Combining for success

ITHACA ENERGY PLC
ANNUAL REPORT AND ACCOUNTS 2024

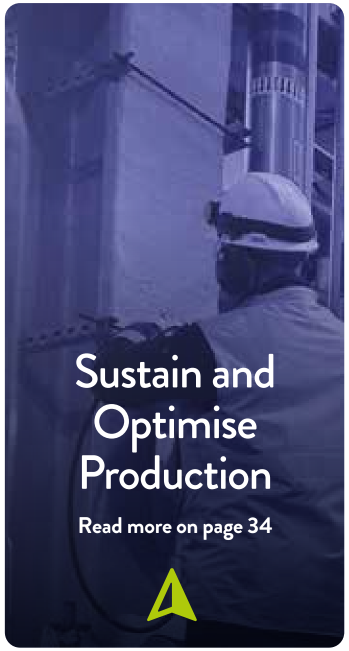
2024 has been a truly transformational year for Ithaca Energy, with the successful completion of its Business Combination with Eni UK creating a dynamic growth player.

We enter 2025 in a position of significant strength and as a transformed business having made material progress against our strategic objectives in the year. The Business Combination with substantially all of Eni S.p.A's UK upstream oil and gas assets (Eni UK) has enhanced Ithaca Energy's position as a leading operator in the UK continental Shelf (UKCS) and highlights the Group's continued ambition for value-led organic and inorganic growth.

Our increased scale of operations, enhanced cash flows and robust capital allocation policy underpins material sustainable shareholder distributions, with the Group successfully delivering against its dividend target of $500 million for 2024.

With significant optionality across the portfolio, a strong track record in value-accretive M&A and material financial firepower, our focus for the year ahead remains on high-grading investment across our range of growth opportunities to maximise sustainable shareholder value.

Our strategy drives our ambition



Financial highlights[2]

NET CASH FLOW FROM OPERATIONS

$853m

(2023: $1,291m)

PRO FORMA LEVERAGE RATIO AT YEAR-END[1]

0.45x

(2023: 0.33x)

PROFIT FOR THE YEAR

$153m

(2023: $293m)

ADJUSTED EBITDAX[1]

$1,405m

(2023: $1,723m)

TOTAL DIVIDENDS DECLARED

$500m

(2023: $400m)

STATUTORY EPS

13 cents

(2023: 29 cents)

1 Non-GAAP measure as set out on pages 249 to 252.
2 Financial results include the contribution of the Eni UK businesses from 3 October 2024. Certain non-financial metrics such as production, emissions and GHG intensity and certain alternative performance measures, include the Eni UK numbers from the economic effective date of 1 July 2024.

You can also read our Annual Report online:
investors.ithacaenergy.com

Who we are and what we do

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

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

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

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

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

Our vision

Our vision is to be a leading independent oil and gas company with scale, stability and strength focused on responsibly serving energy needs, while growing value sustainably and efficiently.

Our purpose

Our purpose is to serve today's needs for domestic energy through operating sustainably. We achieve this by harnessing our deep operational expertise and innovative minds to collectively challenge the norm, continually seeking better ways to meet evolving demands.

Our mission

Triumph.

We are driven to succeed, maximising value through the safe, efficient and responsible production of our Group's assets.

Together.

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

Our values

Our purpose is underpinned by our four core values. They guide how we work resiliently, collaboratively, openly and considerately.

Bring strength

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

Express yourself

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

Deliver results

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

Be considered

We genuinely care about making a positive impact for our people, shareholders, and communities.

Our assets

Delivering long-term production growth

Today, Ithaca Energy stands as a leading resource holder in the UKCS, boasting a diverse and high-value portfolio of production and development assets. With significant organic growth potential, we aim to become one of the largest producers in the UKCS by early 2030s.

Our Business Combination with Eni UK, has added material scale and diversification to our North Sea portfolio, with 38 producing UKCS fields delivering pro-forma* average production of 105.5 kboe/d in 2024.

Maximising the value of our North Sea assets safely and sustainably remains one of the Group's primary strategic objectives. We strive to achieve this through sustaining and optimising our current portfolio while investing to unlock future organic growth opportunities to deliver long-term production growth.

Our portfolio in numbers

OPERATED PRODUCING FIELDS **10**	AVERAGE PRO-FORMA PRODUCTION (KBOE/D) **105.5**
2P RESERVES AND 2C RESOURCES (MMBOE) **657**	% OF 2P RESERVES AND 2C RESOURCES OPERATED BY ITHACA ENERGY **55%**
STAKES IN 6 OF THE 10 LARGEST FIELDS IN UKCS **6 of 10**	STAKES IN 2 OF THE 3 LARGEST UNDEVELOPED DISCOVERIES IN UKCS **2 of 3**

PRODUCING UKCS FIELDS

38

* pro-forma production includes production from the Eni UK assets from 1 January 2024 to 31 December 2024.

