BEIERHOLM
VI SKABER BALANCE

ShaMaran Sarsang A/S

Rådhuspladsen 16, 1550 København V

CVR no. 33 87 04 34

Annual report for 2024

This annual report has been adopted at the annual general meeting on 14.07.25

Elvis Pellumbi

Chairman of the meeting

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Company information etc.

The company

ShaMaran Sarsang A/S
Rådhuspladsen 16
1550 København V
Registered office: København V
CVR no.: 33 87 04 34
Financial year: 01.01 - 31.12

Executive Board

Nicola Gill

Board of Directors

Elvis Pellumbi
Marie-Ange Madeleine Chassot
Nicola Gill

Auditors

Beierholm
Godkendt Revisionspartnerselskab

Client Relationship Partner: Torben Skov

Parent company

ShaMaran Petroleum Corp

Statement by the Executive Board and Board of Directors on the annual report

We have on this day presented the annual report for the financial year 01.01.24 - 31.12.24 for ShaMaran Sarsang A/S.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's assets, liabilities and financial position as at 31.12.24 and of the results of the company's activities for the financial year 01.01.24 - 31.12.24.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Copenhagen, July 14, 2025

Executive Board

Nicola Gill

Board of Directors

Elvis Pellumbi Chairman	Marie-Ange Madeleine Chassot	Nicola Gill

To the shareholder of ShaMaran Sarsang A/S

Opinion

We have audited the financial statements of ShaMaran Sarsang A/S for the financial year 01.01.24 - 31.12.24, which comprise income statement, balance sheet, statement of changes in equity and notes to the financial statements, including material accounting policy information. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion the financial statements give a true and fair view of the company's financial position at 31.12.24 and of the results of the company's operations for the financial year 01.01.24 - 31.12.24 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements 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 International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on the management's review

Management is responsible for the management's review.

Our opinion on the financial statements does not cover the management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, it is our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether management's review provides the information required by law and regulations.

Based on the work we have performed, we conclude that the management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of Danish Financial Statements Act. We did not identify any material misstatement of the management's review.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines 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, management is 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 in preparing the financial statements unless management either intends to liquidate the company or to cease operations, or has 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 and the additional requirements applicable in Denmark 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.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Soeborg, Copenhagen, July 14, 2025

Beierholm
Godkendt Revisionspartnerselskab
CVR no. 32 89 54 68

Anders Flymer-Dindler
State Authorised Public Accountant
MNE-no. mne35423

FINANCIAL HIGHLIGHTS

Key figures

Figures in USDm	2024	2023	2022	2021	2020
Profit/loss					
Revenue	55	59	102	102	44
Operating profit	26	13	58	47	7
Total net financials	1	1	1	0	0
Profit for the year	27	14	59	47	7
Balance					
Total assets	225	241	265	230	180
Investments in property, plant and equipment	12	13	33	28	18
Equity	215	232	253	219	172

Ratios

	2024	2023	2022	2021	2020
Profitability					
Return on equity	12%	6%	25%	21%	4%
Profit margin	47%	22%	57%	46%	17%
Equity ratio					
Solvency ratio	96%	96%	96%	95%	96%

The comparative figures for 2022 and 2021 have been restated in accordance with the new accounting policies. Financial highlights for the past 3 to 4 years have not been restated in accordance with the change in accounting policies, see section 101(3) of the Danish Financial Statements Act.

Ratios definitions

Return on equity: $\frac{\text{Profit/loss for the year x 100}}{\text{Average equity}}$

Gross margin: $\frac{\text{Gross result x 100}}{\text{Revenue}}$

Profit margin: $\frac{\text{Operating profit/loss x 100}}{\text{Revenue}}$

Solvency ratio: $\frac{\text{Equity, end of year x 100}}{\text{Total assets}}$

Primary activities

ShaMaran Sarsang A/S (the "Company") is a wholly owned subsidiary of ShaMaran Petroleum Corp. ("ShaMaran") since September 14, 2022. Before this date the Company was named TEPKRI Sarsang A/S and was a wholly owned subsidiary of TotaEnergies EP Denmark A/S.

The Company participates in exploration and production of oil outside Denmark and holds an 18% participating interest (22.5% paying interest) in the Sarsang Block, Kurdistan Region of Iraq. The license is operated by HKN Energy Ltd, and comprises of two oil field accumulations, Swara Tika and East Swara Tika.

Development in activities and financial affairs

The income statement for the period 01.01.24 - 31.12.24 shows a profit of USD 26,613k against USD 13,564k for the period 01.01.23 - 31.12.23. The balance sheet shows an equity of USD 215,254k.

The revenue for 2024 were at level with 2023 but at significantly lower than 2022. The decrease was due to the closure of the Iraq-Turkey Pipeline ("ITP") from March 25, 2023, resulting in oil not being able to be exported and sold through to the Kurdistan Regional Government ("KRG") as in previous years. Production rates from the Sarsang Block were initially reduced following the ITP closure due to market demand constraints, local sales commenced via trucking in April 2023 and continued throughout 2023 and 2024 but oil was sold at a lower price.

The management considers the net profit for the year to be satisfactory given the situation with the ITP.

Outlook

In the annual report for 2023 a result for 2024 at level with 2023 was expected, however due to significant increase in local oil sales compared to 2023 the actual resultat for 2024 was significantly better than expected in the financial statements for 2023. The result for 2025 is expected to be similar to the 2024 with an result after tax in the level tUSD 22,000 to tUSD 28,000.

The exoected result for 2025 is based on the continued closure of the ITP. The shutdown was a result of the International Chamber of Commerce Arbitration decision and officials from the Turkish Government ordered the ITP to be shutdown for Kurdish oil exports. Despite a number of political pronouncements regarding the operational readiness of the pipeline on the Turkish side, it is still unclear when exports will resume. The Company continues to work with the Association of the Petroleum Industry of Kurdistan ("APIKUR") on achieving long-term commercial solutions for future crude oil exports payments and recovery of overdue receivables for past oil sales. The Company and its operating partner have focused on cost reductions and local sales since the ITP closure, and those measures will continue until the ITP exports restart. The Company is aware that, as of the date of this report, discussions for the reopening of the ITP to Kurdistan oil exports are continuing among the relevant parties.

