



**Ithaca MA Limited**  
**Annual Report and Financial Statements for the year ended 31 December 2024**

**Table of Contents**

	<b>Page</b>
General Information	3
Strategic Report	4
Directors' Report	7
Independent Auditor's Report	12
Statement of Profit or Loss	15
Statement of Financial Position	16
Statement of Changes in Equity	17
Notes to the Financial Statements	18

## **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

England

LS1 5AB

### **Independent Auditors**

Deloitte LLP

3rd Floor

9 Haymarket Square

Edinburgh

Scotland

EH3 8RY

### **Solicitors**

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13 Queen's Road

Aberdeen

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AB15 4YL

### **Registered Office**

C/o Pinsent Masons LLP

1 Park Row

Leeds

England

LS1 5AB

**Strategic Report for the year ended 31 December 2024****Principal activities and review of the business**

The principal activity of Ithaca MA Limited ("the Company") during the year was oil and gas appraisal, development and production from North Sea oil and gas properties.

The principal oil and gas assets of the Company are MonArb (comprising the Montrose, Arbroath, Arkwright, Brechin, Carnoustie, Wood, Godwin, Cayley and Shaw Fields), and equity interests in the Erskine, Britannia, Callanish, Columba and Vorlich fields.

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.

**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). Gains of \$135 million in relation to the Group's hedging portfolio were made in the year (2023: \$266 million).

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
<b>Production (barrel of oil equivalent - boe)</b>		
Oil	2,738,250	2,609,116
Gas	2,750,402	3,164,732
Natural gas liquids (NGL)	272,894	324,389
	<b>5,761,546</b>	<b>6,098,237</b>
Production (bopd)	15,742	16,707
Average realised oil price including hedging gains (\$/bbl)	80	83
Average realised gas price including hedging gains (p/therm)	80	103

**Production**

The Company's production in 2024 was 5,761,546 boe (2023: 6,098,237), which is 6% lower than that of the previous year. The decrease is due to lower production from Monarb and Britannia assets offset with increased volumes from Vorlich following the transfer of assets into the Company from fellow group companies during 2023.

**Price**

Average realised oil prices decreased to \$80/bbl in 2024 in line with the market movement (2023: \$83/bbl). This is in line with the decrease in the average Brent market price from \$82/bbl in 2023 to \$80/bbl in 2024.

Average realised gas prices have fallen from an average of \$103p/therm in 2023 to \$80p/therm in 2024.

**Company financial results****Income statement**

Revenue decreased by \$51.2 million from \$485.3 million in 2023 to \$434.1 million for the year ended 31 December 2024. This is mainly attributable to the decreased prices for oil and gas in 2024 and lower production volumes in 2024.

Cost of sales have decreased by \$37.7 million from \$309.1 million in 2023 to \$271.4 million in 2024, reflecting the impact of lower production in the year on operating costs and depreciation.

The Company recorded impairment charges on property plant and equipment of \$98.7 million (2023: \$129.0 million) as a result of lower commodity prices than previously forecast and a downward revisions in Erskine reserves.

The Company generated a profit for the year of \$7.5 million (2023: \$52.9 million loss). In addition to the above movements, the profit has been impacted by negative movements on the revaluation of commodity derivative financial instruments of \$50.5 million (see note 8), partially offset by a tax credit of \$30.0 million (2023: charge of \$83.5 million).

**Statement of Financial Position**

The Company has net assets of \$91.1 million for the year ended 31 December 2024 (2023: \$572.0 million), with the movement in the year mainly related to the capital restructuring exercise which resulted in a \$449.0 million reduction in redeemable share capital followed by a dividend payment in kind of \$945.6 million.

The Company also recorded a modification gain as a capital contribution from Ithaca Exploration Limited of \$8.2 million. The modification gain comprised of \$4.6 million in relation to the loans immediately distributed to Ithaca Oil and Gas Limited, being the interest waived for the period from 1 January 2024 to 16 December 2024 and \$3.6 million in relation to the loans still outstanding at 31 December 2024, being the difference between the carrying amount of the outstanding loans of \$6.3 million on date of modification and the estimated fair value of the loans following the amendment of \$2.7 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 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 (UK) Limited, which holds non-operated interests in production and development assets, 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 Company's subsidiaries 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 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 interests of the Company's employees***

This is not relevant as the Company has no employees.

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

This is not relevant as the Company has no significant third party suppliers, other than its joint venture partners, for which relationships are managed at the Group level, the Company's relationships with its external customers are also managed at a Group 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 no employees and 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 still viable by reference to the high standards of business conduct and would be beneficial to the Group and its subsidiaries in the longer term.

***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, an 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.

***The decision to acquire assets from other group companies***

The Directors have made the decision to acquire assets from other group companies. In reaching this decision, the Directors have acted in good faith and believe that the acquisition is in the best interests of the Company and its stakeholders.

**Principal decisions in 2024**

Upon review of the Board activity in 2024 we have determined that the following principal decisions were taken by the Board during the year under review.

