together with details of any movement in the issued share capital during the year, are shown in Note 27 to the Company financial statements. The Company did not purchase any of its own shares during 2025 or up to and including 17 March 2026, being the date of this Directors' Report.

**Share ownership**

The Company encourages employee share ownership and operates a Share Incentive Plan (SIP), which offers a 2:1 match on shares purchased by employees. See more on page 146.

**Significant shareholdings of ordinary shares**

As at 31 December 2025, the Company had received notification from the institutions set out in the table below, in accordance with chapter 5 of the Disclosure Guidance and Transparency Rules, of their significant holding of voting rights (three percent or more) in its ordinary shares.

**Significant contracts Relationship Agreements**

The Company has two relationship agreements with our controlling shareholders, Delek Group and Eni.

Delek Group Limited (Delek), through its wholly-owned subsidiary DKL Energy Limited, owns a 50.5% shareholding

in the Company and so is deemed a controlling shareholder in the Company and a controlling shareholder for the purposes of the Listing Rules. A formal relationship agreement between the Company and Delek (the Delek Relationship Agreement) is in place which governs relations between the two companies, to ensure that the Company is capable at all times of carrying on its business independently of Delek and its associates.

The Delek Relationship Agreement came into effect upon the listing of the Company on the Main Market of the London Stock Exchange (as subsequently amended and restated on 23 April 2024, 21 August 2024, 3 October 2024 and 30 September 2025) and will continue in force unless and until (i) the shares of the Company cease to be listed on the equity shares (commercial companies) listing segment of the Official List and traded on the London Stock Exchange main market or (ii) Delek cease to own 10% or more of the Ordinary Shares of the Company. The Relationship Agreement complies with the independence provisions set out in the UK Listing Rules 6.2.3R to 6.2.9R and 5.3.1R.

**Under the Delek Relationship Agreement:**

For so long as Delek hold not less than 30% of the shares of the Company, and until the latest to occur of either:

- Luciano Vasques, CEO, ceases to hold the position of Chief Executive Officer on the Board, or
- three years from the effective date of his employment (i.e 3 October 2024),

Delek will be entitled to appoint a maximum of three Non-Executive Directors to the Board.

Whilst Delek holds not less than 20% of the shares of the Company, it is entitled to nominate a maximum of two Non-Executive Directors to the Board of the Company.

Whilst Delek holds greater than 10% (but not more than 20%) of the shares of the Company, it is entitled to nominate a maximum of one Non-Executive Director to the Board of the Company.

**Director's report** continued

Whilst Delek holds greater than 10% (but not more than 20%) of the shares of the Company, it is entitled to appoint one observer to the Board of the Company.

Itshak Tshuva, Idan Wallace and Tamir Polikar are the Delek-appointed Non-Executive Directors.

For so long as Delek holds not less than 25% of the shares of the Company, it is entitled to appoint:

- one observer to attend and observe the committee meetings of each of the Remuneration Committee and the Audit and Risk Committee; and is entitled to appoint one Director, or failing which an observer, to the Nomination and Governance Committee.

Idan Wallace is the appointed Director for the Nomination and Governance Committee. Leora Pratt-Levin and Yair Noiman are the appointed observers for the Board. Leora Pratt-Levin is also the appointed observer for the Remuneration Committee and Udi Erez is the appointed observer for the Audit and Risk Committee.

Under the Delek Relationship Agreement, Delek undertakes that it shall:

- not take any action that would have the effect of preventing the Company from complying with the UK Listing Rules;
- not propose or procure the proposal of a shareholder resolution of the Company which is intended or appears to be intended to circumvent the proper application of the UK Listing Rules;
- comply with the UK Listing Rules, the Disclosure Guidance and Transparency Rules, the requirements of the London Stock Exchange, the FSMA, the Financial Services Act, UK MAR or the City Code that apply to it in connection with the Company or take any action that would prevent the Company with complying with the same regulations;
- not exercise any of its voting rights in the Company in a way that would be inconsistent with, or breach any of the provisions of the Relationship Agreement;
- not, unless approved by the Board, take any action or

omit to take any action which would be likely to result in the cancellation of admission to the main market of the London Stock Exchange; and

- for so long as it holds more than 35% of the shares of the Company undertake to exercise its voting rights attaching to its shares in favour of a resolution proposed by the Board (upon the recommendation of the Nomination and Governance Committee) to appoint or remove any Independent Non-Executive Director.

In accordance with the UK Listing Rules, the Board confirms that, since the date of listing of the Company:

- The Company has complied with the undertakings in the Relationship Agreement;
- So far as the Company is aware, Delek and its associates have complied with the undertakings in the Relationship Agreement; and
- So far as the Company is aware, Delek has complied with the obligation included in the Relationship Agreement to procure the compliance of its associates with the undertakings in the Relationship Agreement.

Eni S.p.A (Eni), through its wholly-owned subsidiary Eni UK Limited, owns a 35.9% shareholding in the Company and so is deemed a controlling shareholder for the purposes of the Listing Rules. A formal relationship agreement between the Company and Eni (the Eni Relationship Agreement) is in place which governs relations between the two companies, to ensure that the Company is capable at all times of carrying on its business independently of Eni and its associates.

The Eni Relationship Agreement came into effect upon the completion of the Business Combination with Eni UK with effect from 3 October 2024 and will continue in force unless and until (i) the shares of the Company cease to be listed on the equity shares (commercial companies) listing segment of the Official List and traded on the London Stock Exchange main market or (ii) Eni cease to own at least 10% or more of the Ordinary Shares of the Company. The Relationship Agreement complies with the

independence provisions set out in the UK Listing Rules 6.2.3R to 6.2.9R and 5.3.1R.

As part of the Business Combination, Eni proposed the appointment of Luciano Vasques as Chief Executive Officer of the Company. His appointment took effect from 3 October 2024.

Under the Eni Relationship Agreement:

- For so long as Eni holds greater than 20% of the shares of the Company, it is entitled to appoint a maximum of two Non-Executive Directors to the Board of the Company.
- For so long as Eni holds not less than 25% of the shares of the Company, it is entitled to appoint one observer to the Remuneration Committee, one observer to the Audit and Risk Committee and one Non-Executive Director or failing which an observer to the Nomination and Governance Committee.
- For so long as Eni holds not less than 10% (but not more than 20%) it is entitled to appoint a maximum of one Non-Executive Director to the Board of the Company.
- For so long as Eni holds greater than 10% it is entitled to appoint one observer to the Board of the Company.

Francesco Gattei and Guido Brusco are the Eni-appointed Nominated Non-Executive Directors.

Guido Brusco is the appointed Director to the Nomination and Governance Committee. Filippo Ricchetti is the appointed observer for the Board and the Audit and Risk Committee and Fabio Castiglioni is the appointed observer for the Board and the Remuneration Committee.

Under the Eni Relationship Agreement, Eni undertakes that it shall:

- not take any action that would have the effect of preventing the Company from complying with the UK Listing Rules;

- not propose or procure the proposal of a shareholder resolution of the Company which is intended or appears to be intended to circumvent the proper application of the UK Listing Rules;
- comply with the UK Listing Rules, the Disclosure Guidance and Transparency Rules, the requirements of the London Stock Exchange, the FSMA, the Financial Services Act, UK MAR or the City Code that apply to it in connection with the Company or take any action that would prevent the Company with complying with the same regulations;
- not exercise any of its voting rights in the Company in a way that would be inconsistent with, or breach any of the provisions of the Relationship Agreement; and
- not, unless approved by the Board, take any action or omit to take any action which would be likely to result in the cancellation of admission to the main market of the London Stock Exchange.

In accordance with the UK Listing Rules, the Board confirms that:

- The Company has complied with the undertakings in the Relationship Agreement;
- So far as the Company is aware, Eni and its associates have complied with the undertakings in the Relationship Agreement; and
- So far as the Company is aware, Eni have complied with the obligations included in the Relationship Agreement to procure the compliance of its associates with the undertakings in the Relationship Agreement.

**Significant agreements which would be affected by a change of control**

The following agreements will, in the event of a change of control of the Company, be affected as follows:

- Under the RBL facility agreement between Ithaca Energy (UK) Limited, certain affiliate entities and a syndicate of financial institutions, upon a change of control (save for certain exceptions), the RBL and letters of credit facility will be cancelled and all outstanding loans, accrued interest and certain other amounts accrued and cash cover under the letters of credit will be immediately due and payable.

## Director's report continued

- In relation to the 2031 Notes, IENS plc will be required to offer to repurchase the 2031 Notes at a purchase price of 101% of their aggregate principal amount, plus accrued and unpaid interest (if any) to the date of the purchase. The Deeds of Indemnity all provide that, in the event of a change of control, the surety will be entitled to make demand for the payment of cash to cover a deposit in an amount equal to an amount the relevant surety determines is the amount of the maximum aggregate liability of the surety in connection with any outstanding bond or bonds.

### Auditor information

Each person who is a Director at the date of approval of this Annual Report and Accounts confirm that:

- So far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- Each Director has taken all steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006. Approved by the Board of Directors and signed on behalf of the Board.

### Julie McAteer

Company Secretary  
17 March 2026





## Statement of Directors' responsibilities

# The Directors are responsible for preparing the Annual Report and Accounts in accordance with applicable United Kingdom laws and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with UK-adopted International Accounting Standards and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (including United Kingdom Accounting Standard FRS 101 'Reduced Disclosure Framework') and applicable laws.

Under Company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing the Group and Company financial statements, the Directors are required to:

- Select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Provide additional disclosures when compliance with specific requirements in International Accounting Standards (and in respect of the Company financial statements, FRS 101) is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and Company financial position and financial performance;
- State whether applicable United Kingdom-adopted International Accounting Standards have been followed for the Group financial statements and United Kingdom Accounting Standards, including FRS 101 have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business;
- The Directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities; and
- The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors are also responsible for preparing the Strategic Report, the Directors' Report, the Directors' Remuneration Report and the Corporate Governance Report in accordance with the Companies Act 2006 and applicable regulations, including the requirements of the Listing Rules and the Disclosure and Transparency Rules.

In accordance with the principles of the UK Corporate Governance Code, the Directors are responsible for establishing arrangements to evaluate whether the information presented in the Annual Report and Accounts is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy, and making a statement to that effect.

Each of the Directors, whose names and functions are set out in Board of Directors on pages 92 and 93, confirm that to the best of their knowledge:

- The Group financial statements, which have been prepared in accordance with United Kingdom-adopted International Accounting Standards, give a true and fair view of the assets, liabilities, financial position and profit of the Group;
- The Company's financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, including FRS 101, give a true and fair view of the assets, liabilities and financial position of the Company; and
- The Strategic Report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that it faces.

This responsibility statement was approved by the Board of Directors on 17 March 2026 and is signed on its behalf by:

**Iain C S Lewis**

Chief Financial Officer



# Financial statements



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## Independent auditor's report to the members of Ithaca Energy plc

### Report on the audit of the financial statements

#### 1. Opinion

In our opinion:

- the financial statements of Ithaca Energy Plc (the 'Company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2025 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated statement of profit or loss;
- the consolidated statement of comprehensive income;
- the consolidated statement of financial position;
- the consolidated statement of changes in equity;
- the consolidated statement of cash flows;
- the related notes 1 to 34 to the consolidated financial statements;
- the Company statement of financial position;
- the Company statement of changes in equity; and
- the related notes 1 to 7 to the Company financial statements.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and United Kingdom adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

#### 2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the Group for the year are disclosed in note 7 to the financial statements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the Group or the Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



## Independent auditor's report to the members of Ithaca Energy plc continued

### 3. Summary of our audit approach

<b>Key audit matters</b>	<p>The key audit matters that we identified in the current year were:</p> <ul style="list-style-type: none"> <li>• Valuation of goodwill and oil and gas assets</li> <li>• Valuation of decommissioning provisions</li> <li>• Accounting for current and deferred tax</li> </ul> <p>Within this report, key audit matters are identified as follows:</p> <ul style="list-style-type: none"> <li>⬆ Increased level of risk</li> <li>↔ Similar level of risk</li> <li>⬇ Decreased level of risk</li> </ul>
<b>Materiality</b>	The materiality that we used for the Group financial statements was \$65 million (2024: \$45 million) which represents 3.2% (2024: 3.3%) of Adjusted Earnings Before Interest, Tax, Depreciation, Amortisation and Exploration (EBITDAX) <sup>1</sup> .
<b>Scoping</b>	We consider the Group to be one component, as it is centrally managed with a common control environment. Consequently, we have performed an audit of the entire financial information of the Group.
<b>Significant changes in our approach</b>	<p>The acquisition accounting for the Eni UK business combination was identified as a key audit matter in the prior year due to the size and scale of the business combination. In the current year, whilst there have been two business combinations, Cygnus and Japex as referred to in note 17, these are of a smaller size than the prior year business combination and are not of the same complexity, therefore acquisition accounting is no longer a key audit matter.</p> <p>In the prior year, there were two components identified within the Group, being the legacy Ithaca Group (including the non-operated assets acquired from Eni UK) and the former Neptune subsidiaries of Eni UK (which held the operated asset acquired from Eni UK). In the current year, following integration of the Neptune subsidiaries into the Group's control environment, we consider the Group to be one component.</p>

<sup>1</sup> Adjusted EBITDAX is a non-GAAP measure comprising earnings before finance income, finance costs, taxation charges, premiums payments on oil and gas derivative contracts, revaluation gains or losses on financial instruments, depletion depreciation and amortisation, impairment charges on oil and gas assets, exploration and evaluation expenditure, fair value remeasurements of contingent consideration, restructuring costs and business combination costs.

### 4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the Group's and Company's ability to continue to adopt the going concern basis of accounting included:

- obtaining an understanding of the directors' process for determining the appropriateness of the use of the going concern basis of accounting and relevant controls over the going concern assessment;
- assessing the Group's financing facilities including the nature of facilities, repayment terms and covenants;
- considering the linkage of the going concern assessment to the Group's business model and short and medium term risks;
- challenging the assumptions used in the forecasts, in particular commodity prices, production levels, capital expenditure (including consideration of any discretionary capital expenditure) and debt facilities;
- assessing the amount of headroom in the forecasts (both liquidity and covenants);
- challenging management's sensitivity analysis, with sensitivities run in relation to production, commodity prices, operating and capital expenditure, and consideration of reverse stress tests on commodity prices;
- assessing the sophistication of the model used to prepare the forecasts, testing of clerical accuracy of those forecasts and our assessment of the historical accuracy of forecasts prepared by management; and
- assessing the Group's going concern related financial statement disclosures.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the reporting on how the Group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.



## Independent auditor's report to the members of Ithaca Energy plc continued

### 5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### 5.1. Valuation of goodwill and oil and gas assets

##### **Key audit matter description**

The Group had property, plant and equipment (being primarily oil and gas assets) of \$4,745 million (2024: \$4,188 million) and goodwill of \$1,339 million (2024: \$1,129 million) as at 31 December 2025. A key audit matter was identified in respect of determining the recoverability of the Group's goodwill and oil and gas assets due to the significance of management's judgements and estimates relating to their estimated recoverable amounts. There is increased risk associated with the key audit matter in the year due to a reduction in headroom resulting from changes in commodity prices and downward revisions in reserves following a change in life of field outlook on certain assets within the portfolio.

Management performed an impairment assessment for oil and gas assets and goodwill, by reference to IAS 36 *Impairment* ('IAS 36'). In conducting their impairment assessment at year end, management used their best estimate of reserves and resources and undertook a process to compare their estimate to those of a third-party firm of reserves consultants, assessing any differences arising.

Given the level of management judgement applied in determining the recoverable value of the Group's oil and gas assets and goodwill and the importance of a number of the oil and gas assets to the Group's continued growth, this has been identified as an area of potential management bias, and therefore gives rise to a potential fraud risk in the period.

Management concluded that a pre-tax impairment charge of \$78 million (2024: \$263 million) was required to oil and gas assets. The charge principally related to the Alder (\$8 million) CGU together with decommissioning cost estimate changes on fields which have been fully written off or have ceased production (\$64 million). Management concluded that no impairment was required to goodwill (2024: \$nil).

The key audit matter is focused on the following:

##### **Oil and gas assets and goodwill**

- Forecast commodity prices;
- Discount rate applied;
- Oil and gas reserve and resource estimates, and management's risking assumptions thereon, which are compared to the results of a third-party reserves consultant to understand any differences arising;

The Rosebank field, which has a carrying value at year-end of \$872m (2024: \$617m), was subject to Judicial Review proceedings commencing in the prior year. Following the Court of Session ruling on 30 January 2025 which found that the development consent for the field had been unlawfully given, as detailed in note 3, management has submitted the revised Environmental Statement and awaits the next stage of this process. Management has concluded that it has no reason to believe that this further consent will not be forthcoming and therefore no impairment indicator has been identified.

Included within the carrying value of the oil and gas assets which are assessed for impairment are estimated costs relating to the decommissioning of each cash generating unit ('CGU'). See the decommissioning provision key audit matter 5.3 below for further details.

Further details of this matter have been disclosed in the Audit and Risk Committee report on page 119, in the 'key sources of estimation uncertainty' and 'critical accounting judgements' disclosure in note 3 of the financial statements and in notes 15, 18 and 19 of the financial statements.



## Independent auditor's report to the members of Ithaca Energy plc continued

### How the scope of our audit responded to the key audit matter

Our procedures comprised the following:

#### Internal controls and overall impairment review

- Obtaining an understanding of relevant controls over management's process for identifying indicators of impairment and for performing their impairment assessment and related valuations;
- Evaluating the competence, capabilities and objectivity of management's independent reserves consultant;
- Assessing management's forecasting accuracy through a retrospective review of management's forecasts;
- Assessing whether forecast cash flows in the impairment model were consistent with Board approved forecasts and budgets, and forecasts used elsewhere, including those prepared for going concern and viability purposes and those assessing the recoverability of the deferred tax asset recognised (see key audit matter 5.3. below);
- Challenging and evaluating the adequacy of the operating and capital cost assumptions within the impairment model by reference to operator data and other third-party documentation;
- Assessing whether the impairment assessment is in compliance with the accounting standards;
- Assessing the accuracy and appropriateness of amounts included or excluded from the carrying value of the CGUs;
- Considering the risk that a market participant would apply in the valuation of the Rosebank CGU at 31 December 2025 as it was awaiting the approval of the consent application at that date;
- Working with our modelling specialists to evaluate the arithmetical accuracy of the impairment model;
- Assessing the appropriateness of management's estimate of the impact of tax, including the EPL, on the impairment model, with the assistance of our tax specialists;
- Obtaining an understanding of how the risk of climate change has been considered in the impairment assessments, including the risk of reduced commodity prices (as discussed further below) and the extent of additional expenditure management believes is required to meet the Group's published CO<sub>2</sub> emissions reductions targets; and
- Evaluating management's disclosures in relation to impairment, including related sensitivity analysis.

#### Forecast commodity prices

- Obtaining input from our valuations specialists to assess the appropriateness of management's forecast commodity prices and develop an independent reasonable range, through benchmarking against forward curves, peer information and market data;
- Assessing the reasonableness of the premium or discount applied to the market commodity prices for certain CGUs with reference to historic actuals;
- Performing additional sensitivity analysis on the pricing assumptions to determine the impact on the impairment conclusion of reasonably possible changes, including in relation to goodwill; and
- Considering the potential impact on headroom by using a range of third-party price curves described as being consistent with a pathway to keep global temperature rises below 1.5°C ('Paris consistent').

#### Discount rate applied

- Evaluating the appropriateness of management's chosen methodology when calculating the discount rate; and
- Obtaining input from our valuations specialists to assess management's discount rate by comparison to our assessment of a reasonable range.

#### Oil and gas reserves and resource estimates

- Comparing management's estimates of reserves and resources to those of their independent reserves consultant and, with input from our internal reserves specialists, understanding the reasons for and evaluating the reasonableness of any significant differences; and
- Obtaining input from our reserves specialists to challenge and assess the risking levels applied by management to their reserve and resource estimates.

### Key observations

We are satisfied with management's conclusions in respect of impairment charges required in the year on oil & gas assets of \$78 million, and that the associated disclosures are reasonable. We are also satisfied that no impairment is required in respect of goodwill and the associated sensitivity disclosures are reasonable.

In reaching this conclusion we observed that:

- Forecast oil and gas prices fall within the reasonable range for all periods;
- The discount rate falls within the reasonable range;
- Oil and gas reserve and resource estimates used in the impairment assessment are reasonable and risking levels fall within a reasonable range; and
- The sensitivity of impairment conclusions to a Climate Scenario average price curve is disclosed in the 'Impact of climate change on the financial statements and related notes' section of note 3 of the financial statements and the related disclosures in note 19 and indicate that the potential additional post-tax impairment is \$nil.



## Independent auditor's report to the members of Ithaca Energy plc continued

### 5.2. Valuation of decommissioning provisions

**Key audit matter description**

The decommissioning provision at 31 December 2025 was \$3,082 million (2024: \$2,655 million). The provision represents the present value of decommissioning costs which are expected to be incurred over the next 40 years.

Decommissioning provisions are inherently judgemental areas, particularly in relation to cost estimates for operated assets and the assumptions that these are based on, including assumptions regarding day rates for vessels and rigs ('rates'), and duration ('norms') of decommissioning activities. The key assumptions and judgements underpinning the provision include:

- Rates and norms assumptions for operated assets;
- Cost estimates for non-operated assets;
- Cessation of production ('COP') dates;
- Post COP operating costs ('PCOPO');
- Risk free discount rate; and
- Long term Inflation rate.

Further details of this matter have been disclosed in the Audit and Risk Committee report on page 119, in the "Key sources of estimation uncertainty" disclosure in note 3 of the financial statements (which includes details on the sensitivity of the provision to changes in discount rates), and in note 23 of the financial statements.



## Independent auditor's report to the members of Ithaca Energy plc continued

### How the scope of our audit responded to the key audit matter

Our procedures comprised the following:

#### Internal controls and decommissioning model

- Obtaining an understanding of the relevant controls relating to the decommissioning provision, including management's review controls over the decommissioning cost estimation process;
- Obtaining an understanding of any key changes in underlying assumptions and methodology applied; this included performing inquiries with the Group's internal specialists responsible for determining the 2025 decommissioning estimates, challenge of the associated models, and assessing their technical competence, capability and objectivity;
- Assessing decommissioning calculations for clerical accuracy and compliance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets;
- Assessing the consistency of the cessation of production dates with those used in management's impairment models for oil and gas assets, as discussed in section 5.1;
- Working with our modelling specialists to evaluate the arithmetical accuracy of the decommissioning cost estimate model;
- Considering the impact of climate change in the estimation of the decommissioning provision, including the risk that cessation of production dates are brought forward if commodity prices were to fall within a range of third-party Paris consistent price curves;
- Testing a sample of the actual decommissioning spend incurred during the period for accuracy and performing a retrospective review of management's forecasting accuracy, including an assessment of whether actual spend during the year gives rise to contradictory evidence of current forecast rates; and
- Evaluating the appropriateness of management's disclosures, including the key sources of estimation uncertainty and associated sensitivity of decommissioning assumptions.

#### Rates, norms and PCOPO for operated assets

- Challenging the Group's rates assumptions within the cost estimate by reference to available third-party data and benchmarking to peer and market rates;
- Assessing the norm assumptions for the plug and abandonment of wells, by comparison to available benchmarking data and potentially contradictory evidence from other duration assumptions available from decommissioning projects active in the year or operator estimates and assessing the appropriateness of any outliers;
- Assessing the appropriateness of the PCOPO for operated assets, by comparison to current actual operating costs and the final year of pre-COP operating costs in the business plan forecast, and by assessing the consistency of the decrease across assets from final year opex to PCOPO;
- Assessing the consistency of the duration based assumptions and PCOPO applied in the cost estimate for certain key assets;
- Challenging the completeness of the activity sets included in the operating cost model; and
- Assessing the drivers of changes in key assumptions on specific assets and differences between actual and forecast expenditure in recent years and considering whether these provide contradictory evidence of rates and norms assumptions in the year end provision.

#### Costs estimates for non-operated assets

- Reconciling cost assumptions to operator estimates received in the year; and
- Understanding any differences arising and challenging the reasonableness of any adjustments made.

#### Other macro-economic assumptions

- Comparing management's risk-free discount rate to relevant market data, including US and UK government bond yields and peer data; and
- Comparing management's inflation assumptions to market data, including the Bank of England long term inflation target.

### Key observations

We are satisfied that the key assumptions outlined above fall within a reasonable range and that the overall provision is fairly stated. We also consider that the associated disclosures are reasonable, including the impact on the provision if the energy transition causes COP dates to be brought forward.



## Independent auditor's report to the members of Ithaca Energy plc continued

### 5.3. Accounting for current and deferred tax

<b>Key audit matter description</b>	<p>The Group has a \$362 million (2024: \$1,224 million) net deferred tax asset and \$317 million (2024: \$247 million) current tax liabilities. The net deferred tax asset has reduced primarily due to the substantive enactment of the two-year extension to the energy profits levy to March 2030, deferred tax arising on derivatives and the utilisation of tax losses during the year.</p> <p>A key audit matter was identified in respect of:</p> <ul style="list-style-type: none"><li>• The recoverability of the deferred tax asset, including the recoverability of the deferred tax assets arising from tax losses which are dependent on the availability of future taxable profits and the feasibility of restructuring plans required to utilise the tax losses;</li><li>• The mechanical accuracy of the deferred tax asset and liability models, including consistency with impairment and decommissioning models; and</li><li>• The appropriateness of the 'true ups in respect of prior years' of \$31.3m, impacting both current and deferred tax, given there were a number of individual adjustments during the year.</li></ul> <p>Further details of this matter have been disclosed in the Audit and Risk Committee report on page 119, in the 'Key sources of estimation uncertainty' disclosure in note 3 of the financial statements and in note 28 of the financial statements.</p>
<b>How the scope of our audit responded to the key audit matter</b>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"><li>• Obtaining an understanding of the relevant controls relating to the measurement of current and deferred tax;</li><li>• Evaluating, with input from our tax specialists, the methodology applied in calculating the Group's deferred tax assets and liabilities;</li><li>• Assessing the mechanical accuracy of the deferred tax models, including deferred EPL, with input from our analytics and modelling specialists;</li><li>• Assessing whether the forecasts that support the recoverability of the Group's deferred tax assets are consistent with the cash flow forecasts used for the purposes of impairment testing and going concern;</li><li>• Evaluating the completeness and accuracy of 'true ups in respect of prior years', with input from our tax specialists, including whether any represent material errors in relation to the prior years; and</li><li>• Assessing the adequacy of disclosures made in note 3 and note 28 of annual report, in line with IAS 12 <i>Income Taxes</i>.</li></ul>
<b>Key observations</b>	<p>We are satisfied that the current and deferred tax balances recognised in the financial statements and the related disclosures are appropriate.</p>

## Independent auditor's report to the members of Ithaca Energy plc continued

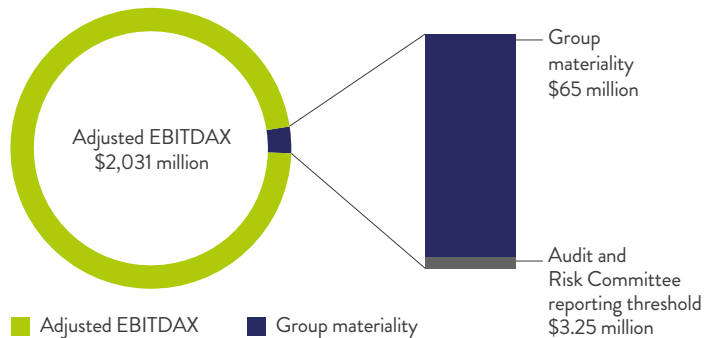
### 6. Our application of materiality

#### 6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Company financial statements
<b>Materiality</b>	\$65 million (2024: \$45 million)	\$33 million (2024: \$30 million)
<b>Basis for determining materiality</b>	3.2% of adjusted EBITDAX (2024: 3.3%).	1.5% of net assets (2024: 1.5%)
	Adjusted EBITDAX is an alternative performance measure and a key performance indicator.	
<b>Rationale for the benchmark applied</b>	Adjusted EBITDAX was considered to be the most relevant benchmark as it is a key performance measure used by the business and excludes a number of significant items that are non-recurring in nature or are adjustments made to normalise the Group's performance.	The Company acts principally as a holding Company and therefore net assets is a key measure for this business.