Financial risks

The Company's Management monitors and manages the Company's exposure to financial risks facing the operations. These financial risks include commodity price risk and credit risk.

The Company does not presently hedge against these risks as the benefits of entering into such agreements is not considered to be significant enough as to outweigh the significant cost and administrative burden associated with such hedging contracts.

Commodity price risk is a risk as the prices that the Company receives for its oil production may have a significant impact on the Company's revenues and cash flows provided by operations. During the year, the Company received oil sales revenues at a negotiated local price that was considerably less than would otherwise have been received if the ITP was available for export and sales were made at international prices. It is unclear when the ITP will re-open and a payment mechanism agreed so that export sales can resume at international pricing.

The Company does not hedge against commodity price risk.

Credit risk is a risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is primarily exposed to credit risk on its cash and cash equivalents and receivables.

The Company manages credit risk by monitoring counterparty ratings and credit limits and by maintaining excess cash and cash equivalents on account in instruments having a minimum credit rating of R1 (mid) or better (as measured by Dominion Bond Rate Services) or the equivalent thereof according to a recognized bondrating service.

The carrying amounts of the Company's financial assets recorded in the Financial Statements represent the Company's maximum exposure to credit risk

Risk and uncertainties

The Company is engaged in the development and production of crude oil and natural gas, and its operations are subject to various risks and uncertainties that include but are not limited to those listed below. Additional risks and uncertainties not presently known to the Management of the Company or that Management of the Company presently deem to be immaterial may also impair the business and operations of the Company. If any of the risks described below materialize, the effect on the Company's business, financial condition or operating results could be materially adverse.

Implementation of the 2023-2025 Federal Budget Law ("Federal Budget Law")

A threeyear federal budget law was enacted in 2023, but there has not yet been consistent monthly budget allocations paid to the KRG since the enactment of the Federal Budget Law. As at the date of this report, there remains uncertainty as to the amounts and timing of the budget allocation payments, and no federal payments received have been allocated for the payment of Kurdistan PSC obligations except for the KRG's local employee salaries. There has been some progress in discussions among the relevant parties on the mechanisms for regular payments for KRI oil exports per the PSC terms and for the outstanding payables to international oil companies ("IOCs"), and the recent approval of the 2025 Budget Law Amendment by the Iraqi Parliament could provide an intermediate step to a full normalization of the KRI oil export and payment situation. However, there can be no certainty that the negotiations between the various parties will result in a positive outcome on this matter.

Continuing export pipeline shutdown

The ITP was closed on March 25, 2023, and remains shutdown as at the date of this report. The ITP reopening was the subject of the recent approval of the 2025 Budget Law Amendment by the Iraqi Parliament. Despite several meetings between the Government of Iraq, the KRG and IOCs, there are a number of unresolved issues, so there can be no certainty as to when the ITP will reopen for exports or when payments at international oil market prices will resume for oil production from the KRI. The Company is working with the various parties, including other IOCs, to find a commercial solution to reopen the ITP.

Federel Supreme Court of Iraq Ruling

In February 2022, the Federal Supreme Court of Iraq ruled that the Kurdistan Region's 2007 Oil and Gas Law is unconstitutional and the instruction to the Ministry of Oil to take steps to implement the FSC's decision are still in place. In October 2024, a Baghdad commercial court ruled that various KRI PSCs are valid (including the Sarsang PSC). It has been reported that the Ministry of Oil has failed in its appeals of the October 2024 decisions and that those decisions now stand as final, confirming the legality and validity of the KRI PSCs under Iraqi law. The Company continues to monitor the situation closely and will proactively protect its commercial interests.

Russia-Ukraine and Israel conflicts

At the date of this report, all oil production in the KRI, including from the Sarsang Block, is being sold in the domestic market at local sales prices that have not been affected by the Russia-Ukraine, Israel or Syria conflicts. If these conflicts continue, they may have an adverse impact on realized pricing in the international oil markets.

The conflicts with Israel do not yet appear to have had any impact on the Company's operations in the KRI, nor have they, as at the date of the Report, had any direct impact on local sales pricing of Kurdistan oil. The proximity of Kurdistan to Iran exposes the Company's operations to potential risks should there be further escalation in regional conflicts. However, no such impact has been experienced to date.

For more information on risk factors that may affect the Company's business, refer also to the "Risk Factors" section of the ShaMaran Group 2024 Annual Information Form, which is available for viewing both on the ShaMaran Group website at www.shamaranpetroleum.com and on SEDAR+ at www.sedarplus.ca under the ShaMaran profile.

Political and Regional risks

International operations

Oil and gas exploration, development and production activities in emerging countries are subject to significant political, social and economic uncertainties that are beyond ShaMaran's control. Uncertainties include, but are not limited to, the risk of war, terrorism, criminal activity, expropriation, nationalization, renegotiation or nullification of existing or future contracts, the imposition of international sanctions, a change in crude oil or natural gas pricing policies, a change in taxation policies, a limitation on the Company's ability to export, and the imposition of currency controls. Should these uncertainties materialize, they could result in adverse effects to the Company's business including, but not limited to, increased costs associated with planned projects, impairment or termination of future revenue generating activities, impairment of the value of the Company's assets and/or its ability to meet its contractual commitments as they become due.

Political instability

ShaMaran's assets and operations are in Kurdistan, a federally recognized semi-autonomous political region in Iraq, and may be influenced by political developments between Kurdistan and the Iraq federal government, as well as political developments of neighboring states within MENA, Türkiye, and surrounding areas. Kurdistan and Iraq have a history of political and social instability. As a result, the Company is subject to political, economic and other uncertainties that are not within its control. These uncertainties include, but are not limited to, changes in government policies and legislation, adverse legislation or determinations or rulings by governmental authorities and disputes between the Iraq federal government and Kurdistan.