During the year there was a share capital reorganisation to allow for the distribution of dividends. On 4 September 2024, a resolution was passed whereby the Company issued 448,052,300 ordinary shares of £1.00 each, with the result that the issued share capital of the Company consisted of 448,052,301 ordinary shares of £1.00 each and 449,000,000 redeemable ordinary shares of \$1.00 each. The issue of 448,052,300 ordinary shares of £1.00 each resulted in a USD equivalent of \$620.0 million of which 415,243,309 ordinary shares were fully paid up (\$574.6 million), and 32,808,991 ordinary shares (\$45.4 million) were to be settled by the Company's parent Ithaca Energy (UK) Limited. Following completion of the share issue, the Company reduced its share capital by 449,000,000 redeemable ordinary shares (\$449.0 million) and 415,243,309 ordinary shares (\$574.6 million) and cancelled the 32,808,991 ordinary shares (\$45.4 million) which were to be settled by Ithaca Energy (UK) Limited. Following the share capital reduction and cancellation, a dividend in kind was paid to Ithaca Energy (UK) Limited amounting to \$945.6 million.

**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 Cambio.

**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 Action Plans ("ERAP"). On the operated assets, the Group continuously identify and assess 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 delivery 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 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 flotel 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.

Given that Ithaca MA Limited holds shares in non-operated producing assets, there is limited control over these and emissions cannot be calculated and presented individually. However, full Energy and Carbon Reporting disclosures for 2024 have been included as the comparative period in the 2024 Annual Report and Accounts for Ithaca Energy plc.

Approved by the Board on 16 December 2025 and signed on its behalf by:

DocuSigned by:  
  
Iain C. Lewis  
Director

16 December 2025

**Directors' Report for the year ended 31 December 2024**

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

**Results and dividends**

The Company's profit for the financial year was \$7.5 million (2023: \$52.9 million loss) which has been added to reserves. Following a capital restructuring exercise a dividend in kind of \$945.6 million was paid during 2024 (2023: nil).

**Future developments**

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

Management has focused and will continue to focus on viable production enhancement opportunities with the options and timing for future potential development wells being assessed as additional production data is obtained from the assets.

**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 and 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.

**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 quarter to quarter.

*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 the 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 \$16,000 in respect of intercompany receivables was required (2023: nil).

*Liquidity risk and cash flow risk*

The Company along with its parent company (Ithaca Energy (UK) Limited (see note 25) 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 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 Company'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 may disrupt or curtail its operations or development activities. The impact and uncertainty around the Energy Profits Levy and any 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;
- the Company's operational emissions reduction strategy.

See note 3 for further details.

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

On 29 January 2025, the Group announced a reorganisation and streamlining of the organisational structure for onshore staff which completed in 1H 2025. There is no significant impact to the Company as it has no employees.

**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)****Corporate Governance Statement**

The Company has not applied any specific Corporate Governance Code as it is a fully 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 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 Group Board is made up of Directors that are active in running the Company. 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 the 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 112 to 136 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.

**Statement of Directors' Responsibilities in respect of the Annual Report and the Financial Statements**

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 FRS 101 "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.

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

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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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:

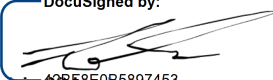
- so far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the Directors have taken all the necessary steps that ought to have been taken as a Director in order to make themselves aware of any relevant audit information and to establish 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:  
  
Iain Stewart  
16 December 2025  
Director

**Independent auditor's report to the members of Ithaca MA Limited****Report on the audit of the financial statements****Opinion**

In our opinion the financial statements of Ithaca MA 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 account;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 27.

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.

**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.

**Independent auditor's report to the members of Ithaca MA Limited (continued)**

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**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 framework 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 or non-compliance with laws and regulations in respect of determining the recoverability of the Company's oil and gas assets due to the significance of associated management judgements and estimates. Specifically, the assumptions in respect of discount rate, reserves estimates and forecast commodity prices are judgemental. Our response comprised, but was not limited to, involvement of valuations and reserves 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.

**Independent auditor's report to the members of Ithaca MA Limited (continued)**

**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.

A handwritten signature in black ink that reads "Stephen Pratt". The signature is written in a cursive, slightly slanted style.

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

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

	Note	2024 US\$'000	* Restated 2023 US\$'000
Revenue	4	434,145	485,287
Cost of sales	5	(271,358)	(309,108)
<b>Gross profit</b>		<b>162,787</b>	176,179
Administrative expenses	6	(130)	(101)
Impairment (loss)/gain on amounts due from fellow group companies	11	(16)	4,319
Impairment of property, plant and equipment	13	(98,724)	(129,037)
Impairment of goodwill	15	-	(29,612)
Revisions to decommissioning estimates	14	(126)	-
(Loss)/gain on derivative financial instruments	8	(50,528)	43,693
Foreign exchange loss		(898)	(9,074)
<b>Operating profit/(loss)</b>		<b>12,365</b>	56,367
Finance costs	7	(34,950)	(25,748)
<b>(Loss)/profit before tax</b>		<b>(22,585)</b>	30,619
Tax on (loss)/profit	19	30,042	(83,519)
<b>Profit/(loss) for the financial year</b>		<b>7,457</b>	(52,900)

The results above are entirely derived from continuing operations. The result for the current and prior year are equal to the total comprehensive income and accordingly a statement of comprehensive income has not been presented.

