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

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General Information

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

Company Secretary
Pinsent Masons Secretarial Limited
1 Park Row
Leeds
England
LS1 5AB

Independent Auditor
Deloitte LLP
8th Floor
The Silver Fin Building
455 Union Street
Aberdeen
AB11 6DB

Solicitor
Pinsent Masons LLP
13 Queen's Road
Aberdeen
AB15 4YL

Registered Office
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 Zeta Limited ("the Company") during the year was the holding of operated interests in the K2 prospect, an exploration well in the Central North Sea, and other exploration licences. As part of a Group restructuring exercise in the prior year, the Company's share in Elgin Franklin was transferred to Ithaca SP E&P Limited on 3 May 2023.

The success of the Company depends on the ability to deliver lower risk growth through the appraisal and development of UK undeveloped discoveries. 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 truly transformational year for Ithaca Energy PLC ("the Group"), with the successful completion of its Business Combination with Eni UK creating a dynamic growth player. The Business Combination with substantially all of Eni S.p.A's upstream oil and gas assets has enhanced Ithaca Energy's position as a leading UKCS operator and highlights the Group's continued ambition for value-led organic and inorganic growth.

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

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

Company financial key performance indicators

	Year ended 31 December 2024	Year ended 31 December 2023
Production (barrel of oil equivalent - boe)		
Oil	-	74,657
Gas	-	155,466
NGL	-	24,462
	-	254,585
Production (barrel of oil equivalent per day - boepd)	-	697
Average realised oil price ($/bbl)	-	85
Average realised gas price (p/therm)	-	85

Production
The Company's production in 2024 was nil (2023: 254,585 boe). This is due to transfer out of assets to other group companies during 2023.

Company financial results

Statement of profit or loss
Revenue and profit for the year decreased to $35.0 thousand (2023: $20.0 million) and $18.3 million (2023: $20.6 million) respectively. The decrease in revenue was as a result of the transfer of the Company's producing asset Elgin Franklin to Ithaca SP E&P Limited, a fellow group company, during the prior year. This was offset with a tax credit of $12.8 million (2023: $18.4 million charge) in the current year.

Statement of Financial Position
The Company has a net asset position of $94.6 million for the year ended 31 December 2024 (2023: $76.4 million), the movement is due to the profit for the year of $18.3 million.

Strategic Report for the year ended 31 December 2024 (continued)

Principal risks and uncertainties

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

Section 172 statement

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

The interests of the Company and the Group are closely aligned and all decisions and policies are made at a Group level. Specific considerations in relation to the Company, with reference to the requirements of s172, are set out below. As overall context, as a 100% owned subsidiary of Ithaca Energy (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, and explanation of how the Parent Company Board has considered the matters set out in s172 (for the Group and for the entity) is set out on page 48 of Ithaca Energy plc's 2024 Annual Report and Accounts, which does not form part of this report.

Energy and carbon reporting

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

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

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 reasonably practicable. The focus today, and in the near term, is to deliver emissions reduction projects as set out in asset ERAPs. 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.

Strategic Report for the year ended 31 December 2024 (continued)

Energy and carbon reporting

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 Zeta Limited previously held 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 in the 2024 Annual Report and Accounts for Ithaca Energy plc.

This report was approved by the Board and signed on its behalf by

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Iain CS Lewis
31 October 2025
Director

Directors' Report for the year ended 31 December 2024

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

Results and dividends

The Company made a profit for the financial year of $18.3 million (2023: $20.6 million) which has been added to reserves. The Directors do not recommend payment of a dividend in the year (2023: nil).

Future developments

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

Energy and carbon reporting

SECR disclosures are included in the strategic report.

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.

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 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.

Access to capital
The Group does not have access to sufficient capital to fund the capital investment required to deliver the core strategy of the Group. ESG and fiscal regime instability undermining lending with a number of banks withdrawing from Reserves Based Lending to oil and gas companies. Increasing decommissioning security postings exacerbates capital access risk.

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.