Iraq is a political democracy with a federal system of government. Iraq's constitution was ratified in October 2005 and came into effect in 2006. The Constitution of Iraq contains a list of powers that are reserved exclusively for the Iraq federal government ("Federal Government") and a list of powers that are shared by the Federal Government and the regional governments of Iraq ("Regional Governments"). Jurisdiction over matters that are not within the exclusive powers granted to the Federal Government resides with the Regional Governments and the governments of the Iraq provinces not forming part of the regions.

The delineation of powers under the Constitution of Iraq has been subject to different interpretations, which has resulted in a number of outstanding political issues and differences between the Federal Government and the KRG including, but not limited to, the financial support to be provided to the KRG by the Federal Government, the validity of PSCs signed by the KRG and the jurisdiction over oil and gas matters in Kurdistan.

The unfavorable outcome of political uncertainties such as those discussed above could result in adverse effects to the Company's assets and business in Kurdistan, including, but not limited to, increased costs associated with planned projects, impairment or termination of future revenue generating activities and impairment of the value of the Company's asset and/or its ability to meet its contractual commitments as they become due.

Political uncertainty

There is a risk that certain levels of authority of the KRG, and the corresponding systems in place, could be transferred to the Federal Government under the terms of a Federal Petroleum Law. Changes to the current political regime could result in delays in operations and additional costs that could materially and adversely impact the operations and prospects of the Company and could have a material adverse effect on the Company's business and financial condition. Refer also to the discussion in the section below under "Risks associated with petroleum contracts in Iraq."

Regional boundary issues

Although the Kurdistan Region is recognized by the Constitution of Iraq as a semi-autonomous region, its geographical extent is neither defined in the Constitution of Iraq nor definitively agreed to in practice between the Federal Government and the KRG. There have been unresolved differences between the KRG and the Federal Government regarding certain areas that are commonly known as "disputed territories". The Company believes that its current areas of operation in the Sarsang Block are not within these "disputed territories".

Risks associated with petroleum contracts in Iraq

The Constitution of Iraq grants a role for the regions of Iraq in awarding of petroleum contracts for certain types of operations, and in regulating those petroleum operations occurring within the regions. No federal Iraq legislation has yet been agreed or enacted by the Iraq federal parliament to govern the future organization and management of Iraq's petroleum industry (including in Kurdistan) as there are a number of material issues which need to be resolved between the Federal Government, the KRG and other Iraqi regions. There is uncertainty concerning the promulgation of the Federal legislation and the timing of such adoption, if at all. Failure to enact federal legislation could extend or increase uncertainty within Iraq's petroleum industry, which may result in additional burdens being placed on the Company including, but not limited to, difficulty obtaining clear title to its assets or in obtaining adequate financing for its future projects.

The KRG developed the Kurdistan Oil and Gas Law to be consistent with the role granted to the regions in the Constitution of Iraq and in conformity with the principles reflected in the Draft Federal Petroleum Law and in the draft federal law governing revenue sharing for petroleum activities proposed in June 2007 (but never enacted).

In the absence of progress on the Draft Federal Petroleum Law, on August 6, 2007, the Kurdistan National Assembly approved the Kurdistan Oil and Gas Law, which came into force with effect from August 9, 2007, declaring it to be supported by the Constitution of Iraq and providing the foundation for economic development of the then largely untapped resources of Kurdistan. Under the Kurdistan Oil and Gas Law, domestic and international investors in oil and gas, including ShaMaran, came to Kurdistan, generated revenue and provided employment and training opportunities for citizens in the region. Consistent with the Constitution of Iraq, the Kurdistan Oil and Gas Law requires Kurdistan to share revenue with the Federal Government and other regions of Iraq, just as other areas of Iraq will share oil revenues with Kurdistan. The KRG has signed numerous PSCs with IOCs based on the Kurdistan Oil and Gas Law. The Company currently has a 18% working interest in the Sarsang PSC, which is under the jurisdiction of the Kurdistan Oil and Gas Law. In February 2022 the Iraq Federal Supreme Court ("**FSC**") ruled that the Kurdistan Oil and Gas Law is unconstitutional and gave the instruction to the Ministry of Oil to take steps to implement the FSC's decision are still in place.

It has been reported that court cases against certain IOCs and the validity of their Kurdistan PSCs were commenced in a Bagdad commercial court later in 2022, but, as at the date of the AIF, no enforcement of any such commercial court ruling relating to Kurdistan PSCs has been made, and it is believed that this matter has now been concluded by the Iraqi courts confirming the validity of the Kurdistan PSCs. It is noted that all Kurdistan PSCs are governed by English law, and dispute/enforcement actions (if any) are mandated as per Kurdistan PCS terms to be conducted in London under London International Court of Arbitration rules.

The Company believes that it has valid title to its oil and gas assets and the right to produce oil and gas from such assets under the relevant PSCs. However, should the Federal Government pursue and be successful in a claim that the KRG PSCs are invalid, or should any unfavorable changes develop which impact the economic and operating terms of the PSCs, it could result in adverse effects to the Company's business including, but not limited to, impairing the Company's claim and title to the assets held, and/or increasing the obligations required, under the PSCs.

Government regulations, licenses and permits

The Company is affected by changes in taxes, regulations and other laws or policies affecting the oil and gas industry generally, as well as changes in taxes, regulations and other laws or policies applicable to oil and gas development in Kurdistan specifically.

The Company, through the joint operating agreement it has entered into with HKN, conducts its operations pursuant to the rights granted under the Sarsang PSC and related licenses, permits and other authorizations. The grant of licenses and permits may require fulfilment of certain conditions or the exercise of discretion by the concerned authorities. The Company's ability to execute its projects may be hindered if it cannot secure the necessary approvals or the discretion is exercised in a manner adverse to the Company. Any significant delay in obtaining or renewing a license or permit may result in a delay of the Company's planned activities and the future development of any oil and gas resources.