#### 6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Company financial statements
<b>Performance materiality</b>	60% (2024: 60%) of Group materiality	60% (2024: 60%) of Company materiality
<b>Basis and rationale for determining performance materiality</b>	In determining performance materiality, we considered the following factors: <ol style="list-style-type: none"> <li>The quality of the control environment and conclusions from our testing of Group-wide internal controls;</li> <li>The size, nature and volume of uncorrected and any corrected misstatements identified in our previous audits; and</li> <li>Macro-economic factors such as commodity price volatility and geo-political instability.</li> </ol>	

#### 6.3. Error reporting threshold

We agreed with the Audit and Risk Committee that we would report to the Committee all audit differences in excess of \$3.25 million (2024: \$2.25 million), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit and Risk Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.



## Independent auditor's report to the members of Ithaca Energy plc continued

### 7. An overview of the scope of our audit

#### 7.1. Identification and scoping of components

Our audit was scoped by obtaining an understanding of the Group and its environment, including Group wide controls, and assessment of the risks of material misstatement at the Group level. Our audit planning identified the Group's business to be a single component, and therefore all of the operations of the Group were subject to an audit of the entire financial information in the United Kingdom.

In the prior year, we identified two components being the legacy Ithaca Group (including the non-operated assets acquired from Eni UK) and the former Neptune entities. The former Neptune entities, which held a working interest in one significant operated asset, operated in a separate control environment to the rest of the Group. In the current year, these entities now operate in the same control environment as the rest of the Group and we have therefore identified the Group to be a single component.

#### 7.2. Our consideration of the control environment

We obtained an understanding of the relevant controls in relation to key business processes as well as the IT systems that were relevant to the audit, being the financial reporting system.

As set out in the Audit & Risk Committee's report on page 118, progress has been made in addressing a number of the control observations that were identified in the prior year. However, the Group's control environment continues to mature and therefore is not yet at a stage that would enable us to place reliance on controls for the purposes of our audit testing. Observations raised in the current year included control recommendations in respect of impairment, decommissioning, and modelling and we amended the nature, timing and extent of our substantive procedures in these areas accordingly.

#### 7.3. Our consideration of climate-related risks

We performed enquiries of management to understand the impact of climate-related risks and controls relevant to the Group. We evaluated the climate change risk assessment and related documentation prepared by management and considered the completeness and accuracy of the climate-related risks identified and summarised in the Task Force on Climate-related Financial Disclosures report on page 50. The Group identified in the 'Impact of climate change on the financial statements and related notes' section of note 3 to the financial statements a number of key judgements and estimates with elevated climate-change and energy transition related risks, relating to: impairment of goodwill and property, plant and equipment; depreciation and useful economic lives of property, plant and equipment, intangible assets (exploration and evaluation assets); and decommissioning provisions.

We considered whether the risks identified by management within their climate change risk assessment and related documentation are consistent with our own analysis and challenged the key climate related assumptions impacting the financial statements. The key market-related matter which could have a material impact on the carrying value of the items noted above is the future demand for, and pricing of, oil and gas as the energy mix evolves in response to climate change risk and other matters. We also assessed the disclosures within the Annual Report, with the involvement of our climate specialists, and considered whether these were materially consistent with the financial statement disclosures, complete and consistent with our understanding of the climate-related risks, assumptions and judgments during the year. We have specifically considered the potential impact on the carrying value of Rosebank, as disclosed in note 3, of the updated environmental statement and consent application including scope 3 emissions. All of our key audit matters, are considered to be impacted to at least some degree by the impact of the energy transition on future demand for, and the pricing of, oil and gas, resulting in an impact on both costs and revenues, and in turn a risk of future impairment. Our consideration and response to this is discussed in the key audit matters section above.

### 8. Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Independent auditor's report to the members of Ithaca Energy plc continued

### 9. Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

### 10. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### 11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

#### 11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- the Group's own assessment of the risks that irregularities may occur either as a result of fraud or error that was approved by the Board;
- results of our enquiries of management both in and out of finance, internal audit, the directors and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's sector;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists, including tax, valuations, financial instruments, impairment, analytics and modelling, climate, IT and reserves specialists, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the key audit matter in relation to the valuation of goodwill and oil and gas assets. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, the Listing Rules of the UK Listing Authority and relevant tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. These included the Market Abuse Regulation, licence terms for the Group's oil and gas assets and environmental regulations.



## Independent auditor's report to the members of Ithaca Energy plc continued

### 11.2. Audit response to risks identified

As a result of performing the above, we identified the valuation of goodwill and oil and gas assets as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains this matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reading correspondence with HMRC and the North Sea Transition Authority ('NSTA'); and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

### Report on other legal and regulatory requirements

#### 12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

#### 13. Corporate Governance Statement

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 75;
- the directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 86;
- the directors' statement on fair, balanced and understandable set out on page 121;
- the Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 76;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 76 to 83; and
- the section describing the work of the Audit and Risk Committee set out on pages 117 to 123.



## Independent auditor's report to the members of Ithaca Energy plc continued

### 14. Matters on which we are required to report by exception

#### 14.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

#### 14.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the directors' remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

### 15. Other matters which we are required to address

#### 15.1. Auditor tenure

We were appointed by the Board in November 2022 to audit the Group financial statements for the year ending 31 December 2022 and subsequent financial periods. Prior to the Group's initial public offering in November 2022, we were previously appointed in March 2022 to audit the Company financial statements for the year ended 31 December 2021. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 5 years, covering the years ending 31 December 2021 to 31 December 2025.

#### 15.2. Consistency of the audit report with the additional report to the Audit and Risk Committee

Our audit opinion is consistent with the additional report to the Audit and Risk Committee we are required to provide in accordance with ISAs (UK).

### 16. Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.15R – DTR 4.1.18R, these financial statements will form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.

#### David Sweeney CA

For and on behalf of Deloitte LLP  
Statutory Auditor  
Glasgow, United Kingdom  
17 March 2026



## Consolidated statement of profit or loss

### For the year ended 31 December

	Note	2025 \$m	2024 \$m
Revenue	5	2,900.2	1,981.8
Other income	5	46.3	–
<b>Revenue and other income</b>		<b>2,946.5</b>	1,981.8
Cost of sales	6	(1,710.9)	(1,139.6)
<b>Gross profit</b>		<b>1,235.6</b>	842.2
Impairment charges on oil and gas assets	19	(77.5)	(263.0)
Exploration and evaluation expenses	14	(2.1)	(24.6)
Administrative expenses	7	(47.3)	(57.3)
Other (losses)/gains	8	(13.6)	26.4
<b>Profit from operations before tax, finance income and finance costs</b>		<b>1,095.1</b>	523.7
Finance income	9	9.8	11.2
Finance costs	9	(264.6)	(200.6)
<b>Profit before tax</b>		<b>840.3</b>	334.3
Income tax	28	(924.4)	(181.2)
<b>(Loss)/profit for the year</b>		<b>(84.1)</b>	153.1
<b>Earnings per share (EPS)</b>	Note	<b>2025 Cents</b>	<b>2024 Cents</b>
Basic	10	(5.1)	13.2
Diluted	10	(5.1)	13.0

The results above are entirely derived from continuing operations.

The year to 31 December 2025 includes the results of the JAPEX UK acquisition from 7 July 2025, the Cygnus acquisition from 1 October 2025 and the Eni UK business combination for the full year. The year to 31 December 2024 includes the results of the Eni UK business combination from 3 October 2024 (see note 17 for further details).

The accompanying notes on pages 175 to 214 are an integral part of the financial statements.



## Consolidated statement of comprehensive income

For the year ended 31 December

	Note	2025 \$m	2024 \$m
<b>(Loss)/profit for the year</b>		<b>(84.1)</b>	153.1
<b>Items that may be reclassified to profit and loss</b>			
Fair value gains/(losses) on cash flow hedges	30	<b>363.9</b>	(213.6)
Fair value gains/(losses) on cost of hedging	30	<b>68.1</b>	(50.8)
Fair value gains on investments in listed oil and gas shares		<b>10.7</b>	-
Deferred tax (charge)/credit on cash flow hedges, cost of hedging and fair value through OCI reserve movements	28	<b>(336.9)</b>	195.6
<b>Other comprehensive income/(expense)</b>		<b>105.8</b>	(68.8)
<b>Total comprehensive income for the year</b>		<b>21.7</b>	84.3

The accompanying notes on pages 175 to 214 are an integral part of the financial statements.



## Consolidated statement of financial position

### As at 31 December

	Note	2025 \$m	2024 Restated <sup>1</sup> \$m
<b>Assets</b>			
<b>Current assets</b>			
Inventories	13	253.4	283.8
Other financial assets		11.3	11.3
Trade and other receivables	11	355.6	417.6
Decommissioning reimbursements	11	64.9	23.2
Prepayments	12	29.4	42.2
Derivative financial instruments	31	267.8	33.0
Cash and cash equivalents		170.1	165.1
		<b>1,152.5</b>	<b>976.2</b>
<b>Non-current assets</b>			
Goodwill	18	1,338.8	1,129.5
Exploration and evaluation assets	14	606.0	612.5
Property, plant and equipment	15	4,745.5	4,188.4
Deferred tax assets	28	362.0	1,224.2
Investments in listed oil and gas shares		49.0	-
Decommissioning reimbursements	11	99.7	144.2
Derivative financial instruments	31	93.5	-
		<b>7,294.5</b>	<b>7,298.8</b>
<b>Total assets</b>		<b>8,447.0</b>	<b>8,275.0</b>
<b>Liabilities and equity</b>			
<b>Current liabilities</b>			
Borrowings	20	(14.1)	(13.0)
Trade and other payables	22	(610.3)	(566.5)
Other provisions	24	(7.6)	-
Current tax payable		(316.9)	(247.1)
Decommissioning liabilities	23	(328.0)	(152.7)
Lease liabilities	25	(59.1)	(19.4)
Contingent and deferred consideration	26	(111.1)	(303.5)
Derivative financial instruments	31	(9.3)	(130.5)
		<b>(1,456.4)</b>	<b>(1,432.7)</b>



**Consolidated statement of financial position** continued  
As at 31 December

	Note	2025 \$m	2024 Restated <sup>1</sup> \$m
<b>Non-current liabilities</b>			
Borrowings	20	(1,407.7)	(1,011.9)
Decommissioning liabilities	23	(2,753.9)	(2,502.4)
Lease liabilities	25	(53.1)	(20.7)
Other provisions	24	(3.6)	(36.2)
Contingent and deferred consideration	26	(199.9)	(209.7)
Derivative financial instruments	31	(0.6)	(21.0)
		<b>(4,418.8)</b>	<b>(3,801.9)</b>
<b>Total liabilities</b>		<b>(5,875.2)</b>	<b>(5,234.6)</b>
<b>Net assets</b>		<b>2,571.8</b>	<b>3,040.4</b>
<b>Shareholders' equity</b>			
Share capital	27	20.0	20.0
Share premium	27	308.8	308.8
Merger reserve	27	852.8	852.8
Capital contribution reserve	27	181.9	181.9
Own shares	27	(4.7)	(9.6)
Share-based payment reserve	27	21.3	18.8
Cash flow hedge reserve	30	64.3	(15.7)
Cost of hedging reserve	30	6.0	(9.1)
Fair value through OCI reserve		10.7	-
Retained earnings		1,110.7	1,692.5
<b>Total equity</b>		<b>2,571.8</b>	<b>3,040.4</b>

1 The excess over the nominal value of the shares issued on the completion of the Eni UK business combination on 3 October 2024 of \$852.8 million has been reclassified from share premium to merger reserve (see note 2 for further details).

The accompanying notes on pages 175 to 214 are an integral part of the financial statements.

Approved on behalf of the Board on 17 March 2026:

**Iain C S Lewis**

Director



## Consolidated statement of changes in equity

### For the year ended 31 December

	Note	Share capital \$m	Share premium \$m	Merger reserve \$m	Capital contribution reserve \$m	Own shares \$m	Share-based payment reserve \$m	Cash flow hedge reserve \$m	Cost of hedging reserve \$m	Fair value through OCI reserve \$m	Retained earnings \$m	Total \$m
<b>Balance at 1 January 2024</b>		11.5	308.8	–	181.9	(12.4)	15.5	39.9	4.1	–	1,972.1	2,521.4
Dividends paid	34	–	–	–	–	–	–	–	–	–	(432.7)	(432.7)
Issuance of shares	27	8.5	852.8	–	–	–	–	–	–	–	–	861.3
Share-based payments	27	–	–	–	–	2.8	3.3	–	–	–	–	6.1
<i>Comprehensive income for the year:</i>												
Profit for the year		–	–	–	–	–	–	–	–	–	153.1	153.1
Other comprehensive expense		–	–	–	–	–	–	(55.6)	(13.2)	–	–	(68.8)
<i>Total comprehensive income/(expense) for the year</i>		–	–	–	–	–	–	(55.6)	(13.2)	–	153.1	84.3
<b>Balance at 31 December 2024 as previously stated</b>		<b>20.0</b>	<b>1,161.6</b>	<b>–</b>	<b>181.9</b>	<b>(9.6)</b>	<b>18.8</b>	<b>(15.7)</b>	<b>(9.1)</b>	<b>–</b>	<b>1,692.5</b>	<b>3,040.4</b>
Reclassification <sup>1</sup>		–	(852.8)	852.8	–	–	–	–	–	–	–	–
<b>Balance at 31 December 2024 and 1 January 2025 as restated</b>		<b>20.0</b>	<b>308.8</b>	<b>852.8</b>	<b>181.9</b>	<b>(9.6)</b>	<b>18.8</b>	<b>(15.7)</b>	<b>(9.1)</b>	<b>–</b>	<b>1,692.5</b>	<b>3,040.4</b>
Dividends paid	34	–	–	–	–	–	–	–	–	–	(497.7)	(497.7)
Share-based payments	27	–	–	–	–	4.9	2.5	–	–	–	–	7.4
<i>Comprehensive income for the year:</i>												
Loss for the year		–	–	–	–	–	–	–	–	–	(84.1)	(84.1)
Other comprehensive income		–	–	–	–	–	–	80.0	15.1	10.7	–	105.8
<i>Total comprehensive income/(expense) for the year</i>		–	–	–	–	–	–	80.0	15.1	10.7	(84.1)	21.7
<b>Balance at 31 December 2025</b>		<b>20.0</b>	<b>308.8</b>	<b>852.8</b>	<b>181.9</b>	<b>(4.7)</b>	<b>21.3</b>	<b>64.3</b>	<b>6.0</b>	<b>10.7</b>	<b>1,110.7</b>	<b>2,571.8</b>

<sup>1</sup> The excess over the nominal value of the shares issued on the completion of the Eni UK business combination on 3 October 2024 of \$852.8 million has been reclassified from share premium to merger reserve (see note 2 for further details).

The accompanying notes on pages 175 to 214 are an integral part of the financial statements.



## Consolidated statement of cash flows

### For the year ended 31 December

	Note	2025 \$m	2024 \$m
<b>Cash provided by/(used in):</b>			
<b>Operating activities</b>			
Profit before tax		840.3	334.3
<b>Adjustments for:</b>			
Depletion, depreciation and amortisation	15	840.6	600.2
Exploration and evaluation expenses	14	2.1	24.6
Impairment charges on oil and gas assets	19	77.5	263.0
Fair value remeasurements of contingent consideration	8	22.8	(27.3)
Loan fee amortisation	9	11.1	13.2
Fair value gains on derivatives	30	(15.9)	(0.4)
Accretion on deferred consideration and decommissioning liabilities less accretion on decommissioning reimbursements	9	125.5	82.9
Finance costs	9	128.0	104.5
Finance income	9	(9.8)	(11.2)
Unrealised foreign exchange		2.1	1.1
Changes in provisions		13.6	-
Movements in cash flow hedges not yet settled		(27.0)	-
Other non-cash income		(9.4)	-
Share-based payment expenses	33	7.4	6.1
Decommissioning expenditure	23	(107.2)	(94.1)
Decommissioning reimbursements net of taxation <sup>1</sup>	11	25.3	22.5
<b>Operating cash flows before movements in working capital</b>		<b>1,927.0</b>	<b>1,319.4</b>
Decrease/(increase) in inventories		29.3	(84.2)
Decrease in trade and other receivables		84.5	91.5
Decrease in trade and other payables		(49.8)	(131.5)
<b>Operating cash flows</b>		<b>1,991.0</b>	<b>1,195.2</b>
Taxation paid		(262.9)	(351.3)
Settlement of foreign exchange and commodity derivative financial instruments		7.4	(1.8)
Finance income	9	9.8	11.2
<b>Net cash from operating activities</b>		<b>1,745.3</b>	<b>853.3</b>

1 The comparative amount of \$22.5 million was included in the line "decrease in trade and other receivables" in the 2024 Annual Report and Accounts.



**Consolidated statement of cash flows** continued  
For the year ended 31 December

	Note	2025 \$m	2024 \$m
<b>Investing activities</b>			
Capital expenditure		<b>(884.3)</b>	(464.1)
Business combinations cash acquired	17	<b>16.1</b>	107.5
Acquisition of businesses and subsidiary undertakings	17	<b>(309.5)</b>	–
Investment in other financial assets		–	(11.3)
Other investments in listed oil and gas shares		<b>(38.3)</b>	–
Deferred consideration payments	26	<b>(234.0)</b>	–
Contingent consideration payments	26	<b>(1.6)</b>	(23.0)
<b>Net cash used in investing activities</b>		<b>(1,451.6)</b>	(390.9)
<b>Financing activities</b>			
Dividends paid	34	<b>(497.7)</b>	(432.7)
Payments for lease liabilities (principal)	25	<b>(46.7)</b>	(27.9)
Drawdown of RBL loan		<b>200.0</b>	150.0
Repayment of RBL loan		<b>(350.0)</b>	–
Fees paid on RBL refinancing	20	–	(31.6)
Proceeds of senior notes due 2029 net of repayment of senior notes due 2026 and fees <sup>1</sup>	20	–	86.8
Net proceeds of senior notes due 2031 <sup>2</sup>	20	<b>523.9</b>	–
Repayment of bp loan	20	–	(100.0)
Interest and charges paid		<b>(121.7)</b>	(94.7)
Interest rate swaps	30	–	0.6
<b>Net cash used in financing activities</b>		<b>(292.2)</b>	(449.5)
Currency translation differences relating to cash		<b>3.5</b>	(1.0)
<b>Increase in cash and cash equivalents</b>		<b>5.0</b>	11.9
Cash and cash equivalents at 1 January		<b>165.1</b>	153.2
<b>Cash and cash equivalents at 31 December</b>		<b>170.1</b>	165.1

- 1 A net receipt of \$86.8 million in the year to 31 December 2024 reflects senior notes due 2029 proceeds of \$750.0 million less repayment of senior notes due 2026 of \$625.0 million less fees and interest of \$38.2 million comprising \$14.1 million of early repayment charges and \$15.1 million interest on the senior notes due 2026 and \$9.0 million of fees in relation to the senior notes due 2029.
- 2 A net receipt of \$523.9 million was received in the year to 31 December 2025 reflecting gross proceeds of \$529.6 million less direct initial fees of \$5.7 million. In addition, \$5.3 million of fees were subsequently paid which are included within 'interest and charges paid' above.

The accompanying notes on pages 175 to 214 are an integral part of the financial statements.



## Notes to the 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, W1G 0PP, United Kingdom.

### 2. Basis of preparation

The consolidated financial statements are prepared in accordance with United Kingdom adopted International Accounting Standards (IAS) and in conformity with the requirements of the Companies Act 2006.

The consolidated financial statements are presented in US Dollars as this is the functional currency of the business. All values are presented in millions (\$m) rounded to one decimal place, except where otherwise indicated.

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the periods presented.

### Prior period reclassification

The excess of the fair value over the nominal value of the shares issued on the completion of the Eni UK business combination on 3 October 2024 was classified incorrectly to share premium and has been reclassified to merger reserve in order to comply with Section 612 of the Companies Act 2006. Details of amounts as previously stated, prior period reclassifications and amounts as restated were:

Statement of financial position as at 31 December 2024:	As previously stated	Prior period reclassification	As restated
Share premium (\$m)	1,161.6	(852.8)	<b>308.8</b>
Merger reserve (\$m)	–	852.8	<b>852.8</b>

### 3. Material accounting policies, judgements and estimation uncertainty

#### Basis of measurement

The 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 International Financial Reporting Standards (IFRS), to fair value, including derivative instruments. Historical cost is generally based on the fair value consideration given in exchange for the assets and liabilities.

#### Going concern

Management closely monitor 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 impact on the Group's ability, and the Parent Company'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.

### 3. Material accounting policies, judgements and estimation uncertainty continued

The Directors consider the preparation of the financial statements on a going concern basis to be appropriate. This is due to the following key factors:

- A well-hedged portfolio over the next 12 months;
- Reserves Based Lending (RBL) is undrawn providing liquidity headroom of \$1,300 million, plus \$214 million of cash at the end of February 2026; and
- Robust operational performance and a well-diversified portfolio.

Cash flow forecast – base case assumptions:		2026	H1 2027
Average oil price	\$/bbl	68	66
Average gas price	p/th	83	72
Average hedged oil price (including floor price for zero cost collars)	\$/bbl	63	66
Average hedged gas price (including floor price for zero cost collars)	p/th	84	76

The oil and gas price assumptions used in the going concern and viability assessments represent management's current best estimates of future commodity prices at the date of approval of the Annual Report and Accounts, as supported by data from third-party analysis, whereas the commodity prices used in impairment testing (see note 19) are based on market conditions at 31 December 2025.

Owing to the ongoing fluctuations in commodity demand and price volatility, management prepared sensitivity analyses 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. In addition, reverse stress tests have been performed reflecting further reductions in commodity prices, prior to any mitigating actions, to determine at what levels prices would have to reach such that there is no liquidity headroom left. The stress tests demonstrated that the likelihood of the fall in prices required to cause a liquidity issue is considered sufficiently remote in the context of the mitigation strategies available to management. The mitigation strategies within the control of management include a reduction in uncommitted capital expenditure and variable opex savings in the low production scenario. The analysis demonstrated that the Group would still continue to comply with financial covenants and have sufficient liquidity throughout the period to 30 June 2027 to continue trading.

Notwithstanding the Group having net current liabilities at 31 December 2025 of \$303.9 million (31 December 2024: \$456.5 million), there are sufficient undrawn facilities available to enable current liabilities to be settled as they fall due.



## Notes to the consolidated financial statements continued

### 3. Material accounting policies, judgements and estimation uncertainty continued

Based on their assessment of the Group's financial position in the period to 30 June 2027, 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 financial statements.

#### Basis of consolidation

The consolidated financial statements of the Group includes the financial information of Ithaca Energy plc and all wholly-owned subsidiaries as set out in note 32. All intergroup transactions and balances have been eliminated on consolidation.

Subsidiaries are all entities over which the Group has control. The plc controls an entity when the Group is exposed to or has rights to variable returns from its investments with the entity and has the ability to affect those returns through its power over the investee. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated on the date that control ceases.

#### Impact of climate change on the financial statements and related notes

Judgements in respect of exploration and evaluation assets and estimates made for all other areas in assessing the impact of climate change and the energy transition

Climate change and the transition to a lower-carbon system were considered in preparing the consolidated financial statements. These may have the potential for significant impacts on the carrying values of the Group's assets and liabilities discussed below as well as on assets and liabilities that may be reflected in the future. There is also the potential for significant impact on future cash flows. There is generally a high level of uncertainty about the speed and magnitude of impacts of climate change which, together with limited historical data, provides significant challenges in the preparation of forecasts and financial plans with a wide range of potential future outcomes.

The Group's ambition is to have one of the lowest carbon emission portfolios in the UK North Sea and to achieve Net Zero (whereby the amount of CO<sub>2</sub> added by the Group's activities is no greater than the amount taken away), on a net equity basis (by applying the Group's working interest in each respective asset to the total emissions of that asset), and in respect of Scope 1 and 2 emissions, by 2040, ten years ahead of the North Sea Transition Deal commitment. This will be achieved by optimising the Group's current portfolio in the short term and fundamentally transitioning the Group's portfolio over the medium to long term whilst maintaining forecast levels of production. Initiatives include, but are not limited to, operational improvements, offshore electrification, acquisition and investment into lower carbon intensity assets and the eventual cessation of production of mature fields which have higher carbon intensity. In addition, the Eni UK business combination in 2024 and the Seagull and Cygnus acquisitions in 2025 have added relatively low emission assets, thereby reducing the carbon footprint of the Group. Where the Group cannot reduce Scope 1 and Scope 2 emissions, Ithaca Energy will invest in carbon offsets to achieve the Group's goal of Net Zero. All new economic investment decisions include estimated costs of the energy transition based on existing technology and estimated costs of carbon and these opportunities are assessed on their climate impact potential and alignment with Ithaca Energy's Net Zero target, taking into account both greenhouse gas volumes and emissions intensity.

Specific considerations of the potential impacts of climate change on significant judgements and estimates used in the consolidated financial statements are considered below. The items outlined below are likely to manifest themselves over a number of years and are, therefore, not generally considered to represent 'key sources of estimation uncertainty' as required by IAS 1 (being those which could have a material impact on the Group's results in the 12 months following the date of the consolidated statement of financial position) which are separately disclosed later in this note.

### 3. Material accounting policies, judgements and estimation uncertainty continued

#### Impairment of goodwill and property, plant and equipment

The energy transition has the potential to significantly impact future commodity and carbon prices in that as the UK and global energy system decarbonises, reduced demand for oil and gas products in favour of low carbon alternatives could cause oil and gas prices to fall which would, in turn, affect the recoverable amount of goodwill and property, plant and equipment. In the current period management's estimate of the long-term commodity price assumptions are, in nominal terms from 2032, \$80/bbl for Brent Crude and 79p/therm for UK NBP gas. Further details of climate change, including a sensitivity in this area are provided in note 19.

