



Ithaca Energy (UK) Limited
Annual Report and Financial Statements for the year ended 31 December 2024

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General Information

Directors

I Lewis
J McAteer (appointed 27 May 2024)
Y Friedman (appointed 1 July 2024)
L Vasques (appointed 3 October 2024)

Company Secretary

Pinsent Masons Secretarial Limited
1 Park Row
Leeds
LS1 5AB

Independent Auditor

Deloitte LLP
3rd Floor
9 Haymarket Square
Edinburgh
EH3 8RY

Bankers

Deutsche Bank AG
21 Moorfields
London
EC2Y 9DB

Solicitors

Pinsent Masons LLP
1 Park Row
Leeds
LS1 5AB

Registered Office

13 Queen's Road
Aberdeen
AB15 4YL

Strategic Report for the year ended 31 December 2024

Principal activities and review of the business

The principal activity of Ithaca Energy (UK) Limited ("the Company") during the year was the oil and gas appraisal, development and production from North Sea oil and gas properties. The Company owns operated interests in the Erskine, Alder and Stella/Harrier producing fields, and the Cambo development. The objective of the Company, in the near term, is to maximise production from existing fields and achieve early production from the development of existing discoveries on licenses held by the Company, to originate and participate in exploration on licenses held by the Company that have the potential of making significant contributions to future production, and to consider other opportunities for growth as they are identified.

The success of the Company depends on the ability to deliver lower risk growth through the appraisal and development of UK undeveloped discoveries and the exploitation of its existing UK producing asset portfolio. The Company's Directors are of the opinion that analysis using KPIs is appropriate for an understanding of the development and performance of the business.

The Directors believe that the Company is well placed to take advantage of future opportunities.

Group review of the business

2024 has been a transformational year for Ithaca Energy PLC ("the Group"), having made material progress across its strategic objectives. The Group's Business Combination with substantially all of the upstream assets of Eni S.p.A in the UK brings together highly complementary portfolios, offering significant scale, balance and optionality, creating a powerful platform to deliver material cash flow generation, organic and inorganic growth and value creation.

The average Brent market price decreased to around \$80/bbl in 2024 compared to \$82/bbl in 2023. Prices ranged between \$68 and \$93 per barrel, marking the narrowest trading range since 2019. Average realised gas prices after hedging results have fallen from an average of 139p/therm in 2023 to 103p/therm. Average realised oil prices have remained at \$82/bbl in 2024 after hedging results (2023: \$82/bbl). The impact of the reduction in commodity prices has been offset by gains in relation to the Group's hedging portfolio which have decreased from a \$266 million gain in 2023 to a \$135 million gain in 2024.

Operating expenditure per boe of production increased from \$20.5/boe in 2023 to \$22.4/boe in 2024. The increase in unit operating expenditure per boe compared with 2023 reflects the significant fixed cost nature of operating cost spend coupled with lower production in the first half of 2024.

Company financial key performance indicators

	Year ended 31 December 2024	Year ended 31 December 2023
Production (barrel of oil equivalent - boe)		
Oil	336,174	4,546,945
Gas	1,092,158	2,193,951
Condensate	152,927	329,869
	1,581,259	7,070,765
Production (boepd)	4,320	19,372
Average realised price (\$/bbl)	89	83
Average realised gas price (p/therm)	83	102

Production

The Company's production in 2024 was 1,581,259 boe (2023: 7,070,765 boe), a decrease of 78% from the previous year. This is primarily due to the transfer of assets to other group companies during 2023.

Price

Average realised oil prices increased to \$89/bbl in 2024 from \$83/bbl in 2023. Although there has been a decrease in the average Brent market price from \$82/bbl in 2023 to \$80/bbl in 2024 the realised price is reflective of the producing assets that were held by the Company. There were fewer assets in 2024 than in 2023 due to transfers to other group companies, with the prices realised by the remaining assets at a premium to Brent.

Average realised gas prices have fallen from an average of 102p/therm in 2023 to 83p/therm in 2024.

Company financial results

Statement of profit or loss

Revenue and other income decreased from \$827.7 million in 2023 to \$251.8 million for the year ended 31 December 2024, the decrease mainly caused by the transfer of assets to other group companies during 2023.

Cost of sales decreased by \$362.5 million to \$83.4 million in 2024 compared to the previous year (2023: \$445.9 million), the decrease mainly driven by lower production due to the transfer of assets to other group companies during 2023. Administrative expenses increased by \$5.3 million to \$19.7 million from \$14.3 million in 2023, mainly due to increased employee costs. There was an impairment charge of \$1,859.2 million in 2024 (2023: \$512.2 million (note 13) mainly related to investment impairments of \$1,782.6 million (note 10), a \$42.1 million impairment on producing assets (note 12), and a \$28.0 million goodwill impairment (note 14). The investment impairment of \$1,782.6 million mainly relates to the realisation of value via dividend income, in one of the Company's immediate subsidiary undertakings, Ithaca Oil and Gas Limited. There was also an impairment loss on amounts due from fellow group companies of \$74.9 million (2023: \$18.5 million) primarily due to a potential non recoverable debt (note 16). This resulted in an operating loss of \$1,762.4 million for 2024 (2023: operating profit of \$343.7 million).

There were net finance costs of \$33.7 million in 2024 compared to \$111.6 million in 2023, mainly due to higher interest income on intercompany loans. During the year, the Company received dividend income of \$2,908.8 million from subsidiary undertakings, Ithaca Oil and Gas Limited and Ithaca MA Limited (note 8). The tax charge increased by \$21.2 million to \$78.6 million in 2024 compared to the previous year (2023: \$57.4 million). The profit after tax was \$1,038.5 million in 2024, compared to the previous year (2023: \$217.7 million).

Other comprehensive loss of \$15.5 million in the year (2023: \$2.2 million gain) is made up of fair value losses on cash flow hedges of \$70.7 million (2023: gain of \$8.8 million) less associated deferred tax of \$55.1 million (2023: \$6.6 million).

Statement of Financial Position

The Company has net assets of \$901.6 million (2023: net liabilities \$677.0 million). The movement is due to the profit for the year of \$1,038.5 million and additional equity of \$855.6 million as a result of a capital restructuring exercise, partially offset by the payment of a dividend in kind of \$300.0 million and the other comprehensive loss of \$15.5 million.

Strategic Report for the year ended 31 December 2024 (continued)**Principal risks and uncertainties**

The principal risks and uncertainties of the Company are consistent with the principal risks of Ithaca Energy plc ("the Group") and are not managed separately. Refer to the Directors' Report for further details.□

Section 172 Statement

From the perspective of the Board, as a result of the Group governance structure whereby the entity Board is embedded within the Parent Company Board, the matters that it is responsible for considering under Section 172 (1) of the Companies Act 2006 ('s172') have been considered to an appropriate extent by the Parent Company Board in relation to both the Group and to this entity.

The interests of the Company and the Group are closely aligned, and all decisions and policies are made at a Group level. Specific considerations in relation to the Company, with reference to the requirements of s172, are set out below. As overall context, as a 100% owned subsidiary of Ithaca Energy (E&P) Limited, whose Group companies hold operated interests in production and development assets and employs the majority of the personnel in the UK, the interests of the Company and the Group are closely aligned.

The likely consequences of any decision in the long term

The key consideration in this area is any decision made regarding the future of the production and developments assets held by the Company to achieve the ambitions of the Group. Decisions in this regard are taken at the Parent Company level. Decisions regarding payment of any dividends by subsidiary companies of the Parent Company, capital restructuring exercises or realisation of value from investments are taken at a Group level based upon an assessment by the Group's finance team, taking into account a range of factors, including: the long-term viability of the Company; its expected cash flow and financing requirements; the ongoing need for strategic investment in the Company; and the expectations of the Parent Company's shareholders as a supplier of long-term equity capital to the Company.

The interest of the Company's employees

The Company and the Group are focused on creating an environment that is dynamic, inclusive and equitable. A workplace with a strong set of core values where people will thrive, be recognised and where there are no barriers to their progression.

The need to foster the Company's business relationships with suppliers, customers, lenders and others

Whilst the Company is an operator and has significant third party suppliers in addition to its joint venture partners, these relationships are managed at the Group level alongside the Company's relationships with its external customers, therefore no specific consideration is given to these at the Company Board level.

The impact of the Company's operations on the community and the environment

The impact of the Company's operations on the community and the environment are considered by the Parent Company Board.

The desirability of the Company maintaining a reputation for high standards of business conduct

Although the Company has limited suppliers and customers, the Directors continue to provide oversight governance of all Companies within the Group to ensure that they comply with the Group's policies and maintain high standards of business conduct. The subsidiaries provide regular updates on their activities to the Directors. Any investment or acquisition decisions taken by the Directors are made ensuring they are viable by reference to the high standards of business conduct, maximising value for shareholders through the safe, efficient and responsible production of the Group's assets and the pursuit of the Group's strategic objectives to BUY, BUILD and BOOST assets with the aim of building a business of increased scale and longevity.

The need to act fairly as between members of the Company:

The Company's activities support the wider strategy of the Group and, owing to the fact the Company is a wholly owned subsidiary of the Parent Company, the Directors are required only to balance the interests of corporate shareholders that are themselves wholly owned subsidiaries of Ithaca Energy plc, rather than any third party members.

To the extent necessary for an understanding of the development, performance and position of the entity, and explanation of how the Parent Company Board has considered the matters set out in s172 (for the Group and for the entity) is set out on page 48 of Ithaca Energy plc's 2024 Annual Report and Accounts, which does not form part of this report.

Energy and carbon reporting

Under The Large and Medium-Size Companies and Groups (Accounts and Reports) Regulations 2008 we are required to report all sources of greenhouse gas (GHG) emissions and energy usage. The emissions strategy is managed at the Ithaca Group level and is not managed on an individual entity basis. The following provides details for the Group Strategy in relation to Emissions and Energy Usage.

The energy transition presents a significant challenge for the industry, and The Group is strategically positioning itself to maintain one of the lowest carbon emissions portfolios in the UK North Sea. The Group's plan to achieve this through immediate, impactful actions, including projects aimed at reducing emissions from current operations and ensuring the efficient decommissioning of high intensity assets at the end of their lifecycle. The Group are also transitioning its portfolio by investing in lower-emission intensity assets, such as Cygnus and Rosebank, while seeking to advance projects such as Cambo.

Strategic Report for the year ended 31 December 2024 (continued)**Energy and carbon reporting (continued)**

The Group's Net Zero strategy is at the heart of the approach to GHG emissions reduction. It is a clear and simple approach that takes the Group to Net Zero by 2040. The strategy is comprised of 3 parts:

The first part of the strategy is to reduce emissions across operated and non-operated assets as much as reasonable practicable. The focus today, and in the near term, is to deliver emissions reduction projects as set out in asset Emission Reduction Asset Plans ("ERAPs"). On the operated assets, the Group continuously identifies and assesses emission reduction opportunities and progress the projects through their maturation process. On non-operated assets the Group supports and collaborates with the other joint venture participants to deliver the opportunities in the assets ERAPs, contributing to the reduction of the Group's net equity emissions footprint.

The second part of the Group's strategy is to transition its portfolio to lower carbon intensity assets. This is through a variety of ways, including acquiring low intensity assets, the development of new low intensity fields, and the efficient decommissioning of high intensity assets; and

Whilst the first and second parts of the Group strategy takes the Group from today towards 2040, the final part of the strategy looks at 2040 and beyond, where the longer term approach will be to achieve and sustain Net Zero through offsetting the Group's hard to abate residual Scope 1 and 2 emissions. By 2040, The Group believes there will be offset schemes, leveraging global carbon prices that will provide trusted ways to fund the best carbon-reduction projects.

On the Group's journey to Net Zero, the Group is committed to achieving the emissions reduction targets, which are aligned to the NSTD, and it is committed to working with the NSTA on decarbonisation. These are absolute emissions (Scope 1 and 2) reductions vs. the baseline year of 2018, delivering 10% reduction by 2025, 25% by 2027, and 50% by 2030. These targets are on a net equity, portfolio basis.

Since 2020, the Group has had a reduction target for only operated assets, of a 25% reduction versus the 2019 baseline by 2025. This was an industry leading ambition, set before the North Sea Transition Deal ("NSTD") was signed, to drive emissions reduction and a GHG conscience in the business. It was very successful, leading to the formation of a dedicated Energy Transition team, adoption of CO2 metrics and KPIs throughout the business, brought an inclusion of emissions impacts into every day decisions and saw many emission reduction projects being initiated. However, the Group's business and portfolio has changed significantly since 2020, with the most recent being the Business Combination with Eni UK in 2024. As a result of these portfolio changes the target no longer has the same impact and benefit as it once did and is not representative of where the Group is today.

The Group now operates the Cygnus field, and the portfolio has considerable non-operated production, therefore, the attention must be on net equity emissions reduction, aligned with the UK Government through the NSTD. As we enter 2025, the Group has retired its original target and now focuses on the net equity absolute emissions target as described. Together with this target the Group continues to aim to achieve zero routine flaring across its assets ahead of 2030, and is maturing and implementing projects to successfully deliver this objective.

The outlook of the new portfolio, following the Business Combination, puts the Group on track to meet its net equity absolute Scope 1 and 2 emissions reduction targets, in 2025, 2027 and 2030, as well as having an intensity lower than the anticipated basin average.