The taxation system applicable to the operating activities of the Company in Kurdistan is pursuant to the Oil and Gas Law governed by general Kurdistan tax law and the terms of the PSCs. However, it is possible that the arrangements under the PSCs in Kurdistan may be overridden or negatively affected by the enactment of any future oil and gas or tax law in Iraq or in Kurdistan which could result in adverse effects to the Company's business including, but not limited to, increasing the Company's expected future tax obligations associated with its activities in Kurdistan. Notwithstanding the foregoing, the management of the Company is, at the date of this AIF, not aware of any current effort by the KRG to override or negatively affect the tax provisions granted in the Sarsang PSC.

Marketing, markets and transportation

The export of oil and payments relating to such exports from Kurdistan remain subject to uncertainties which could negatively impact ShaMaran's ability to sell its oil production to the KRG for the KRG's export or to local refineries for local consumption, and for payments relating to such oil deliveries. Potential government regulation relating to price, quotas and other aspects of the oil and gas business could result in adverse effects to the Company's business including, but not limited to, impairing the Company's ability to sell oil and receive full payment for all sales of such delivered oil.

Payments for oil deliveries that the KRG exports

Cash payments to IOCs for oil the KRG exports from Kurdistan have been under the sole control of the KRG since the beginning of oil sales in 2009. The KRG has established certain periods of delivering regular payments to IOCs for their entitlement revenues in respect of monthly petroleum production deliveries (other than the four-month period as previously noted from November 2019 through February 2020 and from October 2022 through March 2023). The risk continues that the Company may face significant delays in the receipt of cash for its entitlement share of future oil deliveries to the KRG for its export to the international market.

Default under the PSC and JOA

The PSC includes a number of provisions if a party should fail to meet its obligations under these contracts. Defaults include where a party does not carry out drilling and seismic acquisition as prescribed, interrupts production for more than ninety (90) consecutive days without reasonable cause, intentionally extracts other materials than permitted, becomes bankrupt, or where there is a change of control in a party which is not approved by KRG (see below for further risk discussion). If a default is not remedied within three (3) months following notice of intention to terminate, the KRG may terminate the PSC with respect to the defaulting party and allocate its interest among the other contractors. Consequently, the Company could upon a default lose all its rights and interests in the Sarsang field without any compensation.

The JOAs definition of "default" includes payment default and failure to provide security as required under the JOAs. If a party does not remedy such default within five (5) business days after having been notified of the default, its entitlement shall vest with and be the property of the other parties should the default remain un-remedied. The operator will in this period be entitled to sell the entitlement at arm's length on reasonable terms and apply proceeds to cover costs and liabilities and a reserve fund before releasing any remaining surplus. If a default has remained for sixty (60) days or more, a non-defaulting party has the option to acquire the defaulter's working interest at a price equal to the fair market value of such interest less the following: (i) the total amount in default (ii) all costs; including the costs of an expert, to obtain such valuation and (iii) ten per cent (10%) of the fair market value of the defaulting party's working interest.

Should the Company fail to meet its obligations under either PSC or JOA it could result in adverse effects to the Company's business including, but not limited to, a default under one or both contracts, the termination of future revenue generating activities of the Company and impairment of the Company's ability to meet its contractual commitments as they become due.

Kurdistan legal system

The Kurdistan Region has a less developed legal system than that of many more established regions. This could result in risks associated with predicting how existing laws, regulations and contractual obligations will be interpreted, applied or enforced. In addition, it could make it more difficult for the Company to obtain effective legal redress in courts in case of breach of law, regulation or contract and to secure the implementation of arbitration awards and may give rise to inconsistencies or conflicts among various laws, regulations, decrees or judgments. The Company's recourse may be limited in the event of a breach by a government authority of an agreement governing the PSC in which ShaMaran acquires or holds an interest.

Enforcement of judgments in foreign jurisdictions

The Company is party to contracts with counterparties located in a number of countries, most notably in Kurdistan. Certain of its principal contracts are subject to English law with legal proceedings in England. However, the enforcement of any judgments thereunder against a counterparty will be a matter of the laws of the jurisdictions where counterparties are domiciled.

Change of control in respect of the PSCs and JOAs

The Sarsang PSC definition of "change of control" in a party to the PSC includes a change of voting majority in such party, or in its parent company, provided the value of the interest in the relevant field represents more than 75% of the assets in the party in respect to Sarsang PSC/Sarsang JOA.

Project and Operational Risks

Shared ownership and dependency on partner

The Company's operations are to a significant degree conducted together with a partner through contractual arrangements with the execution of the operations being undertaken by the operator in accordance with the terms of the Sarsang JOA. As a result, the Company has limited ability to exercise influence over the deployment of those assets or their associated costs and this could adversely affect the Company's financial performance.

ShaMaran's return on assets operated by others will therefore depend upon factors that may be outside of ShaMaran's control, including the timing and amount of capital expenditures, the operator's expertise and financial resources, the approval of other participants, the selection of technology and risk management practices. The operator may have a different opinion from the Company on how to conduct certain operations which may result in delays, losses or increased costs not anticipated by the Company. In addition, if the operator or other partners fail to perform, ShaMaran may, among other things, risk losing rights or revenues or incur additional obligations or costs to itself perform in place of its partners. If a dispute would arise with one or more partners, such dispute may have material adverse effects on the Company's operations relating to its projects.

Security risks

Kurdistan and other regions in Iraq have a history of political and social instability, which have culminated in security problems that may put at risk the safety of the Company's personnel, interfere with the efficient and effective execution of the Company's operations and ultimately result in significant losses to the Company. There have been no significant security incidents in the Company's areas of operation.

Risks relating to infrastructure

The Company is dependent on access to available and functioning infrastructure (including third party services in Kurdistan) relating to the properties on which it operates, such as roads, power and water supplies, pipelines and gathering systems. If any infrastructure or systems failures occur or access is not possible or does not meet the requirements of the

Company, the Company's operations may be adversely affected, which could result in lower production and sales and/or higher costs.