The notes on pages 18 to 31 are an integral part of these financial statements.

\* The restatement of the prior year is explained in detail in Note 23.

**Statement of Financial Position**  
**As at 31 December 2024**

\* Restated  
 2023  
 US\$'000

	Note	2024 US\$'000	2023 US\$'000
<b>Non-current assets</b>			
Property, plant and equipment	13	391,643	610,221
Amounts due from fellow group companies	11	3,023	-
Goodwill	15	8,002	8,002
Derivative financial instruments	22	-	7,746
Deferred tax asset	19	440,690	335,275
		<b>843,358</b>	<b>961,244</b>
<b>Current assets</b>			
Amounts due from fellow group companies	11	-	978,893
Derivative financial instruments	22	2,483	35,947
Inventories	9	35,074	26,773
Trade and other receivables	10	104,879	77,124
		<b>142,436</b>	<b>1,118,737</b>
<b>Total assets</b>		<b>985,794</b>	<b>2,079,981</b>
<b>Current liabilities</b>			
Amounts due to fellow group companies	12	(251,708)	(416,513)
Trade and other payables	16	(88,419)	(91,681)
Decommissioning liabilities	14	(2,824)	(3,910)
Derivative financial instruments	22	(5,884)	-
Redeemable Share Capital	17	-	(449,000)
Tax creditor		(74,223)	(72,729)
		<b>(423,058)</b>	<b>(1,033,833)</b>
<b>Net current (liabilities)/assets</b>		<b>(280,622)</b>	<b>84,904</b>
<b>Total assets less current liabilities</b>		<b>562,736</b>	<b>1,046,148</b>
<b>Non-Current liabilities</b>			
Derivative financial instruments	22	(2,358)	-
Decommissioning liabilities	14	(469,288)	(474,086)
		<b>(471,646)</b>	<b>(474,086)</b>
<b>Net assets</b>		<b>91,090</b>	<b>572,062</b>
<b>Capital and reserves</b>			
Called up share capital	17	-	-
Capital contribution	18	8,208	-
Retained earnings		82,882	572,062
<b>Total shareholders' funds</b>		<b>91,090</b>	<b>572,062</b>

\* The restatement of the prior year is explained in detail in Note 23.

The financial statements on pages 15 to 31 were approved by the Board of Directors on 16 December 2025 and signed on its behalf by:

DocuSigned by:  
  
 42BF8E0B5897453...

Iain CS Lewis  
 Director  
 Ithaca MA Limited, Registered Number 03947050

The notes on pages 18 to 31 are an integral part of these financial statements.

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

	<i>Note</i>	Capital contribution US\$'000	Called up share capital US\$'000	Retained earnings US\$'000	Total shareholders' funds US\$'000
Balance at 1 January 2023, as previously reported		-	-	641,632	641,632
Effect of correcting prior period error	23	-	-	(16,670)	(16,670)
<b>Balance at 1 January 2023 restated</b>		-	-	624,962	624,962
Loss for the financial year as previously reported		-	-	(21,009)	(21,009)
<b>Balance at 31 December 2023 as presented</b>		-	-	603,953	603,953
Effect of correcting prior period error	23	-	-	(31,891)	(31,891)
<b>Balance at 31 December 2023 restated</b>		-	-	572,062	572,062
Balance at 1 January 2024		-	-	572,062	<b>572,062</b>
Profit for the financial year		-	-	7,457	<b>7,457</b>
Bonus Issue of shares	17	-	574,600	(574,600)	-
Issue of new shares	17	-	45,400	-	<b>45,400</b>
Cancellation of share capital	17	-	(45,400)	-	<b>(45,400)</b>
Reduction in share capital	17	-	(574,600)	574,600	-
Reduction in redeemable share capital	17	-	-	449,000	<b>449,000</b>
Dividend	17	-	-	(945,637)	<b>(945,637)</b>
Capital contribution	18	8,208	-	-	<b>8,208</b>
<b>Balance at 31 December 2024</b>		<b>8,208</b>	-	<b>82,882</b>	<b>91,090</b>

The notes on pages 18 to 31 are an integral part of these financial statements.

\* The restatement of the prior year is explained in detail in Note 23.

**Notes to the financial statements for the year ended 31 December 2024**

**1. NATURE OF OPERATIONS**

Ithaca MA Limited (the "Company"), is a private company limited by shares incorporated under the Companies Act 2006 in the United Kingdom and registered in England, is a private Company limited by shares. The address of the parent company is shown in note 25. The Company is involved in the appraisal, development and production of oil and 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 International Financial Reporting Standards ("IFRSs").