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

The Company applies IFRS 9 simplified model for measuring the expected credit loss which uses a lifetime expected loss allowance and is measured on the days past due criterion. Having reviewed past payments combined with the credit profile of its existing trade debtors in order to assess the potential for impairment, the Company has concluded that this is insignificant as there has been no history of default or disputes arising on invoiced amounts since inception and as such the credit loss percentage is assumed to be almost zero. No provision for doubtful accounts against these sales has been recorded as at 31 December 2024 (2023: $nil). However, having reviewed these factors combined with the credit profile of fellow group companies to assess the expected credit losses, the Company concluded that an expected credit loss provision of $0.4 million in respect of intercompany receivables was required (2023: $0.8 million).

Liquidity risk and cash flow risk
The Company along with its parent company (Ithaca Energy (UK) Limited (see note 19) 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).

Engagement with suppliers, customers and others
Engagement with suppliers, customers and others is discussed in the Strategic Report.

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

Post year end events

There are no subsequent events applicable to the Company.

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

Directors

The Directors who held office during the year and up to the date of this report are given below:
A Bruce (resigned 4 January 2024)
G Myerson (resigned 27 May 2024)
I Lewis
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 Company has net current liabilities of $9.6 million at 31 December 2024. 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 $1,090 million ($210 million drawn versus $1.3 billion available), plus circa $574 million cash at the end of September 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)

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

The Directors are responsible for preparing the Annual Report and 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.

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, including FRS 101, 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. The Directors are responsible for the maintenance and integrity of the corporate financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may vary from legislation in other jurisdictions.

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

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

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

Independent Auditor

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

Approved by the Board and signed on its behalf by:

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Iain CS Lewis
Director
31 October 2025

Independent Auditor's Report to the members of Ithaca Zeta Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Ithaca Zeta Limited (the 'company'):

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

We have audited the financial statements which comprise:

- the statement of profit or loss;
- the statement of financial position;
- the statement of changes in equity;
- the related notes 1 to 20.

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the members of Ithaca Zeta Limited (continued)

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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

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

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, tax legislation, license 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 regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

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 Zeta 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.

Noel Simbarashe Jana, FCCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Aberdeen, United Kingdom
31 October 2025

Statement of Profit or Loss

For the year ended 31 December 2024

	Note	2024 US$'000	2023 US$'000
Revenue	4	**35**	20,032
Cost of sales	5	**-**	(5,454)
Gross profit		**35**	14,578
Exploration and evaluation expenses reversal/(charge)	10	**5**	(404)
Foreign exchange gain/(loss)		**706**	(718)
Gain on sale		**-**	22,973
Impairment gain/(loss) on amounts due from fellow group companies	13	**371**	(254)
Administrative expenses reversal/(charge)	6	**(61)**	9
Operating profit		**1,056**	36,184
Finance income	7	**4,424**	3,120
Finance costs	8	**(31)**	(340)
Profit before taxation		**5,448**	38,964
Tax credit/(charge)	16	**12,837**	(18,363)
Profit for the financial year		**18,285**	20,601

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 17 to 27 are an integral part of these financial statements.

Statement of Financial Position
As at 31 December 2024

	Note	2024 US$'000	2023 US$'000
Non-current assets			
Amounts due from fellow group companies	13	**13,282**	10,446
Amounts due from fellow group companies - interest bearing loans	13	**61,173**	57,070
Exploration and evaluation assets	10	**39,469**	39,944
		113,924	107,460
Current assets			
Tax debtor		**5,488**	-
Inventories	9	**-**	32
Trade and other receivables	12	**87**	7,625
		5,575	7,657
Current liabilities			
Amounts due to fellow group companies	14	**(14,821)**	(4,465)
Trade and other payables	15	**(99)**	(8,682)
Tax creditor		**-**	(3,354)
Decommissioning liabilities	11	**(207)**	-
		(15,127)	(16,501)
Net current liabilities		**(9,552)**	(8,844)
Total assets less current liabilities		**104,372**	98,616
Non-current liabilities			
Deferred tax liabilities	16	**(8,593)**	(20,919)
Decommissioning liabilities	11	**(1,140)**	(1,343)
		(9,733)	(22,262)
Net assets		**94,639**	76,354
Capital and reserves			
Share capital	18	**50,000**	50,000
Retained earnings		**44,639**	26,354
Total shareholders' funds		**94,639**	76,354

The financial statements on pages 14 to 27 were approved by the Board of Directors on 31 October 2025 and signed on its behalf by:

DocuSigned by:

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Iain CS Lewis
Director
Ithaca Zeta Limited, Registered number 08860426

The notes on pages 17 to 27 are an integral part of these financial statements.