Environmental regulation and liabilities

Drilling for and producing, handling, transporting and disposing of oil and gas and petroleum by-products are activities that are subject to extensive regulation under national and local environmental laws, including in those countries in which ShaMaran currently operates. Environmental regulations may impose, among other things, restrictions, liabilities and obligations relating to water and air pollution control, waste management, permitting requirements and restrictions on operations in environmentally sensitive areas. The Company's operations in Kurdistan are subject to general and specific regulations and restrictions governing drilling, production and processing, land tenure use, environmental requirements (including site-specific environmental licenses, permits and remediation requirements), workplace health and safety requirements, social impacts and other laws and regulations. The environmental laws of Kurdistan are limited as compared to those in jurisdictions such as Europe or North America. The Company is obliged to follow both Kurdish law, and the terms of the Sarsang PSC as regards protecting the environment and the health and safety of its employees and third parties.

The Company has implemented health, safety, and environment policies since its incorporation, complies with industry environmental practices and guidelines for its operations in Kurdistan and is currently in compliance with these obligations in all material aspects. Environmental protection requirements have not, to date, had a significant effect on the capital expenditures and competitive position of ShaMaran.

Future changes in environmental or health and safety laws, regulations or community expectations governing the Company's operations could result in adverse effects to the Company's business including, but not limited to, increased monitoring, compliance, and remediation costs and/or costs associated with penalties or other sanctions imposed on the Company for non-compliance or breach of environmental regulations.

Risk relating to community relations / labor disruptions

The Company's operations may be in or near communities that may regard operations as detrimental to their environmental, economic, or social circumstances. This may result in disputes with national or local governments or with local communities and may give rise to incremental financial commitments. Additionally, there is a risk that strikes or labor unrest/disruptions may occur near the Company's operations. Negative community reactions and labor disruptions or disputes could increase operational costs and result in delays in the execution of projects.

Petroleum costs and cost recovery

Under the terms of the Sarsang PSC, the KRG is entitled to conduct an audit to verify the validity of incurred petroleum costs which the operator has reported to the KRG and is therefore entitled under the terms of the relevant PSC to recover through cash payments from future petroleum production. No such audit has yet taken place in either block. Should any future audits result in negative findings concerning the validity of reported incurred petroleum costs, the Company's petroleum cost recovery entitlement could ultimately be reduced.

Legal claims and disputes

The Company may suffer unexpected costs or other losses if a counterparty to any contractual arrangement entered by the Company does not meet its obligations under such agreements. In particular, the Company cannot control the actions or omissions of its partner in the Sarsang PSC. If such parties were to breach the terms of the Sarsang PSC or any other documents relating to the Company's interest in such block, it could cause the KRG to revoke, terminate or adversely amend the PSC.

The Sarsang JOA and the Sarsang PSC provide mitigating provisions whereby action can be taken to remedy or cure the breach, but in certain circumstances such disputes may disrupt business operations and could materially adversely affect the business prospects or results of operations of the Company. In addition, the Company may be exposed to third party credit risks through its commercial arrangements with any co-venture marketer of its petroleum products, suppliers, contractors and other parties and this could result in additional costs, delays or losses to the Company.

U**ninsured losses and liabilities**

Although the Company maintains insurance in accordance with industry standards to address risks relating to its operations, the Company's insurance coverage may under certain circumstances not protect it from all potential losses and liabilities that could result from its operations. The occurrence of a casualty, loss or liability against which the Company is not fully insured, or the insolvency of the insurer of such event could impair the Company's ability to meet its obligations. The Company had no material uninsured losses or claims at the date of this report.

Availability of equipment and services

ShaMaran's oil and natural gas development activities are dependent on the availability of third-party services, drilling and related equipment and qualified staff in the area where such activities are or will be conducted. ShaMaran currently leases all the drilling rigs used for its exploration and development activities. Shortages of such equipment or staff may affect the availability of such equipment to ShaMaran and may delay and/or increase the cost of ShaMaran's development activities.

Subsequent events

Subsequent to the balance sheet date, the Company has sold all operational activities through a sale to a group entity. As a result, the Company will no longer have ongoing operating activities from the third quarter of 2025.

The transaction is not expected to have a material impact on the financial results for the year ending 31 December 2025.

It is the expectation of Management that the Company will be solvently liquidated either during the remainder of 2025 or in the course of 2026.

Corporate social responsibility

Business model

ShaMaran Petroleum Corp. is an independent oil and gas company with production from two adjacent blocks in the Kurdistan region of Iraq. The Company holds a 50% interest in the Atrush Block and an 18% interest in the Sarsang Block. To date, cumulative production (100% basis) from its fields has reached over 160 million barrels. The Company is focused on developing the considerable reserve and production upside potential of its projects. ShaMaran is a member of the Lundin Group of companies.

For further information about our business model please view:
https://shamaranpetroleum.com/site/assets/files/5578/snm_corp_presentation_-_may_8_2025_final_2.pdf

Principal risks

Examples of risks and uncertainties associated with the assumptions made by management include, but are not limited to: (i) risks associated with international operations in Kurdistan, in northern Iraq, which is a politically less stable jurisdiction: (ii) risks associated with the regulation of oil and gas production and export; (iii) risks that are inherent in oil and gas development and production, including availability of a functioning infrastructure, complying with environmental regulation and the availability of staff and equipment. ShaMaran's operations are to a significant degree conducted together with a partner through contractual arrangements with the execution of the operations being undertaken by the operator in accordance with the terms of the Atrush JOA or the Sarsang JOA respectively. As a result, ShaMaran has limited ability to exercise influence over the deployment of those assets or their associated costs and this could adversely affect ShaMaran's financial performance. ShaMaran is also exposed to more generic risks such as the risk with respect to general economic conditions, regulations and taxes, civil unrest, corporate restructuring and related costs, capital and operating expenses, petroleum pricing and availability of financing and currency exchange rate fluctuations. Management used its best efforts to ensure that the assumptions used in this preparation of such information were reasonable. However, they may ultimately prove to be imprecise and, as such, undue reliance should not be placed on forwardlooking statements.