The Company is a qualifying entity for the purposes of FRS 101. Note 25 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'; and
- (i) the requirements of paragraphs 91-99 of IFRS 13 'Fair Value Measurement'
- (j) the requirements of paragraphs 88B-88D of IAS 12 Income Taxes.

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.

**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.

**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)**

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 (where the amount of CO<sub>2</sub> added but the Group's activity is no greater than the amount taken away), 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 the 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 investment into lower carbon intensity assets and the eventual cessation of production of mature fields which have higher carbon intensity. 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, with the exception of the impact on impairment of a 20% downside in net revenues, 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 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 property, plant and equipment. In the current period management's estimate of the long-term commodity price assumptions are \$83/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 the Group's 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 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 20 years. The impacts of climate change and the energy transition may bring forward the expected timing of decommissioning activity, increasing the present value of the associated decommissioning provisions. The potential impact of a reasonably possible acceleration of estimated decommissioning dates, which considers the potential impact of the energy transition, is considered to be two years. The risk in this area may increase if key assets within the Group's existing exploration, appraisal and development portfolio proceed to the production stage, as this is likely to significantly extend the life of the Group's portfolio, in some cases to 2050 or beyond.

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****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.

**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**

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 measured at the fair value of the consideration received or receivable and represents amounts receivable for products in the normal course of business, net of discounts, customs duties and sales taxes.

Tariff income is recognised as the underlying commodity is shipped through the pipeline network based on established tariff rates.

**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).

**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 and amounts 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.

*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 through 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 capital contribution 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 21 and 22.

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.

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

**Inventories**

Inventories of materials are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is determined on the first-in, first-out method. Current hydrocarbon inventories are stated at net realisable value, which is based on estimated selling price less any further costs expected to be incurred to completion and disposal/sale. Non-current oil and gas inventories are stated at historic cost. Provision is made for obsolete, slow-moving and defective items where appropriate.

Lifting or offtake arrangements for oil and gas produced in certain of the Company's oil and gas properties are such that each participant may not receive and sell its precise share of the overall production in each period. The resulting imbalance between cumulative entitlement and cumulative volume sold is an 'underlift', included within inventory or 'overlift', included within trade and other payables in the statement of financial position. Both are stated at net realisable value. Movements during an accounting period are adjusted through cost of sales in the statement of profit or loss.

**Trade and other receivables**

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

The Company applies the IFRS 9 simplified approach to measuring expected credit losses "ECLs" which uses a lifetime expected loss allowance for all trade debtors. Therefore, the Company does not track changes in credit risk, but instead, recognises a 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. Having reviewed the 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 \$16,000 in respect of intercompany receivables was required (2023: nil).

**Trade and other 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.

**Property, plant and equipment****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. 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 and should this occur a different depreciation rate would be charged.

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

**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 income statement as incurred.

**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.

**Tax***Current tax*

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted by the reporting date. Taxable profit differs from net profit, as reported in the consolidated income statement, 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 tax 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)****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**

The following estimations that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements, are presented below.

**Accounting for interest free intercompany loans**

On 16 December 2024, the Company executed amendment and restatement deeds in relation to intercompany loan agreements. The amendments changed the terms of the loans from being interest bearing at Sonia + 3.5% and repayable by 11 November 2025 to being interest free from 1 January 2024 and repayable by 16 December 2034. The requirements of IFRS 9 were considered and it was determined that the amendments represented a substantial modification of the loan terms, such that the original loans were derecognised and new loans recognised on 16 December 2024. The new loans were recognised at their fair value on the date of the loan amendments. This resulted in a modification loss of \$8.2 million, which is comprised of \$4.6 million in relation to the loans immediately distributed to Ithaca Oil and Gas Limited, the sole shareholder of the lender Ithaca Exploration Limited and \$3.6 million in relation to the loans still outstanding at 31 December 2024. Management had to apply judgement in calculating the fair value of the loans not immediately distributed, by discounting expected future cash flows using a market rate of interest applicable to similar instrument.

**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 20 years. A nominal discount rate of 4.38% for the first five years and 4.86% thereafter (2023: 4.60% for all years) 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 \$65 million or \$55 million respectively (2023: \$75 million and \$64 million respectively). For further details regarding the estimated value, inputs and assumptions refer to note 14. 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**

Determination of whether the Company's oil and gas assets (note 13) have suffered any impairment requires an estimation of the recoverable amount of the CGU to which oil and gas assets 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.

**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, 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.

**Tax**

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. See note 19 for further details.

The Company's estimates of reserves and resource volumes used for accounting purposes are principally from operators' estimates for non-operated assets.

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 risked 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.