Recoverable values used for impairment testing for all cash-generating units (CGUs) include the estimated cost of UK carbon emissions allowances in real terms for CO<sub>2</sub>e of £45/tonne, £65/tonne and £80/tonne for 2026, 2027 and 2028 respectively. The recoverable value of CGU's may be impacted by future carbon pricing legislation changes, which could increase operating costs through higher emissions allowances or the introduction of other carbon pricing mechanisms. Electrification of offshore operations for specific assets is planned in line with the Group's 2040 Net Zero ambitions and where feasible based on existing technology and economic value, estimated electrification costs of a market participant are included within the assessment of the recoverable value of the relevant CGU.

#### Property, plant and equipment – depreciation and useful economic lives

The energy transition has the potential to reduce the expected useful economic lives of assets and hence accelerate depreciation charges. Although no changes have been identified or recognised to date, as noted in the Strategic Report on page 58, it is anticipated that certain higher emission-intensity assets such as FPF-1 and Alba will cease production in the short to medium term and will be replaced by new lower-emission intensity assets. Management does not currently expect the useful economic lives of the Group's reported property, plant and equipment to significantly change solely as a result of the energy transition. However, significant capital expenditure is still required for ongoing projects and therefore, the useful lives of future capital expenditure may be different.

#### Intangible assets – exploration and evaluation assets

The impacts of climate change and the energy transition may affect the viability of exploration prospects, for example, due to the impact on future commodity and carbon prices (as explained above) or due to the increased risk of regulatory challenge as prospects progress through to development. The recoverability of the existing intangibles was considered during 2025, however, no significant write-offs were identified as a result of climate change considerations. Viability of these assets will continue to be assessed on a regular basis.

#### Decommissioning provisions

Most of the Group's existing decommissioning obligations are estimated to be completed over the course of the next 20 years. The impacts of climate change and the energy transition may bring forward the expected timing of decommissioning activity, increasing the present value of the associated decommissioning provisions. The potential impact of a reasonably possible acceleration of estimated decommissioning dates, which considers the potential impact of the energy transition, is considered to be two years. The impact of such an acceleration of cessation of production across the Group's producing assets with estimated cessation of production dates from 2028 onwards, would result in an increase in the decommissioning provision of approximately \$109 million (2024: \$93 million). The risk in this area may increase if key assets within the Group's existing exploration, appraisal and development portfolio proceed to the production stage, as this is likely to significantly extend the life of the Group's portfolio, in some cases to 2050 or beyond.

## Notes to the consolidated financial statements continued

### 3. Material accounting policies, judgements and estimation uncertainty continued

While the pace of the transition to a lower-carbon economy is uncertain, oil and gas demand is expected to remain a key element of the energy mix for many years based on stated policies, commitments and announced pledges to reduce emissions. Therefore, given the estimated useful lives of the Group's oil and gas portfolio, a material adverse change is not anticipated to the carrying value of the Group's assets and liabilities in the short term as a result of climate change and the transition to a lower-carbon economy.

#### Business combinations

Business combinations are accounted for using the acquisition method. The cost of a business combination is measured as the fair value of the consideration given for the assets acquired, equity instruments issued and liabilities incurred or assumed at the date of completion of the business combination. Transaction costs incurred are expensed and included in administrative expenses. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the date of the business combination. The excess of the cost of the business combination over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of the business combination is less than the Group's share of the net assets acquired, the difference is recognised directly in the consolidated statement of profit or loss as a gain on bargain purchase.

#### Goodwill

##### Capitalisation

Goodwill is initially recognised and measured as set out above. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

In the event of a business combination or acquisition of an interest in a joint operation in which the activity constitutes a business, as defined in IFRS 3 Business Combinations, the acquisition method of accounting is applied. Goodwill represents the difference between the aggregate of the fair value of purchase consideration transferred at the acquisition date and the fair value of the identifiable assets, liabilities and contingent liabilities acquired, less any non-controlling interest. If, however, the fair value of the purchase consideration transferred is lower than the fair value of the identifiable assets and liabilities acquired, less non-controlling interest, the difference is recognised in the income statement as negative goodwill. The Group's goodwill is related to the requirement to recognise deferred tax for the difference between the assigned fair values and the related tax base (technical goodwill). The fair value of the Group's licences are based on post-tax cash flows or benchmarked multiples. In accordance with IAS 12 paragraphs 15 and 24, a provision is made for deferred tax corresponding to the difference between the acquisition cost and the transferred tax depreciation basis. The offsetting entry to this deferred tax is goodwill. Hence, goodwill arises as a technical effect of deferred tax. Impairments are expected to arise as the deferred tax liability naturally unwinds in the normal course of business. Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's operating segments. This is subsequently tested for impairment at the Group's operating segment level based on the aggregation of any headroom arising from asset impairment tests.

### 3. Material accounting policies, judgements and estimation uncertainty continued

#### Impairment

Goodwill is tested annually for impairment and also when circumstances indicate that the carrying value may be at risk of being impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU or Group of CGUs to which the goodwill relates. If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss is recognised in the consolidated statement of profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods. The CGU for the purposes of the goodwill test is the North Sea, i.e. the entire Group portfolio of oil and gas assets (including E&E assets) which is consistent with the operating segment view of the business.

#### Investments

Investments in listed oil and gas shares are initially recorded at cost and are subsequently remeasured on a fair value through other comprehensive income basis due to an irrevocable designation having been made in this respect.

#### Interest in joint ventures

Under IFRS 11, joint arrangements are those that convey joint control which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor.

The Group's interest in joint operations (e.g. exploration and production arrangements) are accounted for by recognising its assets (including its proportionate share of assets held jointly), its liabilities (including its proportionate share of liabilities incurred jointly), its revenue from the sale of its proportionate share of the output arising from the joint operation and its expenses (including its proportionate share of any expenses incurred jointly).

#### Revenue

The sale of crude oil, gas or condensate represents a single performance obligation, being the sale of barrels equivalent on collection of a cargo or on delivery of commodity into an infrastructure. Revenue is accordingly recognised for this performance obligation when control over the corresponding commodity is transferred to the customer. Revenue is recognised at a point in time and is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected for third parties. Details of hedging gains and losses presented in revenue are discussed in the hedging accounting policy set out below.

Tariff income is recognised as the underlying commodity is shipped through the pipeline network based on established tariff rates.



## Notes to the consolidated financial statements continued

### 3. Material accounting policies, judgements and estimation uncertainty continued

#### Foreign currency translation

Items included in these consolidated financial statements are measured using the currency of the primary economic environment in which the Group and its subsidiaries operate (the functional currency). The consolidated financial statements are presented in US Dollars, which is the Group's presentation currency as well as the functional currency of the Parent Company and each of its subsidiaries. In preparing the financial statements of the Parent and its subsidiaries, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- Exchange differences on transactions entered into to hedge certain foreign currency risks (see below under financial instruments/hedge accounting).

#### Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders. Details of dividends paid and declared are set out in note 34.

#### Financial instruments

All financial instruments are initially recognised at fair value on the statement of financial position. Measurement in subsequent periods is dependent on the classification of the respective financial instrument.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the carrying amount of the financial asset derecognised and the consideration received/receivable is recognised in profit or loss.

### 3. Material accounting policies, judgements and estimation uncertainty continued

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The Group considers whether refinancing arrangements represent settlement of the existing debt and issuance of a new debt or an exchange or modification of the previous debt. In making this assessment, the Group considers, amongst other factors, pre-existing early redemption options in the original agreement, the group of lenders to which the new debt is offered and any preferential terms or rights given to the original lenders. Where the new debt is considered to represent an arms-length market offering, the issuance of the new debt is viewed as separate from the extinguishment of the old debt and is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid/payable (excluding consideration payable for fees incurred on the new liability or accrued interest) is recognised in profit or loss.

#### IFRS 9 classifications

Cash and cash equivalents are classified at amortised cost which equates to its fair value. Accounts receivable and long-term receivables are classified and carried at amortised cost less expected credit losses. These items have a business model of held to collect and the terms of the financial instrument meet the classification of solely payments of interest on principle outstanding.

Accounts payable, accrued liabilities, certain other long-term liabilities and borrowings are classified as other financial liabilities and carried at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, discount or premium. Contingent consideration is measured at fair value though profit or loss. Although the Group does not intend to trade its derivative financial instruments, they are required to be carried at fair value with the treatment of fair value movements explained further below.

#### Transaction costs, presentation and cash flows

Transaction costs that are directly attributable to the acquisition or issue of a financial asset or liability (excluding the costs directly attributable to the new loan commitment facilities) have been included in the carrying value of the related financial asset or liability and are amortised to consolidated net earnings over the life of the financial instrument using the effective interest method.

Directly attributable fees paid on the establishment of new loan commitment facilities are capitalised to the extent that it is probable that some or all of the facility will be drawn down. These costs are recognised on a systematic basis over the period the Group is able to draw down. Fees that are calculated based on the usage of the facility (including letter of credit fees) are expensed as incurred.

Borrowings are presented as non-current when they are not due to be settled within 12 months after the reporting period or where the Group has the right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

Cash flows relating to refinancing are presented in the statement of cash flows on a net basis where that reflects the actual cash flows received by the Group. The refinancing proceeds in the statement of cash flows are stated after deduction of fees which were deducted from the amount paid to the Group. Other fees paid on refinancing are presented as a separate line item within financing activities or within Interest and charges paid in the statement of cash flows.



## Notes to the consolidated financial statements continued

### 3. Material accounting policies, judgements and estimation uncertainty continued

#### Impairment of financial assets

For trade receivables and accrued income, the Group applies a simplified approach in calculating expected credit losses (ECLs). Therefore, the Group does not track changes in credit risk, but instead recognises any material loss allowance based on lifetime ECLs at each reporting date. For all other financial assets, the Group measures the loss allowance using 12-month expected credit losses unless there was a significant increase in credit risk since initial recognition in which case the loss allowance is measured using lifetime expected credit losses.

In making this assessment whether the credit risk increased significantly since initial recognition, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. The Group considers that the credit risk increased significantly since initial recognition when the credit rating changes, the debtor has significant financial difficulty or if there was a breach of contract. For balances that are beyond 30 days overdue it is presumed to be an indicator of a significant increase in credit risk.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

#### Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to commodity risks, interest rate and foreign exchange rate risks. These instruments include: commodity swaps, collars and options; foreign exchange forward contracts and collars; and interest rate swaps. Further details of derivative financial instruments are disclosed in notes 30 and 31.

Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss on remeasurement of derivatives is recognised in profit or loss immediately unless the derivative is designated in a hedge relationship and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Group has both a legally enforceable right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives maturing in less than 12 months and expected to be realised or settled in less than 12 months are presented as current assets or current liabilities.

### 3. Material accounting policies, judgements and estimation uncertainty continued

#### Hedge accounting

The Group designates certain derivatives as hedging instruments in respect of commodity risks in cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio, but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

The Group designates only the intrinsic value of option contracts as a hedging instrument, i.e. excluding the time value of the option. The changes in the fair value of the aligned time value of the option are recognised in other comprehensive income and accumulated in the cost of hedging reserve. If the hedged item is transaction-related, the time value is reclassified to profit or loss when the hedged item affects profit or loss. If the hedged item is time period-related, then the amount accumulated in the cost of hedging reserve is reclassified to profit or loss on a rational basis – the Group applies straight-line amortisation. Those reclassified amounts are recognised in profit or loss in the same line as the hedged item. If the Group expects that some or all of the loss accumulated in the cost of hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedge reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'other gains and losses' line item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same revenue line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect other comprehensive income. Furthermore, if the Group expects that some or all of the loss accumulated in the cash flow hedge reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in other comprehensive income and accumulated in cash flow hedge reserve at that time remains in equity and is reclassified to profit or loss when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in the cash flow hedge reserve is reclassified immediately to profit or loss.



## Notes to the consolidated financial statements continued

### 3. Material accounting policies, judgements and estimation uncertainty continued

If a hedge of a transaction-related item is discontinued part way through the life of the hedge (e.g. due to early termination of the swap, hedging resets), but the hedged item is still expected to occur, the amounts deferred in equity would remain in equity until the earlier of: (i) the hedged transaction occurring; or (ii) expectation that the amount deferred in equity will not be recovered in the future periods.

Notes 30 and 31 set out details of the fair values of the derivative instruments used for hedging purposes, and movements in the cash flow hedge reserve and cost of hedging reserve in equity are detailed in note 30.

#### Contingent and deferred consideration

Contingent consideration in relation to a business combination or asset acquisition is accounted for as a financial liability and measured at fair value at the date of acquisition with any subsequent remeasurements recognised in profit or loss in accordance with IFRS 9. These fair values are generally based on risk-adjusted future cash flows discounted using appropriate discount rates. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the date of the business combination) about facts and circumstances that existed at the date of the business combination.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

Deferred consideration is measured at amortised cost because the amount payable in the future is fixed.

Settlement of contingent consideration is recorded as investing outflows in the cash flow statement to the extent that cumulative amounts paid do not exceed the amount recognised at the date of acquisition, with any excess recorded as an operating cash outflow. Settlement of deferred consideration is recorded as either an investing or financing outflow in the cash flow statement, depending on the substance of the arrangement at inception. Key considerations in forming this judgement will include the extent of inferred financing costs included in the overall consideration arrangements at acquisition, the period of time over which the payments are made, the rationale for agreeing to defer elements of the consideration and the general level of funding resources available to the Group at the time of acquisition.

#### Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include investments with an original maturity of three months or less. In the statement of financial position, cash and bank balances comprise cash (i.e. cash on hand and demand deposits) and cash equivalents. Cash equivalents are short-term (generally with original maturity of three months or less), highly-liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

### 3. Material accounting policies, judgements and estimation uncertainty continued

#### Inventories – hydrocarbon and materials

Inventories of materials are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is determined on the first-in, first-out method. Current hydrocarbon inventories are stated at net realisable value, which is based on estimated selling price less any further costs expected to be incurred to completion and disposal/sale. Non-current oil and gas inventories are stated at historic cost. Provision is made for obsolete, slow-moving and defective items where appropriate.

#### Lifting or offtake arrangements

Lifting or offtake arrangements for oil and gas produced in certain of the Group's oil and gas properties are such that each participant may not receive and sell its precise share of the overall production in each period. The resulting imbalance between cumulative entitlement and cumulative volume sold is an 'underlift' included within inventories, or an 'overlift' included within trade and other payables in the statement of financial position. Both are stated at net realisable value using an observable year-end oil or gas market price. Movements during an accounting period are adjusted through cost of sales in the consolidated statement of profit or loss.

#### Exploration and evaluation assets

##### Oil and gas expenditure – exploration and evaluation (E&E) assets

Geological and geophysical costs and costs incurred pre-licence are expensed as incurred. Costs directly associated with an exploration well are initially capitalised as an intangible asset until the drilling of the well is complete and the results have been evaluated. These costs include employee remuneration, materials and fuel used, freight costs and payments made to contractors. If potentially commercial quantities of hydrocarbons are not found, the exploration well costs are written off. If hydrocarbons are found and, subject to further appraisal activity, are likely to be capable of commercial development, the costs continue to be carried as an asset. If it is determined that development will not occur, that is, the efforts are not successful, then the costs are expensed.

Costs directly associated with appraisal activity undertaken to determine the size, characteristics and commercial potential of a reservoir following the initial discovery of hydrocarbons, including the costs of appraisal wells where hydrocarbons were not found, are initially capitalised as an intangible asset. Upon external approval for development and recognition of proved or sanctioned probable reserves, the relevant expenditure is first assessed for impairment and, if required, an impairment loss is recognised. The remaining balance is then transferred to development and production (D&P) assets. If development is not approved and no further activity is expected to occur, then the costs are expensed.

The determination of whether potentially economic oil and natural gas reserves have been discovered by an exploration well is usually made within one year of well completion, but can take longer, depending on the complexity of the geological structure. Exploration wells that discover potentially economic quantities of oil and natural gas in areas where major capital expenditure (e.g. an offshore platform or a pipeline) would be required before production could begin and where the economic viability of that major capital expenditure depends on the successful completion of further exploitation or appraisal work in the area remain capitalised on the balance sheet as long as such work is under way or firmly planned.



## Notes to the consolidated financial statements continued

### 3. Material accounting policies, judgements and estimation uncertainty continued

#### Property, plant and equipment

##### Oil and gas expenditure – D&P assets

###### Capitalisation

Costs of bringing a field into production, including the cost of facilities, wells and subsea equipment, direct costs including staff costs together with E&E assets reclassified in accordance with the above policy, are capitalised as a D&P asset. Normally each individual field development will form an individual D&P asset but there may be cases, such as phased developments, or multiple fields around a single production facility when fields are grouped together to form a single D&P asset.

###### Depreciation

All costs relating to a development are accumulated and not depreciated until the commencement of production. Depreciation is calculated on a unit of production basis based on the proved and probable reserves of the asset generally on a field-by-field basis. Any re-assessment of reserves affects the depreciation rate prospectively. Significant items of plant and equipment will normally be fully depreciated over the life of the field. However, these items are assessed to consider if their useful lives differ from the expected life of the D&P asset.

##### Non-oil and natural gas operations

Non-oil and gas assets are initially recorded at cost and depreciated over their estimated useful lives on a straight-line basis as follows: buildings 10 years, computers and office equipment 3 years and furniture and fittings 5 years.

##### Impairment

For impairment review purposes the Group's oil and gas assets are aggregated into CGUs typically on a field-by-field basis for development and production assets in accordance with IAS 36, and on a North Sea segment basis for exploration and evaluation assets in accordance with IFRS 6. A review is carried out at each reporting date for any indicators that the carrying value of the Group's assets may be impaired.

Such reviews are carried out on a field-by-field basis for both development and production assets and exploration and evaluation assets. For assets where there are such indicators, an impairment test is carried out on the CGU. The impairment test involves comparing the carrying value with the recoverable value of an asset. The recoverable amount of an asset is determined as the higher of its fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to the recoverable amount. The resulting impairment losses are written off to the consolidated statement of profit or loss. Previously impaired assets (excluding goodwill) are reviewed for possible reversal of previous impairment at each reporting date. The maximum possible reversal is capped at the net book value had the asset not been impaired in the past. Where an exploration and evaluation licence is relinquished, amounts capitalised in respect of the licence are written off to profit or loss in the period in which the licence is relinquished.

### 3. Material accounting policies, judgements and estimation uncertainty continued

#### Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed as incurred. Borrowing costs directly attributable to E&E assets are not capitalised and are expensed directly to profit or loss when incurred.

#### Decommissioning liabilities

The Group records the present value of legal obligations associated with the retirement of long-term tangible assets, such as producing well sites and processing plants, in the period in which they are incurred with a corresponding increase in the carrying amount of the related long-term asset. Liabilities for decommissioning are recognised when the Group has an obligation to plug and abandon a well, dismantle and remove a facility or an item of plant and restore the site on which it is located, and when a reliable estimate can be made. Where the obligation exists for a new facility or well, such as oil and gas production or transportation facilities, the obligation generally arises when the asset is installed or the ground/environment is disturbed at the field location. In subsequent periods, the asset is adjusted for any changes in the estimated amount or timing of the settlement of the obligations. The amount recognised is the present value of the estimated future expenditure determined in accordance with local conditions and requirements. Changes in decommissioning cost estimates for assets that have either been fully written off or have ceased production are expensed as impairment charges in the period the change occurs. The carrying amounts of the associated decommissioning assets are depleted using the unit of production method in accordance with the depreciation policy for development and production assets. Actual costs to retire tangible assets are deducted from the liability as incurred. The unwinding of discount in the net present value of the total expected cost is treated as an interest expense. Changes in the estimates are reflected prospectively over the remaining life of the field.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a reimbursement asset is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The amount recognised for the reimbursement may not exceed the amount of the provision.

#### Taxation

##### Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted by the reporting date. Taxable profit differs from net profit, as reported in the consolidated statement of profit or loss, because it excludes items of income or expense that are taxable or deductible in other accounting periods and it further excludes items of income or expenses that are never taxable or deductible.



## Notes to the consolidated financial statements continued

### 3. Material accounting policies, judgements and estimation uncertainty continued

#### Deferred tax

Deferred tax is recognised using the liability method, providing for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they are forecast to reverse, based on the laws that have been enacted or substantively enacted at each balance sheet date. Details of changes in EPL and other tax matters are set out in note 28. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill and deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and all available evidence is considered in evaluating the recoverability of these deferred tax assets. Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities relating to taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred Petroleum Revenue Tax (PRT) assets are recognised where PRT relief on future decommissioning costs is probable.

#### Leases

The Group assesses at contract inception all arrangements to determine whether it is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group is not a lessor in any transactions, it is only a lessee. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee. The Group has elected to apply Paragraph 6 of IFRS 16 to short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets (such as tablets and personal computers, small items of office furniture and telephones). Lease payments associated with these leases are expensed over the relevant lease term.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. The right-of-use asset is depreciated over the useful life of the asset.

The Group's right-of-use assets are included in property, plant and equipment (note 15).

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is generally not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group has elected to apply the practical expedient under IFRS 16.15 to account for lease and associated non-lease components as a single lease component on a class-of-asset basis.

### 3. Material accounting policies, judgements and estimation uncertainty continued

#### Maintenance expenditure

Expenditure on major maintenance refits or repairs is capitalised where it enhances the life or performance of an asset above its originally assessed standard of performance, replaces an asset or part of an asset which was separately depreciated and which is then written off, or restores the economic benefits of an asset which has been fully depreciated. All other maintenance expenditure is charged to the statement of profit or loss as incurred.

#### Share-based payments

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value is expensed over the vesting term either on a straight-line basis or as specified in the vesting terms, based on the Group's estimate of shares that will eventually vest and is adjusted for the effects of non-market-based vesting conditions.

Fair value is measured by using a Black-Scholes or other appropriate valuation model. The expected life used in the model is adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations.

#### Retirement benefit costs

The Group operates a defined contribution pension scheme and payments into this plan are charged as an expense as they fall due. There is no further obligation to pay contributions into the plan once the contributions specified in the plan rules have been paid.

#### Short-term employee benefits

A charge or liability is recognised for benefits accruing to employees in respect of salaries, bonuses, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid for that service. Charges or liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

#### Segmental reporting

The Group operates a single class of business being oil and gas exploration, development and production and related activities in a single geographical area, presently being 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 reported to the Board and Chief Decision Making Officer. The Group's activities are considered to be an individual operating segment due to the nature of the Group's operations being consistent, and such operations existing in a single geographical region that is covered by the same regulations.

#### Changes in accounting pronouncements

The Group has adopted all new and amended IFRS Standards effective in the consolidated financial statements for the period 1 January 2024 to 31 December 2025. There was no material impact from these or from any of the amendments to existing standards and interpretations which were effective from 1 January 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

**Notes to the consolidated financial statements** continued**3. Material accounting policies, judgements and estimation uncertainty** continued**New and revised IFRS Standards in issue but not yet effective**

As at 31 December 2025, the Group had not applied the following new Standards or revisions to existing IFRS Standards, that have been issued but were not yet effective at that date.

Amendments to the SASB standards Revised IFRS Practice Statement 1 Management Commentary	Amendments to the SASB standards to enhance their international applicability Revised IFRS Practice Statement 1 Management Commentary
Amendments to IFRS 9 and IFRS 7	Amendments to the classification and measurement of financial instruments
Amendments to IFRS 9 and IFRS 7	Contracts referencing nature-dependent electricity
Annual improvements to IFRS IFRS 18	Annual improvements to IFRS Accounting Standards – volume 11 Presentation and disclosures in financial statements
IFRS 19	Subsidiaries without public accountability: disclosures
Amendments to IFRS 19	Amendments to IFRS 19 Subsidiaries without public accountability: disclosures
Translation to a Hyperinflationary Presentation Currency	Amendments to IAS 21

With the exception of IFRS 18, the Group does not expect that the adoption of the new Standards or amendments to existing Standards, listed above, will have a material impact on the consolidated financial statements of the Group in future periods.

IFRS 18 'Presentation and Disclosure in Financial Statements' will supersede IAS 1 'Presentation of Financial Statements' and is effective for annual periods beginning on or after 1 January 2027 subject to endorsement by the UK Endorsement Board.

IFRS 18 (and consequential amendments made to IAS 7 'Statement of Cash Flows', IAS 8 'Accounting Policies: Changes in Accounting Estimates and Errors', IAS 33 'Earnings per share' and IFRS 7 'Financial Instruments: Disclosures') introduces several new requirements that are expected to impact the presentation and disclosure of the Group's consolidated financial statements. These new requirements include:

- Requirements to classify all income and expenses included in the statement of profit or loss into one of five categories and to present two new mandatory subtotals.
- Requirement to use the operating profit subtotal as the starting point for the indirect method of reporting cash flows from operating activities in the statement of cash flows.
- Specific classification requirements for interest paid/received and dividends received in the statement of cash flows such that interest and dividend receipts are included as investing cash flows and interest paid as financing cash flows.
- Required disclosures about certain non-GAAP measures ('management defined performance measures') in a single note to the financial statements.
- Enhanced guidance on the aggregation of information across all the primary financial statements and the notes.

The Group's evaluation of the effect of adopting IFRS 18 is ongoing but it is not currently anticipated that IFRS 18 will have any material quantitative impact but will have a significant impact on the presentation of the Group's financial statements and related disclosures.

**3. Material accounting policies, judgements and estimation uncertainty** continued**Non-GAAP measures**

In measuring the Group's adjusted operating performance, additional financial measures derived from the reported results have been used by management in order to eliminate factors which distort year-on-year comparisons. The Group's adjusted performance is used to explain year-on-year changes when the effect of certain items is significant, including impairment charges on oil and gas assets, restructuring costs, business combination costs, one-off finance charges related to refinancing, the tax effect of these items where applicable and non-cash deferred tax charges on changes to EPL.

Adjusted EBITDAX, adjusted net income, adjusted EPS, unit operating expenditure, leverage ratio, adjusted net debt and certain other reported metrics are non-GAAP measures that are not specifically defined under IFRS or other generally accepted accounting principles. Further details are set out on pages 220 to 221.

**Critical judgements and key sources of estimation uncertainties****Key sources of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

**Estimates in oil and gas reserves and contingent resources**

The Group's estimates of oil and gas reserves and contingent resources, and the associated production forecasts, are used in the impairment testing of property, plant and equipment and goodwill, in the measurement of depletion and decommissioning provisions, the measurement of certain elements of contingent consideration, the going concern assessment, the viability assessment and in the determination of whether deferred tax assets are recoverable. The business of the Group is to enhance hydrocarbon recovery and extend the useful lives of mature and underdeveloped assets and associated infrastructure in a profitable and responsible manner. Estimates of oil and gas reserves and contingent resources require significant judgement. Factors such as the availability of geological and engineering data, reservoir performance data, drilling of new wells and estimates of future oil and gas prices all impact on the determination of the Group's estimates of its oil and gas reserves, which could result in different future production profiles affecting prospectively the discounted cash flows used in impairment testing.

The Group's estimates of reserves and resource volumes used for accounting purposes are built up from historically-matched models for operated assets and principally from operators' estimates for non-operated assets. A review process is undertaken to compare the results of the Group's internal estimates to those of an independent consultant to understand any differences in underlying assumptions to ensure there are no significant unreconciled differences between the estimates.