Statement of Changes in Equity
As at 31 December 2024

	Share capital US$'000	Retained earnings US$'000	Shareholders' funds US$'000
Balance, 1 January 2023	50,000	5,753	55,753
Profit for the financial year	-	20,601	20,601
Balance, 31 December 2023	50,000	26,354	76,354
Profit for the financial year	**-**	**18,285**	**18,285**
Balance, 31 December 2024	**50,000**	**44,639**	**94,639**

The notes on pages 17 to 27 are an integral part of these financial statements.

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

1. NATURE OF OPERATIONS

Ithaca Zeta Limited (the "Company"), is a private company limited by shares incorporated under the Companies Act 2006 in the United Kingdom and registered in England. The address of the parent company is shown in note 19. 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 19 gives details of the Company's ultimate parent and from where the consolidated financial statements prepared in accordance with IFRS may be obtained.

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

(a) the requirements of paragraphs 10(d), 10(f), 16, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 'Presentation of Financial Statements';
(b) the requirements of IAS 7 'Statement of Cash Flows';
(c) the requirements of paragraph 17 of IAS 24 'Related Party Disclosures';
(d) the requirements in IAS 24 to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
(e) the requirements of paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors';
(f) the requirements of IFRS 7 'Financial Instruments: Disclosures';
(g) the requirements of paragraphs 52 and 58 of IFRS 16 'Leases';
(h) the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-(f) and 135(c)-(e) of IAS 36 'Impairment of Assets';
(i) the requirements of paragraphs 91-99 of IFRS 13 'Fair Value Measurement', and
(j) the requirements of paragraphs 88B-88D of IAS12 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.

Going concern

The Company has net current liabilities of $9.6 million at 31 December 2024. 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 $1,090 million ($210 million drawn versus $1.3 billion available), plus circa $574 million cash at the end of September 2025; and
- Resilient operational performance and well-diversified portfolio.

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

3. MATERIAL ACCOUNTING POLICIES, JUDGEMENTS AND ESTIMATION UNCERTAINTY (continued)

Going concern (continued)

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

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

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

Impact of climate change on the financial statements and related notes

Judgements and estimates made in assessing the impact of climate change and the energy transition
Climate change and the transition to a lower-carbon system were considered in preparing the financial statements. These may have the potential for significant impacts on the carrying values of the Company's assets and liabilities discussed below as well as on assets and liabilities that may be reflected in future. There is generally a high level of uncertainty about the speed and magnitude of impacts of climate change which, together with limited historical data, provides significant challenges in the preparation of forecasts and financial plans with a wide range of potential future outcomes.

The Group and the Company's ambition is to have one of the lowest carbon emission portfolios in the UK North Sea and to achieve Net Zero (where the amount of CO2 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 caron 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 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.

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

3. MATERIAL ACCOUNTING POLICIES, JUDGEMENTS AND ESTIMATION UNCERTAINTY (continued)

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.

Material Accounting Policies

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 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/hedge accounting).

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

3. MATERIAL ACCOUNTING POLICIES, JUDGEMENTS AND ESTIMATION UNCERTAINTY (continued)

Financial instruments

All financial instruments are initially recognised at fair value on the statement of financial position. The Company's financial instruments consist of accounts receivable, accounts payable and accrued liabilities 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 though profit or loss. Although the Company does not intend to trade its derivative financial instruments, they are required to be carried at fair value with the treatment of fair value movements explained further below.

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

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.

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. However, having reviewed these factors combined with the credit profile of fellow group companies to assess the expected credit losses, the Company concluded that an expected credit loss provision of $0.4 million (2023: $0.8 million) was required.

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.