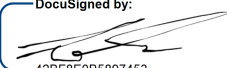
There are projects underway that will ensure the Group meets its commitments to zero routine flaring on all its operated assets, as well as supporting its joint venturers in ensuring the non-operated assets meet the 2030 target. Many of the material projects, flare gas recovery, the second export compressor, and dual fuel on the FPSO fired heaters on the Captain asset, will undergo material construction work during 2025 with fitel and shutdown campaigns planned. This will be a major milestone in seeing those projects put into operation between the end of 2025 and first half 2026, based on current plans.

Supporting the Group's efforts on reducing intensity, new developments will continue to be progressed, particularly Rosebank and Captain EOR Phase II. Late life assets, Alba and FPF-1, will continue their decommissioning journey and will create CO2 capacity for further lower intensity developments in the portfolio.

The Company has reported on all of the emission sources within its operational control required under the Companies Act 2006 Regulations 2013 and The Companies (Directors' Report) (Energy and Carbon Report) Regulations 2018. Ithaca has used the principles of the GHG Protocol Corporate Accounting and Reporting Standard (revised edition), and data gathered to fulfil the requirements under the 'Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance March 2019'. Approximately 100% of reported emissions relate to emissions from the UK and offshore area, metrics are in relation to the Erskine hub and the GSA floating production facility.

	2024	2023
Scope 1 emissions (tCO2e)	78,742	227,735
Carbon Intensity (kgCO2e/BOE)	22	19
Energy Consumption (MWh)	1,237	3,420

Approved by the Board and signed on its behalf by:

DocuSigned by:

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Iain CS Lewis
 Director

15 December 2025

Directors' Report for the year ended 31 December 2024

The Directors present their report and the audited financial statements of Ithaca Energy (UK) Limited ("the Company") for the year ended 31 December 2024.

Results and dividends

The Company's profit for the financial year was \$1,038.5 million (2023: \$217.7 million) which has been added to reserves. A dividend in kind of £300.0 million was paid during the year (2023: \$ nil). Post year end, a dividend of \$200.0 million has been paid.

Future developments

Management's primary future area of focus for 2025 and beyond is to continue to operate safely, efficiently and maximise production.

The Group, and the Company, will also advance the other existing exploration projects and developments over the year as well as evaluating any potential opportunities to expand the asset portfolio in order to continue to deliver shareholder value.

Principal risks and uncertainties

Major HSE Incident

Operations 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 Company. The Company could also be subject to regulatory actions, including fines and external reputation could be affected.

Cyber Security Breach

Cyber security is an ongoing risk to the Company and the rest of 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. 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 Company.

Commodity Price Volatility

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 Company.

Production Delivery Issues

Due to a range of factors, such as well performance, ageing assets and unexpected shutdowns/expenditure, the Company may be unable to deliver forecast production volumes which could then undermine the future growth and investment strategy.

Energy Transition & Net Zero Delivery

The Company along with the rest of the Group is aligned with the government and industry regulator NSTA's Net Zero Framework and recognises that the Group needs to evolve to support the transition as it continues to focus on reducing emissions whilst supporting the UK's long-term energy needs. Transitional risks on the route to Net Zero have been identified, including changes to supply, demand and pricing for 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.

Supply Chain Capacity and Capability

The Company's, along with the rest of the Group's, success and achievement of strategic objectives is dependent on supplier performance. It is recognised that suppliers are subject to similar principal risks to our own that impact on their capacity and capability, e.g. workforce retention and recruitment, financial pressures 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.

Government Regulator, Political and Fiscal

The Company and the rest of 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 Company 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. The consequence of fiscal, regulatory or political change could significantly impinge on the future profitability of the Company and also on the economic feasibility, scale and phasing of the future investment plans. The Company 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.

Major Compliance Breach

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.

Capital Project Execution

The Company's subsidiaries are currently engaged in a significant level of capital project activity (e.g. Captain EOR II, Rosebank). The Group also has future capital project plans for greenfield and brownfield developments, some of which require substantial levels of funding and technical expertise. Consequently, the Company and the rest of the Group faces significant risks associated with capital project execution and development. If a major capital project materially exceeds cost and schedule estimate it could erode project economics and create liquidity challenges for the Company.

Access to Capital

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 undermining lending with a number of banks withdrawing from Reserves Based Lending to oil and gas companies. Increasing decommissioning security postings exacerbates capital access risk.

Workforce Recruitment and Retention

The Group 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. Consequently, this would 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.

Integration of Eni UK upstream assets

Failure to deliver integration of people, systems and processes across Ithaca Energy and the Eni UK businesses, both leading up to and beyond the completion date of the combined Group. Failure to effectively integrate carries several diverse impacts, including poor communication across the organisation, inefficiencies in planning and execution of work, duplication of effort, failure to comply consistently with regulatory requirements and ultimately, destruction of value from the Business Combination.

Directors' Report for the year ended 31 December 2024 (continued)**Financial risk management**

Given the size of the Company, the Directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board.

Commodity risk management

Commodity price risk related to crude oil prices is the Company'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 Company is also exposed to natural gas price movements. Natural gas prices are generally influenced by oil prices and local market conditions. The Company'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 Company may periodically use different types of derivative instruments to manage its exposure to price volatility, thus mitigating fluctuations in commodity-related cash flows.

Foreign exchange rate risk

The Company 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 Company is exposed to gains or losses on non USD amounts and on statement of financial position translation of monetary accounts denominated in non USD amounts upon spot rate fluctuations from year to year.

Credit risk

The Company's accounts receivable with customers in the oil and gas industry are subject to normal industry credit risks and are unsecured.

The Company applies IFRS 9 simplified model for measuring the expected credit loss which uses a lifetime expected loss allowance and is measured on the days past due criterion. Having reviewed past payments combined with the credit profile of its existing trade debtors in order to assess the potential for impairment, the Company has concluded that this is insignificant as there has been no history of default or disputes arising on invoiced amounts since inception and as such the credit loss percentage is assumed to be almost zero. No provision for doubtful accounts against these sales has been recorded as at 31 December 2024 (2023: \$nil). However, having reviewed these factors combined with the credit profile of fellow group companies to assess the expected credit losses, the Company concluded that an expected credit loss provision of \$13.7 million in respect of intercompany receivables was required (2023: \$24.4 million). An adjustment was made in the year to provide for a potential non-recoverable debt from a fellow group company (\$85.7 million).

Liquidity risk and cash flow risk

The Company along with its parent company (Ithaca Energy E&P Limited) (see note 29) actively maintains a view on the future to optimise the mixture of debt and equity that will ensure the Company has sufficient available funds to develop its existing licenses and participate in future opportunities (see "Going concern" note 3).

Geo-political risk

The Company along with the rest of the Group are exposed to a range of political developments and consequent changes to the operating and regulatory environment could cause business disruption. These may in turn cause production to decline, limit the Group's ability to pursue new opportunities, affect the recoverability of its assets or cause it to incur additional costs. Political instability, changes to the regulatory environment or taxation, international trade disputes and barriers to free trade, international sanctions, acts of terrorism, acts of war and public health situations (including future epidemic or pandemic) may disrupt or curtail its operations or development activities. The impact and uncertainty around the Energy Profits Levy and any potential changes to the capital allowances tax structure could further limit the Group's ability to pursue planned and new investment opportunities.

Impact of climate change on the financial statements and related notes*Climate Change*

Impacts related to climate change and the transition to a lower carbon economy may include:

- demand for the Company's commodities decreasing, due to policy, regulatory (including carbon pricing mechanisms), legal, technological, market or societal responses to climate change, resulting in a proportion of a CGU's reserves becoming incapable of extraction in an economically viable fashion;
- physical impacts related to acute risks resulting from increased severity of extreme weather events, and those related to chronic risks resulting from longer term changes to climate patterns.

The Company continues to develop its assessment of the potential impacts of climate change and the transition to a lower carbon economy. Where sufficiently developed, the potential financial impacts on the Company of climate change and the transition to a lower carbon economy have been considered in the assessment of indicators of impairments, including:

- the Company's current assumptions relating to demand for commodities and carbon pricing and their impact on the Group's long term price forecasts and
- the Company's operational emissions reduction strategy.

See note 3 for further details.

Directors' Report for the year ended 31 December 2024 (continued)**Subsequent events**

On 29 January 2025, the Group announced a reorganisation and streamlining of the organisational structure for onshore staff which completed in 1H 2025.

Directors

The Directors who held office during the year and up to the date of this report are given below:

I Lewis
A Bruce (resigned 4 January 2024)
G Myerson (resigned 27 May 2024)
J McAteer (appointed 27 May 2024)
Y Friedman (appointed 1 July 2024)
L Vasques (appointed 3 October 2024)

All Directors benefit from qualifying third party indemnity provisions in place, both for the Company and wider Group, during the financial year and at the date of this report.

Going concern

The Directors have obtained confirmation from Ithaca Energy plc that it will provide the necessary support to enable the Company to meet its obligations as they fall due. This confirmation is valid until 31 December 2026.

To conclude on the going concern for the Company, the Directors have considered the liquidity and solvency of Ithaca Energy plc and have considered going concern at the Group level.

Management closely monitors the funding position of the Group including monitoring compliance with covenants and available facilities to ensure sufficient headroom is maintained to fund operations. Management have considered a number of risks applicable to the Group that may have an impact on the Group's ability to continue as a going concern. Short-term and long-term cash forecasts are prepared on a weekly and quarterly/annual 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 relevant to the assessment of the Group's ability to continue as a going concern and therefore its ability to provide support if required to the Company:

- Continuing robust commodity price backdrop and a well hedged portfolio over the next 12 months;
- Reserves Based Lending ("RBL") liquidity headroom of \$1,220 million (\$80 million drawn versus \$1.3 billion available), plus circa \$272 million cash at the end of November 2025; and
- Resilient operational performance and well-diversified portfolio.

Cash flow forecast – base case assumptions:		Sep to Dec 2025	FY 2026
Average oil price	\$/bbl	66	65
Average gas price	p/th	83	83
Average hedged oil price (including floor price for zero cost collars)	\$/bbl	71	67
Average hedged gas price (including floor price for zero cost collars)	p/th	88	86

Owing to the on-going fluctuations in commodity demand and price volatility, management prepared sensitivity analysis to the forecasts and applied a number of plausible downside scenarios including decreases in production of 10%, reduced sales prices of 20% and increases in operating and capital expenditures of 10%. Management aggregated these scenarios to create a reasonable combined worst-case scenario. The sensitivity analysis showed that there was no reasonably possible scenario that would result in the business being unable to meet its liabilities as they fall due. Further mitigation strategies within the control of management include the 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 31 December 2026 to continue trading.

Based on their assessment of the Group's financial position to the period 31 December 2026, the Company's Directors believe that the Group will be able to continue in operational existence and provide any necessary financial support to the Company for the 12 months from the date of signing. Accordingly, they continue to adopt the going concern basis of accounting in preparing the Company's financial statements.

Directors' Report for the year ended 31 December 2024 (continued)

Employees

It is the policy of the Company to employ the best qualified personnel and provide equal opportunity in the selection and advancement of employees regardless of race, colour, national origin, religious persuasion, sex, or marital status.

It is also the Company's policy to give full and fair consideration to disabled applicants for employment, having regard to their particular aptitudes and abilities. If any employee becomes disabled, the Company's objective is the continued provision of suitable employment either in the same or an alternative position, with appropriate training if necessary at the Company's cost.

It is the policy of the Company to enlist the support of all staff in providing the safest and healthiest environment within its premises that is reasonable and practical for all its employees and visitors.

People are core to the success of the Company and the Company is committed to maintaining a reputation as an employer of choice. The Company will only succeed if it works together, harnessing the collective expertise and experience of its people. The Company is focused on creating an environment that is dynamic, inclusive and equitable. A workplace with a new, strong set of core values where its people will thrive, be recognised and where there are no barriers to their progression.

The Company recognises that effective engagement and collaboration with its supply chain is key to the performance and growth of the business. Through engagement of the appropriate suppliers, proactive management of, and collaboration with those suppliers, the Company should ensure our operations are delivered safely and efficiently.

Corporate Governance Statement

The Company has not applied any specific Corporate Governance Code as it is wholly owned subsidiary of Ithaca Energy plc, which applies the UK Corporate Governance Code 2018, and is subject to those arrangements and governance. Full details of the Group's application of this Code can be found in the Group's annual report. Governance principles, as tailored to the Company, are explained below. Information can also be found within the section 172 statement within the Strategic Report.

Principal 1 - Purpose and Leadership

Our experienced 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 Company. The Board plays a critical role in shaping business performance while creating and delivering long-term, sustainable returns for shareholders. It is responsible for determining business strategy and the Company's appetite for risk, for monitoring management's performance in delivering against that strategy and ensuring the risk management frameworks and internal controls in place are appropriate and operating effectively. The culture of the business is considered an important aspect by the Board, as well as how the business is aligned with Ithaca Energy's vision and values. We operate a compliant, sustainable business that generates financial value in an environmentally viable way. Our governing principles mandate how we protect the value of our assets, at all times, on behalf of our shareholders. Our strategy is aligned to the UN's sustainable development goals putting transparency and equality at the core of our business. Our governing principles direct how we manage our people, working in a fair and responsible manner and we demand the same of our partners and suppliers.