## Notes to the consolidated financial statements continued

### 3. Material accounting policies, judgements and estimation uncertainty continued

For the purposes of depletion and decommissioning estimates, the Group uses proved and probable reserves; and for the purposes of the impairment tests performed and deferred tax asset recoverability, the Group considers the same proved and probable reserves as well as risked resource volumes. These risking adjustments are reflective of management's assessment of technical and commercial factors that reflect the value considerations of a market participant. Changes in estimates of oil and gas reserves and resources resulting in different future production profiles will affect the discounted cash flows used in impairment testing, the anticipated date of decommissioning, the depletion charges in accordance with the unit of production method and the recoverability of deferred tax assets. The sensitivity of the Group's impairment tests and deferred tax recoverability assessments to key sources of estimation uncertainty, including reserves and resources, is discussed below.

#### Estimates in impairment of oil and gas assets and goodwill

Determination of whether the Group's oil and gas assets (note 15) or goodwill (note 18) have suffered any impairment requires an estimation of the recoverable amount of the CGU to which oil and gas assets and goodwill have been allocated. Projected future cash flows are used to determine a fair value less cost to sell to establish the recoverable amount. Key assumptions and estimates in the impairment models relate to: commodity prices that are based on an external view of forward curve prices that are considered to be a best estimate of what a market participant would use; discount rates which reflect management's estimate of a market participant post-tax weighted average cost of capital; and oil and gas reserves and resources on a risked basis as described above. Management's estimates of a market participant's view of pricing and discount rates are supplied by an independent consultant.

The sensitivity of the Group's carrying amounts to these assumptions is illustrated by the impairments and reversals disclosed in note 19, and by the sensitivity disclosures in note 19. Sensitivity disclosures include, in particular, the impact of a 20% reduction in forecast revenues.

#### Contingent consideration

Liabilities for contingent consideration have been recognised on certain business combinations, which are measured at fair value at acquisition and remeasured at fair value through profit and loss at each reporting date. The amounts of contingent consideration ultimately payable depend on several factors, including the progress of certain of the oil and gas properties acquired and the achievement of certain production and commodity price thresholds. Management has estimated the fair value as the aggregate value of each element of the contingent consideration in each case using an appropriate valuation technique, taking into account the likelihood of occurrence of each contingent event and the net present value of the amount potentially payable.

Where applicable, risking assumptions applied in the measurement of contingent consideration were consistent with those applied in the fair valuation of the related oil and gas properties. A 20% decrease in the probability of a trigger event occurring and hence a payment being due, with all other assumptions held constant, would result in a decrease in contingent consideration of \$81.8 million (2024: \$84.2 million). Whereas a 20% increase in probability of a trigger event occurring, with all other assumptions held constant, would result in an increase in contingent consideration of \$64.1 million (2024: \$77.1 million).

### 3. Material accounting policies, judgements and estimation uncertainty continued

#### Decommissioning provision estimates

Amounts used in recording a provision for decommissioning are estimates based on current legal and constructive requirements and current technology and price levels for the removal of facilities and plugging and abandoning of wells. Due to changes in relation to these items, the future actual cash outflows in relation to decommissioning are likely to differ in practice. To reflect the effects due to changes in legislation, requirements, technology and price levels, the carrying amounts of decommissioning provisions are reviewed on a regular basis. The effects of changes in estimates do not give rise to prior year adjustments and are dealt with prospectively. For operated assets, cost estimates are based on management's assessment of work programmes (including durations) and supply chain conditions including, amongst other factors, applicable vessel and rig rates and durations. For non-operated assets, cost estimates are arrived at by management's review of the basis of estimates as provided by the respective operators.

While the Group uses its best estimates and judgement, actual results could differ from these estimates. Expected timing of expenditure can also change, for example, in response to changes in laws and regulations or their interpretation, and/or due to changes in commodity prices. The payment dates are uncertain and depend on the production lives of the respective fields. Management does not expect any reasonable change in the expected timing of decommissioning to have a material effect on the decommissioning provisions, assuming cash flows remain unchanged. Decommissioning costs are expected to be incurred over the next 40 years. The Group uses a nominal discount rate of 3.74% for the first five years and 4.75% thereafter (31 December 2024: 4.38% for the first five years and 4.86% thereafter), based on the average risk-free rate over the second half of 2025, to discount the estimated costs. The inflation rate applied to estimated costs is 2.0% (2024: 2.0%). A reduction or an increase in this discount rate of 1% would increase or reduce the decommissioning liabilities by approximately \$300 million or \$260 million, respectively (2024: \$288 million or \$247 million, respectively), and is not expected to have a material impact on the corresponding decommissioning reimbursement asset. For further details regarding the estimated value, inputs and assumptions refer to note 23. Given the large number of variables involved, management consider that it is not practical to provide sensitivities for the various other individual assumptions but the aggregated impact of related changes in the next 12 months could be material.

#### Taxation estimates

The Group's operations are subject to a number of specific tax rules which apply to exploration, development and production companies such as the Energy Profits Levy (EPL) at 38%, ring-fenced Corporation Tax at 30%, the Supplementary Charge of 10% and the application of investment allowances. In addition, the tax provision is prepared before the relevant companies have filed their tax returns with the relevant tax authorities and, significantly, before these have been agreed. As a result of these factors, the tax provision process necessarily involves the use of a number of judgements and estimates, including those required in calculating the effective tax rate. The Group recognises deferred tax assets on unused tax losses where it is probable that future taxable profits will be available for utilisation. This requires management to make judgements and assumptions regarding the likelihood of future taxable profits and the amount of deferred tax that can be recognised. Further details regarding the estimated value and related inputs are set out in note 28.



## Notes to the consolidated financial statements continued

### 3. Material accounting policies, judgements and estimation uncertainty continued

The Group's deferred tax assets are recognised to the extent that taxable profits are expected to arise in the future against which tax losses and allowances in the UK can be utilised, including as a result of Group re-organisations and asset transfers. In accordance with IAS 12 Income Taxes, the Group assesses the recoverability of its deferred tax assets at each period end. Consistent with the impairment sensitivity described above, as at 31 December 2025, a 20% reduction in future revenues, with all other assumptions held constant, would eliminate current headroom and result in a deferred tax asset derecognition of \$145 million (2024: \$284 million). In such a scenario, the Group would also expect the Energy Security Investment Mechanism to be triggered thereby causing the EPL to be switched off early resulting in a reduction in the associated EPL deferred tax liability. The \$145 million (2024: \$284 million) derecognition assumes that cash flows are equivalent to taxable profits and that any reorganisation required to utilise certain deferred tax assets does not result in a displacement of other balances. As disclosed in note 28, there are unrecognised allowances of up to circa \$64 million (2024: circa \$147 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.

#### Other areas of estimation

The key assumptions concerning the future, and other sources of estimation uncertainty at the reporting period, that are not expected to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

#### Business combinations

During both 2024 and 2025, the Group has made material business combinations – see note 17 for further details of the provisional purchase price allocations, including the assets and liabilities acquired and the goodwill arising on the transactions. These have been accounted for as business combinations under IFRS 3. The assets and liabilities identified in the purchase price allocations include oil and gas assets, decommissioning liabilities, deferred tax assets and liabilities, and working capital.

The calculations of the fair value of the oil and gas assets acquired requires the Group to estimate the future cash flows expected to arise from the assets of the acquired businesses using discounted cash flow models. Key assumptions and estimates include: commodity prices, discount rates, and oil and gas reserves estimates. See above estimates in the impairment of oil and gas assets and goodwill section and estimates in oil and gas reserves and contingent resources section for further details regarding these assumptions. In addition, the Group has considered the value that a market participant would prescribe to prospective resources in determining the fair value of the oil and gas assets acquired.

The fair value of decommissioning provisions reflects historical events that have occurred up to and including the date of the business combination for which a decommissioning obligation exists and future decommissioning expenditure is expected to be incurred. Where the Group acquires a further interest in a field for which it already holds a working interest, the fair value of the decommissioning liabilities would typically be the existing decommissioning provision for that field proportionately adjusted for the change in working interest.

In determining the values of the deferred tax assets recognised on business combinations, the Group has also made assumptions in respect of the amount of tax losses brought forward, which will be available to offset against future taxable profits of the Group.

### 3. Material accounting policies, judgements and estimation uncertainty continued

#### Critical accounting judgements

The following is the only critical judgement, apart from those involving estimation (which are presented separately above), that the Directors have made in applying the Group's accounting policies and that has the most significant effect on the amounts recognised in the financial statements.

#### Rosebank carrying value

Management has reviewed the pre-tax carrying value of the Rosebank field of \$872 million or post-tax \$566 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. The revised Environmental Statement has been submitted and we await the next stage of the process. 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 the first half of 2027. As a result no impairment charge is required.

### 4. Segmental reporting

The Group operates a single class of business being oil and gas exploration, development and production and related activities in a single geographical area, presently being 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 reported to the Board and Chief Decision Making Officer. The Group's activities are considered to be an individual operating segment due to the nature of the Group's operations being consistent, and such operations existing in a single geographical region that is covered by the same regulations.

**Notes to the consolidated financial statements** continued**5. Revenue and other income**

The majority of payment terms are on a specified monthly date, as detailed in the initial contract. Otherwise, payment is due within 30 days of the invoice date. No significant judgements have been made in determining the timing of satisfaction of performance obligations, the transaction prices and the amounts allocated to performance obligations. Other income relates to tariff income receivable in the year.

Revenue from two customers exceeded 10% of the Group's consolidated revenue arising from hydrocarbon sales for the year ended 31 December 2025, representing \$1,642 million and \$1,039 million of revenue, respectively (2024: two customers representing \$1,284 million and \$420 million of revenue, respectively). It should be noted that the second largest customer in both 2025 and 2024 is a related party and further details of related party transactions are set out in note 32.

Revenue from contracts with customers derives largely from customers within a single geographical region, being the United Kingdom. Revenue from contracts with customers outside of the United Kingdom is immaterial and is, therefore, not disclosed separately.

	2025 \$m	2024 \$m
Oil sales	1,533.7	1,176.3
Gas sales	1,117.2	599.0
Condensate sales	80.9	46.4
Total revenue from contracts with customers	2,731.8	1,821.7
Realised gains on oil derivative contracts	58.6	2.5
Premium payments on oil derivative contracts	–	(1.7)
Realised gains on gas derivative contracts	61.8	132.5
Premium payments on gas derivative contracts	(0.3)	(3.2)
Tariff income	30.2	30.0
Other revenue <sup>1</sup>	18.1	–
Total revenue from production activities	2,900.2	1,981.8
Other income <sup>2</sup>	46.3	–
	<b>2,946.5</b>	<b>1,981.8</b>

1 Other revenue comprises amounts recovered from partners related to lease obligations.

2 Other income primarily comprises proceeds from insurance claims and claims made for historic R&D expenditure credits.

**6. Cost of sales**

	2025 \$m	2024 \$m
Movement in oil and gas inventory	11.7	84.2
Operating costs of hydrocarbon activities	(871.6)	(617.9)
Materials inventory provision	(8.8)	(3.6)
Royalties	(1.6)	(2.1)
Depreciation on right-of-use assets (note 15)	(44.9)	(26.8)
Depletion, depreciation and amortisation (note 15)	(795.7)	(573.4)
	<b>(1,710.9)</b>	<b>(1,139.6)</b>

Royalty costs represent 3.34% of Stella and Harrier field revenue paid to the original licence holders. Ithaca holds a 100% interest in the Stella and Harrier fields.

**7. Administrative expenses**

	2025 \$m	2024 \$m
Administrative expenses, excluding transaction costs	(47.0)	(41.0)
Transaction costs	(0.3)	(16.3)
	<b>(47.3)</b>	<b>(57.3)</b>

Transactions costs in 2025 are in relation to the JAPEX UK and Cygnus acquisitions and in 2024 relate to the Eni UK business combination. Further details of these business combinations can be found in note 17.

The total employee benefit expenses which are either capitalised or included in cost of sales, pre-licence exploration and evaluation expenses and administrative expenses are noted below.

	2025 \$m	2024 \$m
Employee benefit expenses		
Wages and salaries	(146.5)	(103.2)
Share-based payment charges (note 33)	(7.4)	(6.1)
Social security costs	(17.6)	(11.6)
Pension costs	(18.1)	(11.9)
	<b>(189.6)</b>	<b>(132.8)</b>

Disclosures on Directors' remuneration, share options, long-term incentive schemes and pension entitlements required by the Companies Act 2006 are contained in the tables and notes within the Remuneration Committee report on pages 124 to 149. Directors' emoluments in aggregate were \$6.6 million (2024: \$4.4 million).

**Notes to the consolidated financial statements** continued**7. Administrative expenses** continued

The average number of employees during each year, which included three months of the Eni UK business combination in 2024, was as follows:

	2025 Number	2024 Number
Onshore and administrative	462	374
Offshore	336	327
	<b>798</b>	<b>701</b>

There were no employees associated with the JAPEX UK and Cygnus acquisitions.

	2025 \$m	2024 \$m
Audit fees		
Fees payable to the Company's auditor for audit of the Company's financial statements	2.3	2.5
Audit of the Company's subsidiaries pursuant to legislation	0.8	0.4
Non-audit services provided by the auditors	0.6	0.6
	<b>3.7</b>	<b>3.5</b>

Non-audit services provided by the auditors for the year ended 31 December 2025 comprise audit-related assurance services of \$355k (2024: \$175k), other assurance services of \$283k (2024: \$462k) relating to the Offering Memorandum for the senior notes due 2031 (2024: the Offering Memorandum in respect of the 2024 refinancing and in relation to certain other refinancing options). As well as the above figures, additional audit fees of \$357k (2024: \$228k) were charged during the year relating to the finalisation of prior period Group and subsidiary audits.

**8. Other (losses)/gains**

	2025 \$m	2024 \$m
Gain on financial instruments (note 30)	14.5	5.2
Fair value remeasurements of contingent consideration (note 26)	(22.8)	27.3
Net foreign exchange	(5.3)	(6.1)
	<b>(13.6)</b>	<b>26.4</b>

**9. Finance costs and finance income**

	2025 \$m	2024 \$m
Loan interest and charges	(54.6)	(48.1)
Senior notes interest	(68.6)	(54.9)
Loan fee amortisation	(11.1)	(13.2)
Interest on lease liabilities (note 25)	(4.8)	(1.5)
Accretion on deferred consideration and decommissioning liabilities less accretion on decommissioning reimbursements	(125.5)	(82.9)
<b>Total finance costs</b>	<b>(264.6)</b>	<b>(200.6)</b>
<b>Finance income</b>	<b>9.8</b>	<b>11.2</b>

In the year to 31 December 2024, loan interest and charges includes a charge of \$14.1 million in respect of the early repayment of the senior notes due 2026 and loan fee amortisation contains a charge of \$7.9 million in relation to unamortised fees on the refinancing of the RBL and senior notes. See note 20 for further details.

During the year to 31 December 2025, \$13.0 million of interest was capitalised into qualifying assets (2024: \$5.8 million) at an interest rate of SOFR (subject to a minimum rate of 5%) plus a commercially-agreed margin on the entirety of the borrowings under the project capital expenditure facility (see note 20 for further details).

**10. Earnings per share**

The calculation of basic earnings per share is based on the profit after tax and the weighted average number of ordinary shares in issue during the year. Basic and diluted earnings per share are calculated as follows:

	2025 \$m	2024 \$m
<b>Earnings for the year:</b>		
Earnings for the purpose of basic and diluted earnings per share	(84.1)	153.1
<b>Number of shares (million)</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,648.8	1,164.3
Dilutive potential ordinary shares	14.4	10.5
Weighted average number of ordinary shares for the purpose of diluted earnings per share	1,663.2	1,174.8
<b>Earnings per share (cents)</b>		
Basic	(5.1)	13.2
Diluted	(5.1)	13.0



## Notes to the consolidated financial statements continued

## 11. Trade and other receivables and decommissioning reimbursements

	2025 \$m	2024 \$m
Current		
Trade receivables	10.9	19.0
Other receivables	6.3	23.0
Joint operations receivables	111.5	106.0
Accrued income	226.9	269.6
	<b>355.6</b>	<b>417.6</b>

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.

	2025 \$m	2024 \$m
Non-current		
Decommissioning reimbursements	99.7	144.2
Current		
Decommissioning reimbursements	64.9	23.2

Movements on decommissioning reimbursements were as follows:

	2025 \$m	2024 \$m
At 1 January	167.4	195.5
Accretion net of tax at 30%	6.2	7.4
Reimbursements received	(25.3)	(22.5)
Change in reimbursement estimates net of tax and adjusted for movements on related contingent consideration	16.2	(13.0)
<b>At 31 December</b>	<b>164.5</b>	<b>167.4</b>

## 11. Trade and other receivables and decommissioning reimbursements continued

The decommissioning reimbursements represent the equal and opposite of decommissioning liabilities (note 23), 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.

## 12. Prepayments

	2025 \$m	2024 \$m
Current		
Prepayments	26.0	40.6
Decommissioning securities	3.4	1.6
	<b>29.4</b>	<b>42.2</b>

## 13. Inventories

	2025 \$m	2024 \$m
Current		
Hydrocarbon underlift	125.7	171.8
Materials inventories	206.0	175.5
Provision for obsolete materials inventory	(78.3)	(63.5)
	<b>253.4</b>	<b>283.8</b>

During the year to 31 December 2025 a credit of \$11.7 million (2024: \$84.2 million) of inventory was recognised in the 'movement in oil and gas inventory' line (note 6) and \$8.8 million (2024: \$3.6 million) of materials inventories were provided for. There were no reversals of materials inventory provisions in either the year ended 31 December 2025 or the year ended 31 December 2024.



## Notes to the consolidated financial statements continued

## 14. Exploration and evaluation assets

	\$m
At 1 January 2024	548.4
Additions	36.3
Change in decommissioning estimates (note 23)	4.4
Business combinations (note 17)	48.0
Write-offs/relinquishments	(24.6)
At 31 December 2024 and 1 January 2025	612.5
Additions	45.9
Change in decommissioning estimates (note 23)	(2.2)
Revisions to 2024 business combinations (note 17)	(23.9)
Transfers to development and production assets (note 15)	(24.2)
Write-offs/relinquishments	(2.1)
<b>At 31 December 2025</b>	<b>606.0</b>

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 \$2.1 million being expensed in the year to 31 December 2025 (2024: \$24.6 million).

The transfers from exploration and evaluation assets to right-of-use assets and development and production assets in 2025 relates to the Jocelyn South well. The principal component of exploration and evaluation assets at 31 December 2025 is the Cambo field with a pre-tax carrying value of \$415 million (2024: \$391 million).

## 15. Property, plant and equipment

Additions to right-of-use assets in the year to 31 December 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 in the first half of 2027. Additions to right-of-use assets in the year to 31 December 2025 also include a drilling rig for Cygnus, a decommissioning vessel for Alba and a two-year extension to the Skandi Gamma supply vessel which was originally included in right-of-use asset additions in the year to 31 December 2024.

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

## 15. Property, plant and equipment continued

	Right-of-use operating assets \$m	Development and production assets \$m	Other fixed assets \$m	Total \$m
<b>Cost</b>				
At 1 January 2024	156.2	7,976.8	47.6	8,180.6
Additions	136.2	483.5	0.5	620.2
Business combinations (note 17)	18.7	997.9	–	1,016.6
Change in decommissioning estimates (note 23)	–	54.6	–	54.6
At 31 December 2024 and 1 January 2025	311.1	9,512.8	48.1	9,872.0
Additions	244.0	723.2	8.2	975.4
Business combinations (note 17)	–	249.4	–	249.4
Transfers from exploration and evaluation assets (note 14)	–	24.2	–	24.2
Change in decommissioning estimates (note 23)	–	160.5	–	160.5
<b>At 31 December 2025</b>	<b>555.1</b>	<b>10,670.1</b>	<b>56.3</b>	<b>11,281.5</b>

## Depletion, depreciation, amortisation and impairment

1 January 2024	(85.5)	(4,808.7)	(28.1)	(4,922.3)
Depletion, depreciation and amortisation charge for the year	(26.8)	(568.1)	(5.3)	(600.2)
Impairment charge (note 19)	–	(161.1)	–	(161.1)
At 31 December 2024 and 1 January 2025	(112.3)	(5,537.9)	(33.4)	(5,683.6)
Depletion, depreciation and amortisation charge for the year	(44.9)	(788.2)	(7.5)	(840.6)
Impairment charge (note 19)	(3.6)	(8.2)	–	(11.8)
<b>At 31 December 2025</b>	<b>(160.8)</b>	<b>(6,334.3)</b>	<b>(40.9)</b>	<b>(6,536.0)</b>

Net book value at 31 December 2024	198.8	3,974.9	14.7	4,188.4
<b>Net book value at 31 December 2025</b>	<b>394.3</b>	<b>4,335.8</b>	<b>15.4</b>	<b>4,745.5</b>

The transfers from exploration and evaluation assets to right-of-use operating assets and development and production assets in 2025 relates to the Jocelyn South well following successful commencement of production. At the point of transfer, the Jocelyn South assets were tested for impairment and the recoverable amount exceeded the carrying value of the well.

**Notes to the consolidated financial statements** continued**16. Interests in joint operations**

The contractual agreement for the licence interests in which the Group has an investment do not typically convey control of the underlying joint arrangement to any one party, even where one party has a greater than 50% equity ownership of the area of interest.

The Group's material joint operations as at 31 December are as follows:

Block	Licence	Field/discovery name	Operator	Group net % interest	
				2025	2024
9/11c	P.979	Mariner	Adura Operations Limited	8.89%	8.89%
9/11b	P.726	Mariner	Adura Operations Limited	8.89%	8.89%
30/2c	P.672	Jade	Chrysaor Petroleum Company U.K. Limited	32.50%	32.50%
22/30c and 29/5c	P.666	Elgin-Franklin	TotalEnergies E&P UK Limited	27.95%	27.95%
15/29b	P.590	Callanish	Chrysaor Production (U.K.) Limited	20.00%	20.00%
204/25a	P.559	Schiehallion	BP Exploration Operating Company Limited	35.30%	35.30%
204/19b and 204/20b	P.556	Suilven	Ithaca SP E&P Limited	50.00%	50.00%
29/5b	P.362	Elgin-Franklin	TotalEnergies E&P UK Limited	27.95%	27.95%
21/4a	P.347	Callanish	Chrysaor Production (U.K.) Limited	13.70%	13.70%
16/27b	P.345	Britannia	Ithaca MA Limited	35.75%	35.75%
9/11a	P.335	Mariner	Adura Operations Limited	8.89%	8.89%
13/22a	P.324	Captain	Ithaca SP E&P Limited	85.00%	85.00%
22/18a	P.292	Arbroath, Arkwright, Carnoustie, Wood	Neo Energy Resources UK Limited	41.03%	41.03%
22/17s, 22/22a and 22/23a	P.291	Arbroath, Arkwright, Brechin, Carnoustie, Cayley, Shaw	Neo Energy Resources UK Limited	41.03%	41.03%
23/26b	P.264	Erskine	Ithaca Energy (UK) Limited	50.00%	50.00%
9/11d and 9/12b	P.2508	Mariner	Adura Operations Limited	8.89%	8.89%
9/11g	P.2151	Mariner	Adura Operations Limited	8.89%	8.89%
16/26a A-ALB	P.213	Alba	Ithaca Oil and Gas Limited	36.67%	36.67%
16/26a B-BRI	P.213	Britannia	Ithaca MA Limited	33.17%	33.17%
16/26a	P.213	N/A	Ithaca Oil and Gas Limited	34.50%	34.50%
3/7a	P.203	Columba E	CNR International (U.K.) Limited	20.00%	20.00%
3/8a and 3/8a	P.199	Columba B/D	CNR International (U.K.) Limited	5.60%	5.60%
22/30b	P.188	Elgin-Franklin	TotalEnergies E&P UK Limited	27.95%	27.95%
21/20a	P.185	Cook	Ithaca SP E&P Limited	61.35%	61.35%
8/15a	P.1758	Mariner	Equinor UK Limited	8.89%	8.89%
30/7b	P.1589	Jade	Chrysaor Petroleum U.K. Limited	32.50%	32.50%
30/1f	P.1588	Vorlich <sup>1</sup>	Ithaca MA Limited	100.00%	100.00%



## Notes to the consolidated financial statements continued

## 16. Interests in joint operations continued

Block	Licence	Field/discovery name	Operator	Group net % interest	
				2025	2024
30/1c	P.363	Vorlich	Ithaca MA Limited	<b>34.00%</b>	34.00%
205/2a	P.1272	Rosebank	Adura Operations Limited	<b>20.00%</b>	20.00%
205/1a	P.1191	Rosebank	Adura Operations Limited	<b>20.00%</b>	20.00%
15/29a	P.119	Alder	Ithaca Energy (UK) Limited	<b>73.68%</b>	73.68%
15/29a	P.119	Britannia	Ithaca MA Limited	<b>75.00%</b>	75.00%
21/3a	P.118	Brodgar	Chrysaor Production (U.K.) Limited	<b>25.00%</b>	25.00%
23/22a	P.111	Pierce	Enterprise Oil Limited	<b>34.01%</b>	34.01%
15/30a	P.103	Britannia	Chrysaor Production (U.K.) Limited	<b>33.03%</b>	33.03%
21/5a	P.103	Enochdhu	Chrysaor Production (U.K.) Limited	<b>50.00%</b>	50.00%
213/26b and 213/27a	P.1026	Rosebank	Equinor UK Limited	<b>20.00%</b>	20.00%
23/26a	P.057	Erskine	Ithaca Energy (UK) Limited	<b>50.00%</b>	50.00%
22/18n	P.020	Montrose	Neo Energy Resources UK Limited	<b>41.03%</b>	41.03%
22/17n, 22/17s, 22/22a and 22/23a	P.019	Godwin, Montrose	Neo Energy Resources UK Limited	<b>41.03%</b>	41.03%
30/11a and 30/12d	P.1820	Isabella	TotalEnergies E&P North Sea UK Limited	<b>72.50%</b>	72.50%
204/8, 204/9c, 204/10c, 204/13, 204/14d and 204/15	P.2403	Tornado	Ithaca SP E&P Limited	<b>50.00%</b>	50.00%
30/7a and 30/12a	P.032	Judy/Joanne	Chrysaor Petroleum Company U.K. Limited	<b>33.00%</b>	33.00%
30/7c	P.2221	Judy	Chrysaor Petroleum Company U.K. Limited	<b>33.00%</b>	33.00%
30/13d A	P.079	Judy	Chrysaor Petroleum Company U.K. Limited	<b>15.00%</b>	15.00%
30/6a	P.11	Jasmine	Chrysaor Petroleum Company U.K. Limited	<b>33.00%</b>	33.00%
29/4d	P.752	Glenelg	TotalEnergies E&P UK Limited	<b>8.00%</b>	8.00%
22/29b	P.2613	Glenelg Protection	TotalEnergies E&P UK Limited	<b>32.14%</b>	32.14%
30/20a	P.2220	Tommeliten	ConocoPhillips (U.K.) Holdings Limited	<b>0.07%</b>	0.07%
30/13e	P.2456	Talbot	Harbour Energy Limited	<b>33.00%</b>	33.00%



## Notes to the consolidated financial statements continued

## 16. Interests in joint operations continued

Block	Licence	Field/discovery name	Operator	Group net % interest	
				2025	2024
30/7d and 30/8a	P.2399	Judy East	Chrysaor Petroleum Company U.K. Limited	<b>33.00%</b>	33.00%
N/A	Pipeline	GAEL	INEOS FPS Limited	<b>10.23%</b>	10.23%
N/A	Pipeline	SEAL	TotalEnergies E&P UK Limited	<b>21.87%</b>	21.87%
44/11a and 44/12a	P.1055	Cygnus	Ithaca (NE) E&P Limited	<b>85.00%</b>	38.75%
22/29c	P.1622	Seagull	BP Exploration Operating Company Limited	<b>50.00%</b>	35.00%
47/14b	P.614	Juliet	Ithaca (NE) E&P Limited	<b>81.00%</b>	81.00%
44/24a	P.611	Minke	Ithaca (NE) E&P Limited	<b>15.56%</b>	15.56%
44/29b	P.454/P.611	Orca UK	Ithaca (NE) E&P Limited	<b>15.56%</b>	15.56%
44/19b	P.1139	Cameron	Tullow Limited	<b>27.50%</b>	27.50%
N/A	Pipeline	ETS	Kellas North Sea 2 Limited	<b>25.00%</b>	25.00%
36/30a, 42/3a, 42/4 and 42/5a	P.2133	Ossian	Spirit Energy Limited	<b>30.00%</b>	30.00%
42/2b, 42/3b, 42/7a, 42/8b and 42/9b	P.2126	Aurora	Spirit Energy Limited	<b>30.00%</b>	30.00%
44/11b	P.1731	Cepheus	Ithaca (NE) E&P Limited	<b>34.48%</b>	34.48%

1 Vorlich is a joint operation through a Unitisation and Unit Operating Agreement ('UUAO') between Ithaca MA Limited and bp, which extends across both Vorlich licences. Under the terms of the UUAO, key decisions effectively require unanimous approval by both parties.