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

3. MATERIAL ACCOUNTING POLICIES, JUDGEMENTS AND ESTIMATION UNCERTAINTY (continued)

Property, plant and equipment

Oil and gas expenditure – exploration and evaluation (E&E) assets

Geological and geophysical exploration costs are recognised as an expense as incurred. Costs directly associated with an exploration well are initially capitalised as an intangible asset until the drilling of the well is complete and the results have been evaluated. These costs include employee remuneration, materials and fuel used, freight costs and payments made to contractors. If potentially commercial quantities of hydrocarbons are not found, the exploration well costs are written off. If hydrocarbons are found and, subject to further appraisal activity, are likely to be capable of commercial development, the costs continued to be carried as an asset. If it is determined that development will not occur, that is, the efforts are not successful, then the costs are expensed.

Costs directly associated with appraisal activity undertaken to determine the size, characteristics and commercial potential of a reservoir following the initial discovery of hydrocarbons, including the costs of appraisal wells where hydrocarbons were not found, are initially capitalised as an intangible asset. Upon internal approval for development and recognition of proved or sanctioned probable reserves, the relevant expenditure is first assessed for impairment and, if required, an impairment loss is recognised. The remaining balance is then transferred to development and production (D&P) assets. If development is not approved and no further activity is expected to occur, then the costs are expensed.

The determination of whether potentially economic oil and natural gas reserves have been discovered by an exploration well is usually made within one year of well completion, but can take longer, depending on the complexity of the geological structure. Exploration wells that discover potentially economic quantities of oil and natural gas in areas where major capital expenditure (e.g. an offshore platform or a pipeline) would be required before production could begin and where the economic viability of that major capital expenditure depends on the successful completion of further exploitation or appraisal work in the area remain capitalised on the balance sheet as long as such work is under way or firmly planned.

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.

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

3. MATERIAL ACCOUNTING POLICIES, JUDGEMENTS AND ESTIMATION UNCERTAINTY (continued)

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.

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

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. There are no key sources of estimation uncertainty applied at a Company level.

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 the associated production forecasts, are used in the impairment testing of exploration and evaluation assets and in the measurement of decommissioning provisions. 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 require critical judgement. Factors such as the availability of geological and engineering data, reservoir performance data, drilling of new wells and estimates of future oil and gas prices all impact on the determination of the Company's estimates of its oil and gas reserves which could result in different future production profiles affecting prospectively the discounted cash flows used in impairment testing.

The Company's estimates of reserves volumes used for accounting purposes are built up principally from operators' estimates for non-operated assets. A review process is undertaken to compare the results of the Company's internal estimates to those of an independent consultant to understand any differences in underlying assumptions to ensure there are no material unreconciled differences between the estimates.

Estimates in impairment of oil and gas assets
Determination of whether the Company's oil and gas assets (note 10) 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 costs 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 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 as described above. Management's estimates of a market participant's view of pricing and discount rates are supported by an independent consultant.

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

4. REVENUE

	2024 US$'000	2023 US$'000
Oil sales	**-**	4,229
Condensate, NGL and LPG	**-**	1,737
Gas	**-**	13,904
Other income	**35**	138
Tariff income	**-**	24
	35	20,032

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 amounts allocated to performance obligations.

5. COST OF SALES

	2024 US$'000	2023 US$'000
Operating costs	**-**	(3,379)
Movement in oil and gas inventory	**-**	1,762
Depletion, depreciation and amortisation	**-**	(3,837)
	-	(5,454)

6. ADMINISTRATIVE EXPENSES

	2024 US$'000	2023 US$'000
General & administrative	**(61)**	9

(a) Directors' remuneration

The Directors of the Company are employees of Ithaca Energy plc and receive renumeration 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 Energy plc and other Group companies for either the current or prior year.