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

4. REVENUE

	2024	2023
	US\$'000	US\$'000
Oil sales	217,145	229,891
Gas sales	169,009	238,377
NGL sales	9,876	11,807
Realised hedging gains on commodity derivatives	33,418	-
<b>Hydrocarbon revenue after realised hedging gains</b>	<b>429,448</b>	<b>480,075</b>
Tariff income	4,697	5,212
	<b>434,145</b>	<b>485,287</b>

Revenues arose wholly in the United Kingdom. No significant judgements have been made in determining the timing of satisfaction of performance obligations, the transaction price and the amount allocated to performance obligations.

Revenues of \$400.7 million were from contracts with customers (2023: \$485.3 million).

5. COST OF SALES

	2024	2023
	US\$'000	US\$'000
Operating costs	(134,687)	(146,677)
Movement in oil and gas inventory	1,718	2,910
Depletion, depreciation and amortisation	13	(165,341)
	<b>(271,358)</b>	<b>(309,108)</b>

6. ADMINISTRATIVE EXPENSES

	2024	2023
	US\$'000	US\$'000
General & administrative	(130)	(101)

(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 the Company and their services as Directors of Ithaca MA Limited and other fellow subsidiaries for the current period.

(b) Employees

The Company had no employees in 2024 (2023: nil).

(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	(38)	(17)

7. FINANCE COSTS

	2024	2023
	US\$'000	US\$'000
Accretion	14	(17,811)
Interest on intercompany loan	12	(6,557)
Prepayment interest	-	(618)
Bank charges and interest	(4,885)	(762)
	<b>(34,950)</b>	<b>(25,748)</b>

8. LOSS/GAIN ON DERIVATIVE FINANCIAL INSTRUMENTS

	2024	2023
	US\$'000	US\$'000
(Loss)/gain on commodity derivative financial instruments	21	43,693
	<b>(50,528)</b>	<b>43,693</b>

9. INVENTORIES

	2024	2023
	US\$'000	US\$'000
Materials inventory	22,134	22,969
Hydrocarbon underlift	12,940	3,804
	<b>35,074</b>	<b>26,773</b>

**Notes to the financial statements for the year ended 31 December 2024 (continued)****10. TRADE AND OTHER RECEIVABLES**

	2024 US\$'000	2023 US\$'000
Trade debtors	104,216	77,124
Prepayments	663	-
	<b>104,879</b>	<b>77,124</b>

The Company regularly monitors all customer receivable balances outstanding in excess of 90 days for expected credit losses (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 ECL in respect of its trade debtors as at 31 December 2024 (31 December 2023: \$nil).

**11. AMOUNTS DUE FROM FELLOW GROUP COMPANIES**

	2024 US\$'000	2023 US\$'000
Amounts due from fellow group companies - current	-	978,893
Amounts due from fellow group companies - non-current	3,023	-

The amounts due from fellow group companies are unsecured, interest free and repayable on demand, however there are currently no plans for the receivables to be called within 12 months. Therefore the receivables have been classified as non-current.

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. Credit risk is tracked via an external credit rating agency and, for its intercompany receivable, is rated at a default risk of 0.88% (2023: 1.86%) with an associated estimated loss given default of 40% (2023: 40%). A provision of \$16,000 (2023: nil) was calculated at year end and was booked to impairment (loss)/gain on amounts due from fellow group companies.

**12. AMOUNTS DUE TO FELLOW GROUP COMPANIES**

	2024 US\$'000	2023 US\$'000
Amounts due to fellow group companies - interest bearing loans	(38,536)	(105,911)
Amounts due to fellow group companies - current	(213,172)	(310,602)
	<b>(251,708)</b>	<b>(416,513)</b>

At 31 December 2024, amounts owed to fellow group companies included inter-company loan agreements arising from asset transfers. Interest is payable on the asset transfer loan at the percentage rate per annum equal to SONIA + 3.5%. Intercompany interest of \$7.6 million (2023: \$6.6 million) has been charged to the Income Statement in the year ended 31 December 2024. The loans are unsecured and the Lender reserves the right to recall the loans either partially, or in full, with notice, which could be within a 12 month period of the balance sheet date, assuming that such repayment is not detrimental to the Company.

Amounts due to fellow group companies - current are repayable on demand, interest free and unsecured.

**13. PROPERTY PLANT AND EQUIPMENT**

	Note	Development & Production Oil and Gas assets US\$'000
<b>Cost</b>		
At 1 January 2024		3,096,769
Additions		46,587
Decommissioning revision to estimate	14	(28,052)
<b>At 31 December 2024</b>		<b>3,115,304</b>
<b>DD&amp;A &amp; Impairment</b>		
At 1 January 2024		(2,486,548)
DD&A charge for the year		(138,389)
Impairment charge for the year		(98,724)
<b>At 31 December 2024</b>		<b>(2,723,661)</b>
NBV at 31 December 2023		610,221
<b>NBV at 31 December 2024</b>		<b>391,643</b>

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

The impairment charge in the income statement of \$98.7 million relates to impairment charges for Britannia of \$40.7 million as a result of lower forecast prices offset by an increase in reserves and for Erskine of \$58.0 million due to a downward revisions in reserves.