In addition, the Group has the following wholly-owned licences and fields or discoveries which, although not currently joint operations, are presented for completeness:

Block	Licence	Field/discovery name	Operator	Group net % interest	
				2025	2024
22/1b	P.2373	F Block (Fotla and Fortriu)	Ithaca Oil and Gas Limited	<b>100.00%</b>	100.00%
29/10b	P.1665	Abigail	Ithaca SP E&P Limited	<b>100.00%</b>	100.00%
204/4a and 204/5a	P.1189	Cambo	Ithaca SP E&P Limited	<b>100.00%</b>	100.00%
204/9a and 204/10a	P.1028	Cambo	Ithaca SP E&P Limited	<b>100.00%</b>	100.00%
30/6a and 29/10a	P.011	Stella/Harrier	Ithaca Energy (UK) Limited	<b>100.00%</b>	100.00%
29/15, 30/11c, 30/16i and 30/6d	P.2622	J-Area West	N/A	<b>100.00%</b>	100.00%
16/22b	P.2638	Quad 16	N/A	<b>100.00%</b>	100.00%



## Notes to the consolidated financial statements continued

## 17. Business combinations

The provisional fair values of the identifiable assets and liabilities of the 2025 acquisitions, and the final fair values of the 2024 business combination were:

	JAPEX UK \$m	Cygnus \$m	Total 2025 \$m	Total 2024 \$m
Property, plant and equipment (note 15)	57.6	191.8	249.4	1,016.6
Exploration and evaluation assets (note 14)	–	–	–	24.1
Cash	16.1	–	16.1	107.5
Inventory	3.5	3.5	7.0	62.3
Trade and other receivables	11.6	1.7	13.3	178.0
<b>Total assets excluding deferred tax</b>	<b>88.8</b>	<b>197.0</b>	<b>285.8</b>	<b>1,388.5</b>
Trade and other payables	(12.6)	(21.2)	(33.8)	(221.4)
Current tax payable	–	–	–	(50.0)
Decommissioning provisions (note 23)	(12.4)	(113.0)	(125.4)	(668.2)
Other provisions (note 24)	–	–	–	(38.8)
Lease liabilities (note 25)	–	–	–	(22.0)
<b>Total liabilities excluding deferred tax</b>	<b>(25.0)</b>	<b>(134.2)</b>	<b>(159.2)</b>	<b>(1,000.4)</b>
Deferred tax assets (note 28)	91.8	45.2	137.0	820.7
Deferred tax liabilities (note 28)	(3.2)	(92.6)	(95.8)	(545.8)
<b>Total identifiable net assets at fair value</b>	<b>152.4</b>	<b>15.4</b>	<b>167.8</b>	<b>663.0</b>
Consideration satisfied by the issue of new shares	–	–	–	861.3
Cash consideration	156.4	153.1	309.5	–
Deferred consideration (note 26)	–	10.5	10.5	204.4
<b>Total consideration</b>	<b>156.4</b>	<b>163.6</b>	<b>320.0</b>	<b>1,065.7</b>
<b>Goodwill arising (note 18)</b>	<b>4.0</b>	<b>148.2</b>	<b>152.2</b>	<b>402.7</b>
<b>Net cash flows<sup>1</sup></b>	<b>(140.3)</b>	<b>(153.1)</b>	<b>(293.4)</b>	<b>107.5</b>

<sup>1</sup> Acquisition payments net of cash acquired.

## 17. Business combinations continued

The fair value (FV) of assets and liabilities relating to the 2024 business combination have been reassessed in the measurement period to 2 October 2025 as follows:

	Final FV \$m	Provisional FV \$m	Adjustment to goodwill \$m
Exploration and evaluation assets (note 14)	24.1	48.0	23.9
Trade and other payables	(221.4)	(212.5)	8.9
Current tax payable	(50.0)	(69.2)	(19.2)
Decommissioning provisions (note 23)	(668.2)	(651.0)	17.2
Other provisions (note 24)	(38.8)	(34.9)	3.9
Deferred tax assets (note 28)	820.7	846.4	25.7
Deferred tax liabilities (note 28)	(545.8)	(549.1)	(3.3)
<b>Total adjustments to goodwill (note 18)</b>			<b>57.1</b>
<b>Provisional goodwill (note 18)</b>			<b>345.6</b>
<b>Final goodwill</b>			<b>402.7</b>

The reduction in FV of exploration and evaluation assets relates to the Constellation South and Peach prospects. The increase in the FV of trade and other payables relates to an increase in Non-Operated Joint Venture payables. The reduction in current tax payable is principally due to a reclassification of a deferred tax asset to a current tax asset. The increase in decommissioning provisions is in relation to cost estimate changes for decommissioning work required at the date of acquisition and the increase in other provisions relates to a mismeasurement that existed at the acquisition date. The reductions in deferred tax liabilities and deferred tax assets reflects both the reclassification to current tax described above as well as the reassessment of the tax attributes of the business combination.

The acquisition of 100% of JAPEX UK completed on 7 July 2025 for a total consideration of \$156.4 million thereby increasing the Group's interest in the Seagull asset from 35.0% to 50.0% and the acquisition of 46.25% of Spirit Energy's interest in the Cygnus field completed on 1 October 2025 for a total consideration of \$163.6 million thereby increasing the Group's working interest in the Cygnus field from 38.75% to 85.0%. The business combination in 2024 comprised 100% of each of Eni Elgin/Franklin Limited, Eni UKCS Limited, Eni Energy E&P Limited and Eni Energy E&P UKCS Limited.

From the date of acquisition, JAPEX UK contributed \$44.5 million of revenue and \$27.7 million of profit before tax and the additional Cygnus interest contributed \$57.4 million of revenue and \$26.5 million of profit before tax. Had these acquisitions completed 1 January 2025, the JAPEX UK acquisition would have contributed \$86.7 million of revenue and \$45.6 million of profit before tax and the Cygnus acquisition would have contributed \$282.7 million of revenue and \$173.4 million of profit before tax for the 2025 financial year.

In the year to 31 December 2024, from the date of the business combination, the Eni UK businesses contributed \$290.1 million of revenue and \$195.0 million of profit before tax. Had this business combination completed on 1 January 2024, the Eni UK businesses would have contributed \$1,014.0 million of revenue and \$598.4 million of profit before tax for the 2024 financial year.

**Notes to the consolidated financial statements** continued**17. Business combinations** continued

Business combination-related costs of \$0.3 million (2024: \$16.3 million), comprising professional fees and other direct costs, were incurred in the year to 31 December 2025 and are included within 'administrative expenses' in note 7.

The fair values of the oil and gas assets and the intangible assets of the business combinations have been determined using valuation techniques based on discounted cash flows using forward curve commodity prices and estimates of long-term commodity prices reflective of market conditions at the completion dates, a discount rate based on observable market data and cost and production profiles generally consistent with the proved and probable reserves acquired with each asset. The decommissioning liabilities recognised have been estimated based on internal engineering estimates for operated assets and operator cost estimates for non-operated assets, with reference to observable market data.

The goodwill of \$152.2 million in the year to 31 December 2025 (2024: \$402.7 million) arises principally from the requirement to recognise deferred tax assets and liabilities for the difference between the assigned fair values and the tax bases of the acquired assets and liabilities assumed in a business combination including, where applicable, capital allowance recognition between the effective date and the completion date under the terms of the SPA. The assessment of fair values of oil and gas assets acquired is based on cash flows after tax. Nevertheless, in accordance with IAS 12 Income Taxes, paragraphs 15 and 19, a provision is made for deferred tax corresponding to the tax rate multiplied by the difference between the acquisition cost and the tax base. The offsetting entry to this deferred tax is goodwill. Hence, goodwill arises as a technical effect of deferred tax (technical goodwill). There are no specific IFRS guidelines pertaining to the allocation of technical goodwill and management has therefore applied the general guidelines for allocating goodwill. Technical goodwill is allocated by segment, in line with where it arises, and none is expected to be deductible for income tax purposes.

**18. Goodwill**

	2025 \$m	2024 \$m
Balance at 1 January	1,129.5	783.9
Additions (note 17)	152.2	345.6
Revisions to 2024 business combinations (note 17)	57.1	-
<b>Balance at 31 December</b>	<b>1,338.8</b>	<b>1,129.5</b>

The goodwill of \$784 million at 1 January 2024 relates to historic business combinations comprising principally Chevron in 2019 and Summit in 2022.

The goodwill on business combinations in 2025 relates to JAPEX UK and Cygnus and in 2024 it relates to the Eni UK businesses, as detailed in note 17.

The goodwill is not tax deductible on either the JAPEX UK, Cygnus or the Eni UK business combinations.

**18. Goodwill** continued

Goodwill is monitored, and tested for impairment, at the operating segment level, being the North Sea (the entire Group portfolio of oil and gas assets). This is consistent with the operating segment view of the business, which is presented to the Board and the Chief Decision Making Officer. The Group's activities are considered to be an individual operating segment due to the uniform nature of the Group's operations within a single geographical area, overseen by the same management and subject to the same regulations. The fair value estimate is categorised as level 3 in the fair value hierarchy.

Annual impairment tests were performed at both 31 December 2025 and 31 December 2024. These reviews were carried out on a fair value less cost of disposal basis using risk-adjusted post-tax cash flow projections from the approved business plans, including the same commodity prices, life of field cost profiles and production volumes used for impairment of oil and gas assets (see note 19), discounted at a post-tax discount rate of 9.7% (2024: 10.0%). Assumptions and estimates in the Group impairment models are detailed in note 3. The recoverable amount of the North Sea CGU at 31 December 2025 was \$125 million (2024: \$419 million) higher than its carrying amount, including goodwill, and hence no impairment was recorded (2024: \$nil). An increase of 1% in the discount rate would result in an impairment of \$108 million (2024: \$nil) to goodwill. Details of further sensitivities are provided in note 19.

**19. Impairment charges on oil and gas assets**

	2025 \$m	2024 \$m
D&P assets (note 15)	(8.2)	(148.8)
Decommissioning cost estimate changes on assets which have either been fully written off or have ceased production (note 23)	(64.4)	(99.7)
Fixed asset additions on assets that have been fully written off (note 15)	(4.5)	(12.3)
Other movements	(0.4)	(2.2)
<b>Total impairment charges on D&amp;P assets</b>	<b>(77.5)</b>	<b>(263.0)</b>

The impairment charge on D&P assets of \$8.2 million (2024: \$148.8 million) relates to an impairment on Alder which ceased production during the year. In the year to 31 December 2024, the \$148.8 million impairment comprised a charge for the Greater Stella Area (GSA) of \$116.4 million due to a downward revision of reserves, lower gas prices than previously forecast and EPL changes together with a charge of \$32.4 million in respect of Pierce due to lower oil prices than previously forecast and EPL changes.

Estimated production volumes, supported by third-party analysis, and cash flows used in impairment reviews are considered up to the date of cessation of production on a field-by-field basis, including operating and capital expenditure and are derived from management approved business plans.

An impairment review was carried out at the end of 2025 on the Group's producing assets with the main triggers being lower oil and gas prices. The review was carried out on a fair value less cost of disposal basis using post-tax risk adjusted cash flow projections discounted at a post-tax discount rate of 9.7%, and represents level 3 in the fair value hierarchy. The post-tax recoverable amount for Alder was \$nil.



## Notes to the consolidated financial statements continued

### 19. Impairment charges on oil and gas assets continued

The following assumptions were used at Q4 2025 in developing the cash flow model and applied over the expected life of the respective fields:

	Price assumptions (nominal)	
	Oil	Gas
Post-tax discount rate assumption	9.7%	9.7%
2026	\$62/bbl	82p/therm
2027	\$65/bbl	75p/therm
2028	\$70/bbl	77p/therm
2029	\$74/bbl	75p/therm
2030	\$77/bbl	76p/therm
2031	\$79/bbl	77p/therm
2032 <sup>1</sup>	\$80/bbl	79p/therm

<sup>1</sup> Post-2032, an annual 2% increase is applied to the price assumptions.

With all other assumptions held constant, including the cessation of EPL in March 2030, a 20% decrease in the forecast revenues, illustrating a 20% decrease in commodity prices, would result in an additional post-tax impairment to development and production assets of \$434 million (2024: \$303 million) and a post-tax impairment to exploration and evaluation assets of \$nil million (2024: \$nil) at 31 December 2025. In addition, under this scenario, goodwill would be impaired in its entirety (2024: goodwill impairment of \$929 million).

A 20% increase in forecast revenues would not result in any change to the impairment charge in the year ended 31 December 2025 (2024: \$24 million post-tax reduction in the impairment charge). An increase or decrease of 1% in the discount rate assumption would not result in a material additional post-tax impairment or reversal of impairment of PP&E.

Due to declines in future commodity prices, goodwill headroom reduced to \$125 million (2024: \$419 million). Commodity prices would have to be 2% lower than the base case scenario for there to be no goodwill headroom left.

The Group has also conducted a sensitivity scenario on the climate-related risk of a reduction in demand for oil and gas commodity prices due to changing consumer preferences and/or government regulations. Utilising the Climate Scenario average oil price while maintaining all other parameters in line with the base case, would result in an additional post-tax impairment of PP&E of \$nil (2024: \$63 million). To calculate the Climate Scenario average oil and gas prices, the Group used data from the International Energy Agency (IEA) climate scenarios (NZ, STEPS, CPS) price assumptions.

### 19. Impairment charges on oil and gas assets continued

An impairment review was carried out at the end of 2024 on the Group's producing assets with the main triggers being lower forward oil and gas prices and changes in EPL legislation. The review was carried out on a fair value less cost of disposal basis using risk adjusted cash flow projections discounted at a post-tax discount rate of 10.0%, and represents level 3 in the fair value hierarchy. The post-tax recoverable amounts for GSA and Pierce were \$2 million and \$25 million, respectively.

The following assumptions were used at Q4 2024 in developing the cash flow model and applied over the expected life of the respective fields:

	Price assumptions (nominal)	
	Oil	Gas
Post-tax discount rate assumption	10.0%	10.0%
2025	\$75/bbl	98p/therm
2026	\$74/bbl	84p/therm
2027	\$77/bbl	81p/therm
2028	\$79/bbl	82p/therm
2029	\$80/bbl	83p/therm
2030	\$82/bbl	85p/therm
2031 <sup>1</sup>	\$83/bbl	87p/therm

<sup>1</sup> Post 2031, an annual 2% is applied to the price assumptions.



## Notes to the consolidated financial statements continued

## 20. Borrowings

	2025 \$m	2024 \$m
<b>Current</b>		
Accrued interest costs on borrowings	(26.9)	(23.2)
Unamortised short-term bank fees	7.3	6.6
Unamortised short-term senior notes fees	5.5	3.6
<b>Total current borrowings</b>	<b>(14.1)</b>	<b>(13.0)</b>
<b>Non-current</b>		
Accrued interest costs on borrowings	(18.8)	-
RBL facility	-	(150.0)
Senior unsecured notes 2029	(750.0)	(750.0)
Senior unsecured notes 2031	(528.3)	-
Project capital expenditure facility	(150.0)	(150.0)
Unamortised long-term bank fees	20.6	24.6
Unamortised long-term senior notes fees	18.8	13.5
<b>Total non-current borrowings</b>	<b>(1,407.7)</b>	<b>(1,011.9)</b>

## Reserves Based Lending (RBL) facility

During 2024, the Group completed a refinancing of the RBL facility. The RBL facility amount at 31 December 2025 was \$1.8 billion (2024: \$1.5 billion), consisting of a loan facility of \$1,300 million (2024: \$1,000 million) and a letter of credit facility of \$500 million (2024: \$500 million), with a maturity to 2029, and subject to interest at a reference rate of SOFR plus 4.0% in years one to four and SOFR plus 4.25% thereafter. At 31 December 2025, the total loan availability was \$1,300 million (2024: \$1,000 million), of which \$nil (2024: \$150 million) was drawn, leaving the full \$1,300 million (2024: \$850 million) being available for drawdown. In addition, under the RBL facility, there is an accordion facility of up to \$1,000 million, of which \$565 million was committed at 31 December 2025 (2024: \$265 million).

Loan fees of \$32.4 million relating to the refinancing of the RBL facility were capitalised in the year to 31 December 2024 and are being amortised over the term of the loan. As at 31 December 2025, \$27.9 million (2024: \$31.2 million) remains to be amortised.

The obligations of the borrower under the RBL facility are secured by the assets of the guarantor members of the Group, such as security including share pledges, floating charges and/or debentures. Total assets pledged as security at 31 December 2025 was \$8,447 million (2024: \$8,275 million).

Covenants under the RBL are detailed below.

## 20. Borrowings continued

## Senior notes due 2029

In 2024, the Group completed the refinancing of its senior unsecured notes with the issuance of \$750 million 8.125% senior unsecured notes due October 2029 and repayment in full of the \$625 million 9.0% 2026 notes issued during 2021. Loan fees of \$17.8 million relating to the senior notes 2029 were capitalised in the year to 31 December 2024 and are being amortised over the life of the loan. Of this amount, \$13.8 million (2024: \$17.1 million) remains to be amortised as at 31 December 2025.

In the year to 31 December 2024, the Group received a net cash inflow of \$86.8 million from the refinancing of the senior notes 2029, reflecting senior notes 2029 proceeds of \$750.0 million less repayment of senior notes 2026 of \$625.0 million less fees and interest of \$38.2 million comprising \$14.1 million of early repayment charges and \$15.1 million interest on the senior notes due 2026 and \$9.0 million of fees in relation to the senior notes due 2029. Fees of \$7.8 million in relation to the new senior notes were paid separately and \$1.0 million was accrued at 31 December 2024.

## Senior notes due 2031

In 2025, the Group issued €450 million of 5.50% senior unsecured notes due September 2031. These senior unsecured notes were swapped to US Dollars at an all-in effective interest rate of approximately 6.7%. Loan fees of \$11.0 million relating to the senior notes 2031 were capitalised and are being amortised over the life of the loan. Of this amount, \$10.5 million (2024: \$nil) remains to be amortised as at 31 December 2025.

## Project capital expenditure facility

The project capital expenditure facility of up to \$150 million relates to a field development. The full amount of this facility was drawn at 31 December 2025 (2024: \$150 million) and it is repayable by instalment expected to be from 2027. Under the terms of the arrangement, interest is payable at a rate of SOFR (subject to a minimum of 5%) plus a commercially agreed margin.

## Covenants

The Group is subject to covenants related to the RBL facility. Failure to meet the terms of one or more of these covenants may constitute an event of default as defined in the facility agreements, potentially resulting in accelerated repayment of the debt obligations. The Group was in compliance with all its relevant quarterly financial and operating covenants during all periods shown for the RBL facility. There are no ongoing maintenance or financial covenant tests associated with either the 2029 or 2031 senior unsecured notes.

In addition to the below financial covenants, the Group is subject to restrictive covenants under the RBL facility and the 2029 and 2031 notes. These restrictive covenants include restrictions on: making certain payments (including, subject to certain exceptions, dividends and other distributions); certain activities with respect to outstanding share capital; repaying or redeeming subordinated debt or share capital; creating or incurring certain liens; making certain acquisitions and investments or loans; selling, leasing or transferring certain assets including shares of any of the Group's restricted subsidiaries; incurring expenditure on exploration and appraisal activities in excess of approved levels; guaranteeing certain types of the Group's other indebtedness; expanding into unrelated businesses; merging or consolidating with other entities; or entering into certain transactions with affiliates.

## Notes to the consolidated financial statements continued

### 20. Borrowings continued

The key financial covenant and other conditions in the RBL which, if not met, could trigger repayment within 12 months of the reporting date include:

- As at the end of each 12 month period ending 30 June and 31 December, the ratio of adjusted net debt to adjusted EBITDAX shall be less than 3.5:1. 'Adjusted net debt' referred to is not an IFRS measure. The Group uses adjusted net debt as a measure to assess its financial position. Adjusted net debt comprises amounts outstanding under the Group's RBL facility, project capital expenditure facility and senior notes, less cash and cash equivalents;
- On submission of Corporate Cashflow Projections, total projected sources of funds must exceed the total projected uses of funds for the following 12-month period, or if tested prior to first oil from Rosebank, a period of up to 24 months. Corporate Cashflow Projections must be submitted in June and December each year and on the occurrence of certain events (including on refinancing, when an interest in a petroleum asset is acquired or when certain distributions are made);
- The ratio of the net present value of cash flows secured under the RBL for the economic life of the fields to the amount drawn under the facility must not fall below 1.15:1; and
- The ratio of the net present value of cash flows secured under the RBL for the life of the debt facility to the amount drawn under the facility must not fall below 1.05:1.

### 21. Changes in liabilities arising from financing activities

	1 January 2025 \$m	Financing cash flows <sup>(i)</sup> \$m	Non-cash changes				31 December 2025 \$m
			Additions <sup>(iii)</sup> \$m	Business combinations \$m	Amortisation \$m	Other movements <sup>(ii)</sup> \$m	
Borrowings (note 20)	1,024.9	252.2	–	–	11.1	133.6	1,421.8
Lease liabilities	40.1	(46.7)	117.4	–	–	1.4	112.2
Total liabilities from financing activities	1,065.0	205.5	117.4	–	11.1	135.0	1,534.0

	1 January 2024 \$m	Financing cash flows <sup>(i)</sup> \$m	Non-cash changes				31 December 2024 \$m
			Additions <sup>(iii)</sup> \$m	Business combinations \$m	Amortisation \$m	Other movements <sup>(ii)</sup> \$m	
Borrowings (note 20)	748.1	12.0	150.0	–	13.2	101.6	1,024.9
Lease liabilities	20.6	(29.4)	25.4	22.0	–	1.5	40.1
Interest rate derivatives (note 30)	(0.6)	0.6	–	–	–	–	–
Total liabilities from financing activities	768.1	(16.8)	175.4	22.0	13.2	103.1	1,065.0

(i) The cash flows from borrowings, lease liabilities and interest rate derivatives make up the net amount of proceeds from borrowings and repayments of borrowings in the cash flow statement.

(ii) Other movements include interest accruals and new liabilities in the year.

(iii) Additions to borrowings in 2024 reflects the project capital expenditure facility (see note 20 for further details).



## Notes to the consolidated financial statements continued

## 22. Trade and other payables

	2025 \$m	2024 \$m
Trade payables	(54.3)	(21.9)
Hydrocarbon amounts owed to joint operations/overlift	(55.2)	(102.1)
Other payables	(24.8)	(38.1)
Accruals	(432.9)	(394.6)
Deferred income	(43.1)	(9.8)
	<b>(610.3)</b>	<b>(566.5)</b>

The Directors consider the carrying values of trade and other payables to approximate the fair value. Other payables mainly comprise amounts owed due to production adjustments and amounts owed to joint operations partners. Deferred income represents receipts in advance of deliveries to customers.

## 23. Decommissioning liabilities

	2025 \$m	2024 \$m
Balance at 1 January	(2,655.1)	(1,859.7)
2024 business combinations and revisions (note 17)	(17.2)	(651.0)
Business combination additions in 2025 (note 17)	(125.4)	-
Accretion	(124.9)	(93.4)
Additions and revisions to estimates	(266.5)	(145.1)
Decommissioning provision utilised	107.2	94.1
Balance at 31 December	<b>(3,081.9)</b>	<b>(2,655.1)</b>
<b>Current</b>		
Balance at 1 January	(152.7)	(107.0)
Balance at 31 December	<b>(328.0)</b>	<b>(152.7)</b>
<b>Non-current</b>		
Balance at 1 January	(2,502.4)	(1,752.7)
Balance at 31 December	<b>(2,753.9)</b>	<b>(2,502.4)</b>

The total future decommissioning liability represents the estimated cost to decommission, in situ or by removal, the Group's net ownership interest in all wells, infrastructure and facilities, based upon forecast timing in future periods. The Group uses a nominal discount rate of 3.74% for the first five years and 4.75% thereafter (31 December 2024: 4.38% for the first five years and 4.86% thereafter) and an inflation rate of 2.0% (31 December 2024: 2.0%) over the varying lives of the assets to calculate the present value of the decommissioning liabilities. The impact of a change in discount rate is considered in note 3. Revisions to estimates in the years ended 31 December 2025 comprised principally Elgin Franklin, Captain, Heather and Strathspey, J-block and Cygnus. In both 2025 and 2024 revisions to estimates were due to changes in both cost estimates and discount rate assumptions.

## 23. Decommissioning liabilities continued

Additions and revisions to estimates comprise:

	2025 \$m	2024 \$m
Development and production assets (note 15)	(160.5)	(54.6)
Exploration and evaluation assets (note 14)	2.2	(4.4)
Assets which have either been fully written-off or have ceased production	(70.5)	(99.7)
Assets which are subject to decommissioning reimbursements (note 11)	(36.8)	13.6
Other movements	(0.9)	-
	<b>(266.5)</b>	<b>(145.1)</b>

The estimated 2026 decommissioning spend of \$328 million (2024: estimated 2025 decommissioning spend of \$153 million) which includes \$93 million (2024: \$33 million) for assets that are subject to reimbursement, has been treated as a current liability as at 31 December 2025. Although the Group currently expects to incur decommissioning costs over the next 40 years, it is estimated that approximately 36% (2024: 40%) of the decommissioning liability relates to assets which are expected to cease production in the next five years and includes spend for assets that will be reimbursed (see note 11 for further details).

The principal assets where decommissioning activity was ongoing at 31 December 2025 were Alba, Anglia, CMS 111, Elgin Franklin, Greater Stella Area, Heather and Strathspey.