(b) Services provided by the Company's Auditor

	2024 US$'000	2023 US$'000
Fees payable for the audit of the Company's financial statements	**(20)**	(25)

7. FINANCE INCOME

	2024 US$'000	2023 US$'000
Intercompany loan interest	**4,424**	3,120

8. FINANCE COSTS

	2024 US$'000	2023 US$'000
Prepayment interest	**-**	(134)
Accretion	**(31)**	(206)
	(31)	(340)

9. INVENTORIES

	2024 US$'000	2023 US$'000
Crude oil inventory	**-**	0
Materials inventory	**-**	32
	-	32

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

10. EXPLORATION AND EVALUATION ASSETS

	Exploration and Evaluation assets US$'000
Cost	
At 1 January 2024	39,944
Other adjustments	(454)
Decommissioning estimate	(26)
Write off reversal	5
At 31 December 2024	39,469

Other adjustments in the year primarily relate to the K2 prospect.

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

11. DECOMMISSIONING LIABILITIES

	2024 US$'000	2023 US$'000
Balance, as at 1 January	**(1,343)**	(14,532)
Additions	**-**	(1,343)
Accretion	**(31)**	(206)
Revision to estimates	**27**	-
Transfers	**-**	14,738
Balance, as at 31 December	**(1,347)**	(1,343)

Current		
Balance, beginning of period	**-**	-
Balance, end of period	**(207)**	-
Non-current		
Balance, beginning of period	**(1,343)**	(14,532)
Balance, end of period	**(1,140)**	(1,343)

The total future decommissioning liability was calculated by management based on its net ownership interest in all wells and facilities, estimated costs to reclaim and abandon wells and facilities and the estimated timing of the costs to be incurred in future periods. The decommissioning liability is re-measured each year using a pre-tax, risk-free discount rate of 4.38% (31 December 2023: 4.6%) 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 4 years (2023: 4 years).

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

The decommissioning liability relates to the K2 prospect. As part of a Group restructuring exercise during 2023, the Company's share in Elgin Franklin was transferred to Ithaca SP E&P Limited. This resulted in a transfer out of the decommissioning provision of $14.7 million in the prior year.

12. TRADE AND OTHER RECEIVABLES

Debtors due within one year	2024 US$'000	2023 US$'000
Other receivables	**87**	7,625

13. AMOUNTS DUE FROM FELLOW GROUP COMPANIES

	2024 US$'000	2023 US$'000
Amounts due from fellow group companies - non- current	**13,282**	10,446
Amounts due from fellow group companies - interest bearing loans	**61,173**	57,070
	74,455	67,516

The amounts due from fellow group companies - non-current are unsecured, interest free and there is no intention to demand repayment within one year.

At 31 December 2024, amounts due from fellow group companies included an inter-company loan agreements arising from the Elgin Franklin asset transfer. Intercompany interest of $4.4 million (2023: $3.1 million) has been charged to the Income Statement in the year ended 31 December 2024. Interest is payable per anum on the loans and is calculated using SONIA + 3.5%. The loans are unsecured and the Company 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 Borrower entity. However, there is no intention to recall within one year.

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 0.87% (2023: 1.86%) with an associated estimated loss given default of 60%. Having reviewed these factors combined with the credit profile of fellow group companies to assess the expected credit losses, the Company concluded that an expected credit loss provision of $0.4 million (2023: $0.8 million) was required. The movement was booked to the statement of profit or loss.

14. AMOUNTS DUE TO FELLOW GROUP COMPANIES

	2024 US$'000	2023 US$'000
Amounts due to fellow group companies - current	**(14,821)**	(4,465)

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

15. TRADE AND OTHER PAYABLES

	2024 US$'000	2023 US$'000
Accruals	**(96)**	(2,276)
Trade creditors	**(3)**	(6,406)
	(99)	(8,682)

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

16. TAXATION

	2024 US$000	2023 US$000
Current tax		
Current year	**238**	-
Adjustments in respect of previous periods	**(748)**	-
Deferred tax		
Origination and reversal of timing differences	**(5,399)**	18,363
Prior period adjustment	**(6,927)**	-
Tax on profit on ordinary activities	**(12,837)**	18,363