An annual impairment review of all oil and gas assets and goodwill was carried out in Q4 2024. 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 nominal discount rate of 10.0% (2023: 10.3%) and represents level 3 in the fair value hierarchy.

The following assumptions were used at Q4 2024 in developing the Group 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	10.0%	\$75/bbl	\$74/bbl	\$77/bbl	\$79/bbl	\$80/bbl	\$82/bbl	\$83/bbl
Gas	10.0%	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 impairment of \$143.2 million. An increase of 1% in the discount rate assumption would result in an increase in the impairment of \$2.8 million.

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

## 14. DECOMMISSIONING LIABILITIES

	Note	2024 US\$'000	2023 US\$'000
Balance as at 1 January		(477,996)	(405,652)
Accretion	7	(22,497)	(17,811)
Revision to estimates		27,926	(44,436)
Transfers from fellow group companies		-	(20,079)
Utilisation of provision		455	9,982
Balance as at 31 December		(472,112)	(477,996)
<b>Current</b>			
Balance, beginning of period		(3,910)	(9,429)
Balance, end of period		(2,824)	(3,910)
<b>Non-current</b>			
Balance, beginning of period		(474,086)	(396,223)
Balance, end of period		(469,288)	(474,086)

A net reduction in decommissioning estimates in the year of \$27.9 million comprise downward revisions to estimates related to development and production assets of \$28.0 million (note 13) and a \$0.1 million increase related to assets that have no remaining net book value.

The total future decommissioning liability represents the estimated cost to decommission, in situ or by removal of the Company's net ownership in all wells, infrastructure and facilities, based upon forecast timings in future periods. Whereas previously the Company used a uniform nominal discount rate over all future years, it has now revised its methodology to use a short-to-medium-term nominal discount rate and a long-term nominal discount rate. The Company uses a nominal discount rate of 4.38% for the first five years and 4.86% thereafter (31 December 2023: 4.60% for all years) and an inflation rate of 2.0% (31 December 2023: 2.0%) over the varying lives of the assets to calculate the present value of the decommissioning liabilities. These costs are expected to be incurred at various intervals over the next 20 years (2023 - 15 years).

The economic life and the timing of the obligations are dependent on Government legislation, commodity price and the future production profiles of the respective production and development facilities.

## 15. GOODWILL

	2024 US\$'000	2023 US\$'000
Opening	8,002	-
Additions	-	37,614
Impairment	-	(29,612)
Closing	8,002	8,002

On 3 May 2023 and 7 July 2023, the inter-company group acquisition of Callanish and Vorlich from Ithaca Epsilon Limited and Ithaca Energy (UK) Limited respectively generated goodwill of \$37.6m and following the annual impairment review at 31 December 2023, was impaired due to lower forecast prices and a downward revision in reserves.

In the current year, the balance was tested as part of the annual impairment review for the Company (see note 13 for further information on key assumptions) and no impairment has been recognised. With all other assumptions held constant a 20% decrease in forecast revenues, illustrating lower commodity prices, would result in goodwill being fully impaired. The fair value estimate is categorised as level 3 in the fair value hierarchy.

## 16. TRADE AND OTHER PAYABLES

	2024 US\$'000	2023 US\$'000
Trade creditors	(5,485)	(266)
Overlift	(46,296)	(38,878)
Accruals	(33,389)	(37,617)
Deferred income	(3,249)	(14,920)
	(88,419)	(91,681)

## 17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid ordinary shares	No. of common shares	Amount US\$
At 1 January 2024		
Ordinary shares of £1 each	1	2
Redeemable ordinary shares of \$1 each	449,000,000	449,000,000
		<u>449,000,002</u>
At 31 December 2024		
Ordinary shares of £1 each	1	2
Redeemable ordinary shares of \$1 each	-	-
		<u>2</u>

During the year there was a share capital reorganisation to allow for the distribution of dividends. On 4 September 2024, a resolution was passed whereby the Company issued 448,052,300 ordinary shares of £1.00 each, with the result that the issued share capital of the Company consisted of 448,052,301 ordinary shares of £1.00 each and 449,000,000 redeemable ordinary shares of \$1.00 each. The issue of 448,052,300 ordinary shares of £1.00 each resulted in a USD equivalent of \$620.0 million of which 415,243,309 ordinary shares were fully paid up (\$574.6 million), and 32,808,991 ordinary shares (\$45.4 million) were to be settled by the Company's parent Ithaca Energy (UK) Limited. Following completion of the share issue, the Company reduced its share capital by 449,000,000 redeemable ordinary shares (\$449.0 million) and 415,243,309 ordinary shares (\$574.6 million) and cancelled the 32,808,991 ordinary shares (\$45.4 million) which were to be settled by Ithaca Energy (UK) Limited. Following the share capital reduction and cancellation, a dividend in kind was paid to Ithaca Energy (UK) Limited amounting to \$945.6 million.