## 24. Other provisions

	2025 \$m	2024 \$m
At 1 January	(36.2)	-
Business combination additions (note 17)	-	(34.9)
Revisions to 2024 business combinations (note 17)	(3.9)	-
Amounts utilised	30.5	-
Other movements	(1.6)	(1.3)
At 31 December	<b>(11.2)</b>	<b>(36.2)</b>
<b>Current</b>		
Balance at 1 January	-	-
Balance at 31 December	<b>(7.6)</b>	<b>-</b>
<b>Non-current</b>		
Balance at 1 January	(36.2)	-
Balance at 31 December	<b>(3.6)</b>	<b>(36.2)</b>

At 31 December 2025, other provisions comprise a provision for office dilapidations, an office onerous contract provision, a commodity mismeasurement provision and the residual balance of the gas sales agreement liabilities described below. Amounts utilised in the year to 31 December 2025 reflect principally credit notes issued for these gas sales agreements.

**Notes to the consolidated financial statements** continued**24 Other provisions** continued

At 31 December 2024, other provisions reflected principally estimated liabilities taken on through the Eni UK business combination in respect of certain historic gas sales agreements along with the ongoing cost of such gas sales agreements. It was not anticipated at that time that any part of the liability would be settled within 12 months of the balance sheet date and, therefore, it was classified in its entirety as a non-current liability.

The Group expects to settle these liabilities in up to five years.

**25. Lease liabilities**

	2025 \$m	2024 \$m
Current		
Lease liabilities	(59.1)	(19.4)
Non-current		
Lease liabilities	(53.1)	(20.7)

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be paid after the reporting date. All lease liabilities are fully payable within five years from 31 December 2025.

	2025 \$m	2024 \$m
Less than one year	(65.6)	(21.0)
One to five years	(59.1)	(21.9)
<b>Total undiscounted lease payments</b>	<b>(124.7)</b>	<b>(42.9)</b>
Future finance charges	12.5	2.8
<b>Lease liabilities in the financial statements</b>	<b>(112.2)</b>	<b>(40.1)</b>

	2025 \$m	2024 \$m
At 1 January	(40.1)	(20.6)
Additions	(117.4)	(25.4)
Business combination additions (note 17)	-	(22.0)
Interest	(4.8)	(1.5)
Foreign exchange movements	(1.3)	-
Payments	51.4	29.4
<b>At 31 December</b>	<b>(112.2)</b>	<b>(40.1)</b>
Current	(59.1)	(19.4)
Non-current	(53.1)	(20.7)
	(112.2)	(40.1)

**25. Lease liabilities** continued

The additions in the year to 31 December 2025 relate principally to a drilling rig at Cygnus, a decommissioning vessel for Alba and a two-year extension to the lease on the Skandi Gamma supply vessel.

The additions in the year to 31 December 2024 relate to the Skandi Gamma supply vessel.

The leased assets added through the business combination in 2024 comprised principally office accommodation, an ERRV lease and a helicopter lease for Cygnus.

Amounts recognised in profit and loss related to leases are detailed in notes 6 and 9.

**26. Contingent and deferred consideration**

	2025 \$m	2024 \$m
Current		
Contingent consideration	(68.0)	(75.0)
Deferred consideration payable to related-party for business combination (note 17)	(43.1)	(160.2)
Marubeni deferred consideration	-	(68.3)
	(111.1)	(303.5)

	2025 \$m	2024 \$m
Non-current		
Contingent consideration	(184.3)	(165.5)
Deferred consideration payable to related-party for business combination (note 17)	(15.6)	(44.2)
	(199.9)	(209.7)

	2025 \$m	2024 \$m
Cash flows relating to contingent and deferred considerations	(235.6)	(23.0)

Movement in contingent consideration is as follows:

	2025 \$m	2024 \$m
At 1 January	(240.5)	(296.4)
Payments made	1.6	23.0
Changes in fair value	(13.4)	32.9
<b>At 31 December</b>	<b>(252.3)</b>	<b>(240.5)</b>

**Notes to the consolidated financial statements** continued**26. Contingent and deferred consideration** continued

Movement in deferred consideration is as follows:

	2025 \$m	2024 \$m
At 1 January	(272.7)	(64.0)
Additions from business combinations (note 17)	(10.5)	(204.4)
Payments made	234.0	-
Accretion	(9.5)	(4.3)
<b>At 31 December</b>	<b>(58.7)</b>	<b>(272.7)</b>

Cash outflows in the year ended 31 December 2025 of \$235.6 million (2024: \$23.0 million) are principally in relation to the consideration payable on the Eni UK business combination and the Marubeni deferred consideration.

**Eni UK Business Combination**

The deferred consideration at 31 December 2025 was \$48.2 million (2024: \$204.4 million) discounted at 4.33% (2024: 4.33%).

**Cygnus acquisition**

The deferred consideration at 31 December 2025 was \$10.5 million (2024: \$nil). As this payment is expected to be made early in 2026, this amount has not been discounted.

**Marubeni**

The contingent consideration arrangement relating to the Marubeni acquisition depends on whether various milestones in the Sale and Purchase Agreement (SPA) are met as follows: set gross export production volume from Montrose Infill Project Phase 1, set cumulative gross export production volume following Arbroath well reinstatements, set gross export production volume from next new well in the Shaw Field and, an amount payable during the Value Sharing Period (1 January 2022 to 31 December 2024) in relation to sales in excess of a set oil trigger price. The amount payable in relation to sales in excess of a set oil trigger price is capped under the terms of the SPA.

The carrying amount at 31 December 2025, discounted at 6.53%, was \$84 million (2024: \$78 million using a discount rate of 6.33%). The total undiscounted potential consideration as at 31 December 2025 was \$225 million (2024: \$228 million).

**26. Contingent and deferred consideration** continued**Siccar**

The Siccar acquisition included elements of consideration that are payable depending on whether various milestones of the SPA are met as follows: Final Investment Decision and the associated reserves in respect of the Cambo and Rosebank fields and, an amount paid in relation to sales in excess of a set floor oil price between 1 January 2023 and 31 December 2025. The amount payable in relation to sales in excess of a set oil trigger price is capped under the terms of the SPA. The carrying amount at 31 December 2025, discounted at 6.53% was \$130 million (2024: \$118 million using a discount rate of 6.33%). The total undiscounted potential consideration as at 31 December 2025 was \$285 million (2024: \$343 million).

**Others**

During the year ended 31 December 2023, the Group acquired a further 30% equity in the Cambo field from Shell. The acquisition included elements of consideration that are payable upon certain events occurring and contingent consideration has been recognised to reflect this. The consideration value equates to \$1.50 per barrel of oil equivalent of the P50 resource volumes of the field, and is payable on the earlier of receipt of proceeds of any subsequent sale of a working interest in Cambo by the Group, or first oil. The carrying amount at 31 December 2025, discounted at 6.53%, was \$13.8 million (2024: \$11.7 million discounted at 6.33%).

During the year ended 31 December 2023, the Group acquired 40% equity in the Fotla field from Spirit. The acquisition included elements of consideration that are payable upon certain events occurring and contingent consideration has been recognised to reflect this. The consideration comprises two capped amounts with approximately two-thirds payable on final investment decision and one-third on first production. The carrying amount at 31 December 2025, discounted at 6.53%, was \$10.2 million (2024: \$9.0 million discounted at 6.33%).

During the year ended 31 December 2025, the contingent consideration liability in relation to Strathspey, in accordance with the Sale and Purchase Agreement with Chevron, has reduced by \$8.9 million to \$14.8 million as a result of changes in variables in the calculation of the liability.

The total undiscounted potential consideration of other liabilities as at 31 December 2025 was \$80 million (2024: \$98 million).

Revaluation of contingent consideration in the year to 31 December 2025 resulted in a increase of \$13.4 million (2024: decrease of \$32.9 million).

Details of the valuation of contingent consideration and sensitivities are set out in notes 3 and 30.



## Notes to the consolidated financial statements continued

## 27. Share capital and reserves

## (a) Issued share capital

The issued share capital is as follows:

	Number of common shares	Amount \$m
<b>At 31 December 2024 and 31 December 2025</b>	<b>1,653,732,455</b>	<b>20.0</b>

On 3 October 2024, 639,360,174 ordinary shares of £0.01 each were issued to Eni UK Limited, an indirect wholly-owned subsidiary of Eni S.p.A., as consideration for the Eni UK business combination.

## (b) Share premium

	2025 \$m	2024 Restated <sup>1</sup> \$m
<b>At 1 January and 31 December</b>	<b>308.8</b>	<b>308.8</b>

<sup>1</sup> See note 2.

The share premium account represents the cumulative difference between the market share price and the nominal share value on the issuance of new ordinary shares multiplied by the number of shares issued.

## (c) Merger reserve

	2025 \$m	2024 Restated <sup>1</sup> \$m
<b>At 31 December</b>	<b>852.8</b>	<b>852.8</b>

<sup>1</sup> See note 2.

## 27. Share capital and reserves continued

The merger reserve represents the cumulative difference between the market share price and the nominal share value on the issuance of new ordinary shares used to fund acquisitions multiplied by the number of shares issued.

Additions during 2024 represent the difference between the nominal value per share of £0.01 and the opening share price on the day of the completion of the Eni business combination multiplied by the number of shares issued.

## (d) Capital contribution reserve

	2025 \$m	2024 \$m
<b>At 1 January and 31 December</b>	<b>181.9</b>	<b>181.9</b>

## (e) Own shares

	2025 \$m	2024 \$m
<b>At 31 December</b>	<b>(4.7)</b>	<b>(9.6)</b>

Own shares comprise shares held in the Ithaca Energy plc EBT, which are being used to satisfy the exercise of employee share options. During the year to 31 December 2025, 3,193,406 (2024: 1,860,112) ordinary shares were used to satisfy the exercise of share options. At 31 December 2025, the EBT held 3,132,512 (2024: 6,325,918) ordinary shares of £0.01 each.

## (f) Share-based payment reserve (note 33)

	2025 \$m	2024 \$m
<b>At 31 December</b>	<b>21.3</b>	<b>18.8</b>

The share-based payment reserve represents the cumulative charge for share options, as described in note 33, less the cumulative cost of share option exercises.



## Notes to the consolidated financial statements continued

## 28. Taxation

	2025 \$m	2024 \$m
<i>Current tax</i>		
Current corporation tax charge	(29.3)	(17.8)
Current EPL tax charge	(375.7)	(221.4)
True-up in respect of prior years	41.6	30.6
<b>Total current tax charge</b>	<b>(363.4)</b>	<b>(208.6)</b>
<i>Deferred tax</i>		
True-up in respect of prior years	4.6	(21.1)
Group tax charge in consolidated statement of profit or loss	(563.2)	(1.9)
Group tax (charge)/credit in consolidated statement of other comprehensive income	(336.9)	195.6
<b>Total deferred tax (charge)/credit</b>	<b>(895.5)</b>	<b>172.6</b>
<i>Deferred Petroleum Revenue Tax</i>		
True-up in respect of prior years	(14.9)	-
Deferred PRT credit for the year	12.5	50.4
Deferred PRT (charge)/credit in consolidated statement of profit or loss	(2.4)	50.4
<b>Total tax charge through consolidated statement of profit or loss</b>	<b>(924.4)</b>	<b>(181.2)</b>

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 of 35% originally applied up to 31 March 2028. On 6 March 2024, it was announced that EPL would 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 rate increase was a charge to the consolidated statement of profit or loss of \$58.1 million in the year to 31 December 2024. The 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 year to 31 December 2025. As part of the Autumn 2025 Budget, it was announced that the EPL would be replaced by a permanent revenue-based oil and gas price mechanism (OGPM). The OGPM will only apply during periods of high prices and the amount that will be chargeable to the OGPM will be the part of the realised revenue that exceeds the respective oil and gas thresholds (announced as \$90 per barrel for oil and 90p per therm for gas, which are to be adjusted annually in line with CPI inflation). The mechanism will be implemented in a future Finance Bill and will come into force on 1 April 2030 or earlier if the energy security investment mechanism is triggered. If the OGPM had been substantively enacted by the balance sheet date, there would have been no material impact on the financial statements of the Group.

## 28. 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:

	2025 \$m	2024 \$m
Accounting profit before tax	840.3	334.3
At tax rate of 40% (2024: 40%)	(336.1)	(133.7)
Non-deductible (expense)/income	(11.1)	8.7
Financing costs not allowed for SCT	(12.7)	(13.6)
Ring Fence Expenditure Supplement	14.6	14.3
Deferred tax effect of investment allowance	52.7	33.2
True-up in respect of prior years	31.3	9.5
Deferred PRT net of corporation tax	20.1	30.2
Deferred tax on EPL	(295.5)	119.1
Current tax on EPL	(375.7)	(221.4)
Income taxed at different rates	(13.0)	(27.9)
Share-based payments	1.5	0.4
Foreign exchange movements on current taxation	(0.5)	-
<b>Total tax charge recorded in the consolidated statement of profit or loss</b>	<b>(924.4)</b>	<b>(181.2)</b>

Deferred tax at 31 December relates to the following:

	2025 \$m	2024 \$m
Deferred corporation tax liability	(2,953.0)	(2,197.5)
Deferred corporation tax asset	3,175.3	3,279.6
Deferred PRT asset	139.7	142.1
<b>Net deferred tax asset</b>	<b>362.0</b>	<b>1,224.2</b>

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 deferred tax assets in relation to allowances of up to circa \$64 million (2024: circa \$147 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. A deferred tax asset of \$72 million (2024: \$63 million) associated with non-oil and gas losses, of which there is no expiry date, has 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.

**Notes to the consolidated financial statements** continued**28. Taxation** continued

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

	2025 \$m	2024 \$m
At 1 January	1,224.2	704.7
Consolidated statement of profit or loss (charge)/credit	(561.0)	27.4
Other comprehensive income (charge)/credit	(336.9)	195.7
Deferred tax on decommissioning reimbursements (note 11)	16.9	(0.9)
Business combinations <sup>1</sup> (note 17)	18.8	297.3
<b>At 31 December</b>	<b>362.0</b>	<b>1,224.2</b>

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

	2025 \$m	2024 \$m
Accelerated capital allowances	(447.4)	101.0
Tax losses	(236.2)	(203.3)
Decommissioning provision	97.1	61.7
Deferred PRT	0.9	(20.2)
Hedging <sup>2</sup>	(348.3)	201.5
Share schemes	0.8	0.9
Foreign exchange movements	(3.8)	-
Investment allowances	41.4	31.0
	<b>(895.5)</b>	<b>172.6</b>

1 2025 business combination additions of \$41.2 million (deferred tax assets of \$137.0 million less deferred tax liabilities of \$95.8 million) less a reassessment of \$22.4 million (reduction in deferred tax assets of \$25.7 million less a reduction in deferred tax liabilities of \$3.3 million) on 2024 business combinations as set out in note 17.

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

**28. Taxation** continued

	Hedges \$m	Other timing differences \$m	Deferred corporation tax on deferred PRT \$m	Accelerated tax depreciation \$m	Total \$m
Gross deferred corporation tax liabilities					
<b>At 1 January 2024</b>	(107.7)	-	(36.7)	(1,723.6)	(1,868.0)
Business combinations (note 17)	-	-	-	(549.1)	(549.1)
True-up in respect of prior years	-	-	-	(16.0)	(16.0)
Origination and reversal of temporary differences	201.5	-	(20.1)	148.0	329.4
Reclassification to deferred corporation tax assets	(93.8)	-	-	-	(93.8)
<b>At 31 December 2024 and 1 January 2025</b>	-	-	(56.8)	(2,140.7)	(2,197.5)
Business combinations (note 17)	-	-	-	(92.5)	(92.5)
True-up in respect of prior years	-	(3.8)	6.0	(9.1)	(6.9)
Origination and reversal of temporary differences	(348.3)	-	(5.0)	(396.6)	(749.9)
Reclassification from deferred corporation tax assets	93.8	-	-	-	93.8
<b>At 31 December 2025</b>	<b>(254.5)</b>	<b>(3.8)</b>	<b>(55.8)</b>	<b>(2,638.9)</b>	<b>(2,953.0)</b>

	Share schemes \$m	Decommissioning provision \$m	Other provisions \$m	Tax losses \$m	Hedges \$m	Total \$m
Gross deferred corporation tax assets						
<b>At 1 January 2024</b>	4.0	721.7	-	1,755.2	-	2,480.9
Business combinations (note 17)	-	257.4	21.4	567.6	-	846.4
True-up in respect of prior years	-	-	-	(5.0)	-	(5.0)
Origination and reversal of temporary differences	0.9	60.8	-	(198.2)	-	(136.5)
Reclassification to deferred corporation tax liabilities	-	-	-	-	93.8	93.8
<b>At 31 December 2024 and 1 January 2025</b>	4.9	1,039.9	21.4	2,119.6	93.8	3,279.6
Business combinations (note 17)	-	57.0	(21.4)	75.7	-	111.3
True-up in respect of prior years	-	-	-	14.5	-	14.5
Origination and reversal of temporary differences	0.8	113.8	-	(250.7)	-	(136.3)
Reclassification from deferred corporation tax liabilities	-	-	-	-	(93.8)	(93.8)
<b>At 31 December 2025</b>	<b>5.7</b>	<b>1,210.7</b>	<b>-</b>	<b>1,958.9</b>	<b>-</b>	<b>3,175.3</b>

**Notes to the consolidated financial statements** continued**28. Taxation** continued

<i>Deferred PRT asset</i>	Total \$m
At 1 January 2024	91.7
Origination and reversal of temporary differences	50.4
<b>At 31 December 2024 and 1 January 2025</b>	<b>142.1</b>
True-up in respect of prior years	<b>(14.8)</b>
Origination and reversal of temporary differences	<b>12.4</b>
<b>At 31 December 2025</b>	<b>139.7</b>

The carrying value of the net deferred tax asset (DTA) and the deferred PRT asset at 31 December 2025 of \$222 million and \$140 million, respectively (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 2031.

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.

**29. Commitments and contingencies**

	2025 \$m	2024 \$m
<b>Capital commitments</b>		
Capital commitments incurred jointly with other venturers (Group's share)	<b>308.9</b>	399.6

The Group's capital expenditure is driven largely by full-phase expenditure on existing producing fields, new development projects and appraisal and development activities. As of 31 December 2025, the Group had commitments for future capital expenditure amounting to \$309 million (2024: \$400 million). The key component of this relates to the Rosebank development at both dates. There are also commitments in relation to AFEs (authorisations for expenditure) signed for activities on Captain enhanced oil extraction at both dates and commitments for Cygnus drilling activities at 31 December 2025.

**Contingencies**

The Group enters into letters of credit and surety bonds to provide security for the Group's obligations under certain field and bi-lateral decommissioning security agreements, or equivalent, Sullom Voe Terminal Tariff Agreements and deferred payment obligations. The instruments are either held by the Law Debenture Trust Corporation P.L.C. under a trust deed or EnQuest Heather Limited, as SVT Terminal Operator. At 31 December 2025, the Group had \$963 million (31 December 2024: \$822 million) in letters of credit and surety bonds outstanding relating to security obligations under certain decommissioning and security agreements.

## Notes to the consolidated financial statements continued

### 30. Financial instruments

To estimate the fair value of financial instruments, the Group uses quoted market prices when available, or industry accepted third-party models and valuation methodologies that utilise observable market data. In addition to market information, the Group incorporates transaction specific details that market participants would utilise in a fair value measurement, including the impact of non-performance risk. The Group characterises inputs used in determining fair value using a hierarchy that prioritises inputs depending on the degree to which they are observable. However, these fair value estimates may not necessarily be indicative of the amounts that could be realised or settled in a current market transaction. The three levels of the fair value hierarchy are as follows:

- Level 1 – inputs represent quoted prices in active markets for identical assets or liabilities (for example, exchange-traded commodity derivatives). Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly, as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, market interest rates and volatility factors, which can be observed or corroborated in the marketplace. The Group obtains information from sources such as the New York Mercantile Exchange and independent price publications.
- Level 3 – inputs that are less observable, unavailable or where the observable data does not support the majority of the instrument's fair value.

In forming estimates, the Group utilises the most observable inputs available for valuation purposes. If a fair value measurement reflects inputs of different levels within the hierarchy, the measurement is categorised based upon the lowest level of input that is significant to the fair value measurement. The valuation of over-the-counter financial swaps and collars is based on similar transactions observable in active markets or industry standard models that primarily rely on market observable inputs. Substantially all of the assumptions for industry standard models are observable in active markets throughout the full term of the instrument. These are categorised as Level 2.

Gains or losses on financial instruments, that are not hedge accounted for, are recorded through the 'other gains' line in the consolidated statement of profit or loss. Credit valuation adjustments (CVA) and debit valuation adjustments (DVA) are calculated for each trade using two key inputs, being future exposures and credit spreads (incorporating both probability of default and loss given default). Future exposures have been estimated using an expected exposure-based approach over the lifetime of the trades. For the risk associated with counterparties, the credit spread is calculated using market observable credit default spreads. For the own credit risk, the credit spread is calculated using reference to a senior unsecured quoted publicly traded bond of the Group using appropriate tenor adjustments, except for out-of-the-money derivatives with counterparties which are in the Group's RBL. These derivatives rank higher than those with other counterparties as they are fully secured as part of the RBL agreement. Therefore, for the own risk credit risk adjustment (DVA) it has been estimated that the loss given default is zero and hence there is no DVA recognised for those derivatives which are with counterparties of the RBL.

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

### 30. Financial instruments continued

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

	Measured at amortised cost \$m	Mandatorily measured at fair value through profit or loss \$m	Derivatives designated in hedge relationships \$m	Measured at fair value through other comprehensive income \$m	Total carrying amount \$m
<b>Financial assets</b>					
Cash and cash equivalents	170.1	–	–	–	170.1
Other financial assets	11.3	–	–	–	11.3
Trade and other receivables <sup>1</sup>	355.6	–	–	–	355.6
Investments	–	–	–	49.0	49.0
Derivative financial instruments	–	8.4	352.9	–	361.3
<b>Financial liabilities</b>					
Borrowings	(1,421.7)	–	–	–	(1,421.7)
Trade and other payables <sup>2</sup>	(503.8)	–	–	–	(503.8)
Lease liabilities	(112.2)	–	–	–	(112.2)
Contingent and deferred consideration	(58.7)	(252.3)	–	–	(311.0)
Derivative financial instruments	–	–	(9.9)	–	(9.9)
					<b>(1,411.3)</b>

<sup>1</sup> Excluding VAT receivable.

<sup>2</sup> Excluding deferred income, inventory overlift and bonus/holiday pay accruals.

**Notes to the consolidated financial statements** continued**30. 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 \$m	Mandatorily measured at fair value through profit or loss \$m	Derivatives designated in hedge relationships \$m	Total carrying amount \$m
<b>Financial assets</b>				
Cash and cash equivalents	165.1	–	–	165.1
Other financial assets	11.3	–	–	11.3
Trade and other receivables <sup>1</sup>	411.1	–	–	411.1
Derivative financial instruments	–	–	33.0	33.0
<b>Financial liabilities</b>				
Borrowings	(1,024.9)	–	–	(1,024.9)
Trade and other payables <sup>2</sup>	(439.7)	–	–	(439.7)
Lease liabilities	(40.2)	–	–	(40.2)
Contingent and deferred consideration	(272.7)	(240.5)	–	(513.2)
Derivative financial instruments	–	(7.5)	(144.0)	(151.5)
				(1,549.0)

<sup>1</sup> Excluding VAT receivable.

<sup>2</sup> Excluding deferred income, inventory overlift and bonus/holiday pay accruals.

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

	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total Fair Value \$m
Investments	49.0	–	–	49.0
Contingent consideration (note 26)	–	–	(252.3)	(252.3)
Derivative financial instrument asset	–	361.3	–	361.3
Derivative financial instrument liability	–	(9.9)	–	(9.9)

**30. Financial instruments** continued

Movements in level 3 contingent consideration in the 12 months to 31 December 2025 were as follows:

	\$m
At 1 January 2025	(239.3)
Changes in fair value	(13.0)
<b>At 31 December 2025</b>	<b>(252.3)</b>

Movements in level 1 investments in the 12 months to 31 December 2025 were as follows:

	\$m
At 1 January 2025	–
Additions	38.3
Fair value remeasurements	10.7
<b>At 31 December 2025</b>	<b>49.0</b>

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 \$m	Level 2 \$m	Level 3 \$m	Total fair value \$m
Contingent consideration (note 26)	–	(1.2)	(239.3)	(240.5)
Derivative financial instrument asset	–	33.0	–	33.0
Derivative financial instrument liability	–	(151.5)	–	(151.5)

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

	\$m
At 1 January 2024	(272.3)
Cash settlements	15.0
Changes in fair value	18.0
<b>At 31 December 2024</b>	<b>(239.3)</b>

Level 3 contingent consideration is valued on a discounted cash flow basis with the key inputs being commodity prices, the probability of certain future events occurring ('trigger events') and the discount rate.

The forecast cash flows are discounted at a rate of 6.53% (31 December 2024: 6.33%).

Management has considered alternative scenarios to assess the valuation of the contingent consideration including, but not limited to, the key accounting estimate relating to the oil price. A reduction or increase in the price assumptions of 20% are considered to be reasonably possible changes. A 20% reduction in the oil price would result in a decrease in contingent consideration of \$nil (31 December 2024: \$nil) as the forecast price is already at a level which is lower than the trigger price. A 20% increase in the oil price would lead to an increase in contingent consideration of \$nil (31 December 2024: \$21.7 million).

**Notes to the consolidated financial statements** continued**30. Financial instruments** continued

The following table summarises the sensitivity of the Group's profit before tax due to changes in the carrying value of level 3 financial instruments at the reporting date resulting from a 20% change in the probability of a trigger event occurring, risking of project and conditions being met for payment of contingent consideration, with all other variables held constant. The impact on equity is the same as the impact on profit before tax.

Change in probability	2025 \$m	2024 \$m
20% decrease in probability	81.8	84.2
20% increase in probability	(64.1)	(77.1)

The following table summarises the sensitivity of the Group's profit before tax due to changes in the carrying value of level 3 financial instruments at the reporting date resulting from a 1% decrease in discount rate, with all other variables held constant. The impact on equity is the same as the impact on profit before tax.

Change in discount rate	2025 \$m	2024 \$m
1% decrease in discount rate	(5.8)	(5.7)

A 1% increase in discount rate would have the equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

Financial instruments of the Group consist mainly of cash and cash equivalents, receivables, payables, loans and financial derivative contracts, all of which are included in the financial statements. At 31 December 2025 and 31 December 2024, financial instruments and the carrying amounts reported on the balance sheet approximates the fair values with the exception of borrowings. The carrying amount of borrowing is at amortised cost of \$1,421.8 million (2024: \$1,024.9 million) and the equivalent fair value is \$1,438.3 million (2024: \$1,025.5 million) that was categorised as level 3 in the fair value hierarchy level. Equivalent fair value was calculated using discounted cash flow method. The unobservable input is adjustment due to credit risk to risk free rates.

The following table presents the gain on financial instruments that has been recognised in the consolidated statement of profit or loss as disclosed in note 8.