Principal 2 - Board Composition

The Directors of the Company are active in running the wider Group. They contribute broad expertise and insight to all of the Company's activities. Directors of the Board gain their knowledge of the wider Company's activities from regular and open discussions with senior managers at weekly Executive Leadership Team meetings. The Board of the Group hold the Executive Chairman, the Chief Executive Officer and the Executive Leadership Team to a high standard. The Executive Chairman works with fellow Board members to ensure the highest standards of corporate governance with a robust, comprehensive corporate framework. Given that the Company is one of the subsidiaries within the wider Ithaca group, there are no separate Chairman and Chief Executive roles and no Non Executive Directors on the Board at the Company level.

Principal 3 – Directors' Responsibilities

Corporate governance is overseen by the Board with the support of the Executive Leadership Team and is centred around strong core values and acting with integrity and transparency. Our focus is on comprehensive risk governance that extends from our Board through our executive and senior leadership teams and throughout our entire business. Authority for day to day management and operation of the different areas of the business is delegated to the relevant function leaders. Policies and practices are being formally developed and assessed on an ongoing basis. The Board receives monthly reports covering operational highlights, production performance, financial performance against targets, hedging positions and political and fiscal updates. Quarterly board meetings occur where more in depth reviews take place and monthly reported performance is discussed. This information allows the board to make effective decisions.

Principal 4 - Risks and Opportunities

The Company applies an enterprise risk management approach to managing the risks and opportunities it is faced with. Enterprise wide risks and opportunities are discussed on a monthly basis with the senior managers in the Executive Leadership Team. The Board is ultimately responsible for ensuring that Company maintains an effective risk management and internal control system by appropriately incorporating the 'three lines of defence model' into the governance structure of the Company. 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 Executive Leadership Team (ELT). 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 levels of risk that is acceptable, the risk appetite, in the drive to achieve the strategic objectives of the Company.

Principal 5 - Remuneration

The Company provides a reward package that is competitive in the local market and is linked to performance of the individual and the performance of the Ithaca Group. Remuneration levels are reviewed and approved by the Executive Leadership Team. Further details can be found in the Directors' Remuneration Report on pages 136 to 161 of the Ithaca Energy plc Annual Report 2024.

Principal 6 - Stakeholder Relationship and Engagement

The Company has a wide range of stakeholders which includes the ultimate parent Company, the workforce, joint venture partners, suppliers, UK government and local communities. Stakeholder engagement is important to the Board, as delivering value for them is directly linked to the success of the Group. To successfully deliver strategy and create value for stakeholders, it is important to understand what matters to them. Through regular engagement, the Board gain insight into the different perspectives of its diverse stakeholders and ensure that objectives are understood. Considering their feedback on the strategy, business model and performance builds strong, constructive relationships and enables robust decision-making at Board level.

Directors' Report for the year ended 31 December 2024 (continued)**Statement of Directors' Responsibilities**

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS101 "Reduced Disclosure Framework". Under company law the 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 Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' confirmations

The Directors in office at the date of approval of this report confirm that:

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all the necessary steps that ought to have been taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Independent Auditor

Pursuant to section 485 of the Companies Act 2006, a resolution to reappoint the auditor, Deloitte LLP, will be put to a General Meeting.

Approved by the Board and signed on its behalf by:

DocuSigned by:

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Iain CS Lewis
Director

15 December 2025

Independent Auditor's Report to the members of Ithaca Energy (UK) Limited**Report on the audit of the financial statements****Opinion**

In our opinion the financial statements of Ithaca Energy (UK) Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of profit or loss;
- the statement of financial position;
- the statement of changes in equity;
- the material accounting policy information; and
- the related notes 1 to 31.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

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 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

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 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.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement, 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 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 company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the members of Ithaca Energy (UK) Limited (continued)**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. This description forms part of our auditor's report.

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.

We considered the nature of the company's industry and its control environment and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit, and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, tax legislation; licence terms for the company's oil and gas assets and environmental regulations; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as tax, valuations, financial instruments, impairment, analytics and modelling, climate, IT and reserves specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in respect of determining the recoverable value of both goodwill and oil and gas assets due to the significance of associated management judgements and estimates. Specifically, we pinpointed our focus on key assumptions in respect of discount rate, reserves estimates and forecast commodity prices that were used in determining the fair value. Our response comprised, but was not limited to, involvement of specialists and benchmarking forecasts against independent industry data.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements**Opinions on other matters prescribed by 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 Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic report or the Directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

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.



Stephen Pratt, CA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Edinburgh, United Kingdom
15 December 2025

Statement of Profit or Loss
For the year ended 31 December 2024

	Note	2024 US\$'000	2023 US\$'000
Revenue	4	189,335	822,319
Other income	4	62,443	5,396
Revenue and other income		251,778	827,715
Cost of sales	5	(83,356)	(445,866)
Gross profit		168,422	381,849
Exploration and evaluation expenses	11	(1,016)	(9,639)
Fair value gain/(loss) on contingent and deferred consideration	22	22,806	(5,763)
Impairment charge	13	(1,859,178)	(512,190)
Impairment loss on amounts due from fellow group companies	16	(74,929)	(18,525)
Gain on sale of property, plant and equipment		-	508,281
Administrative expenses	6	(19,673)	(14,328)
Foreign exchange gain		1,218	13,990
Operating (loss)/profit		(1,762,350)	343,675
Gain on financial instruments	26	4,456	43,059
(Loss)/profit before interest and tax		(1,757,894)	386,734
Finance costs	7	(209,985)	(229,876)
Finance income	7	176,238	118,284
Dividend income	8	2,908,783	-
Profit before tax		1,117,142	275,142
Tax on profit	24	(78,610)	(57,446)
Profit for the financial year		1,038,532	217,696

The results above are entirely derived from continuing operations.

The notes on pages 18 to 38 are an integral part of these financial statements.

Statement of Comprehensive Income
For the year ended 31 December 2024

	Note	2024 US\$'000	2023 US\$'000
Profit for the year		1,038,532	217,696
Items that may be reclassified to profit and loss			
Fair value (loss)/gain on cash flow hedges	26	(70,659)	8,810
Deferred tax on cash flow hedges	24	55,114	(6,607)
Other comprehensive (expense)/income		(15,545)	2,203
Total comprehensive income		1,022,987	219,899

The notes on pages 18 to 38 are an integral part of these financial statements.

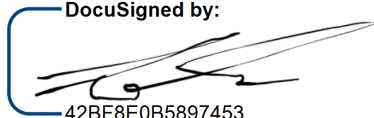
Statement of Financial Position
As at 31 December 2024

	Note	2024 US\$'000	2023 US\$'000
ASSETS			
Non-current assets			
Long term receivable	15	148,112	165,064
Amounts due from group undertakings	16	2,611,211	2,165,380
Exploration and evaluation assets	11	17,370	17,598
Property, plant and equipment	12	78,068	82,930
Investments	10	1,364,702	3,147,285
Goodwill	14	14,935	42,928
Deferred tax asset	24	89,049	50,031
Derivative financial instruments	27	-	4,204
		4,323,447	5,675,420
Current assets			
Inventory	9	9,004	10,782
Trade and other receivables	15	100,212	122,114
Cash and cash equivalents		109,335	152,569
Deposits		5,547	13,328
Derivative financial instruments	27	2,626	66,312
		226,724	365,105
Current liabilities			
Trade and other creditors	17	(2,164,401)	(5,272,933)
Borrowings	18	2,176	-
Tax Creditor		(22,848)	(148,206)
Decommissioning liabilities	19	(17,225)	(19,219)
Contingent and deferred consideration	22	(143,283)	(92,176)
Derivative financial instruments	27	(15,495)	(13,708)
		(2,361,076)	(5,546,242)
Net current liabilities		(2,134,352)	(5,181,137)
Total assets less current liabilities		2,189,095	494,283
Non-current liabilities			
Borrowings	18	(125,454)	(95,445)
Decommissioning liabilities	19	(267,368)	(224,767)
Other long term liabilities	20	(761,849)	(625,660)
Contingent and deferred consideration	22	(132,860)	(225,453)
		(1,287,531)	(1,171,325)
Net assets/(liabilities)		901,564	(677,042)
Equity			
Called up share capital	23	-	-
Cashflow hedge reserve	26	6,643	22,188
Retained profits/(accumulated losses)		894,921	(699,230)
Total shareholders' funds/(deficit)		901,564	(677,042)

The notes on pages 18 to 38 are an integral part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 15 December 2025 and signed on its behalf by:

DocuSigned by:



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Iain C S Lewis
Director
Ithaca Energy UK Limited, Registered number SC272009

Statement of Changes in Equity
For the year ended 31 December 2024

	Note	Called Up Share Capital US\$'000	Cashflow Hedge Reserve US\$'000	Retained Profits/ (Accumulated losses) US\$'000	Total Shareholders' Deficit US\$'000
Balance at 1 January 2023		-	19,985	(916,926)	(896,941)
<i>Comprehensive income/(expense) for the year</i>					
Profit for the financial year		-	-	217,696	217,696
Other comprehensive income		-	2,203	-	2,203
Total comprehensive income for the year		-	2,203	217,696	219,899
Balance at 31 December 2023		-	22,188	(699,230)	(677,042)
Dividends paid	8	-	-	(300,000)	(300,000)
Issue share capital (capitalise balance with Ithaca Energy (E&P) Limited)	23	855,619	-	-	855,619
Capital Reduction	23	(855,619)	-	855,619	-
<i>Comprehensive income/(expense) for the year</i>					
Profit for the financial year		-	-	1,038,532	1,038,532
Other comprehensive expense		-	(15,545)	-	(15,545)
Total comprehensive income/(expense) for the year		-	(15,545)	1,038,532	1,022,987
Balance at 31 December 2024		-	6,643	894,921	901,564

The notes on pages 18 to 38 are an integral part of these financial statements.

Notes to the financial statements for the year ended 31 December 2024**1. NATURE OF OPERATIONS**

Ithaca Energy (UK) Limited (the "Company" or "Ithaca"), is a private company limited by shares incorporated in the United Kingdom and registered in Scotland. The address of the parent company is shown in note 29. The Company is involved in the appraisal, development and production of oil & gas in the North Sea.

2. BASIS OF PREPARATION

These financial statements of the Company have been prepared on a going concern basis in accordance with United Kingdom Accounting Standards, FRS 101 and the Companies Act 2006 ("the Act") as applicable to companies using FRS 101.

FRS 101 sets out a reduced disclosure framework for a "qualifying entity", as defined in the Standard, which addressed the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of IASB adopted International Financial Reporting Standards ("IFRSs").

The Company is a qualifying entity for the purposes of FRS 101. Note 29 gives details of the Company's ultimate parent and from where the consolidated financial statements prepared in accordance with IFRS may be obtained.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) the requirements of paragraphs 10(d), 10(f), 16, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 'Presentation of Financial Statements';
- (b) the requirements of IAS 7 'Statement of Cash Flows';
- (c) the requirements of paragraph 17 of IAS 24 'Related Party Disclosures';
- (d) the requirements in IAS 24 to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- (e) the requirements of paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors';
- (f) the requirements of IFRS 7 'Financial Instruments: Disclosures';
- (g) the requirements of paragraphs 52 and 58 of IFRS 16 'Leases';
- (h) the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-(f) and 135(c)-(e) of IAS 36 'Impairment of Assets';
- (i) the requirements of paragraphs 91-99 of IFRS 13 'Fair Value Measurement', and
- (j) the requirements of paragraphs 88B-88D of IAS 12 'Income Taxes'.

The Company is exempt from preparing consolidated financial statements in accordance with Section 401 of the Companies Act 2006.

The financial statements are presented in US dollars and all values are rounded to the nearest thousand (US\$'000), except when otherwise indicated.

3. MATERIAL ACCOUNTING POLICIES, JUDGEMENTS AND ESTIMATION UNCERTAINTY**Basis of measurement**

The financial statements have been prepared under the historical cost convention, except for the revaluation of certain financial assets and financial liabilities to fair value, including derivative instruments.

Going concern

The Directors have obtained confirmation from Ithaca Energy plc that it will provide the necessary support to enable the Company to meet its obligations as they fall due. This confirmation is valid until 31 December 2026.

To conclude on the going concern for the Company, the Directors have considered the liquidity and solvency of Ithaca Energy plc and have considered going concern at the Group level.

Management closely monitors the funding position of the Group including monitoring compliance with covenants and available facilities to ensure sufficient headroom is maintained to fund operations. Management have considered a number of risks applicable to the Group that may have an impact on the Group's ability to continue as a going concern. Short-term and long-term cash forecasts are prepared on a weekly and quarterly/annual 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 relevant to the assessment of the Group's ability to continue as a going concern and therefore its ability to provide support if required to the Company:

- Continuing robust commodity price backdrop and a well hedged portfolio over the next 12 months;
- Reserves Based Lending ("RBL") liquidity headroom of \$1,220 million (\$80 million drawn versus \$1.3 billion available), plus circa \$272 million cash at the end of November 2025; and
- Resilient operational performance and well-diversified portfolio.