For more information and details regarding our risks associated with corporate social responsibility see the above sections about risks.

Environmental matters

Environmental, social and governance considerations are important to ShaMaran.

The Atrush joint venture has been advancing the deployment of a gas solution to meet its commitment to bettering the environment in Kurdistan; and the Sarsang joint venture has in 2023 installed an amine facility in its field operations to displace diesel use and reduce its greenhouse gas emissions by utilizing the resulting sweetened gas for some of its operations.

ShaMaran is working closely with its operating partners in the joint ventures to reduce emissions. The goal of the gas solutions is to reduce and eventually eliminate flaring in both fields. This will reduce emissions by an estimated 50-60% and is a multiyear project.

Active Sarsang field wide environmental monitoring programs, including air and water quality monitoring, produced zero atmospheric excursions or adverse results exceeding international or local standards. In addition, there was zero reportable environmental spills for 2024.

The commissioning of fuel gas equipment in 2024 in Sarsang field will contribute to a reduction in atmospheric emissions with the volume of flared gas decreasing significantly. In addition, the acquisition and commissioning of enhanced air quality monitoring equipment will support further improvement in active atmospheric monitoring.

During the financial year, ShaMaran has not collected concrete data or KPIs for our policies and actions in the field of environment and climate.

Social and employee matters

This Amended and Restated Code of Business Conduct and Ethics (the "Code") covers a wide range of business practices and procedures. It does not and cannot cover every issue that may arise, but it sets out basic principles to guide all directors, officers, employees and consultants of ShaMaran Petroleum Corp. and its subsidiaries (collectively, the "Company"). The Company expects the highest standards of professional and ethical conduct from the Company's directors, officers, employees and consultants (each a "Representative" and collectively the "Representatives"), all of whom must conduct themselves in accordance with this Code and seek to avoid even the appearance of improper behavior. This Code should be provided to and followed by all of the Company's Representatives.

The Company strives to provide each Representative with a safe and healthy work environment. Each Representative has a responsibility for maintaining a safe and healthy workplace for all persons by following safety and health rules and practices and reporting accidents, injuries and unsafe equipment, practices or conditions.

Violence and threatening behavior, whether physical, verbal or visual, are prohibited. Representatives must report to work in condition to perform their duties, free from the influence of illegal drugs, cannabis (marijuana) or alcohol. The use of illegal drugs, cannabis (marijuana) or alcohol in the workplace will not be tolerated. For further information about our Code of Conduct see:
https://shamaranpetroleum.com/site/assets/files/5120/snm_amended_and_restated_code_of_business_conduct_ethi.pdf

The Company is committed to making a positive difference to the communities wherever it conducts business and strives to be a partner of choice in the communities where it works, with a strong commitment to optimizing local content.
ShaMaran has had no reports of social or employee matters during 2024.

The health and safety of employees is paramount for the operators of both fields and long term incidents have trended down over the last year. uring the financial year, ShaMaran has not collected concrete data or KPIs for our policies and actions in the field of Social and employee matters.

Respect for human rights

The diversity of the Company's Representatives is a tremendous asset. The Company is firmly committed to providing equal opportunity in all aspects of employment and will not tolerate any discrimination or harassment of any kind. Examples include derogatory comments based on racial or ethnic characteristics, gender or sexual orientation, and uninvited sexual advances. For further information about our Code of Conduct see: https://shamaranpetroleum.com/site/assets/files/5120/snm_amended_and_restated_code_of_business_conduct_ethi.pdf

No cases or suspicions of human rights violations have occurred during this financial year.

How to Raise a Concern (Whistleblowing Policy)
If you observe or become aware of an actual or potential violation of this Code or of any applicable law, rule or regulation by the Company, Representatives or others associated with the Company, it is your responsibility to report the circumstances as outlined herein and to cooperate with any investigation by the Company. This Code is designed to provide an atmosphere of open communication for compliance issues and to ensure that Representatives acting in good faith have the means to report actual or potential violations. For further information about our Code of Conduct see:

https://shamaranpetroleum.com/site/assets/files/5120/snm_amended_and_restated_code_of_business_conduct_ethi.pdf

Anti-corruption and bribery matters

The Company is committed to honesty and integrity in all of its business operations and therefore, all Representatives are expected to behave ethically, honourably and in full compliance with all legislation, including antibribery and fair practice laws. All Representatives shall carry out their duties in accordance with the principles set out in this Code and, specifically, will never receive, promise, or authorize the provision of anything in order to obtain special favours, treatment or agreements. Neither direct, nor indirect corruption will be tolerated. Accordingly, you shall not engage in any acts that are improper or could appear to be improper, such as, but not limited to:

- paying bribes or kickbacks;
- accepting bribes or kickbacks;
- creating any false document or record intended to conceal an inappropriate transaction or create the impression of a false transaction;
- failing to keep complete and accurate records of transactions;
- concealing knowledge of any inaccurate or misleading record or statement;

- approving payment of invoices or expenses without proper scrutiny and review; or otherwise offering, making, authorizing or promising any payment, gift, advantage or benefit, or otherwise offering, giving, authorizing or promising anything of value, directly or indirectly, to officials of any domestic or foreign government or any domestic or foreign political candidate in order to influence any act or decision of such person or to obtain or retain business.

We remain fully compliant with all anti money laundering, sanction and anti bribery obligations as updated from time to time.

There have been no reports or corruption or bribery in 2024.

Gender composition of the management

Supreme management body

The company sees gender diversity on the supreme management body as important to ensure that both genders are represented and can contribute to the company being viewed from different angles. The Board of Directors is the company's supreme management body.

	31.12.24	31.12.23

Number of members	3	3
Underrepresented sex (%)	33%	33%

*) The table does not contain information for 2022 and earlier, in line with section 99 b(7) of the Danish Financial Statements Act.