**30. Financial instruments** continued

	2025 \$m	2024 \$m
Revaluation of forex forward contracts	7.5	(1.3)
Revaluation of interest rate swaps	–	(0.6)
Revaluation of forex collar contracts	8.4	–
Revaluation of commodity hedges	–	2.3
<b>Total revaluation gain on financial instruments</b>	<b>15.9</b>	<b>0.4</b>
Realised (losses)/gains on forex forward contracts	(1.4)	5.8
Realised gains on interest rate swaps	–	0.6
Realised losses on commodity hedges	–	(1.6)
<b>Total gain on financial instruments (note 8)</b>	<b>14.5</b>	<b>5.2</b>

**Cash flow hedge reserve**

The table below presents the movement in financial instruments that has been recognised through the statement of comprehensive income relating to the cash flow hedge reserve:

Cash flow hedge reserve	2025 \$m	2024 \$m
At 1 January	(15.7)	39.9
Change in fair value of derivative instruments	500.1	(68.5)
Amounts recycled to revenue	(120.0)	(135.1)
Amounts recycled to operating costs	(10.4)	(8.7)
Amounts recycled to dividends	(5.1)	(1.3)
Amounts recycled to foreign exchange gains and losses	1.3	–
Amounts recycled to purchase of subsidiary undertakings	1.7	–
Amounts recycled to taxation	(3.7)	–
Amount per consolidated statement of comprehensive income	363.9	(213.6)
Deferred tax on movement in year	(283.9)	158.0
<b>Cash flow hedge reserve at 31 December</b>	<b>64.3</b>	<b>(15.7)</b>

**Notes to the consolidated financial statements** continued**30. Financial instruments** continued**Cost of hedging reserve**

The table below presents the movement in financial instruments that has been disclosed through the statement of comprehensive income relating to the cost of hedging reserve:

Cost of hedging reserve	2025 \$m	2024 \$m
At 1 January	(9.1)	4.1
Change in time value of derivative instruments	67.8	(55.7)
Amounts recycled to revenue – premium payments on oil derivative contracts	–	1.7
Amounts recycled to revenue – premium payments on gas derivative contracts	0.3	3.2
Amount per consolidated statement of comprehensive income	68.1	(50.8)
Deferred tax on movement in year	(53.0)	37.6
<b>Cost of hedging reserve at 31 December</b>	<b>6.0</b>	<b>(9.1)</b>

The Group has identified that it is exposed principally to these areas of market risk.

**i) Commodity risk**

Commodity price risk related to crude oil prices is the Group's most significant market risk exposure. Crude oil prices and quality differentials are influenced by worldwide factors such as OPEC actions, political events and supply and demand fundamentals. The Group is also exposed to natural gas price movements on uncontracted gas sales. Natural gas prices, in addition to the worldwide factors noted above, can also be influenced by local market conditions. The Group's expenditures are subject to the effects of inflation and prices received for the product sold are not readily adjustable to cover any increase in expenses from inflation. The Group may periodically use different types of derivative instruments to manage its exposure to price volatility, thus mitigating fluctuations in commodity-related cash flows.

In all periods presented, the Group has designated certain commodity options as a cash flow hedge of highly probable sales. Because the critical terms (i.e. the quantity, maturity and underlying price) of the commodity option and their corresponding hedged items are the same, the Group performs a qualitative assessment of effectiveness and it is expected that the intrinsic value of the commodity option and the value of the corresponding hedged items will systematically change in opposite direction in response to movements in the price of underlying commodity if the price of the commodity increases above the strike price of the derivative. The main source of hedge ineffectiveness in these hedge relationships is the effect of the counterparty and the Group's own credit risk on the fair value of the option contracts, which is not reflected in the fair value of the hedged item and if the forecast transaction will happen earlier or later than originally expected. There was no hedge ineffectiveness in the current or prior year.

The Group's target is to hedge oil and gas prices up to a maximum of 75% of the next 12 months' production on a rolling annual basis, up to 50% in the following 12-month period and 25% in the subsequent 12-month period. On a rolling basis, the Group has minimum and maximum hedging requirements under the RBL. The minimum requirements depend on levels of utilisation with reference to the latest borrowing base amount, as follows:

- If drawn amounts under the loan tranche of the RBL are below 10%, no hedging is required;

**30. Financial instruments** continued

- If drawn amounts are above 10% but below 50%, the Group is required to hedge no less than 35% for the first 12 months and no less than 20% for the following 12 month period; and
- If drawn amounts are equal to or greater than 50%, the Group is required to hedge no less than 50% for the first 12 months and no less than 30% for the following 12 month period.

Maximum hedging volumes are set, on a rolling basis, at 85% for year one, 65% for year two, 50% for year three, 30% for year four and 0% thereafter.

The table below represents total commodity hedges in place at the 2025 year-end:

Derivative	Term	Volume	Average price
Oil swaps	Jan 26 – Dec 27	10,029,000 bbls	\$67/bbl
Oil collars	Jan 26 – Dec 27	9,735,000 bbls	\$60/bbl floor – \$69/bbl ceiling
Gas swaps	Jan 26 – Mar 27	219,020,000 therms	97p/therm
Gas collars	Jan 26 – Mar 27	530,190,000 therms	81p/therm floor – 112p/therm ceiling

The table below represents total commodity hedges in place at the 2024 year-end:

Derivative	Term	Volume	Average price
Oil swaps	Jan 25 – Dec 25	3,505,500 bbls	\$78/bbl
Oil collars	Jan 25 – Dec 25	1,969,500 bbls	\$74/bbl floor – \$85/bbl ceiling
Gas swaps	Jan 25 – Dec 26	296,750,000 therms	98p/therm
Gas puts	Jan 25 – Dec 26	217,725,000 therms	81p/therm
Gas collars	Jan 25 – Dec 26	348,555,000 therms	83p/therm floor – 102p/therm ceiling

The following table summarises the sensitivity of a 20% decrease in realised commodity prices, with all other variables held constant, of the Group's profit before tax due to changes in the realised price of reported revenues in the year. The impact on equity is the same as the impact on profit before tax.

Change in realised commodity price	2025 \$m	2024 \$m
20% decrease in realised oil price	(306.7)	(235.7)
20% decrease in realised gas price	(223.4)	(119.8)

A 20% increase in realised commodity prices would have the equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

**Notes to the consolidated financial statements** continued**30. Financial instruments** continued**ii) Interest risk**

The calculation of interest payments for the RBL facility and the optional project capital expenditure facility incorporate SOFR. The Group is, therefore, exposed to interest rate risk to the extent that SOFR may fluctuate. The Group mitigates the risk of SOFR fluctuations by entering into interest rate swaps on floating rates.

There were no interest rate financial instruments in place at either 31 December 2025 or 31 December 2024.

The following table summarises the sensitivity of an increase of 250 basis points in SOFR, with all other variables held constant, of the Group's profit before tax due to changes in the carrying value of monetary liabilities at the reporting date.

Change in interest rate	2025 \$m	2024 \$m
Increase of 250 basis points	<b>(8.4)</b>	(8.4)

A decrease in 250 basis points in interest rates would have the equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

**iii) Foreign exchange rate risk**

The Group is exposed to foreign exchange risks to the extent it transacts in various currencies, while measuring and reporting its results in US Dollars. Since time passes between the recording of a receivable or payable transaction and its collection or payment, the Group is exposed to gains or losses on non-US Dollar amounts and on balance sheet translation of monetary accounts denominated in non-US Dollar amounts due to spot rate fluctuations from year-to-year.

As at 31 December 2025, the Group had an average of £25.0 million per quarter hedged at an average forward rate of \$1.238:£1 for the period January to December 2026. As at 31 December 2025, the Group had an average of £70.1 million per quarter hedged at an average collar floor of \$1.221:£1 and average collar ceiling of \$1.267:£1 for the period January 2026 to December 2027.

As at 31 December 2024, the Group had an average of £21.3 million per quarter hedged at an average forward rate of \$1.273:£1 for the period January to December 2025. As at 31 December 2024, the Group had an average of £49.5 million per quarter hedged at an average collar floor of \$1.268:£1 and average collar ceiling of \$1.298:£1 for the period January to December 2025.

The following table summarises the sensitivity to a reasonably possible change in the US Dollar to Pound Sterling foreign exchange rate, with all other variables held constant, of the Group's profit before tax due to changes in the carrying value of monetary assets and liabilities at the reporting date. The impact on equity is the same as the impact on profit before tax. The Group's exposure to foreign currency changes for all other currencies is less significant.

Change in Pounds Sterling foreign exchange rate	2025 \$m	2024 \$m
10% weakening of Pounds Sterling against the US Dollar	<b>(14.1)</b>	(6.9)

**30. Financial instruments** continued

A 10% strengthening of Pounds Sterling against the US Dollar would have had the equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

The Group's Pound-Sterling denominated monetary net liabilities at 31 December 2025 were £107 million (2024: £55 million).

**iv) Credit risk**

The majority of the Group's trade and other receivables are with customers in the oil and gas industry and are subject to normal industry credit risks and are unsecured. Customers of the Group are mainly oil and gas majors with good credit ratings and low credit risk, including bp, Eni and Shell.

The Group assesses partners' creditworthiness before entering into farm-in or joint venture agreements. In the past, the Group has not experienced credit loss in the collection of accounts receivable. As the Group's exploration, drilling and development activities expand with existing and new joint venture partners, the Group will assess and continuously update its management of associated credit risk and related procedures.

The Group regularly monitors all customer receivable balances outstanding in excess of 90 days for ECLs. As at 31 December 2025, substantially all accounts receivables are current, being defined as less than 90 days. The Group has no allowance for doubtful accounts as at 31 December 2025 (31 December 2024: \$nil).

The Group may be exposed to certain losses in the event that counterparties to derivative financial instruments are unable to meet the terms of the contracts. The Group's exposure is limited to those counterparties holding derivative contracts with positive fair values at the reporting date and these counterparties represent a very low risk of default. As at 31 December 2025, the Group's exposure is \$nil (31 December 2024: \$nil).

Credit valuation adjustments (CVA) and debit valuation adjustments (DVA) are calculated for each trade using two key inputs, being future exposures and credit spreads (incorporating both probability of default and loss-given default).

Future exposures have been estimated using an expected exposure-based approach over the lifetime of the trades. For the risk associated with counterparties, the credit spread is calculated using market observable credit default spreads. For the own credit risk, the credit spread is calculated using reference to a senior unsecured quoted publicly traded bond of the Group using appropriate tenor adjustments, except for out-of-the-money derivatives with counterparties which are in the Group's RBL. These derivatives rank higher than those with other counterparties as they are fully secured as part of the RBL agreement. Therefore for the own risk credit risk adjustment (DVA) it has been estimated that the loss given default is zero and hence there is no DVA recognised for those derivatives which are with counterparties of the RBL. The Group also has credit risk arising from cash and cash equivalents held with banks and financial institutions. The maximum credit exposure associated with financial assets is the carrying values.

## Notes to the consolidated financial statements continued

### 30. Financial instruments continued

#### v) Liquidity risk

Liquidity risk includes the risk that as a result of its operational liquidity requirements, the Group will not have sufficient funds to settle a transaction on the due date. The Group manages liquidity risk by maintaining adequate cash reserves, banking facilities, and by considering medium and future requirements by continuously monitoring forecast and actual cash flows. The Group considers the maturity profiles of its financial assets and liabilities. As at 31 December 2024 and 2025, substantially all accounts payable are current. As borrowings are linked to SOFR, a spot rate at 31 December 2025 was used to calculate future borrowings cash flows.

The following table shows the timing of cash outflows, including future interest, relating to financial liabilities, excluding derivatives, at 31 December 2025:

	Weighted average effective interest rate	Within 1 year \$m	Within 2 to 5 years \$m	More than 5 years \$m	Total \$m	Carrying amount \$m
Trade and other payables	–	(503.8)	–	–	(503.8)	(503.8)
Contingent and deferred consideration	–	(112.5)	(219.8)	(27.0)	(359.3)	(311.0)
Lease liabilities	7.86%	(65.6)	(59.1)	–	(124.7)	(112.2)
Borrowings	7.59%	(109.8)	(1,275.4)	(554.9)	(1,940.1)	(1,421.7)
		(791.7)	(1,554.3)	(581.9)	(2,927.9)	(2,348.7)

The following table shows the timing of cash outflows, including future interest, relating to financial liabilities, excluding derivatives, at 31 December 2024:

	Weighted average effective interest rate	Within 1 year \$m	Within 2 to 5 years \$m	More than 5 years \$m	Total \$m	Carrying amount \$m
Trade and other payables	–	(439.7)	–	–	(439.7)	(439.7)
Contingent and deferred consideration	–	(310.1)	(212.9)	(44.5)	(567.5)	(513.2)
Lease liabilities	5.69%	(21.0)	(21.9)	–	(42.9)	(40.2)
Borrowings	8.14%	(85.5)	(1,356.9)	–	(1,442.4)	(1,024.9)
		(856.3)	(1,591.7)	(44.5)	(2,492.5)	(2,018.0)

The following tables set out the details of the Group's liquidity analysis for its derivative financial instruments based on contractual maturities. The tables have been drawn up based on the undiscounted net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the reporting date.

### 30. Financial instruments continued

	Within 1 year \$m	Within 2 to 5 years \$m	Total \$m
At 31 December 2025			
Net-settled (derivative liabilities):			
Commodity options	(0.2)	(0.6)	(0.8)
Gross-settled:			
Foreign exchange forwards – gross outflows	(123.6)	–	(123.6)
Foreign exchange collars – gross outflows	(312.7)	(397.3)	(710.0)
	(436.5)	(397.9)	(834.4)
At 31 December 2024	Within 1 year \$m	Within 2 to 5 years \$m	Total \$m
Net-settled (derivative liabilities):			
Commodity options	(74.2)	(10.3)	(84.5)
Gross-settled:			
Foreign exchange forwards – gross outflows	(191.5)	–	(191.5)
Foreign exchange collars – gross outflows	(191.1)	–	(191.1)
	(456.8)	(10.3)	(467.1)

#### vi) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group regularly monitors the capital requirements of the business over the short, medium and long term, in order to enable it to foresee when additional capital will be required.

The Group has approval from management to hedge external risks, commodity prices, interest rates and foreign exchange risk. This is designed to reduce the risk of adverse movements in market prices, interest rates and exchange rates eroding the Group's financial results.



## Notes to the consolidated financial statements continued

## 31. Derivative financial instruments

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

	2025 \$m	2024 \$m
Oil swaps – cash flow hedge	65.3	19.9
Oil collars – cash flow hedge	26.1	6.5
Gas swaps – cash flow hedge	95.2	(49.5)
Gas collars – cash flow hedge	113.7	(81.2)
FX forwards – cash flow hedge	10.5	0.2
FX forwards – non-cash flow hedge	–	(7.5)
FX collars – cash flow hedge	41.3	(6.9)
FX collars – non-cash flow hedge	8.4	–
Cross-currency interest rate swaps	(9.1)	–
	<b>351.4</b>	<b>(118.5)</b>
	2025 \$m	2024 \$m
Maturity analysis of derivative financial instruments		
Non-current assets	93.5	–
Current assets	267.8	33.0
Non-current liabilities	(0.6)	(21.0)
Current liabilities	(9.3)	(130.5)
	<b>351.4</b>	<b>(118.5)</b>

The fair value of commodity derivatives is estimated using a net present value model (commodity swaps) or an appropriate option valuation model (options and collars). These contracts are valued using observable market pricing data including volatilities. A 20% reduction in future commodity prices, with all other assumptions held constant, would result in a decrease in the fair value of derivatives of \$353 million (2024: \$260 million). A 20% increase in future commodity prices, with all other assumptions held constant, would result in an increase in the intrinsic value of option derivative instruments at 31 December 2025 of \$124 million (2024: \$113 million).

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 December 2025 and 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 either 31 December 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.

## 31. Derivative financial statements continued

Financial instruments subject to enforceable master netting agreements and similar agreements at 31 December 2025 are detailed below:

	Amount recognised in the statement of financial position \$m	Related amounts not set off in the statement of financial position \$m	Net amount \$m
Derivative assets	361.3	(8.4)	352.9
Derivative liabilities	(9.9)	8.4	(1.5)

Financial instruments subject to enforceable master netting agreements and similar agreements at 31 December 2024 are detailed below:

	Amount recognised in the statement of financial position \$m	Related amounts not set off in the statement of financial position \$m	Net amount \$m
Derivative assets	33.0	(23.0)	10.0
Derivative liabilities	(151.5)	23.0	(128.5)

## 32. Related-party transactions

The immediate Parent undertaking is DKL Energy Limited (incorporated in Jersey) which owns 50.5% (2024: 52.2%) of the issued share capital of Ithaca Energy plc. The registered office address of DKL Energy Limited is 47 Esplanade, St Helier, JE1 0BD, Jersey.

Eni UK Limited, an indirect wholly owned subsidiary of Eni S.p.A., owns 35.9% (2024: 37.2%) of the issued share capital of Ithaca Energy plc. Related-party transactions with Eni S.p.A. group from 3 October 2024 were as follows:

	Sales to related parties \$m	Purchases from related parties \$m	Amounts owed by related parties at 31 December \$m	Amounts owed to related parties at 31 December <sup>1</sup> \$m
2024	305.6	2.0	111.6	210.9
2025	<b>1,039.0</b>	<b>15.9</b>	<b>130.1</b>	<b>100.6</b>

<sup>1</sup> Includes \$48.2 million (2024: \$204.4 million) of deferred consideration in respect of the Eni UK business combination (see notes 17 and 26).

Amounts owed by and to related parties are unsecured. Amounts owed by related parties comprise principally of hydrocarbon sales and amounts owed to related parties comprise primarily deferred consideration and amounts due under technical service agreements.

The ultimate Parent of the Group is Delek Group Limited (incorporated in Israel), an independent E&P Company listed on the Tel Aviv Stock Exchange. There were no related-party transactions with Delek Group Limited in either the year ended 31 December 2025 or the year ended 31 December 2024.

**Notes to the consolidated financial statements** continued**32. Related-party transactions** continued

The consolidated financial statements include the financial information of the Group, which comprises the Company and the subsidiaries listed in the following table:

	Registered office	Registered number	Country of incorporation	% equity interest at 31 December	
				2025	2024
Ithaca Energy (E&P) Limited	1	126983	Jersey	100%	100%
Ithaca Energy (UK) Limited	2	SC272009	Scotland	100%	100%
Ithaca Minerals (North Sea) Limited <sup>a</sup>	2	SC274666	Scotland	100%	100%
Ithaca Energy (Holdings) Limited	3	46504	Bermuda	100%	100%
Ithaca Energy Holdings (UK) Limited <sup>a</sup>	2	SC437615	Scotland	100%	100%
Ithaca Energy (North Sea) PLC	2	SC595124	Scotland	100%	100%
Ithaca Oil and Gas Limited	4	01546623	England and Wales	100%	100%
Ithaca Petroleum Limited <sup>a</sup>	4	05223667	England and Wales	100%	100%
Ithaca Causeway Limited	4	06167799	England and Wales	100%	100%
Ithaca Gamma Limited <sup>a</sup>	4	05929104	England and Wales	100%	100%
Ithaca Alpha (NI) Limited <sup>a</sup>	5	NI073431	Northern Ireland	100%	100%
Ithaca Epsilon Limited <sup>a</sup>	4	05979869	England and Wales	100%	100%
Ithaca Exploration Limited <sup>a</sup>	4	05914627	England and Wales	100%	100%
Ithaca Dorset Limited	4	01135213	England and Wales	100%	100%
Ithaca SP UK Limited	4	02586927	England and Wales	100%	100%
Ithaca GSA Holdings Limited	1	111751	Jersey	100%	100%
Ithaca GSA Limited	1	109212	Jersey	100%	100%
Ithaca Energy Developments UK Limited <sup>a</sup>	4	07105041	England and Wales	100%	100%
FPF-1 Limited	6	103593	Jersey	100%	100%
Ithaca MA Limited	4	03947050	England and Wales	100%	100%
Ithaca SP Bonds PLC <sup>a</sup>	4	11029537	England and Wales	100%	100%
Ithaca SP Finance Limited	4	09102885	England and Wales	100%	100%
Ithaca SP (Holdings) Limited	4	09102478	England and Wales	100%	100%
Ithaca SP E&P Limited	4	01504603	England and Wales	100%	100%
Ithaca SP O&G Limited	4	09858988	England and Wales	100%	100%
Ithaca SPE Limited	4	09103084	England and Wales	100%	100%
Ithaca Zeta Limited	4	08860426	England and Wales	100%	100%
Ithaca EF Limited	4	03772746	England and Wales	100%	100%
Ithaca UKCS Limited	4	01019748	England and Wales	100%	100%
Ithaca (NE) E&P Limited	4	01483021	England and Wales	100%	100%
Ithaca (NE) UKCS Limited	4	03386464	England and Wales	100%	100%
Ithaca J E&P Limited (formerly JAPEX UK E&P LIMITED)	4	08946587	England and Wales	100%	–

**Notes to the consolidated financial statements** continued**32. Related party transactions** continued

Transactions between subsidiaries are eliminated on consolidation.

Foot notes relating to table on preceding page:

- 1 47 Esplanade, St Helier, Jersey, JE1 0BD
- 2 13 Queen's Road, Aberdeen, Scotland AB15 4YL
- 3 Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda
- 4 Pinsent Masons LLP, 1 Park Row, Leeds, England, LS1 5AB
- 5 Pinsent Masons LLP, The Soloist, 1 Lanyon Place, Belfast, BT1 3LP
- 6 26 New Street, St Helier, Jersey, JE2 3RA
- 7 All of the above shares represent an ordinary class of shares.
- 8 Under section 479A of the Companies Act 2006, this 100% owned subsidiary will take advantage of the audit exemption for the year ended 31 December 2025. In accordance with section 479C of the Companies Act 2006, Ithaca Energy plc will guarantee the debts and liabilities of this UK subsidiary undertaking.

**Key management personnel**

The following table provides remuneration to key management personnel, being the Executive Directors and members of the Executive Leadership Team, for the years ended 31 December 2025 and 2024:

Key management personnel	2025 \$m	2024 \$m
Salaries and short-term employee benefits	6.3	5.9
Payments made in lieu of pension contributions	0.3	0.3
Company pension contributions	0.2	0.1
Compensation for loss of office	-	0.2
Share-based payment	2.3	1.6
	9.1	8.1

Further details regarding share-based payments received by key management personnel are set out below.

**33. Share-based payments**

The charge for share-based payment transactions in the year to 31 December 2025 was \$7.4 million (2024: \$6.1 million). Like other elements of compensation, this charge is processed through the time-writing system which allocates costs, based on time spent by individuals, to various activities within the Ithaca Energy plc Group. Part of this cost is, therefore, capitalised as directly attributable to capital projects and part is charged to the statement of profit or loss as operating costs of hydrocarbon activities, pre-licence exploration costs or administrative expenses.

**33. Share-based payments** continued**Long-Term Incentive Plans (LTIPs), Restricted Stock Units (RSUs) and Deferred Bonus Shares (DBSs)**

Outstanding share options under LTIPs, RSUs and DBSs were as follows:

	Heritage awards	At-IPO awards	2022 LTIP awards	2024 LTIP awards	RSU and DBS awards	2025 LTIP awards	Total
Balance at							
1 January 2024	828,935	4,280,684	2,560,537	-	-	-	7,670,156
Granted during the year	-	-	-	3,589,590	542,394	-	4,131,984
Awarded during the year in lieu of dividend payments	76,000	1,454,497	-	532,474	91,641	-	2,154,612
Forfeited during the year	-	(293,867)	(249,919)	-	-	-	(543,786)
Exercised during the year	(885,959)	(974,153)	-	-	-	-	(1,860,112)
Balance at							
31 December 2024 and 1 January 2025	18,976	4,467,161	2,310,618	4,122,064	634,035	-	11,552,854
Granted during the year	-	-	-	-	391,963	2,276,380	2,668,343
Awarded during the year in lieu of dividend payments	-	318,694	-	(532,474)	79,398	-	(134,382)
Forfeited during the year	-	(106,279)	(368,941)	(149,531)	-	-	(624,751)
Exercised during the year	(18,976)	(3,048,094)	-	-	(126,336)	-	(3,193,406)
Balance at							
31 December 2025	-	1,631,482	1,941,677	3,440,059	979,060	2,276,380	10,268,658
Exercisable at 31 December 2025	-	1,631,482	-	-	-	-	1,631,482
Share option exercise price	£nil	£nil	£nil	£nil	£nil	£nil	N/A
Weighted average share price on date of exercise	£1.23	£1.87	N/A	N/A	£2.28	N/A	N/A
Weighted average remaining life	N/A	N/A	0.3 years	1.6 years	1.8 years	2.3 years	N/A

**Notes to the consolidated financial statements** continued**33. Share-based payments** continued

All LTIP, DBS and RSU awards are nil-cost options. There are no performance conditions attaching to the Heritage, At-IPO, DBS or RSU awards. Details of the performance conditions of the 2022 LTIP, the 2024 LTIP and the 2025 LTIP are set out in the Remuneration Committee report. The fair values of all awards were determined based on the share price on date of award. The Heritage awards vested over the period to 14 November 2023, the At-IPO awards vested in three equal tranches over the period to 14 November 2025, the 2022 LTIP awards vest over the period to 1 April 2026, the 2024 LTIP awards vest over the periods to 4 July 2027 and 11 October 2027, the 2024 DBS awards vest over the period to 5 July 2027, the 2024 RSU awards vest in three equal tranches over the period to 4 July 2027, the 2025 DBS awards vest over the period to 16 April 2028 and the 2025 LTIP awards vest over the period to 31 March 2028. It is anticipated that future exercises of LTIP, DBS and RSU awards will be settled by equity.

The total charge for LTIP share options, DBS awards and RSU awards in the year to 31 December 2025 was \$7.4 million (2024: \$6.1 million).

The share-based payment reserve of \$21.3 million (2024: \$18.8 million) reflects the opening balance of \$18.8 million (2024: \$15.5 million) plus the charge of \$7.4 million (2024: \$6.1 million) for LTIPs, DBSs and RSUs less the cost of satisfying exercises during the year of \$4.9 million (2024: \$2.8 million).

**34. Dividends**

	2025 \$m	2024 \$m
First 2025 interim dividend of \$0.1010 (2024: \$0.0986) per ordinary share announced 20 August 2025 and paid 11 September 2025	166.4	99.4
Second 2025 dividend of \$0.0804 (2024: \$0.1209) per ordinary share announced 19 November 2025 and paid 18 December 2025	132.0	199.7
<b>Total dividends paid relating to the year ended 31 December<sup>1</sup></b>	<b>298.4</b>	<b>299.1</b>
Third 2025 interim dividend of \$0.1209 (2024: \$0.1209) per ordinary share announced 18 March 2026 and payable on 16 April 2026 (not accrued in the 2025 results) <sup>1</sup>	200.0	199.3
<b>Total dividends paid or payable relating to year ended 31 December</b>	<b>498.4</b>	<b>498.4</b>

<sup>1</sup> The third 2024 interim dividend of \$199.3 million was paid on 25 April 2025. Total cash payments in the year to 31 December 2025 were \$497.7 million (2024: \$432.7 million).