Redeemable ordinary shares meet the definition of a financial liability. Accordingly, these are presented in the prior year as a financial liability in current liabilities as they were payable on demand.

**Notes to the financial statements for the year ended 31 December 2024 (continued)****18. CAPITAL CONTRIBUTION**

Amounts due to fellow group companies include interest bearing loans due to Ithaca Exploration Limited, the lender. On 16 December 2024, Ithaca Exploration Limited executed amendment and restatement deeds in relation to intercompany loan agreements. The requirements of IFRS 9 were considered and it was determined that the amendments represented a substantial modification of the loan terms. The amendments changed the terms of the loans from being interest bearing at Sonia + 3.5% and repayable by 11 November 2025 to being interest free from 1 January 2024 and repayable by 16 December 2034. On the same day, Ithaca Exploration Limited distributed \$1,867.0 million of intercompany loans to its sole shareholder, Ithaca Oil and Gas Limited. The amendment and restatement of the intercompany loans on 16 December 2024 resulted in a modification loss in Ithaca Exploration of \$140.6 million, of which \$8.2 million is in relation to loans held by the Company.

A modification gain has therefore been recorded by the Company, comprising \$4.6 million in relation to the loans immediately distributed to Ithaca Oil and Gas Limited, representing the interest waived for the period from 1 January 2024 to 16 December 2024 and \$3.6 million in relation to the loans still outstanding at 31 December 2024, being the difference between the carrying amount of the outstanding loans of \$6.3 million on the date of modification and the estimated fair value of the loans following the amendment of \$2.7 million. As the loans are with fellow group companies, the modification gain has been accounted for as a capital contribution to the Company from Ithaca Exploration Limited.

**19. TAX**

	2024 US\$'000	*Restated 2023 US\$'000
<b>Current tax</b>		
Current period	72,475	75,074
Adjustments in respect of previous periods	2,898	(14,418)
	<b>75,373</b>	<b>60,656</b>
<b>Deferred tax</b>		
Corporation tax in statement of income	(104,652)	25,085
Corporation tax in statement of other comprehensive income	-	-
Adjustments in respect of previous periods	(763)	(2,222)
	<b>(105,415)</b>	<b>22,863</b>
<b>Total tax (credit)/charge</b>	<b>(30,042)</b>	<b>83,519</b>
<b>Corporation Tax</b>		
Current tax	72,475	75,074
Adjustments in respect of previous periods	2,898	(14,418)
Deferred tax		
Relating to the origination and reversal of timing differences	(104,652)	25,085
Adjustment in respect of prior period	(763)	(2,222)
<b>Total tax (credit)/charge in income statement</b>	<b>(30,042)</b>	<b>83,519</b>

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

	2024 US\$'000	*Restated 2023 US\$'000
(Loss)/profit on ordinary activities before tax	(22,585)	30,619
(Loss)/profit at applicable UK tax rate 40% (2023: 40%)	(9,034)	12,248
Non deductible expenses / (non taxable income)	2,552	11,117
Financing costs not allowed for SCT	553	-
Investment allowance	(2,834)	(1,289)
Unprovided investment allowance	(19,612)	24,490
Energy Profits Levy - current Tax	72,474	75,076
Energy Profits Levy - deferred Tax	(76,276)	(21,483)
Adjustment in respect of prior periods	2,135	(16,640)
Unrecognised losses now recognised	-	-
Ring Fence Expenditure Supplement	-	-
<b>Total tax (credit)/charge</b>	<b>(30,042)</b>	<b>83,519</b>

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 prior period. A further announcement on 29th July has further extended the EPL to 31 March 2030. 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%. 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 \$21 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 tax asset is as follows:

	2024 US\$'000	*Restated 2023 US\$'000
At 1 January	335,275	395,752
Income statement credit/(charge)	105,415	(22,863)
Acquisition from connected party	-	(37,614)
<b>At 31 December</b>	<b>440,690</b>	<b>335,275</b>

**Notes to the financial statements for the year ended 31 December 2024 (continued)****19. TAX (Continued)****Deferred tax:**

The provision for deferred tax consists of the following deferred tax asset/(liabilities). The timing difference on Investment Allowance is included in Accelerated Tax Depreciation.

	<b>Accelerated Capital Allowances US\$'000</b>	<b>Tax Losses US\$'000</b>	<b>Decommissioning Provision US\$'000</b>	<b>Other US\$'000</b>	<b>Total US\$'000</b>
At 1 January 2024 restated	(269,769)	446,614	191,200	(32,770)	335,275
Adjustments in respect of prior periods	605	158	-	-	763
Credit/(charge) to profit or loss	155,656	(86,752)	(2,353)	38,101	104,652
<b>At 31 December 2024</b>	<b>(113,508)</b>	<b>360,020</b>	<b>188,847</b>	<b>5,331</b>	<b>440,690</b>

The carrying value of the deferred tax asset at 31 December 2024 of \$440.7 million (2023: \$335.3 million) is supported by estimates of the Group's position of future taxable income, based on the same 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. The recoverability of this value is highly sensitive to the assumptions used and any change in those assumptions could impact the recoverability of the asset.