Gender balance

The company's Board of Directors consists of 2 women (67%) and 1 man (33%), as shown in the table above. The goal of gender balance has thus been achieved. This gender balance is expected to be maintained in future.

Accounting policies

The gender diversity ratio in the supreme management body is calculated as the proportion of male board members on the Board of Directors. It only includes board members elected by the general meeting. Employee representatives are not included.

Other management levels

Other levels of management include the Executive Board, and people with responsibility for personnel who report directly to the Executive Board.

	31.12.24	31.12.23
Number of managers	1	1

*) The table does not contain information for 2022 and earlier, in line with section 99 b(7) of the Danish Financial Statements Act.

Exempt from the requirement to set targets due to having less than three people in other management levels

The company's other management levels consist of 1 manager, including the company's CEO and CFO. Since the company has less than three managers at other management levels, there is no need to report on gender distribution at the other management levels. However, the company is not exempt from having to state the total number of people at the other management levels, and the proportion of the underrepresented sex (see the table above).

Accounting policies

The gender diversity ratio at other management levels is calculated as the proportion of male managers with responsibility for personnel out of the total number of managers with responsibility for personnel at the other management levels.

Data ethics

The Company does not have a Data Ethics Policy, cf. The Danish Financial Statements Act section 99d (1). The reason for that is that the Company as non-operator does not carry out any data processing that gives rise to data ethical questions.

Income statement

Note		2024 USD '000	2023 USD '000
2	**Revenue**	**54,506**	**58,859**
	Production costs	-30,910	-36,274
	Distribution costs	4,282	-6,145
	Administration costs	-2,207	-3,721
	Other operating income	0	360
	Operating profit	**25,671**	**13,079**
5	Financial income	1,045	1,128
6	Financial expenses	-174	-491
	Profit before tax	**26,542**	**13,716**
	Tax on profit for the year	71	-152
	Profit for the year	**26,613**	**13,564**

Proposed appropriation account

Extraordinary dividend for the financial year	33,000	0
Proposed dividend for the financial year	0	10,000
Retained earnings	-6,387	3,564
Total	**26,613**	**13,564**

Balance sheet

ASSETS

Note		31.12.24 USD '000	31.12.23 USD '000
	Plant and machinery	165,397	170,684
8	**Total property, plant and equipment**	**165,397**	**170,684**
	Total non-current assets	**165,397**	**170,684**
9	Trade receivables	21,674	39,522
	Receivables from group enterprises	0	565
	Other receivables	112	122
10	Prepayments	31	0
	Total receivables	**21,817**	**40,209**
	Cash	**37,314**	**30,049**
	Total current assets	**59,131**	**70,258**
	Total assets	**224,528**	**240,942**

Balance sheet

EQUITY AND LIABILITIES

Note		31.12.24 USD '000	31.12.23 USD '000
11	Contributed capital	966	966
	Retained earnings	214,288	220,675
	Proposed dividend for the financial year	0	10,000
	Total equity	**215,254**	**231,641**
12	Other provisions	4,162	4,182
	Total provisions	**4,162**	**4,182**
	Trade payables	4,580	4,213
	Payables to group enterprises	532	881
	Income taxes	0	25
	Total short-term payables	**5,112**	**5,119**
	Total payables	**5,112**	**5,119**
	Total equity and liabilities	**224,528**	**240,942**

13 Contingent liabilities
14 Related parties

Statement of changes in equity

Figures in USD '000	Contributed capital	Retained earnings	Proposed dividend for the financial year	Total equity
Statement of changes in equity for 01.01.24 - 31.12.24				
Balance as at 01.01.24	966	220,675	10,000	231,641
Extraordinary dividend paid	0	-33,000	0	-33,000
Dividend paid	0	0	-10,000	-10,000
Net profit/loss for the year	0	26,613	0	26,613
Balance as at 31.12.24	966	214,288	0	215,254

1. Subsequent events

Subsequent to the balance sheet date, the Company has sold all operational activities through a sale to a group entity. As a result, the Company will no longer have ongoing operating activities from the third quarter of 2025.

The transaction is not expected to have a material impact on the financial results for the year ending 31 December 2025.

It is the expectation of Management that the Company will be solvently liquidated either during the remainder of 2025 or in the course of 2026.

	2024 USD '000	2023 USD '000

2. Revenue

Information about the distribution of revenue by activities and geographical markets is provided below. The segment information is prepared in accordance with the company's accounting policies and follows the company's internal financial management.

Revenue comprises the following activities:

	2024	2023
Revenue from selling oil in Kurdistan	54,506	58,859
Total	54,506	58,859

Revenue comprises the following geographical markets:

	2024	2023
Kurdistan	54,506	58,859
Total	54,506	58,859

	2024 USD '000	2023 USD '000

3. Employee aspects

	2024 USD '000	2023 USD '000
Wages and salaries	5	5
Other social security costs	1	1
Total	6	6
Average number of employees during the year	1	1
Remuneration for the management:		
Salaries for the Executive Board	540	540
Total remuneration for the Executive Board	540	540
Remuneration for the Board of Directors	500	500
Remuneration for the Executive Board and Board of Directors	1,040	1,040

	2024 USD '000	2023 USD '000

4. Fees to auditors appointed by the general meeting

Statutory audit of the financial statements	88	22
Tax advice	12	20
Other services	2	7
Total	102	49

5. Financial income

Interest, group enterprises	0	565
Other interest income	1,045	546
Other financial income	0	17
Other financial income	1,045	563
Total	1,045	1,128

6. Financial expenses

Foreign exchange losses	51	87
Other financial expenses	123	404
Total	174	491

	2024 USD '000	2023 USD '000

7. Proposed appropriation account

	2024 USD '000	2023 USD '000
Extraordinary dividend for the financial year	33,000	0
Proposed dividend for the financial year	0	10,000
Retained earnings	-6,387	3,564
Total	26,613	13,564
Extraordinary dividend distributed after the balance sheet date	220,704	33,000

8. Property, plant and equipment

Figures in USD '000	Plant and machinery
Cost as at 01.01.24	398,337
Additions during the year	11,557
Cost as at 31.12.24	409,894
Depreciation and impairment losses as at 01.01.24	-227,653
Depreciation during the year	-16,844
Depreciation and impairment losses as at 31.12.24	-244,497
Carrying amount as at 31.12.24	165,397

All depreciations related to property, plant and equipment are recognised under production costs.