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

	2024 US$000	2023 US$000
Profit on ordinary activities before tax	**5,448**	38,964
Profit at applicable UK tax rate of 40% (2023: 40%)	**2,179**	15,586
Prior year adjustment	**(7,675)**	-
Expenses not deductible and non taxable income	**(2,099)**	(10,336)
Movement in IFRS 16 Leases	**-**	3
Interest not deductible for Supplementary Charge	**-**	13
Deferred Tax on Energy Profits Levy	**(5,480)**	4,644
Energy profits levy	**238**	-
Group relief	**-**	8,453
Total tax (credit)/charge	**(12,837)**	18,363

The effective rate of tax applicable for UK ring fence oil and gas activities in 2024, prior to the introduction of the Energy Profits Levy, was 40% (2023 40%) consisting of a Ring Fence Corporation Tax rate of 30% and supplementary charge rate of 10%. Items affecting the tax charge include group relief and deferred tax on energy profits levy (predominantly related to delay in anticipated timing of Exploration assets coming online). An Energy Profits Levy ("EPL" or "the Levy") was enacted on 14th July 2022 applying a Levy of 25% to the profits of oil and gas companies until 31 December 2025 or earlier if prices return to normalised levels. On 17th November 2022, the Levy was increased to 35% and extended to 31 March 2028 regardless of prices. The Levy is charged upon oil and gas profits calculated on the same basis as Ring Fence Corporation Tax ("RFCT") however excludes relief for decommissioning and finance costs. RFCT losses and Investment Allowance are not available to offset the EPL. On 9th June 2023 an "Energy Security Investment Mechanism" ("price floor") was announced which would remove the EPL if both average oil and gas prices fall to, or below $71.40 per barrel for oil and £0.54 per therm for gas, for two consecutive quarters. It is not currently forecast that this price floor will be met for both oil and gas prices and therefore there is no impact on the tax values.

The Autumn Budget on 30 October 2024 announced changes to the EPL regime: an increase in the EPL rate to 38%, removal of the uplift allowance previously available at 29% and a reduction of the decarbonisation allowances to 66% from 80%. All of these changes are effective from 1 November. In addition, the government announced the extension of the EPL period to 31 March 2030. If this was enacted at the balance sheet date this would have increased the Deferred Tax Liability by $1.4m.

The gross movement on the deferred tax account is as follows:	**2024 US$000**	2023 US$000
At 1 January	**20,919**	9,331
Transfer to connected party	**-**	(6,775)
Income statement (credit)/charge	**(12,326)**	18,363
At 31 December	**8,593**	20,919

The provision for deferred tax consists of the following deferred tax liabilities/(assets). The timing difference on Investment Allowance is included in Accelerated Capital Allowances.

Deferred tax recognised as at 31 December 2024 relates to the following:

	Accelerated Capital Allowances $'000	**Tax Losses $'000**	**Decommissioning Provision $'000**	**Investment Allowance**	**Total $'000**
At 1 January 2024	21,458	-	(539)	-	20,919
Prior period adjustment	-	(4,471)	-	(2,456)	(6,927)
Credit to profit or loss	(5,669)	272	(2)	-	(5,399)
At 31 December 2024	**15,789**	**(4,199)**	**(541)**	**(2,456)**	**8,593**

Deferred income tax assets are recognised for the carry-forward of unused tax credits to the extent that it is probable that taxable profits will be available in the future against which the unused tax credits can be utilised.

17. 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.

Notes to the financial statements for the year ended 31 December 2023 (continued)

18. CALLED UP SHARE CAPITAL

Ordinary Shares

Authorised, allotted, and fully paid ordinary share capital	Number of common shares Number	Amount US$'000
At 1 January 2024 & 31 December 2024	**50,000,000**	**50,000**

The issued share capital is as follows:

Ordinary shares	Number of common shares Number	Amount US$'000
At 1 January 2024 & 31 December 2024	**50,000,000**	**50,000**

19. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is Ithaca Energy (UK) Limited. The registered office address of this company is 13 Queen's 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 and the ultimate controlling party is Itshak Tshuva. 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 Zeta Limited is that of Ithaca Energy plc. A copy of these financial statements can be obtained from 33 Cavendish Square, London, WG1 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 its registered address at 19 Abba Eban Boulevard, POB 2054, Herzlia, 4612001, Israel.

20. SUBSEQUENT EVENTS

There are no subsequent events applicable to the Company.