**20. COMMITMENTS****Capital commitments related to joint operations**

	<b>2024 US\$'000</b>	2023 US\$'000
Capital commitments incurred jointly with other venturers (Company's share)	<b>1,284</b>	1,496

**21. 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.

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

	<b>Level 1 US\$'000</b>	<b>Level 2 US\$'000</b>	<b>Level 3 US\$'000</b>	<b>Total Fair Value US\$'000</b>
Derivative financial instrument liabilities	-	(5,759)	-	(5,759)

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

	<b>Level 1 US\$'000</b>	<b>Level 2 US\$'000</b>	<b>Level 3 US\$'000</b>	<b>Total Fair Value US\$'000</b>
Derivative financial instrument assets	-	43,693	-	43,693

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

	<b>2024 US\$'000</b>	2023 US\$'000
Revaluation of commodity hedges	<b>(50,528)</b>	43,693
Total revaluation (loss)/gain on financial instruments	<b>(50,528)</b>	43,693
Realised gain on commodity hedges	<b>33,418</b>	-
<b>Total (loss)/gain on financial instruments</b>	<b>(17,110)</b>	43,693

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

## 21. FINANCIAL INSTRUMENTS (CONTINUED)

The below represents the total commodity hedges in place at the 2024 year-end.

Derivative	Term	Volume	Average price
Gas swaps	Jan 25 - Dec 26	42,915,000 therms	105p/therm
Gas swaps	Jan 25 - Dec 26	31,070,000 therms	79p/therm floor - 106p/therm ceiling

The below represents the total commodity hedges in place at the 2023 year-end.

Derivative	Term	Volume	Average price
Oil swaps	Jan 24 - Dec 24	550,000 bbls	\$83/bbl
Oil collars	Sep 24 - Dec 24	91,500 bbls	\$75/bbl floor - \$85/bbl ceiling
Gas swaps	Jan 24 - Sept 25	37,810,000 therms	147p/therm
Gas swaps	Jan 24 - Sep 24	100,200,000 therms	129p/therm floor - 221p/therm ceiling

## 22. DERIVATIVE FINANCIAL INSTRUMENTS

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

	2024 US\$'000	2023 US\$'000
Oil swaps	473	3,792
Oil collars	-	367
Gas swaps	(2,119)	28,889
Gas collars	(4,113)	10,645
	(5,759)	43,693
Maturity analysis:		
	2024 US\$'000	2023 US\$'000
Non-current assets	-	7,746
Current assets	2,483	35,947
Non-current liabilities	(2,358)	-
Current liabilities	(5,884)	-
	(5,759)	43,693

Financial instruments subject to enforceable master netting agreements and similar agreements at the year-end are detailed below:

	Amounts recognised in balance sheet US\$'000	Related Amounts not set off in balance sheet US\$'000	Net Amount US\$'000
Derivative assets	2,483	-	2,483
Derivative liabilities	(8,242)	-	(8,242)
	(5,759)	-	(5,759)

## 23. PRIOR PERIOD RESTATEMENT

The prior period comparatives have been restated to correct the following:

- PYA 1: correction of an error arising from the incorrect estimation of the ring fence expenditure supplement for the purposes of the deferred tax calculation in the 2022 statutory accounts, resulting in a reduction in the deferred tax asset recognised at 31 December 2022.
- PYA 2: correction of an error arising from the incorrect estimation of the 2023 taxable profits for the purposes of the tax balances included in the 2023 statutory accounts.

The following table summarises the prior period error on the financial statements of the Company.

	Previously reported 2023 US\$'000	PYA 1 US\$'000	PYA 2 US\$'000	Restated 31 December 2023 US\$'000
<b>Impact on profit and loss (continuing operations)</b>				
Taxation	51,628	-	31,891	83,519
<b>Impact on Balance Sheet</b>				
Tax creditor	(64,527)	-	(8,202)	(72,729)
Deferred tax asset	375,634	(16,670)	(23,689)	335,275
Retained earnings	620,623	(16,670)	(31,891)	572,062

**Notes to the financial statements for the year ended 31 December 2024 (continued)****24. RELATED PARTY TRANSACTIONS**

As the Company is a wholly owned subsidiary of Ithaca Energy plc, 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.

**25. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY**

The immediate parent undertaking is Ithaca Energy (UK) Limited. The registered office address for this Company is 13 Queens Road, Aberdeen, AB15 4YL.

The ultimate parent undertaking is Delek Group Limited (incorporated in Israel), 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 MA 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.

**26. ASSETS PLEDGED AS SECURITY**

As a guarantor under the RBL facility, the obligations of the borrower under the RBL facility are secured by the assets of the guarantor members of the Group, such as security including share pledges, floating charges and/or debentures.

**27. 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. There is no significant impact to the Company as it has no employees.