9. Trade receivables

The Trade receivables balance at 31.12.2024 relates to 9,159,060 USD for local sales and 12,514,724 USD for overdue receivables from the KRG relating to October 2022 to March 2023 oil sales. At the date of the report all of the outstanding balance for local oil sales has been received. The Company (together with other International Oil Companies) remains in discussions with the KRG about the appropriate recovery mechanism for the overdue receivables, and full recovery is expected.

	31.12.24 USD '000	31.12.23 USD '000
10. Prepayments		
Prepayments	31	0

11. Share capital

The share capital consists of:

	Quantity	Total nominal value USD'000
Share capital	5,500	966
Total		966

12. Other provisions

Figures in USD '000	Obligation for dismandling, removing and restoring
Provisions as at 01.01.24	4,182
Reversed provision in respect of previous years	-20
Provisions as at 31.12.24	4,162

	31.12.24 USD '000	31.12.23 USD '000
Other provisions are expected to be distributed as follows:		
Non-current liabilities	4,162	4,182
Total	4,162	4,182

13. Contingent liabilities

Other contingent liabilities

For development activities in Kurdistan, the Company is liable jointly and severally with the other partners for development commitment and obligations in connection with field developments.

14. Related parties

Controlling influence	Basis of influence
ShaMaran Petroleum Corp	100% ownership

Transactions	Relation	2024 USD '000
Fee for Shared Service Center	Group enterprises	2,018

Remuneration for the management is specified in note 3. Employee aspects.

Balances	31.12.24 USD '000
Payables to group enterprises	-532

Short-term payables to group enterprises consist of balances which are settled on an ongoing basis and in accordance with the company's standard terms of agreement and payment. No write-downs have been made on the receivables.

15. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for large enterprises in reporting class C.

The accounting policies have been applied consistently with previous years.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

CURRENCY

The annual report is presented in USD. The exchange rate to DKK is 714,29 as at 31.12.24 and 674,47 as at 31.12.23.

INCOME STATEMENT

Revenue

Income from the sale of goods is recognised in the income statement if delivery has taken place and the risk has passed to the buyer before the end of the financial year and where the selling price can be determined reliably and is expected to be paid. Revenue is measured at fair value and is determined exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

15. Accounting policies - continued -

Production costs

Costs incurred, directly or indirectly, to generate the revenue for the year, including raw materials and consumables, wages and salaries and lease of and depreciation, amortisation and impairment losses on the fixed assets used in the production process, are recognised under production costs.

Distribution costs

Costs for the distribution of goods sold during the year and sales campaigns etc., including wages and salaries for sales staff, advertising and exhibition costs etc. and lease of and depreciation, amortisation and impairment losses on the fixed assets used in the distribution and sales activity, are recognised under distribution costs.

Administrative expenses

Expenses incurred during the year for management and administration, including wages and salaries for administrative staff and management as well as office premise expenses, office expenses, bad debts etc. and lease of and depreciation, amortisation and impairment losses on the fixed assets used for administration, are recognised under administrative expenses.

Other operating income

Other operating income comprises income of a secondary nature in relation to the enterprise's activities, including rental income, negative goodwill and gains on the sale of intangible assets and property, plant and equipment.

Other net financials

Interest income and interest expenses etc. are recognised in other net financials.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

15. Accounting policies - continued -

BALANCE SHEET

Property, plant and equipment

Plant and Macinery comprise oil assets.

Oil assets comprise of development and production costs for areas where technical feasibility and commercial viability have been established and include any E&E assets transferred after conclusion of appraisal activities as well as costs of development drilling, completion, gathering and production infrastructure, directly attributable overheads, borrowing costs capitalized and the cost of recognising provisions for future restoration and decommissioning.

Oil and gas assets are depleted using the unit of production method based on proved and probable reserves using estimated future prices and costs and accounting for future development expenditures necessary to bring those reserves into production. The reserves correspond to the Company’s entitlement to oil under the terms of the PSC.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation and amortisation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

15. Accounting policies - continued -

Impairment losses are reversed when the reasons for the impairment no longer exist.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Cash

Cash includes deposits in bank account.

Equity

The proposed dividend for the financial year is recognised as a separate item in equity.

Provisions

Other provisions comprise expected expenses incidental to obligations for dismandling, removing and restoring, restructuring etc. and are recognised when the company has a legal or constructive obligation at the balance sheet date and it is probable that such obligation will draw on the financial resources of the company. Provisions are measured at net realisable value or fair value if the provision is expected to be settled over the longer term.

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the tax-

15. Accounting policies - continued -

able income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Short-term financial payables are measured at amortised cost, normally corresponding to the nominal value of such payables. Other short-term payables are measured at net realisable value.

CASH FLOW STATEMENT

Referring to section 86(4) of the Danish Financial Statements Act a cash flow statement has not been prepared as the enterprise is included in the consolidated cash flow statement for the group:

https://shamaranpetroleum.com/site/assets/files/5565/2024-annual-report.pdf

Anders Flymer-Dindler
Revisor
Serial number: 37b3ca2d-a2f6-4b3d-b0ad-bb238d9afe8a
IP: 212.98.xxx.xxx
2025-07-14 08:21:26 UTC

GILL NICOLA
Direktion
Serial number: 5D:52:A9:B2:92[…]F8:E8:5C:9E:4
IP: 185.215.xxx.xxx
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2025-07-14 08:32:12 UTC

PELLUMBI ELVIS
Dirigent
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2025-07-14 08:32:12 UTC

CHASSOT MARIE-ANGE MADELEINE
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