Notes to the financial statements for the year ended 31 December 2024 (continued)**3. MATERIAL ACCOUNTING POLICIES, JUDGEMENTS AND ESTIMATION UNCERTAINTY (continued)****Going concern (continued)**

Cash flow forecast – base case assumptions:		Sep to Dec 2025	FY 2026
Average oil price	\$/bbl	66	65
Average gas price	p/th	83	83
Average hedged oil price (including floor price for zero cost collars)	\$/bbl	71	67
Average hedged gas price (including floor price for zero cost collars)	p/th	88	86

Owing to the on-going fluctuations in commodity demand and price volatility, management prepared sensitivity analysis to the forecasts and applied a number of plausible downside scenarios including decreases in production of 10%, reduced sales prices of 20% and increases in operating and capital expenditures of 10%. Management aggregated these scenarios to create a reasonable combined worst-case scenario. The sensitivity analysis showed that there was no reasonably possible scenario that would result in the business being unable to meet its liabilities as they fall due. Further mitigation strategies within the control of management include the 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 31 December 2026 to continue trading.

Based on their assessment of the Group's financial position to the period 31 December 2026, the Company's Directors believe that the Group will be able to continue in operational existence and provide any necessary financial support to the Company for the 12 months from the date of signing. Accordingly, they continue to adopt the going concern basis of accounting in preparing the Company's financial statements.

Impact of climate change on the financial statements and related notes*Judgements and estimates made 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 financial statements. These may have the potential for significant impacts on the carrying values of the Company's assets and liabilities discussed below as well as on assets and liabilities that may be reflected in future. 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 and the Company's ambition is to have one of the lowest carbon emission portfolios in the UK North Sea and to achieve Net Zero, on a net equity basis, 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 current portfolio in the short term and fundamentally transitioning our portfolio over the medium to long term whilst maintaining forecast levels of production. Initiatives include, but are not limited to, operational improvements, offshore electrification, and the eventual cessation of production of mature fields which have higher carbon intensity. Where we cannot reduce Scope 1 and Scope 2 emissions, we will invest in carbon offsets to achieve our 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 our 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 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 Company's results in the 12 months following the reporting date) which are separately disclosed later in this note.

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 \$93/bbl for Brent Crude and 87p/therm for UK NBP gas. The other areas of estimation uncertainty in this note and note 13 includes the impact on impairment headroom of a 20% downside in net revenues. Management has concluded that this reduction is also reflective of amending its long-term commodity price assumptions to those that are in line with a range of transition paths consistent with the temperature goal of the Paris climate change agreement, of holding the increase in the global average temperature at well below 2 degrees above pre-industrial levels and pursuing efforts to limit the temperature to 1.5 degrees above pre-industrial levels. This assessment is based on climate change scenarios currently available from the International Energy Agency and World Business Council for Sustainable Development.

Recoverable values used for impairment testing for all cash generating units ('CGU's) include the estimated cost of UK carbon emissions allowances. 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 our 2040 net zero ambitions and where feasible based on existing technology, estimated electrification costs 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. It is anticipated that certain higher emission-intensity assets such as FPF-1 will cease production in the medium term and will be replaced by new lower-emission intensity assets. Management does not currently expect the useful economic lives of the Company'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

The impacts of climate change and the energy transition may affect the viability of exploration prospects. The recoverability of the existing intangibles was considered during 2024, however no significant write-offs were identified. Viability of these assets will continue to be assessed on a regular basis.

Decommissioning provisions

Most of the Company's existing decommissioning obligations are estimated to be completed over the course of the next eight 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 2 years. The impact of such an acceleration of cessation of production across the Company's producing portfolio would result in an increase in the decommissioning provision of approximately \$1.4 million (2023: \$12.4 million).

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 Company's oil and gas portfolio, a material adverse change is not anticipated to the carrying value of the Company's assets and liabilities in the short-term as a result of climate change and the transition to a lower-carbon economy.

Notes to the financial statements for the year ended 31 December 2024 (continued)**3. MATERIAL ACCOUNTING POLICIES, JUDGEMENTS AND ESTIMATION UNCERTAINTY (continued)****Material accounting policies****Business combinations**

Business combinations are accounted for using the acquisition method. The cost of an acquisition 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 acquisition. 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 acquisition date. The excess of the cost of acquisition over the fair value of the Company's share of the identifiable net assets acquired is recorded as goodwill. If the cost of the acquisition is less than the Company's share of the net assets acquired, the difference is recognised directly in the 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.

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 cash generating unit (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 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 Company portfolio of oil and gas assets which is consistent with the operating segment view of the business.

Investments in subsidiaries

Investments in group undertakings are recorded at cost, which is the fair value of the consideration paid, less accumulated impairment losses. The Company assesses investments in subsidiaries for impairment whenever changes in circumstances or events indicate that the carrying value may not be recoverable. If such impairment indicators exist, the carrying amount of the investment is compared to its recoverable amount. The recoverable amount is the higher of the investment's fair value less costs of disposal and its value in use. The investment is written down to its recoverable amount when its carrying amount exceeds the recoverable amount. Prior years' impairments are reversed should there be a change in economic conditions from those in existence at the time the impairment was recognised.

Interest in joint operations

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 Company's interest in joint operations (e.g. exploration and production arrangements) are accounted for by recognising its assets (including its share of assets held jointly), its liabilities (including its share of liabilities incurred jointly), its revenue from the sale of its share of the output arising from the joint operation, its share of revenue from the sale of output by the joint operation and its expenses (including its share of any expenses incurred jointly).

Revenue and Other income

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 Company 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.

Other income, mainly related to partner recoveries from lease obligations, is recognised over time in line with the lease payments made by the Company.

Foreign currency translation

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (the 'functional currency'). The financial statements are presented in US Dollars, which is the Company's presentation currency as well as the functional currency. In preparing the financial statements, transactions in currencies other than the Company'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 settlement of such transactions and from the translation at year end exchange rates of monetary asset and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.

Exchange differences are recognised in profit and 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;
- Exchange differences on transactions entered into to hedge certain foreign currency risks (see below under financial instruments/hedge accounting).

Notes to the financial statements for the year ended 31 December 2024 (continued)**3. MATERIAL ACCOUNTING POLICIES, JUDGEMENTS AND ESTIMATION UNCERTAINTY (continued)****Financial Instruments**

All financial instruments are initially recognised at fair value on the statement of financial position. The Company's financial instruments consist of accounts receivable, accounts payable and accrued liabilities, derivatives, borrowings and amounts due to and from group companies. Under IFRS 9, with the exception of derivatives and contingent considerations, all financial instruments are recorded at amortised cost based on an analysis of the business model and terms of financial assets. All financial instruments are required to be measured at fair value on initial recognition. Measurement in subsequent periods is dependent on the classification of the respective financial instrument.

The Company 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 Company derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial asset or financial liability derecognised and the consideration received/receivable or paid/payable respectively 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 as they have a business model of held to collect and the terms of the financial instrument meet the 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 Company 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.

Interest free loans from parents are initially recognised at fair value. The difference between the fair value of the loans and the nominal value is accounted for as a capital contribution and is credited to equity. After initial recognition, the loans are measured at amortised cost using implied interest rate of the notes.

Loans transacted with other entities within the same group are recognised and measured in accordance with IFRS 9 Financial Instruments. Where such loans are issued or received at below-market interest rates, they are initially recognised at fair value, determined by discounting expected future cash flows using a market rate of interest applicable to similar instruments. The difference between the transaction price and fair value is accounted for as follows:

Loans issued: the difference is recognised as a deemed distribution.

Loans received: the difference is recognised as a dividend received from the group entity.

Subsequent to initial recognition, loans are measured at amortised cost using the effective interest method. Interest income or expense is recognised in profit or loss over the term of the loan.

Impairment is assessed using the expected credit loss model under IFRS 9. Intra-group loans are generally considered to have low credit risk unless there is evidence to the contrary.

When loans with other group entities are refinanced, consideration is given to whether refinancing arrangements represent settlement of the original financial liability and issuance of a new financial liability or an exchange or modification of the original financial liability. When the refinancing is deemed to be a modification of the original loan, the Company assesses whether there has been a substantial modification based on a comparison of the discounted present value of the cash flows under the new terms with the discounted present value of the remaining cash flows of the original loan. A substantial modification is accounted for as an extinguishment of the original loan and recognition of a new loan. Any difference between the carrying amount of the original loan and the fair value of the new loan (where this is lower) is recognised as a deemed distribution in the lender's financial statements and a capital contribution in the borrower's financial statements.

Transaction costs that are directly attributable to the acquisition or issue of a financial asset or liability and original issue discounts on long-term debt have been included in the carrying value of the related financial asset or liability and are amortised to net earnings over the life of the financial instrument using the effective interest method.

Derivative financial instruments

The Company 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 26 and 27.

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 is recognised in profit or loss immediately unless the derivative is designated 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 Company 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.

Hedge accounting

The Company designates certain derivatives as hedging instruments in respect of commodity risks in cash flow hedges.

At the inception of the hedge relationship, the Company 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 Company 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 Company adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

The Company designates only the intrinsic value of option contracts as a hedged item, 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 Company applies straight-line amortisation. Those reclassified amounts are recognised in profit or loss in the same line as the hedged item. If the Company 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.

Analyses of the fair values of financial instruments and further details as to how they are measured are provided in notes 26 to 27.

Notes to the financial statements for the year ended 31 December 2024 (continued)**3. MATERIAL ACCOUNTING POLICIES, JUDGEMENTS AND ESTIMATION UNCERTAINTY (continued)****Derivative financial instruments (continued)**

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 Company 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 Company 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.

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.

Cash and cash equivalents

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.

Inventory

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.

Intercompany

Balances with other companies of the Ithaca group are stated gross, unless both the following conditions are met;

- currently there is a legally enforceable right to set off the recognised amounts; and
- there is intent either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Trade and other receivables

Trade receivables are recognised and carried at the original invoiced amount, less any provision for estimated irrecoverable amounts.

For trade receivables and accrued income, the Company applies a simplified approach in calculating expected credit losses (ECLs). Therefore, the Company does not track changes in credit risk, but instead, recognises any material loss allowance based on lifetime ECLs at each reporting date.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Provision for expected credit losses of receivables

A high level analysis, which considers both historical and forward looking qualitative and quantitative information is performed by the Company to determine whether the credit risk has significantly increased since the time any intercompany receivable was initially recognised. However, having reviewed these factors combined with the credit profile of fellow group companies to assess the expected credit losses, the Company concluded that an expected credit loss provision of \$13.7 million (2023: \$24.4 million) was required. An adjustment was made in the year to provide for a potential non-recoverable debt from a fellow group company (\$85.7 million).

Trade payables

All other financial liabilities are initially recognised at fair value, net of directly attributable transaction costs. For interest-bearing loans and borrowings this is typically equivalent to the fair value of the proceeds received, net of issue costs associated with the borrowing. After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement. Gains and losses arising on the repurchase, settlement or cancellation of liabilities are recognised in interest and other income and finance costs respectively. This category of financial liabilities included trade and other payables and finance debt.

Notes to the financial statements for the year ended 31 December 2024 (continued)**3. MATERIAL ACCOUNTING POLICIES, JUDGEMENTS AND ESTIMATION UNCERTAINTY (continued)****Property, plant and equipment****Oil and gas expenditure – exploration and evaluation (E&E) assets**

Geological and geophysical exploration costs are recognised as an expense 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 continued 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 internal 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.

Oil and gas expenditure – development and production (D&P) assets*Capitalisation*

Costs of bringing a field into production, including the cost of facilities, wells and sub-sea equipment, 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
Computer and office equipment	3 years
Furniture and fittings	5 years

Impairment

For impairment review purposes the Company's oil and gas assets are aggregated into cash-generating units (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 IFRS6. A review is carried out each reporting date for any indicators that the carrying value of the Company's assets may be impaired or previously impaired assets (excluding goodwill) where a reversal of a previous impairment may arise. 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 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 and loss in the period in which the asset is relinquished.

Borrowing costs

Borrowing costs directly attributable to acquisition and construction of 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 and loss when incurred.

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 and loss as incurred.

Notes to the financial statements for the year ended 31 December 2024 (continued)**3. MATERIAL ACCOUNTING POLICIES, JUDGEMENTS AND ESTIMATION UNCERTAINTY (continued)****Decommissioning liabilities**

The Company 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 Company 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 & 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. 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.

Contingent 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 acquisition date) about facts and circumstances that existed at the acquisition date.

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.

Tax*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 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.

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 reverse, based on the laws that have been enacted or substantively enacted at each balance sheet date.

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.

Group Relief

The Company participates in group relief arrangements with other qualifying entities within its wider tax group to optimise the overall tax position of the Group. This policy outlines the principles for the recognition, measurement, and disclosure of the financial effects of these group relief arrangements within the Company's individual financial statements, in accordance with IAS 12 Income Taxes.

Compensation for Group Relief

Compensation for group relief is treated as an intercompany transaction. The Company does not charge the claimant group entity for the surrender of losses except in circumstances where a surrender of group relief for no charge would represent an unlawful distribution. In such circumstances, the amount charged is equivalent to the tax saved by the claimant group entity. The compensation is settled through intercompany accounts.