## Company statement of financial position

### As at 31 December

	Note	2025 \$m	2024 Restated <sup>1</sup> \$m
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		21.7	0.3
Prepayments		0.8	1.0
		22.5	1.3
<b>Non-current assets</b>			
Investments in subsidiary undertakings	3	2,290.3	2,290.3
Investments in listed oil and gas shares		49.0	-
<b>Total assets</b>		<b>2,361.8</b>	<b>2,291.6</b>
<b>Liabilities and equity</b>			
<b>Current liabilities</b>			
Deferred consideration	4	-	(160.2)
Trade and other payables	4	(102.1)	(37.3)
		(102.1)	(197.6)
<b>Non-current liabilities</b>			
Deferred consideration	4	-	(44.2)
<b>Total liabilities</b>		<b>(102.1)</b>	<b>(241.8)</b>
<b>Net assets</b>		<b>2,259.7</b>	<b>2,049.8</b>

Approved on behalf of the Board on 17 March 2026:

#### Iain C S Lewis

Director

Company number: 12263719

	Note	2025 \$m	2024 Restated <sup>1</sup> \$m
<b>Shareholders' equity</b>			
Share capital	5	20.0	20.0
Share premium	5	308.8	308.8
Merger reserve	5	852.8	852.8
Capital contribution reserve	5	181.9	181.9
Own shares	5	(4.7)	(9.6)
Share-based payment reserve	5	21.3	18.8
Fair value through OCI reserve		10.7	-
Retained earnings <sup>2</sup>		868.9	677.1
<b>Total equity</b>		<b>2,259.7</b>	<b>2,049.8</b>

1 The excess over the nominal value of the shares issued on the completion of the Eni UK business combination on 3 October 2024 of \$852.8 million has been reclassified from share premium to merger reserve (see note 1 for further details).

2 The Company reported a profit of \$689.5 million (2024: \$405.5 million) for the year ended 31 December 2025.



## Company statement of changes in equity

### Year ended 31 December

	Share capital \$m	Share premium \$m	Merger reserve \$m	Capital contribution reserve \$m	Own shares \$m	Share-based payment reserve \$m	Fair value through OCI reserve \$m	Retained earnings \$m	Total \$m
Balance at 1 January 2024	11.5	308.8	–	181.9	(12.4)	15.5	–	704.3	1,209.6
Dividends paid	–	–	–	–	–	–	–	(432.7)	(432.7)
Issuance of shares	8.5	852.8	–	–	–	–	–	–	861.3
Profit for the year	–	–	–	–	–	–	–	405.5	405.5
Share-based payments	–	–	–	–	2.8	3.3	–	–	6.1
<b>Balance at 31 December 2024 as previously stated</b>	20.0	1,161.6	–	181.9	(9.6)	18.8	–	677.1	2,049.8
Reclassification <sup>1</sup>	–	(852.8)	852.8	–	–	–	–	–	–
<b>Balance at 31 December 2024 and 1 January 2025 as restated</b>	20.0	308.8	852.8	181.9	(9.6)	18.8	–	677.1	2,049.8
Dividends paid	–	–	–	–	–	–	–	(497.7)	(497.7)
Share-based payments	–	–	–	–	4.9	2.5	–	–	7.4
<i>Comprehensive income for the year:</i>									
Profit for the year	–	–	–	–	–	–	–	689.5	689.5
Other comprehensive income	–	–	–	–	–	–	10.7	–	10.7
<i>Total comprehensive income for the year</i>	–	–	–	–	–	–	10.7	689.5	700.2
<b>Balance at 31 December 2025</b>	<b>20.0</b>	<b>308.8</b>	<b>852.8</b>	<b>181.9</b>	<b>(4.7)</b>	<b>21.3</b>	<b>10.7</b>	<b>868.9</b>	<b>2,259.7</b>

1 The excess over the nominal value of the shares issued on the completion of the Eni UK business combination on 3 October 2024 of \$852.8 million has been reclassified from share premium to merger reserve (see note 1 for further details).



## Notes to the Company financial statements

### 1. Material accounting policies

#### Basis of preparation

The separate financial statements of the Company are presented as required by the Companies Act 2006. The financial statements have been prepared on a historical cost basis and on a going concern basis as described in the going concern statement within note 3 of the consolidated financial statements.

The Company meets the definition of a qualifying entity under Financial Reporting Standard 101 (FRS 101) 'Reduced Disclosure Framework' issued by the Financial Reporting Council. These financial statements have, therefore, been prepared in accordance with FRS 101.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under this standard in relation to share-based payments, financial instruments, capital management, presentation of a cash flow statement and certain related-party transactions.

Where relevant, equivalent disclosures have been given in the consolidated financial statements. Where applicable, the principal accounting policies adopted are the same as those set out in note 3 to the consolidated financial statements on pages 175 to 185, except as noted below.

#### Prior period reclassification

The excess of the fair value over the nominal value of the shares issued on the completion of the Eni UK business combination on 3 October 2024 was classified incorrectly to share premium and has been reclassified to merger reserve in order to comply with Section 612 of the Companies Act 2006. Details of amounts as previously stated, prior period reclassifications and amounts as restated were:

Statement of financial position as at 31 December 2024:	As previously stated	Prior period reclassification	As restated
Share premium (\$m)	1,161.6	(852.8)	<b>308.8</b>
Merger reserve (\$m)	–	852.8	<b>852.8</b>

#### Investments

Investments in subsidiaries are shown at cost less provision for impairment.

#### Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders. Dividends receivable from subsidiaries are recognised only when they are approved by shareholders. Details of dividends paid and declared are set out in note 34 of the consolidated financial statements.

### 1. Material accounting policies continued

#### New and revised IFRS Standards in issue but not yet effective

As at 31 December 2025, the Company had not applied the following new Standards or revisions to existing IFRS Standards, that have been issued but were not yet effective at that date.

Amendments to the SASB standards	Amendments to the SASB standards to enhance their international applicability
Revised IFRS Practice Statement 1 Management Commentary	Revised IFRS Practice Statement 1 Management Commentary
Amendments to IFRS 9 and IFRS 7	Amendments to the classification and measurement of financial instruments
Amendments to IFRS 9 and IFRS 7	Contracts referencing nature-dependent electricity
Annual improvements to IFRS	Annual improvements to IFRS Accounting Standards – volume 11
IFRS 18	Presentation and disclosures in financial statements
IFRS 19	Subsidiaries without public accountability: disclosures
Amendments to IFRS 19	Amendments to IFRS 19 Subsidiaries without public accountability: disclosures
Translation to a Hyperinflationary Presentation Currency	Amendments to IAS 21

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

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of expenses during the reporting period. Although these estimates are based on management's best knowledge, actual results may ultimately differ from those estimates. The estimates and underlying assumptions are reviewed on a regular and ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. In the current and prior year there were no critical accounting judgements or key sources of estimation uncertainty.

### 2. Profit for the year

As permitted by section 408 of the Companies Act 2006, the Company has elected not to present its own statement of profit or loss for the year. The Company reported a profit of \$689.5 million (2024: \$405.5 million) for the year ended 31 December 2025.

Fees payable to the Company's auditors for the audit of the Company's annual financial statements are disclosed in note 7 to the consolidated financial statements.



## Notes to the Company financial statements continued

## 3. Investments in subsidiary undertakings

	2025 \$m	2024 \$m
Balance at 1 January	2,290.3	1,224.6
Additions (see note 17 to the consolidated financial statements)	–	1,065.7
Balance at 31 December	2,290.3	2,290.3

The carrying value of investments in subsidiary undertakings is reviewed for indicators of impairment on an annual basis. If an impairment test is required, the recoverable amount is the higher of fair value less cost of disposal or the net present value of future cash flows which are estimated based on the continued use of the assets in the business. The market capitalisation of the Group at 31 December 2025 was \$3.69 billion (2024: \$2.29 billion) which is in excess of the carrying value of investments in subsidiary undertakings, and therefore no indicators of impairment are considered to exist.

The subsidiaries of Ithaca Energy plc are set out in note 32 of the consolidated financial statements.

During the year ended 31 December 2025, the Company received \$710 million of dividends from subsidiary undertakings (2024: \$435 million) comprising cash dividends of \$500 million and dividends in specie of \$210 million in relation to the hive-down described below.

On 20 January 2025, Ithaca Energy plc sold the investments held in Ithaca NE (E&P) Limited and Ithaca EF Limited (the additions to investments in subsidiary undertakings in the year to 31 December 2024 in the table above) to Ithaca Energy (E&P) Limited in a share for share exchange using book values, whereby the investment held in Ithaca Energy (E&P) Limited was increased by \$1,066 million.

## 4. Trade and other payables

	2025 \$m	2024 \$m
Amounts owed to subsidiary undertakings	(100.0)	(34.4)
Trade and other payables	(0.1)	(0.3)
Accruals	(2.0)	(2.6)
	(102.1)	(37.3)

Amounts owed to subsidiary are repayable on demand and do not bear interest.

Deferred consideration of \$nil (2024: \$204.4 million) is payable in relation to the Eni UK business combination. The deferred consideration at 31 December 2024 was hived down to a subsidiary undertaking during the year.

## 5. Share capital and reserves

## (a) Issued share capital

The issued share capital is as follows:

	Number of common shares	Amount \$m
<b>At 31 December 2024 and 31 December 2025</b>	<b>1,653,732,455</b>	<b>20.0</b>

On 3 October 2024, 639,360,174 ordinary shares of £0.01 each were issued to Eni UK Limited, an indirect wholly-owned subsidiary of Eni S.p.A., as consideration for the Eni UK business combination (see note 17 for further details).

## (b) Share premium

	2025 \$m	2024 Restated <sup>1</sup> \$m
<b>At 1 January and 31 December</b>	<b>308.8</b>	<b>308.8</b>

The share premium account represents the cumulative difference between the market share price and the nominal share value on the issuance of new ordinary shares multiplied by the number of shares issued.

## (c) Merger reserve

	2025 \$m	2024 Restated <sup>1</sup> \$m
<b>At 1 January and 31 December</b>	<b>852.8</b>	<b>852.8</b>

<sup>1</sup> The excess over the nominal value of the shares issued on the completion of the Eni UK business combination on 3 October 2024 of \$852.8 million has been reclassified from share premium to merger reserve.

The merger reserve represents the cumulative difference between the market share price and the nominal share value on the issuance of new ordinary shares used to fund acquisitions multiplied by the number of shares issued.

Additions during 2024 represent the difference between the nominal value per share of £0.01 and the opening share price on the day of the completion of the Eni business combination multiplied by the number of shares issued.

## (d) Capital contribution reserve

	2025 \$m	2024 \$m
<b>At 1 January and 31 December</b>	<b>181.9</b>	<b>181.9</b>

**Notes to the Company financial statements** continued**5. Share capital and reserves** continued**(e) Own shares**

	2025 \$m	2024 \$m
<b>At 31 December</b>	<b>(4.7)</b>	<b>(9.6)</b>

Own shares comprise shares held in the Ithaca Energy plc EBT which are being used to satisfy the exercise of employee share options. During the year to 31 December 2025, 3,193,406 (2024: 1,860,112) ordinary shares were used to satisfy the exercise of share options. At 31 December 2025, the EBT held 3,132,512 (2024: 6,325,918) ordinary shares of £0.01 each.

**(f) Share-based payment reserve**

	2025 \$m	2024 \$m
<b>At 31 December</b>	<b>21.3</b>	<b>18.8</b>

The share-based payment reserve represents the cumulative charge for share options, as described in note 33, less the cumulative cost of share option exercises.

Details of share-based payments are set out in note 33 of the consolidated financial statements.

The Company has taken advantage of the exemption given by Paragraph 8 of FRS 101, which allows exemption from disclosure of compensation for key management personnel.

**6. Related-party transactions**

Deferred consideration of \$nil (2024: \$204.4 million) per note 4 was a related party amount due to Eni S.p.A. group at 31 December 2024. Other than this there were no other related-party transactions between the Company and Eni S.p.A. during the year to 31 December 2025 or the period 3 October 2024 to 31 December 2024. There were no related-party transactions between the Company and Delek Group Limited in either the year ended 31 December 2025 or the year ended 31 December 2024.

**7. Ultimate Parent undertaking and controlling party**

The immediate Parent undertaking is DKL Energy Limited (incorporated in Jersey) which owns 50.5% (2024: 52.2%) of the issued share capital of Ithaca Energy plc. The registered office address of DKL Energy Limited is 47 Esplanade, St Helier, Jersey, JE1 0BD.

The ultimate Parent Company is Delek Group Limited (incorporated in Israel), an independent E&P Company listed on the Tel Aviv Stock Exchange.

The smallest and largest group for which consolidated financial statements are prepared is that of Ithaca Energy plc.



## 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, taxation charges, premium payments on oil and gas derivative contracts, revaluation gains or losses on financial instruments, depletion depreciation and amortisation, impairment charges on oil and gas assets, exploration and evaluation expenditure, fair value remeasurements of contingent consideration, restructuring costs and business combination costs. 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 (loss)/profit after tax as follows:

	2025 \$m	2024 \$m
<b>(Loss)/profit after tax</b>	<b>(84.1)</b>	153.1
Taxation charge (note 28)	924.4	181.2
Depletion, depreciation and amortisation (note 15)	840.6	600.2
Impairment charges on oil and gas assets (note 19)	77.5	263.0
Finance income (note 9)	(9.8)	(11.2)
Finance costs (note 9)	264.6	200.6
Premium payments on oil and gas derivative contracts (note 5)	0.3	4.9
Revaluation gains on financial instruments (note 30)	(15.9)	(0.4)
Restructuring costs	8.0	-
Business combination costs (note 7)	0.3	16.3
Exploration and evaluation expenses (note 14)	2.1	24.6
Fair value remeasurements of contingent consideration (note 8)	22.8	(27.3)
<b>Adjusted EBITDAX</b>	<b>2,030.8</b>	1,405.0

**Adjusted net income:** (loss)/profit after tax excluding impairment charges on oil and gas assets, restructuring costs, business combination costs, one-off finance charges related to refinancing 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 (loss)/profit after tax as follows:

	2025 \$m	2024 \$m
<b>(Loss)/profit after tax</b>	<b>(84.1)</b>	153.1
Impairment charges on oil and gas assets <sup>1</sup>	77.5	263.0
Tax credit on impairment charges on oil and gas assets <sup>1</sup>	(33.6)	(160.3)
Restructuring costs	8.0	-
Business combination costs	0.3	16.3
One-off finance charges related to refinancing	-	22.0
Tax credit on restructuring costs, business combination costs and one-off finance charges	(6.5)	(28.6)
Deferred tax impact of EPL changes substantively enacted during the year	327.6	58.1
<b>Adjusted net income</b>	<b>289.2</b>	323.6

1. Post-tax impairment charges of \$43.9 million (2024: \$102.7 million) comprising \$1.8 million related to Alder (2024: \$38.5 million in relation to the Greater Stella Area and Pierce) and \$42.1 million (2024: \$64.2 million) principally in relation to decommissioning cost estimate changes on fields that have either been fully written off or have ceased production.

**Adjusted earnings per share (EPS):** Adjusted net income divided by average shares for the year of 1,648.8 million (2024: 1,164.3 million):

	2025	2024
<b>Adjusted EPS (cents)</b>	<b>17.5</b>	27.8

**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:

	2025 \$m	2024 \$m
RBL drawn facility	-	(150.0)
Senior unsecured notes 2029	(750.0)	(750.0)
Senior unsecured notes 2031	(528.3)	-
Project capital expenditure facility	(150.0)	(150.0)
Cash and cash equivalents	170.1	165.1
<b>Adjusted net debt</b>	<b>(1,258.2)</b>	(884.9)



## Notes to the Company financial statements continued

**Pro forma leverage ratio:** adjusted net debt at the end of the year divided by adjusted EBITDAX for the year then ended, including \$34.7 million and \$185.7 million of pre-acquisition adjusted EBITDAX from JAPEX UK and Cygnus, respectively (2024: \$580.3 million of adjusted EBITDAX generated by 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:

	2025	2024
Adjusted net debt (\$m)	1,258.2	884.9
Pro forma adjusted EBITDAX (\$m)	2,251.2	1,985.3
<b>Pro forma leverage ratio</b>	<b>0.56x</b>	<b>0.45x</b>

**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:

	2025 \$m	2024 \$m
Cash and cash equivalents	170.1	165.1
Undrawn borrowing facilities	1,300.0	850.0
<b>Available liquidity</b>	<b>1,470.1</b>	<b>1,015.1</b>

**Group free cash flow:** net cash flow from operating activities less cash used in investing activities, adjusting for acquisition payments, deferred consideration payments and 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:

	2025 \$m	2024 \$m
<b>Net cash flow from operating activities</b>	<b>1,745.3</b>	<b>853.3</b>
Net cash used in investing activities, excluding the cost of acquisitions, deferred consideration payments and cash acquired through business combinations	(924.2)	(390.9)
Cash acquired through business combinations	(16.1)	(107.5)
Bank interest and charges	(121.7)	(94.7)
Interest rate swaps	–	0.6
<b>Group free cash flow</b>	<b>683.3</b>	<b>260.8</b>

**Unit operating expenditure:** operating costs (excluding over/underlift) including tariff expense but excluding restructuring costs, tanker costs and net of tariff income, divided by net production for the year. 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 reconcile to note 6 as follows:

	2025	2024
Operating costs of hydrocarbon activities per note 6 (\$m)	871.6	617.9
Less restructuring costs (\$m)	(4.5)	–
Less tanker costs included within operating costs of hydrocarbon activities in note 6 (\$m)	(19.6)	(18.3)
Less tariff income per note 5 (\$m)	(30.2)	(30.0)
<b>Operating costs used to calculate unit operating expenditure (\$m)</b>	<b>817.3</b>	<b>569.6</b>
Production (mmboe)	43.26	25.42
<b>Unit operating expenditure (\$/boe)</b>	<b>18.9</b>	<b>22.4</b>

### Other key performance indicators

**DDA rate per barrel:** depletion, depreciation and amortisation charge for the year divided by net production for the year. DDA per barrel was:

	2025	2024
Depletion, depreciation and amortisation per note 15 (\$m)	840.6	600.2
Production (mmboe)	43.26	25.42
<b>DDA (\$/boe)</b>	<b>19.4</b>	<b>23.6</b>

**Production:** total hydrocarbons produced related to Ithaca Energy's equity in operated and non-operated fields divided by the number of days in the year. Production in 2025 was 119 kboe/d (2024: 80 kboe/d). In 2024, this included the volumes from the Eni UK businesses from the effective economic date of 1 July 2024. It should be noted that the volumes used in the per barrel calculations for 2024 above include volumes from the Eni UK businesses from the date of completion of 3 October 2024 as the associated costs were recorded from that date.

Pro forma production for 2025 of 131 kboe/d is based on total production of 47.68 mmboe including pre-acquisition volumes of 0.86 mmboe and 3.56 mmboe for Seagull and Cygnus respectively. Pro forma volumes for 2025, being our incremental working interests for the whole year, for Seagull and Cygnus were 1.55 mmboe and 4.76 mmboe respectively, equating to 17 kboe/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 2025 (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 2025 (2024: 0).



## Five years at a glance

	2025	2024	2023	2022	2021
<b>Statement of profit or loss</b>					
Revenue (\$m)	2,946.5	1,981.8	2,319.8	2,598.5	1,428.2
Adjusted EBITDAX (\$m)	2,030.8	1,405.0	1,722.7	1,916.2	1,035.4
Adjusted earnings (\$m)	289.2	323.6	446.5	462.8	415.5
Unit operating expenditure (\$/boe)	18.9	22.4	20.5	19.0	18.0
Basic EPS (Cents)	(5.1)	13.2	29.1	102.6	42.4
Adjusted EPS (Cents)	17.5	27.8	44.4	46.0	41.3
<b>Statement of financial position</b>					
Total assets (\$m)	8,447.0	8,275.0	6,323.5	6,759.6	4,731.8
Total liabilities (\$m)	(5,875.2)	(5,234.6)	(3,802.2)	(4,302.1)	(4,055.3)
Shareholders' equity (\$m)	2,571.8	3,040.4	2,521.3	2,457.5	676.5
Shares in issue at year end (m)	1,653.7	1,653.7	1,014.4	1,006.6	N/A
Market capitalisation at year end (\$m)	3,689.5	2,294.2	1,714.6	2,050.7	N/A
<b>Cash flow</b>					
Net cash flow from operating activities (\$m)	1,745.3	853.3	1,290.8	1,723.3	912.7
Investing activities (\$m)	(1,451.6)	(390.9)	(492.4)	(1,404.2)	(220.2)
Financing activities (\$m)	(292.2)	(449.5)	(900.7)	(107.4)	(650.7)
Foreign exchange (\$m)	3.5	(1.0)	1.7	(2.7)	1.8
Increase/(decrease) in cash (\$m)	5.0	11.9	(100.6)	209.0	43.6
<b>Other financial measures</b>					
Adjusted net debt (\$m)	(1,258.2)	(884.9)	(571.8)	(971.2)	(930.2)
Available liquidity (\$m)	1,470.1	1,015.1	1,028.2	578.8	619.8
Pro forma leverage ratio	0.56x	0.45x	0.33x	0.51x	0.90x
<b>Operational/strategic measures</b>					
Average daily production (kboe/d)	119	80	70	71	56
Reserves and resources (mmbœ)	658	657	544	512	291
Tier 1 and tier 2 process safety events	0	0	1	2	2
Serious injury and fatality frequency	0	0	0	0	0
Scope 1 and Scope 2 emissions (ktCO <sub>2</sub> e)	437.5	448.2	435.8	483.3	497.9
GHG intensity (kgCO <sub>2</sub> e/boe)	17.2	23.9	25.0	23.8	24.6



## Glossary

AFE	Authorisation for expenditure	ECL	Expected credit losses	HiPo	High potential incident
AGM	Annual General Meeting	ED	Executive Director	HiPoR	High Potential Incident Rate
APS	Announced Pledged Scenario	EIA	Environmental Impact Assessment	HMRC	HM Revenue and Customs
Bbl	Barrel	EIR	Effective interest rate	HSES	Health, safety, environment and security
BBtu/d	Billion British thermal units per day	EIS	Environmental Impact Statement	IAS	International Accounting Standards
Bcf	Billion cubic feet	ELT	Executive Leadership Team	IASB	International Accounting Standards Board
BLP	Bridge Linked Platform	EMS	Environmental Management System	ICP	Independent Competent Person
BMS	Business Management System	EOR	Enhanced Oil Recovery	IEA	International Energy Agency
boe	Barrels of oil equivalent	EPCC	Engineering, procurement, construction and commissioning	IFRIC	IFRS Interpretations Committee
boe/d	Barrels of oil equivalent per day	EPL	Energy Profits Levy	IFRS	International Financial Reporting Standards
BRINDEX	The Association of British Independent Oil Exploration Companies	EPS	Earnings per share	IOGP	International Association of Oil and Gas Producers
CAGR	Compound annual growth rate	ERM	Enterprise risk management	IPIECA	International Petroleum Industry Environmental Conservation Association
CEO	Chief Executive Officer	ERMC	Enterprise risk management committee	IPO	Initial Public Offering
CFO	Chief Financial Officer	ERRV	Emergency response and rescue vehicle	IRR	Internal rate of return
CFFO	Cash flow from operations	ESG	Environmental, social and governance	ISAs (UK)	International Standards on Auditing (UK)
CGU	Cash-generating unit	FCA	Financial Conduct Authority	JEF	Judy East Flank
CMAPP	Company Major Accident Prevention Policy	FDP	Field development plan	JOA	Joint Operating Agreement
CMS	Company Management System	FEED	Front end engineering and design	JV	Joint venture
CO <sub>2</sub> e	Carbon dioxide equivalent	FID	Final Investment Decision	Kboe/d	Thousand barrels of oil equivalent per day
COP	Cessation of production	FPSO	Floating production, storage and offtake	kgCO <sub>2</sub> e	Kilograms of carbon dioxide equivalent
CPI	Consumer prices index	FRC	Financial Reporting Council	ktCO <sub>2</sub> e	Thousand tonnes of carbon dioxide equivalent
CPRs	Competent Person Reports	FSMA	Financial Services and Markets Act	KPI	Key performance indicator
DBS	Deferred bonus shares	FTSE	Financial Times Stock Exchange	LNG	Liquefied natural gas
DD&A	Depreciation, depletion and amortisation	FVLCD	Fair value less cost of disposal	LOD	Line of Defence
DE&I	Diversity, equity and inclusion	FVTOCI	Fair value through other comprehensive income	LOPC	Loss of primary containment
Delek	Delek Group Limited	FVTPL	Fair value through profit or loss	LSE	London Stock Exchange
DESZN	Department for Energy Security and Net Zero	FX	Foreign exchange	LTIP	Long Term Incentive Plan
DTA	Deferred tax asset	FY	Full year	LTIR	Lost Time Injury Rate
E&E	Exploration and evaluation	GBA	Greater Britannia Area	LWDC	Lost work day cases
E&P	Exploration and production	GBP	Pounds Sterling	M&A	Mergers and acquisitions
EBITDAX	Earnings before interest, tax, depreciation, amortisation and exploration expenditure	GHG	Greenhouse gas	MAH	Major Accident Hazards
		GSA	Greater Stella Area		



## Glossary continued

mmbbls	Million barrels	Scope 3	All indirect emissions (not included in Scope 2) that occur in the value chain of the Group including both upstream and downstream emissions	WPP	Well Protector Platform
mamboe	Million barrels of oil equivalent	SCT	Supplementary charge taxation	2C	Best estimate of contingent resources
MODU	Mobile Offshore Drilling Unit	SDGs	UN Sustainable Development Goals	2P	Proven and probable reserves
MonArb	Montrose Arbroath	SDS	Sustainable Development Scenario		
mscf	Thousand standard cubic feet	SECE	Safety and Environmental Critical Elements		
mt	Metric tonne	SIFF	Serious Injury and Fatality Frequency		
NBP	National Balancing Point	SIP	Share Incentive Plan		
NDC	Nationally Determined Contributions	SLT	Senior Leadership Team		
NED	Non-Executive Director	SMS	Safety Management System		
Netback	Profit per barrel of oil after deducting operating costs, transportation costs and any other direct costs from revenue	SOFR	Secured Overnight Financing Rate		
NGL	Natural gas liquids	SPA	Sale and Purchase Agreement		
NOJV	Non-operated Joint Venture	STEM	Science, technology, engineering and mathematics		
NSTA	North Sea Transition Authority	STEPS	Stated Policies Scenario		
NSTD	North Sea Transition Deal	STROP	Single train operation		
NZE	Net Zero Emissions by 2050 Scenario	SURF	Subsea umbilicals, risers and flowlines		
OCM	Operating Committee Meeting	Tcf	Trillion cubic feet		
OEUK	Offshore Energies UK	TCFD	Task Force on Climate-related Financial Disclosures		
OPRED	Offshore Petroleum, Regulators for Environment and Decommissioning	TCM	Technical Committee Meeting		
PPA	Purchase price allocation	te	Tonnes		
PPE	Property, plant and equipment	Therm	A unit for quantity of heat equal to 100,000 UK thermal units. One therm is approximately 100 cubic feet of natural gas		
PRT	Petroleum revenue tax	TRIR	Total Recordable Injury Rate		
PSC	Production sharing contract	TSR	Total shareholder return		
PSE	Process safety event	UKCS	United Kingdom Continental Shelf		
RBL	Reserves Based Lending	UNGC	UN Global Compact		
RFCT	Ring-fenced corporation tax	USD	US Dollar		
RSA	Restricted shares award	VSA	Voluntary Service Aberdeen		
Scope 1	Direct emissions from operated assets	WACC	Weighted average cost of capital		
Scope 2	Indirect emissions from the generation of purchased energy	WI	Working Interest		
		WoSE	West of Shetland Electrification		
		WP&B	Work Programme and Budget		

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