*Current tax**When the Company surrenders its tax losses:*

Where the Company surrenders its tax losses for group relief to another group entity and a charge is to be made, the benefit of these losses is recognised as a reduction in its current tax liability (or an increase in a current tax asset) in the period in which it is assumed that the losses will be surrendered. Any compensation received is recognised as an intercompany receivable and a corresponding credit to the profit or loss account within 'tax credit/(charge)', reflecting the economic benefit derived from the loss surrender. If no compensation is received, the surrender of losses does not directly impact the Company's current tax charge, as it has no current tax liability to offset.

When the Company claims tax losses from another group entity:

When the Company claims tax losses from another group entity under group relief, it recognises the benefit of these surrendered losses as a reduction in its current tax expense and current tax liability in the period in which it is assumed that the losses will be claimed. Any compensation paid to the surrendering group entity is recognised as an intercompany payable and a corresponding debit to the profit or loss account within 'tax' credit/(charge), reflecting the cost incurred to utilise the losses. The net effect on the Company's current tax charge is the reduction in tax liability less any compensation paid.

Notes to the financial statements for the year ended 31 December 2024 (continued)**3. MATERIAL ACCOUNTING POLICIES, JUDGEMENTS AND ESTIMATION UNCERTAINTY (continued)****Leases**

The Company 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 Company is not a lessor in any transactions, it is only a lessee. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee. The Company 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 Company's right-of-use assets are included in property, plant and equipment (note 12).

At the commencement date of the lease, the Company 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 Company 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.

Changes in accounting pronouncements

In the current year, the Company has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

New and amended IFRS Accounting Standards that are effective for the current year:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements
Amendments to IAS 1	Non-current liabilities with Covenants
Amendments to IAS 1	Classifications of Liabilities as Current or Non-current

Critical accounting judgements and key sources of estimation uncertainty**Critical accounting judgements***Accounting for loan notes*

On 30 June 2022, the Company acquired listed loan notes issued by Ithaca SP Finance Limited (previously named Siccar Point Energy Finance Limited) as part of the acquisition of their parent company, Siccar Point Holdings Limited Group. The fair value of these acquired listed loan notes was recognised at \$487.6 million at the acquisition date based on an estimated market rate of interest of 11.49%.

To determine the fair value of the acquired listed loan notes, the Company employed a 'synthetic credit rating analysis' based on Moody's Synthetic Credit Rating Methodology for the 'Independent Exploration and Production' industry as of the valuation date. Under this methodology, the Company calculated a Synthetic Credit rating of B2 for Ithaca SP Finance Limited. The synthetic credit rating of B2 derived from this analysis is a critical input in arriving at the market rate of discount of 11.49% used to calculate the fair value of the loan notes at the completion date. This judgement significantly influences the fair value measurement of the acquired listed loan notes.

In addition, the Company has made an accounting policy choice in accounting for and allocating the acquisition of the loan notes in Ithaca SP Finance Limited and shares in Ithaca SP Holdings Limited group. The choice made was firstly measuring and recognising loan notes at fair value of \$487.6 million and the residual amount of \$306.9 million recognised in investments. Since initial recognition, listed loan notes are subsequently measured at amortised cost.

Notes to the financial statements for the year ended 31 December 2024 (continued)**3. MATERIAL ACCOUNTING POLICIES, JUDGEMENTS AND ESTIMATION UNCERTAINTY (continued)****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.

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.

While the Company 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 10 years. A nominal discount rate of 4.38% for the first five years and 4.86% thereafter (2023: 4.60%) is used to discount the estimated costs. The inflation rate applied to discount the estimated costs is 2.0% (2023: 2.0%). Given the long-term nature of the decommissioning liabilities and the historic compounded inflation rates in the industry, management do not believe that the current short-term inflationary pressures will have a material impact on the decommissioning liabilities of the Company. A reduction or an increase in this discount rate of 1% would increase or reduce the decommissioning liabilities by approximately \$10.4 million or \$11.0 million respectively (2023: \$12 million and \$14 million respectively). For further details regarding the estimated value, inputs and assumptions refer to note 19. Given the large number of variables involved, management consider that it is not practical to provide sensitivities for the various other individual assumptions.

Estimates in impairment of oil and gas assets and goodwill

Determination of whether the Company's oil and gas assets (note 11 and 12) or goodwill (note 14) 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 internal 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 below. Management's estimates of a market participant's view of pricing and discount rates are supported by an independent consultant.

The sensitivity of the Company's carrying amount to these assumptions is illustrated by the impairments disclosed in note 12, and by the sensitivity disclosures in note 13. Sensitivity disclosures include, in particular, the impact of a 20% reduction in forecast revenues.

Carrying value of investments

The Company has performed an impairment assessment on the carrying amount of investments of \$3,147.3 million at 31 December 2024. In estimating the recoverable value, the Company has considered the projected financial performance of the underlying oil and gas drilling and producing assets and the net assets of the respective subsidiaries. As a result of this assessment, an impairment loss of \$1,782.6 million (2023: \$151.3 million) was recorded during the year, of which \$1,603.8 million is related to the realisation of value via dividend income, in one of the Company's immediate subsidiary undertakings, Ithaca Oil and Gas Limited.

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.

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 probability of payment. A 20% decrease in probability of payment, with all other assumptions held constant, would result in a decrease in contingent consideration of \$81.9 million (2023: \$93.1 million). Whereas a 20% increase in probability of payment, with all other assumptions held constant, would result in an increase in contingent consideration of \$74.7 million (2023: \$80.7 million).

Other areas of estimation

The key assumptions concerning the future, and other sources of estimation uncertainty at the reporting period, but are not expected to cause 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 Company'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, in the measurement of depletion and decommissioning provisions and in the determination of whether deferred tax assets are recoverable. The business of the Company 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 critical 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 Company'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 Company'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 Company's internal estimates to those of an independent consultant to understand any differences in underlying assumptions to ensure there is no material unreconciled differences between the estimates.

For the purposes of depletion and decommissioning estimates, the Company uses proved and probable reserves; and for the purposes of the impairment tests performed and deferred tax asset recoverability, the Company 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 Company's impairment tests and deferred tax recoverability assessments including reserves and resources is discussed in note 13 and note 24.

Tax estimates

The Company's operations are subject to a number of specific tax rules which apply to exploration, development and production. 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 estimates and judgements including those required in calculating the effective tax rate. The Company 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.

Notes to the financial statements for the year ended 31 December 2024 (continued)**4. REVENUE**

	2024	2023
	US\$'000	US\$'000
Oil sales	30,990	347,886
Gas sales	69,252	177,290
NGL sales	7,065	12,382
Tariff income	27,515	34,490
Realised loss on oil derivative contracts	(2,059)	(31,676)
Put premiums on oil derivative instruments	(643)	(11,850)
Realised gain on gas derivative contracts	58,393	297,387
Put premiums on gas derivative instruments	(1,178)	(3,590)
Total revenue from production activities	189,335	822,319
Other income	62,443	5,396
Total revenue and other income	251,778	827,715

All revenue is generated in the United Kingdom.

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 transactions price and the amounts allocated to performance obligations. Other income relates mainly to partner recoveries related to lease obligations.

Revenues of \$134.8 million (2023: \$572.0 million) were from contracts with customers.

5. COST OF SALES

	2024	2023
	US\$'000	US\$'000
Operating costs	(56,409)	(187,601)
Other	(1,707)	(3,494)
Movement in oil and gas inventory	27,254	9,339
Depletion, depreciation and amortisation	(52,494)	(264,110)
	12	
	(83,356)	(445,866)

6. ADMINISTRATIVE EXPENSES

	2024	2023
	US\$'000	US\$'000
General & administrative	(19,673)	(14,328)
	(19,673)	(14,328)

(a) Directors' Remuneration

The Directors of the Company are employees of Ithaca Energy plc and receive remuneration from Ithaca Energy plc. The Directors do not believe that it is practical to apportion this amount between their services as Directors of Ithaca Energy plc and their services as Directors of Ithaca Energy (UK) Limited and other Group companies for either the current or prior year.

(b) Employees

The average number of employees during each year was as follows:

	2024	2023
Onshore and administrative	339	309
Offshore	293	283
	632	592

The increase in average employee numbers in 2024 reflects the increase in headcount following the Eni UK Business Combination.

	2024	2023
	US\$'000	US\$'000
Wages and salaries	(90,820)	(85,555)
Pension costs	(11,324)	(9,890)
Social security costs	(9,748)	(9,735)
	(111,892)	(105,180)

(c) Services provided by the Company's Auditor

	2024	2023
	US\$'000	US\$'000
Fees payable for the audit of the Company's financial statements	(32)	(34)

Notes to the financial statements for the year ended 31 December 2024 (continued)**7. FINANCE COSTS AND INCOME**

		2024	2023
	Note	US\$'000	US\$'000
Finance Costs			
Accretion	19	(11,151)	(16,790)
Bank charges		(73)	11
Debt facilities and commitment fees		(18,023)	(17,040)
RBL interest		(3,458)	(23,381)
Prepayment interest		-	(2,102)
Loan fee amortisation		(8,863)	(3,037)
Intercompany loan interest		(153,343)	(148,231)
Realised gains on interest derivative contracts		-	2,325
Accretion on deferred consideration	22	(4,314)	(12,256)
GSA incentive and capital allowances movement	17	(3,136)	(3,137)
Interest on lease liabilities	21	(1,102)	(3,183)
bp unsecured loan interest		(6,522)	(2,121)
Other		-	(934)
		(209,985)	(229,876)
Finance Income		US\$'000	US\$'000
Intercompany loan interest		169,162	112,596
Interest		7,076	5,688
		176,238	118,284

8. DIVIDENDS

	2024	2023
	US\$'000	US\$'000
Dividends received	2,908,783	-

As part of a share capital reorganisation undertaken by one of the Company's subsidiaries, Ithaca MA Limited, a resolution was passed on 4 September 2024 whereby it issued 448,052,300 ordinary shares of £1.00 each, of which 415,243,309 ordinary shares were fully paid up, and 32,808,991 ordinary shares were to be settled by the Company. Following completion of the share issue, Ithaca MA Limited reduced its share capital by 415,243,309 shares and cancelled the 32,808,991 shares due to be settled by the Company. Following the share capital reduction and cancellation, a dividend in kind of \$945.6 million was paid to the Company.

A resolution was passed on 16 December 2024 by the Company's subsidiary undertaking, Ithaca Oil and Gas Limited, to pay a dividend in specie (being the transfer of assets other than cash) of an amount equal to \$1,867.0 million to the Company. Also on 16 December 2024, a dividend of \$96.2 million was received from fellow group company Ithaca Exploration Limited in relation to a waiver of the interest charged in 2024 on the intercompany loans that were distributed by Ithaca Exploration Limited to its shareholder, Ithaca Oil and Gas Limited.

	2024	2023
	US\$'000	US\$'000
Dividend in specie	(100,000)	-
Dividend paid	(200,000)	-
	(300,000)	-

A resolution was passed on 5 September 2024 by the Company to pay a dividend in specie of \$100.0 million to the Company's immediate parent undertaking, Ithaca Energy E&P Limited, by way of an assignment of the benefit of a debt owed to the Company by another Ithaca group company.

A resolution was passed on 18 December 2024 by the Company to pay a cash dividend of \$200.0 million to the Company's immediate parent undertaking, Ithaca Energy E&P Limited.

9. INVENTORY

	2024	2023
	US\$'000	US\$'000
Crude oil underlift	1,054	3,209
Materials inventory	7,950	7,573
	9,004	10,782

10. INVESTMENTS

	Relationship to the Company	Country of incorporation	Percentage Holding	2024	2023
				US\$'000	US\$'000
Investment in Ithaca Minerals (North Sea) Limited	Direct	Scotland	100%	29,984	29,984
Investment in Ithaca SP UK Limited (dormant)	Indirect	England & Wales	100%	-	-
Investment in Ithaca Dorset Limited (dormant)	Indirect	England & Wales	100%	-	-
Investment in Ithaca GSA Holdings Limited	Direct	Jersey	100%	185,767	185,767
Investment in Ithaca GSA Limited	Indirect	Jersey	100%	-	-
Investment in Ithaca Energy Developments UK Limited	Indirect	England & Wales	100%	-	-
Investment in Ithaca MA Limited	Direct	England & Wales	100%	131,783	310,548
Investment in Ithaca MA (NS)Limited (dormant)	Indirect	Scotland	100%	-	-
Investment in Ithaca Oil & Gas Limited	Direct	England & Wales	100%	543,102	2,146,920
Investment in Ithaca Exploration Limited	Indirect	England & Wales	100%	-	-
Investment in Ithaca Zeta Limited	Direct	England & Wales	100%	71,127	71,127
Investment in Ithaca SP (Holdings) Limited	Direct	England & Wales	100%	402,939	402,939
Investment in Ithaca SP Finance Limited	Indirect	England & Wales	100%	-	-
Investment in Ithaca SPE (Limited)	Indirect	England & Wales	100%	-	-
Investment in Ithaca SP Bonds plc	Indirect	England & Wales	100%	-	-
Investment in Ithaca SP (O&G) Limited	Indirect	England & Wales	100%	-	-
Investment in Ithaca SP (E&P) Limited	Indirect	England & Wales	100%	-	-
				1,364,702	3,147,285

Notes to the financial statements for the year ended 31 December 2024 (continued)**10. INVESTMENTS (continued)**

	Ithaca Minerals (North Sea) Limited US\$'000	Ithaca GSA Holdings Limited US\$'000	Ithaca Oil and Gas Limited US\$'000	Ithaca MA Limited US\$'000	Ithaca SP Holdings Limited US\$'000	Ithaca Zeta Limited US\$'000	Total US\$'000
Cost							
As at 1 January 2024 and 31 December 2024	29,984	185,767	2,465,220	310,548	402,939	119,361	3,513,819
Impairment							
As at 1 January 2024	-	-	(318,300)	-	-	(48,234)	(366,534)
Impairment for the year	-	-	(1,603,818)	(178,765)	-	-	(1,782,583)
As at 31 December 2024	-	-	(1,922,118)	(178,765)	-	(48,234)	(2,149,117)
Investment at 31 December 2023	29,984	185,767	2,146,920	310,548	402,939	71,127	3,147,285
Investment at 31 December 2024	29,984	185,767	543,102	131,783	402,939	71,127	1,364,702

On 19 October 2011 the Company completed the acquisition of Challenger Minerals (North Sea) Limited ("CMNSL"), subsequently renamed Ithaca Minerals (North Sea) Limited, from Transocean Drilling U.K. Limited. The investment carrying value is \$30.0 million.

In December 2018, the Company completed the acquisition of 100% of the issued shares of Petrofac GSA Holdings Limited, subsequently renamed Ithaca GSA Holdings Limited, and its subsidiaries ("Petrofac"). The transaction was completed for a total acquisition consideration of \$105 million, paid in cash. The investment carrying value is \$185.8 million.

On 8 November 2019, the Company completed the acquisition of 100% of the equity of Chevron North Sea Limited ("CNLSL"), subsequently renamed Ithaca Oil and Gas Limited. The transaction

On 30 June 2022, the Company completed the acquisition of 100% equity of Summit Exploration and Production Limited (Summit), subsequently renamed Ithaca Zeta Limited. The price payable at completion of the acquisition was \$119.3 million. The investment carrying value is \$71.1 million.

On 4 February 2022, the Company completed the acquisition of 100% of the issued share capital of Marubeni Oil and Gas Limited (MOGL), subsequently renamed as Ithaca MA Limited. The transaction added a further non-operated share in nine producing field interests (known as MonArb) to the existing Ithaca portfolio. The total price payable at completion of the acquisition was \$108 million (including the deposit of \$7 million paid in November 2021). A deferred consideration of \$63.4 million and contingent consideration of \$139.3 million, discounted at 2.5% were recognised at acquisition.

On 30 June 2022, the Company completed the acquisition of 100% of the issued share capital of Siccar Point Energy (Holdings) Limited (Siccar Point Energy), subsequently renamed as Ithaca SP Holdings Limited, and its UK subsidiaries. The transaction added a further two producing assets (Mariner 8.89% and Schiehallion 11.75%), an additional 5.57% increase to the Group's existing equity in Jade, and three development prospects (Rosebank 20.00%, Cambo 70.00% and Tornado 50.00%) to the existing Group portfolio. Price payable at completion of the acquisition was \$692 million plus a risked contingent consideration of \$102 million was recognised at the completion date.

As the Company acquired both the Share Capital of Siccar Point Energy (Holdings) Limited and the Listed loan notes issued by its UK subsidiary, Siccar Point Energy Finance Limited, the recommendations of the IFRIC November 2017 update have been considered to allocate the aggregate consideration of \$794.5 million to the identifiable assets acquired and liabilities assumed.

Accordingly, the Company decided to initially recognise the Loan notes at their fair value and allocate the residual amount of aggregate consideration to the equity of the acquired Siccar Point Energy.

This allocation methodology is in line with the terms of the Sale and Purchase agreement signed between the Company and the Siccar Group where the consideration for the shares shall be the aggregate consideration less the Loan notes consideration.

Allocation of aggregate consideration	USD\$000
Equity	306,922
Loan notes	487,596
Total	794,518

In addition during the period, following the acquisition of Siccar Point Energy, the Company assumed derivative liabilities on behalf of Siccar Point Energy E&P Limited and Siccar Point Energy Limited amounted to \$96.0 million. The total cost of investment in Siccar Point Energy is therefore \$402.9 million.

During 2024, the company recorded a \$1,782.6 million impairment expense relating to the investments held in Ithaca Oil and Gas Limited and Ithaca MA Limited (2023: \$151.3 million). Of this, \$1,603.8 million is related to the realisation of value via dividend income, in the Company's investment in Ithaca Oil and Gas Limited. The carrying values of the investments were compared to the net assets of the companies subsidiaries. In addition the net present value of post tax cashflows relating to producing assets owned by the subsidiary undertakings was also considered (note 12).

11. INTANGIBLE ASSETS

	Exploration and evaluation assets US\$'000
At 1 January 2024	17,598
Additions	832
Movement in decommissioning provision	(44)
Write offs to expense	(1,016)
At 31 December 2024	17,370

The principal component of exploration and evaluation assets at 31 December 2024 is the Cambo field with a pre-tax carrying value of \$16.1 million (2023: \$16.1 million).

Notes to the financial statements for the year ended 31 December 2024 (continued)

12. PROPERTY, PLANT AND EQUIPMENT

Note	Development & Production			Total US\$'000	
	Right of Use Operating assets US\$'000	Oil & Gas assets US\$'000	Other fixed assets US\$'000		
Cost					
As at 1 January 2024		105,874	1,182,029	32,268	1,320,171
Additions		28,633	20,251	545	49,429
Revision to decommissioning estimate	19	-	40,313	-	40,313
At 31 December 2024		134,507	1,242,593	32,813	1,409,913
DD&A & Impairment					
As at 1 January 2024		(85,592)	(1,124,877)	(26,772)	(1,237,241)
Charge for the year		(29,417)	(19,389)	(3,688)	(52,494)
Impairment	13	-	(42,110)	-	(42,110)
At 31 December 2024		(115,009)	(1,186,376)	(30,460)	(1,331,845)
NBV at 31 December 2023		20,282	57,152	5,496	82,930
NBV at 31 December 2024		19,498	56,217	2,353	78,068

Additions in D&P assets of \$20.3 million relate mainly to the Erskine asset and the addition to the right of use assets in the year to 31 December 2024 relates to the Skandi Gamma lease currently utilised on the Captain EOR project, an asset held by fellow group company Ithaca SP (E&P) Limited.

The revision to the decommissioning estimate shown above differs from note 19 given certain assets have already ceased production and therefore any revision to decommissioning estimates are recorded directly in the Statement of profit or loss.

13. IMPAIRMENT CHARGE

Note	2024 US\$'000	2023 US\$'000	
Investments	10	(1,782,583)	(151,314)
D&P Assets	12	(42,110)	(270,509)
E&E Assets		-	(62,779)
Decommissioning revisions on assets that have ceased production		(1,209)	(34,233)
Goodwill	14	(27,993)	-
Decommissioning receivable		(5,244)	15,453
Intercompany		(39)	(7,716)
Other		-	(1,092)
		(1,859,178)	(512,190)

The impairment cost in the statement of profit or loss of \$1,859.2 million relates the following; \$1,782.6 million impairment of investments held in Ithaca Oil and Gas Limited and Ithaca MA Limited (note 10), \$28.0 million impairment of goodwill (note 14), \$1.2 million impairment in relation to decommissioning revisions on assets that have no recoverable value so the movements have been recorded in the statement of profit or loss (note 19), \$42.1 million impairment in relation to PP&E (note 12) and a \$5.2 million impairment due to the revision of the decommissioning reimbursement balances.

For impairment of property, plant and equipment and intangible oil and gas assets, fair value less costs of disposal are determined by discounting the post-tax cash flows expected to be generated from oil and gas production net of selling costs, taking into account assumptions that market participants would typically use in estimating fair values.

An annual impairment review of all oil and gas assets and goodwill was carried out in Q4 23. 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% (2023: 10.3%) and represents level 3 in the fair value hierarchy.

The following assumptions were used in developing the cash flow model and applied over the expected life of the respective fields:

	Post-tax discount rate assumption	2025	2026	2027	2028	2029	2030	2031
Oil	10.00%	\$75/bbl	\$74/bbl	\$77/bbl	\$79/bbl	\$80/bbl	\$82/bbl	\$83/bbl
Gas	10.00%	98p/therm	84p/therm	81p/therm	82p/therm	83p/therm	85p/therm	87p/therm

[†]post 2031 an annual 2% increase is applied to the price assumption

With all other assumptions held constant, a 20% decrease in forecast revenues, illustrating lower commodity prices, would result in an additional PP&E impairment of \$29.7 million (2023: nil) and Goodwill being fully impaired, with an additional impairment of \$14.9 million (2023: nil)

A movement of 1% on the discount rate does not result in a significant change in the portfolio value, such that headroom remains on all the PP&E CGU's.

Notes to the financial statements for the year ended 31 December 2024 (continued)

14. GOODWILL	2024 US\$'000	2023 US\$'000
Opening	42,928	600,584
Impairment	(27,993)	-
Disposals	-	(557,656)
Closing	14,935	42,928

Goodwill relates to the transfer of the assets and liabilities of fellow group companies, Ithaca SPL Limited, Ithaca Dorset Limited, Ithaca SP UK Limited and Ithaca Pipeline Limited in 2015 and goodwill on the GDF Suez E&P UK Limited acquisition in December 2010.

On 17 December 2019, the inter-company group acquisition of a number of assets from Ithaca Oil and Gas Limited has generated goodwill of \$466.3m. This goodwill arose as the result of recognising a \$598.1 million deferred tax liability as required under IFRS 3 fair value accounting for business combinations.

In the year ended 31 December 2023, the Company disposed of \$557.7 million of goodwill following the transfer of the Company's equity interests in Captain, Cook and Abigail to Ithaca SP E&P Limited, and the Company's equity interest in Vorlich to Ithaca MA Limited.

An impairment of goodwill was recognised in 2024 after impairment triggers were identified following the reduction in commodity price. The balance was tested as part of the annual impairment review for the Company (See note 12 above for further information on the key assumptions). The fair value estimate is categorised as level 3 in the fair value hierarchy.

15. TRADE AND OTHER RECEIVABLES

Current	2024 US\$'000	2023 US\$'000
Trade debtors	19,646	27,959
Decommissioning reimbursement - short term	23,175	30,417
Tax Debtor	1,837	1,605
Accrued income	44,078	37,844
Other debtors	11,476	24,289
	100,212	122,114

The Company regularly monitors all customer receivable balances outstanding in excess of 90 days for ECLs. As at 31 December 2024, substantially all accounts receivable are current, being defined as due in less than 90 days. The Company has no allowance for doubtful accounts as at 31 December 2024 (31 December 2023: \$Nil).

Non-current	2024 US\$'000	2023 US\$'000
Decommissioning reimbursement	148,112	165,064

The decommissioning reimbursement represents the equal and opposite of decommissioning liabilities, net of notional tax, associated with the Heather and Strathspey fields. Note that the decommissioning obligations for Heather and Strathspey are held within Ithaca Oil and Gas Limited. The reduction from 2023 reflects the reduction in the provision due to these assets currently being decommissioned and the reclass of short term costs to current receivables.

As part of the terms of the Chevron North Sea Limited (CNLS) acquisition, Chevron have the obligation to provide the security and remain financially responsible for the decommissioning

16. AMOUNTS DUE FROM GROUP UNDERTAKINGS

Debtors falling due after more than one year	2024 US\$'000	2023 US\$'000
Amounts due from fellow group companies	567,173	279,779
Loans due from fellow group companies	1,406,220	1,310,507
Loan Notes	485,051	487,595
Accrued loan interest on Loan Notes	152,767	87,499
	2,611,211	2,165,380

Management have completed an analysis which considers both historical and forward looking qualitative and quantitative information to determine whether the credit risk has significantly increased since the time any intercompany receivable was initially recognised. Credit risk is tracked via an external credit rating agency, and for its intercompany receivable, is rated at a default risk of 0.87% (2023: 1.86%) with an associated estimated loss given default of 60% (2023: 60%). Having reviewed these factors combined with the credit profile of fellow group companies to assess the expected credit losses, the Company concluded that an expected credit loss provision of \$13.7 million (2023: \$24.4 million) was required. In addition, an adjustment was made in the year to provide against a potential non-recoverable debt from a fellow group company of \$85.7 million. Both provisions have been booked to impairment loss on amounts due from fellow group companies.

At 31 December 2024, loans from fellow group companies included intercompany loan agreements arising from asset transfers. Interest is payable on the loan at the percentage rate per annum equal to SONIA + 3.5%. Loans are unsecured and are repayable on demand, however there are currently no plans for the receivables to be called within the next 12 months.

As part of the Siccar Group acquisition on 30 June 2022, the Company acquired from Siccar Point Energy Luxembourg S.C.A the loan notes issued by the Siccar Point Energy Finance Limited (Loan notes were issued in several tranches and were listed on The International Stock Exchange in Guernsey). As of 30 June 2022, the nominal value of listed loan notes was US\$ 647.9 million, and the interest accrued on the listed notes to that date was US\$358.7 million. Loan notes have a coupon rate of 8.2%.

At initial recognition, listed loan notes are recorded at fair value less transaction costs and are subsequently measured at amortised cost. The fair value of listed loan notes on 30 June 2022 was US\$487.6 million. The market rate of the fair value of the loan was estimated at 11.49% per annum and interest is calculated on a compound basis on principal plus interest and is payable at maturity. Please refer to note 10 for details.

Nominal value 30 June 2022 (USD \$'000)	Nominal value 31 December 2024 (USD \$'000)	Issue and Listed	Maturity date	Carrying value 31 December 2023 (USD \$'000)	Carrying value 31 December 2024 (USD \$'000)
8,741	10,656	Jul-14	Jul-44	5,316	5,927
8,622	10,511	Jan-15	Jan-45	5,172	5,767
6,858	8,360	Nov-15	Nov-45	4,016	4,477
6,560	7,998	Jan-16	Jan-46	3,814	4,253
300,512	366,359	Aug-16	Aug-46	171,996	191,753
440,490	537,009	Jan-17	Aug-46	252,111	281,071
234,843	286,302	Jan-17	Jan-47	132,669	147,917
1,006,626	1,227,195			575,094	641,165

Notes to the financial statements for the year ended 31 December 2024 (continued)**17. CREDITORS: Amounts falling due within one year**

	Note	2024 US\$'000	2023 US\$'000
Trade creditors		(4,014)	(9,618)
Crude oil inventory overlift		(7,485)	(8,894)
Sundry creditors		(29,386)	(49,227)
Amounts owed to fellow group companies		(1,902,427)	(4,963,586)
Amounts owed to fellow group companies - GSA incentive payment		(59,852)	(56,716)
Amounts owed to fellow group companies - GSA capital allowances repayment		(109,236)	(109,236)
Accruals and deferred income		(41,895)	(55,711)
Finance lease	21	(8,729)	(19,898)
VAT payable		(1,377)	(47)
		(2,164,401)	(5,272,933)

Amounts due to fellow group companies for GSA incentive payments and capital allowances repayments are in relation to the Stella Sale and Purchase agreement ("SPA") entered into with Petrofac on 19 October 2011 in respect of FPF-1 Floating Production facility. Legal completion of the agreement occurred in September 2017 and liabilities have been recorded to reflect the value of capital allowances claimed by Ithaca during the Stella development project and incentive payments. The corresponding entries for both are included in PP&E (see note 12). This liability has been calculated based on the anticipated probability of the Company tax rate expected to be in force in 5 years time and has also been discounted to reflect the time value of money. This has resulted in a liability at 31 December 2024 of \$109.2 million (2023: \$109.2 million).

Following completion of the Ithaca Group's acquisition of Ithaca GSA Holdings Limited in December 2018, the GSA incentive and capital allowances payment balances are now intercompany liabilities. Interest is charged on the incentive payments at 8.5% per annum and the amounts are repayable on demand.

The amounts owed to fellow group companies are unsecured, interest free and are repayable on demand.

Amounts owed to fellow group companies include intercompany loans. On 11 November 2019, the Company entered into a loan agreement for \$1.2 billion with Ithaca Oil and Gas Limited (which was subsequently transferred to Ithaca Exploration Limited). On 16 December 2024, the intercompany loan due to Ithaca Exploration Limited was repaid following the payment of a dividend in specie from one of the Company's subsidiaries, Ithaca Oil and Gas Limited. At the same time, the intercompany loan agreement was amended and restated in that interest chargeable in 2024 was waived. Prior to this restatement, interest was payable on the loan at a rate of LIBOR +3% per annum. The loan was unsecured and repayable on demand.

18. BORROWINGS

	2024 US\$'000	2023 US\$'000
Current		
Unamortised short-term bank fees	6,603	-
Accrued interest costs on borrowings	(4,427)	-
	2,176	-
Non Current		
bp unsecured loan	-	(100,000)
Unamortised long-term bank fees	24,546	4,555
RBL facility	(150,000)	-
	(125,454)	(95,445)

RBL Facility

During 2024, the Group completed a refinancing of the RBL facility. The refinancing represented an early exit from and extinguishment of the original RBL facility and replacement with a new RBL facility based on market terms at the date of the refinancing. There was no net cash receipt or payment for the \$150 million principal amount of the RBL on refinancing as the drawdown was re-distributed between syndicate banks to the RBL by the facility agent. The new RBL facility amount at 31 December 2024 was \$1.5 billion, consisting of a loan facility of \$1,000 million and a letter of credit facility of \$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 2024, the total loan availability was \$1,000 million (2023: \$725 million), of which \$150 million (2023: none) was drawn down, leaving an amount of \$850 million (2023: \$725 million) being available for drawdown. In addition, under the new RBL facility, there is an accordion facility of up to \$1,000 million, of which \$265 million was committed at 31 December 2024.

bp facility

The \$100 million facility with bp was repaid in full as part of the refinancing in October 2024.

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 the \$750 million unsecured notes.

In addition to the below financial covenants, the Group is subject to restrictive covenants under the RBL facility and 2029 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; or enter into certain transactions with affiliates.

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; and
- * 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

The Company was in compliance with all financial covenants of the RBL in all periods presented.

Notes to the financial statements for the year ended 31 December 2024 (continued)**19. DECOMMISSIONING LIABILITIES**

	Note	2024 US\$'000	2023 US\$'000
Balance, 1 January		(243,986)	(553,544)
Transfers		-	354,546
Accretion	7	(11,151)	(16,790)
Revision to estimates		(41,478)	(64,906)
Decommissioning provision utilised		12,022	36,708
Balance, 31 December		(284,593)	(243,986)
Current			
Balance, beginning of period		(19,219)	(93,356)
Balance, end of period		(17,225)	(19,219)
Non-current			
Balance, beginning of period		(224,767)	(460,188)
Balance, end of period		(267,368)	(224,767)

Revisions to decommissioning estimates in the year of \$41.5 million mainly comprise \$40.3 million of revisions to estimates related to development and production assets (see note 12) and \$1.2 million of revisions to assets that have ceased production (see note 13).

The total future decommissioning liability represents the estimated cost to decommission, in situ or by removal, the Company's net ownership interest in all wells, infrastructure and facilities, based upon forecast timing in future periods. The Company uses a risk free rate of 4.38% for the first five years and 4.86% thereafter (2023: 4.60%) and an inflation rate of 2.0% (2023: 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. These costs are expected to be incurred at various intervals over the next 9 years.

Revisions to estimates in the years ended 31 December 2024 and 2023 were due to changes in both cost estimates and discount rate assumptions.

20. OTHER LONG-TERM LIABILITIES

	Note	2024 US\$'000	2023 US\$'000
Finance lease	21	(11,849)	(660)
Amounts owed to fellow group undertakings - interest bearing loan		(750,000)	(625,000)
		(761,849)	(625,660)

Amounts owed to fellow Group undertakings include a loan with interest charged on the principal amount of \$750.0 million, at a rate of 8.125% per annum. The loan is payable by the date of full redemption of the associated senior loan note, due October 2029, or at such other time and in such instalments as the parties may agree. Prior to the repayment of the \$625.0 million bond (repaid on 22 October 2024), the principal amount of the loan was \$625.0 million with interest charged at a rate of 9% per annum.

21. FINANCE LEASE LIABILITIES

	US\$'000
At 1 January 2023	(58,859)
Additions	(3,602)
Interest	(3,183)
Payments	45,086
At 31 December 2023	(20,558)
Additions	(32,059)
Interest	(1,102)
Payments	33,141
At 31 December 2024	(20,578)
Total minimum lease payments	
Less than 1 year	(8,729)
Between 1 and 5 years	(11,849)

The additions in the year to 31 December 2024 relate to the London Office and Skandi Gamma supply vessel leases. The additions in the year to 31 December 2023 relates to modifications of the Captain Emergency Response and Recovery Vehicle lease.

Amounts recognised in the profit and loss relating to leases is detailed in note 7.

Notes to the financial statements for the year ended 31 December 2024 (continued)**22. CONTINGENT AND DEFERRED CONSIDERATION**

	2024 US\$'000	2023 US\$'000
At 1 January	(317,629)	(300,482)
Acquisitions	-	(12,695)
Utilisations	22,994	13,567
Accretion	(4,314)	(12,256)
Changes in fair value	22,806	(5,763)
At 31 December	(276,143)	(317,629)
Current	2024 US\$'000	2023 US\$'000
Contingent consideration	(74,990)	(92,176)
MOGL deferred consideration	(68,293)	-
	(143,283)	(92,176)
Non-current		
Contingent consideration	(132,860)	(161,474)
MOGL deferred consideration	-	(63,979)
	(132,860)	(225,453)

Cash outflows in the year ended 31 December 2024 of \$23.0 million (2023: \$13.6 million) are in relation to the consideration payable on the MOGL, Siccar oil price triggers and an interim payment on Rosebank in the year to 31 December 2024.

The contingent consideration arrangement relating to the 2022 acquisition of MOGL 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 volumes from net 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. 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 2024, discounted at 6.33% was \$77.9 million (2023: \$111 million using a discount rate of 4.60%). The total undiscounted potential consideration as at 31 December 2024 is \$228 million (2023: \$230 million).

The Marubeni deferred consideration of \$68.3 million is payable 1 July 2025.

During the year ended 31 December 2022, the Group acquired Siccar Point Energy, which 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. 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 2024, discounted at 6.33% was \$118.2 million (2023: \$130 million using a discount rate of 4.60%). The total undiscounted potential consideration as at 31 December 2024 is \$343 million (2023: \$362 million).

During the year ended 31 December 2023, the company 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 of \$1.5 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 by the Group, or first oil. The carrying amount at 31 December 2024, discounted at 6.33% was \$11.7 million (2023: \$12.7 million).

23. CALLED UP SHARE CAPITAL**Ordinary shares of £1 each**

	No. of ordinary	Amount US\$'000
Authorised share capital		
At 1 January 2024 and 31 December 2024	1,000	2

(a) Issued, allotted and paid

Balance 1 January 2024 and 31 December 2024	1	-
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As part of a share capital reorganisation being undertaken to allow for the distributions of dividends, the Company carried out an issue of shares to its sole shareholder, Ithaca Energy (E&P) Limited (registered in Jersey with number: 123689), in satisfaction of a receivable due to Ithaca Energy (E&P) Limited from the Company. Following this, the Company reduced its share capital and cancelled the amount outstanding to the credit of its share premium account. The reduction and cancellation created distributable reserves which enabled the Company to issue a dividend to Ithaca Energy (E&P) Limited. On 5 September 2024, a resolution was passed whereby the Company issued 618,326,186 ordinary shares of £1.00 each (the "Receivables Issue") with a USD equivalent of \$855.6 million. Following the Receivables Issue, the issued share capital of the Company consisted of 618,326,187 ordinary shares of £1.00 each. Subsequent to the Receivables Issue, the Company reduced its share capital by 618,326,186 ordinary shares.

24. TAX

	2024 US\$000	2023 US\$000
Current tax		
Current period	43,528	148,206
Adjustments in respect of previous periods	18,986	(1,605)
Deferred tax		
Company tax in Statement of Income	32,602	(89,155)
Adjustments in respect of previous periods	(16,506)	-
Company tax in Statement of Other Comprehensive Income	(55,114)	6,607
Total tax charge	23,496	64,053
	2024 US\$000	2023 US\$000
Current tax:		
Current period	43,528	148,206
Adjustments in respect of previous periods	18,986	(1,605)
Deferred tax:		
Origination & reversal of timing differences	(22,512)	(114,887)
Prior period adjustment	(16,506)	32,339
Tax charge on profit on ordinary activities	23,496	64,053

Notes to the financial statements for the year ended 31 December 2024 (continued)**24. TAX (continued)****Group relief in respect of previous years**

The Company surrendered its 2022 tax losses to another group company via group relief for nil consideration. It was considered in good faith that such a surrender did not constitute a distribution under UK law. It has since come to the attention of management that this is considered to be a deemed distribution, and since the Company had no distributable reserves at the time of the deemed distribution, legal advice was that this actions represented an unlawful distribution under UK law.

In order to remedy the unintended issue created by the group relief surrender, the Company has made a charge in 2024 to a fellow group company that received the benefit of the tax loss from the group relief claim. A charge of \$8.0 million has been recognised as a credit to tax in the income statement, with a corresponding debit recognised within amounts due to fellow group companies.

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

	2024 US\$000	2023 US\$000
Profit before tax	1,117,142	275,142
Fair value gain on hedges	(70,659)	8,810
Adjusted profit before tax	1,046,483	283,952
Profit on ordinary activities at the UK tax rate 40% (2023: 40%)	418,593	113,581
Non deductible (income)/expenses	(429,136)	294,376
Financing costs not allowed for SCT	2,083	8,086
Group Relief	(13,306)	-
Deferred tax effect of investment allowance	24,109	(9,485)
Credit arising on non ring fence income	-	1,872
Gain on disposal not taxable	-	(426,375)
Energy Profits Levy	39,648	148,206
Deferred Tax on Energy Profits Levy	(21,692)	(97,743)
Prior Period Corporation Tax and Supplementary Charge	18,986	(1,605)
Prior Period Adjustment deferred tax	(16,506)	32,339
Share Scheme	717	801
Tax charge	23,496	64,053

The effective rate of tax applicable for UK ring fence oil and gas activities in 2024, was 40% (excluding the Energy Profits Levy) (2023: 40%, excluding energy profits levy) consisting of a Ring Fence Corporation Tax rate of 30% and supplementary charge rate of 10%. Items affecting the tax charge include losses group relieved to other entities within the Ithaca group, non-tax deductible expenses and deferred tax from the Energy Profits Levy. The Energy Profits Levy was enacted on 14th July 2022 with effect from 26 May 2022, at a headline rate of 25% which increased the effective UK ring fence oil and gas tax rate to 65% until 2025. However further changes were announced on 17th November 2022 such that the Levy was increased to 35% from 1 January 2023 until 31 March 2028 increasing the effective UK ring fence oil and gas tax rate to 75% and resulting in an additional deferred tax charge in the period. In addition, the rate was increased from 1 November 2024 to 38%, increasing the effective UK ring fence oil and gas tax rate to 78%. A further announcement on 29th July has further extended the EPL to 31 March 2030. If the extension of the EPL period had been enacted by the balance sheet date the impact would have been to increase the deferred EPL liability by \$3.0 million. The extension of the EPL period had not been substantively enacted at 31 December 2024 and therefore deferred EPL effect is not reflected in the results for the year ended 31 December 2024.

The gross movement on the deferred asset is as follows:

	2024 US\$000	2023 US\$000
At 1 January	50,031	(740,218)
Statement of profit or loss (charge)/credit	(16,096)	89,155
Credit/(charge) in Statement of Comprehensive Income	55,114	(6,607)
Disposal of asset	-	707,701
At 31 December	89,049	50,031

Deferred tax

The provision for deferred tax consists of the following deferred tax (liabilities) and assets. The timing difference on Investment Allowance is included in accelerated capital allowances.

Non-current deferred tax recognised as at 31 December 2024 relates to the following:

	Accelerated Capital Allowances \$'000	Tax Losses \$'000	Decommissioning Provision \$'000	Other \$'000	Total \$'000
At 1 January 2024	(19,039)	10,108	97,591	(38,629)	50,031
Prior period adjustment	14,518	1,988	-	-	16,506
(Charge)/credit to profit or loss and other comprehensive income	(35,242)	(12,096)	16,243	53,607	22,512
At 31 December 2024	(39,763)	-	113,834	14,978	89,049

The carrying value of the deferred tax asset at 31 December 2024 of \$89.0 million (2023: \$50.0 million) arising from a \$113.8 million deferred tax asset on future deductible decommissioning reduced by a deferred tax liability on accelerated capital allowances. These deferred tax assets are supported by estimates of Ithaca Group's position of future taxable income, based on the same net price and cost assumptions as used for the Group's impairment testing. It also reflects investment allowances and expected tax planning opportunities available to the Group. Whilst the recoverability of this value is sensitive to the assumptions used and a change in those assumptions could impact the recoverability of the asset, a reasonably possible downside of a 20% reduction in net revenues would not result in a reduction of the amount recognised for losses or decommissioning.

The UK losses do not expire under UK tax legislation and may be carried forward indefinitely.

Notes to the financial statements for the year ended 31 December 2024 (continued)

25. COMMITMENTS

Capital commitments related to joint operations

	2024 US\$'000	2023 US\$'000
Capital commitments incurred jointly with other venturers (Company's share)	414	1,498

The Company's capital expenditure is driven largely by full phase expenditure on existing producing fields. As of 31 December 2024, the Company had commitments for future capital expenditure amounting to \$0.4 million. The key components of this relate to AFEs (authorisations for expenditure) signed for activities on platform abandonment on Anglia. As of 31 December 2023, the Company had commitments for future capital expenditure amounting to \$1.5 million. The key components of this relate to AFEs (authorisations for expenditure) signed for activities on Erskine and platform abandonment on Anglia.

26. FINANCIAL INSTRUMENTS

To estimate the fair value of financial instruments, the Company 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 Company incorporates transaction specific details that market participants would utilise in a fair value measurement, including the impact of non-performance risk. The Company 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 Company 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 Company 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.

26. FINANCIAL INSTRUMENTS (CONTINUED)

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

	Note	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total Fair Value US\$'000
Contingent consideration	22	-	(1,165)	(206,685)	(207,850)
Derivative financial instrument assets		-	2,626	-	2,626
Derivative financial instrument liabilities		-	(15,495)	-	(15,495)

The following table presents the Company's material financial instruments measured at fair value for each hierarchy level as of 31 December 2023:

	Note	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total Fair Value US\$'000
Contingent consideration	22	-	(24,039)	(229,611)	(253,650)
Derivative financial instrument assets		-	70,516	-	70,516
Derivative financial instrument liabilities		-	(13,708)	-	(13,708)

The table below presents the total loss on financial instruments that has been disclosed through the statement of income:

	2024 US\$'000	2023 US\$'000
Revaluation of forex forward contracts	(1,310)	7,313
Revaluation of interest rate swaps	(637)	(6,488)
Revaluation of commodity hedges	2,291	42,006
	344	42,831
Realised loss on forex forward contracts	5,049	(6,282)
Realised gain on interest rate swaps	638	6,967
Realised (loss)/gain on commodity hedges	(1,575)	(457)
	4,112	228
Total gain on financial instruments	4,456	43,059

Notes to the financial statements for the year ended 31 December 2024 (continued)

26. FINANCIAL INSTRUMENTS (CONTINUED)

Cash flow hedge

The following table presents the movement in financial instruments that has been disclosed through the statement of comprehensive income relating to the cash flow hedge reserve:

<i>Hedging Reserve</i>	2024 US\$'000	2023 US\$'000
At 1 January	22,188	19,985
Change in fair value of derivative instruments	(7,408)	259,081
Amounts recycled to revenue	(56,334)	(265,711)
Amounts recycled to revenue - put premiums	1,821	15,440
Amounts recycled to opex	(8,738)	-
Amount per statement of comprehensive income	(70,659)	8,810
Deferred tax movement in year	55,114	(6,607)
Cash flow hedge reserve at 31 December	6,643	22,188

i) Commodity Risk

Commodity price risk related to crude oil prices is the Company'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 Company 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 Company'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 Company may periodically use different types of derivative instruments to manage its exposure to price volatility, thus mitigating fluctuations in commodity-related cash flows.

The below represents commodity hedges in place at the 2024 year end:

Derivative	Term	Volume	Average price
Gas collars	Jan 25 - Mar 25	4,500,000 therms	130p/therm floor - 185p/therm ceiling

The below represents commodity hedges in place at the 2023 year end:

Derivative	Term	Volume	Average price
Oil swaps	Jan 24 - Dec 24	364,000 bbls	\$81/bbl
Oil collars	Jan 24 - Dec 24	457,000 bbls	\$75/bbl floor - \$87/bbl ceiling
Gas swaps	Jan 24 - Sep 25	7,995,000 therms	130p/therm
Gas collars	Jan 24 - Mar 25	59,300,000 therms	138p/therm floor - 223p/therm ceiling

ii) Interest Risk

Calculation of interest payments for the RBL Facilities and term loan agreements incorporate SOFR. The Company is therefore exposed to interest rate risk to the extent that SOFR may fluctuate. The company 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 31 December 2024 or 31 December 2023.

iii) Foreign Exchange Rate Risk

The Company 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 Company is exposed to gains or losses on non USD amounts and on balance sheet translation of monetary accounts denominated in non USD amounts upon spot rate fluctuations from quarter to quarter. The Company enters into forward contracts as a means of hedging its exposure to foreign exchange rate risks.

As at 31 December 2024, the Company 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.

As at 31 December 2023 the Company had an average of £10.2 million per quarter hedged at an average forward rate of \$1.219 : £1 for the period January to December 2024. As at 31 December, the Group had an average of £30.3 million per quarter hedged at an average collar floor of \$1.200:£1 and average collar ceiling of \$1.230:£1 for the period January to December 2024.

iv) Credit Risk

The Company's accounts receivable with customers in the oil and gas industry are subject to normal industry credit risks and are unsecured.

The Company assesses partners' creditworthiness before entering into farm-in or joint venture agreements. In the past, the Company has not experienced credit loss in the collection of accounts receivable. As the Company's exploration, drilling and development activities expand with existing and new joint venture partners, the Company will assess and continuously update its management of associated credit risk and related procedures.

The Company regularly monitors all customer receivable balances outstanding in excess of 90 days for ECLs. As at 31 December 2024, substantially all accounts receivables are current, being defined as less than 90 days. The Company has no allowance for doubtful accounts as at 31 December 2024 (31 December 2023: \$Nil). However, having reviewed these factors combined with the credit profile of fellow group companies to assess the expected credit losses, the Company concluded that an expected credit loss provision of \$13.7 million in respect of intercompany receivables was required (2023: \$24.4 million).

The Company 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 Company's exposure is limited to those counterparties holding derivative contracts with positive fair values at the reporting date. As at 31 December 2024, the Company's exposure is \$nil (31 December 2023: \$nil).

The Company 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.

v) Liquidity Risk

Liquidity risk includes the risk that as a result of its operational liquidity requirements the Company will not have sufficient funds to settle a transaction on the due date. The Company 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 Company considers the maturity profiles of its financial assets and liabilities. As at 31 December 2023 and 2024, substantially all accounts payable are current.

Notes to the financial statements for the year ended 31 December 2024 (continued)**26. FINANCIAL INSTRUMENTS (CONTINUED)**

The following table shows the timing of cash outflows relating to liabilities.

	Within 1 year US\$'000	within 2 to 5 years US\$'000	More than 5 years US\$'000
Trade and other payables	(45,909)	-	-
Derivatives	(15,495)	-	-
Contingent and deferred consideration	(146,132)	(151,378)	(16,926)
Borrowings	(12,750)	(198,171)	-
Lease liabilities	(9,286)	(17,364)	-
	(229,572)	(366,913)	(16,926)

27. DERIVATIVE FINANCIAL INSTRUMENTS

The net carrying amount of each category of derivative asset/(liability) is as follows:

	2024 US\$'000	2023 US\$'000
Oil swaps - cash flow hedge	-	134
Oil collars - cash flow hedge	65	1,395
Gas swaps - cash flow hedge	-	11,762
Gas swaps - non-cash flow hedge	-	(2,290)
Gas collars - cash flow hedge	1,232	54,441
Interest rate swaps - non-cash flow hedge	-	637
FX forwards - cash flow hedge	214	-
FX forwards - non-cash flow hedge	(7,484)	(3,961)
FX collars - cash flow hedge	(6,896)	(3,335)
FX collars - non-cash flow hedge	-	(1,975)
	(12,869)	56,808

Maturity analysis of derivative financial instruments	US\$'000	US\$'000
Non-current assets	-	4,204
Current assets	2,626	66,312
Current liabilities	(15,495)	(13,708)
	(12,869)	56,808

Judgements and estimates applied in the valuation of derivative instruments can be found in note 3.

Derivative financial instruments that are with counterparties included within the RBL are subject to Master Netting Agreements.

28. RELATED PARTY TRANSACTIONS

As the Company is a wholly owned subsidiary of Delek Group Ltd, it has taken advantage of the exception given by paragraph 8 of Financial Reporting Standard No 101 which allows exemption from disclosure of related party transactions with other group companies. The Company has also taken advantage of the exception given by paragraph 8 of Financial Reporting Standard No 101 which allows exemption from disclosure of compensation for key management personnel.

During the year, the Company did not enter into any other transactions, in the ordinary course of business, with related parties (2023: \$nil).

29. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is Ithaca Energy E&P Limited (formerly known as Ithaca Energy Limited).

The ultimate parent undertaking is Delek Group Limited, an independent E&P company listed on the Tel Aviv Stock Exchange. Following the Eni UK business combination completed on 3 October 2024, Delek Group Limited remains the majority shareholder and ultimate parent undertaking.

At 31 December 2024, the smallest group for which consolidated financial statements are prepared which include Ithaca Energy (UK) Limited is that of Ithaca Energy plc. A copy of these financial statements can be obtained from 33 Cavendish Square, London, W1G 0PP. The largest group for which consolidated financial statements are prepared is that of Delek Group Limited. A copy of these financial statements can be obtained from 19 Abba Eban Boulevard, POB 2054, Herzlia, 4612001, Israel.

30. ASSETS PLEDGED AS SECURITY

The assets of the Company are part of a security arrangement for the Group's borrowing arrangement. Ithaca Energy UK Limited has granted a debenture and floating charge over its assets to the Reserves Based Lending (RBL) lenders under the RBL facility agreement as a guarantor of the debts under that facility. The security is over all of the assets that the Company holds.

31. SUBSEQUENT EVENTS

On 29 January, the Group announced a reorganisation and streamlining of the organisational structure for onshore staff which completed in 1H 2025.

On 7 July, the Company acquired Japex E&P UK increasing the Group's equity in the Seagull field from 35% to 40%.

On 18 June 2025, the Cambo licence was extended by 18 months from 31 March 2026 to 30 September 2027, confirming the regulator's trust in the Group's ability to continue progressing the project towards the licence milestones.

On 18 November 2025, the Company signed a farm-in agreement with Shell UK for a 50% working interest in licences P2629 and P2630, located in the West of Shetland basin, containing the Tobermory gas discovery.