Our transformational growth

2004
Established with production and development activities in the UK North Sea

MAY 2017
Delek acquired Ithaca Energy and delisted the shares from the Alternative Investment Market (AIM)

MAY 2018
Acquisition of Greater Stella Area licences from Dyas UK and Petrofac Limited

MAY 2019
Established Ithaca Energy as a leading independent with scale, operatorship and technical capabilities

MAY 2019
Acquisition of Chevron North Sea Limited

SEP 2021
Acquisition of Marubeni North Sea Limited

SEP 2021
Acquired Mitsui UK's interests in the Alba field

MARCH 2021
Captain Enhanced Oil Recovery (EOR) Phase II Final Investment Decision (FID)

13 mmboe
EOR Phase I recovery to date

FEB 2022

Acquisition of issued capital of Sumitomo in Summit, increasing stake in Elgin Franklin and accessing K2 opportunity

APR 2022

Acquisition of Siccar Point Energy with material long-life reserves and flagship producing and development assets

NOV 2022

Listed on the London Stock Exchange (LSE)

SEP 2023

Announcement of FID in Rosebank Field, targeting first production in 2026/27

2024

APR

Announcement of Business Combination with Eni UK

MAY

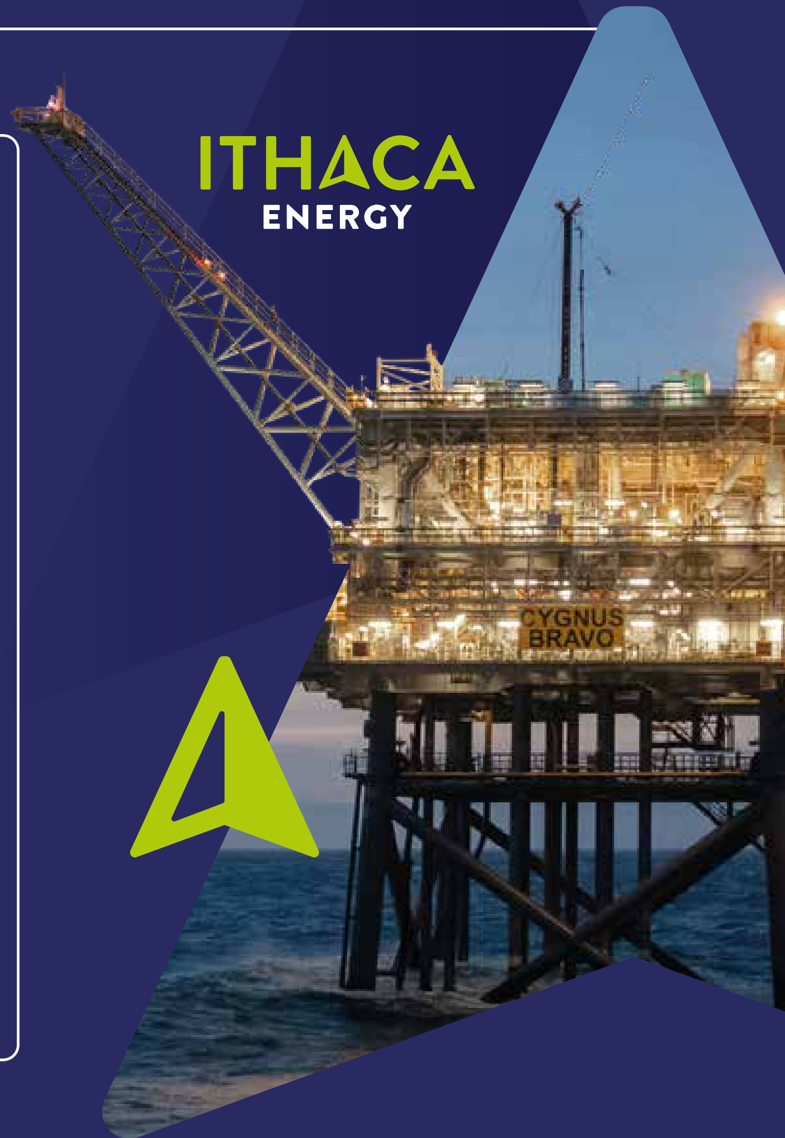
New leadership team announced, including Yaniv Friedman as Executive Chairman

OCT

Completion of Business Combination with Eni UK and appointment of Luciano Vasques as CEO

Pro-forma 2024 Production

105.5 kboe/d



...leading us into our Next Era of Growth.

Transformational Business Combination leading to growth

Our transformational Business Combination with Eni UK has strengthened Ithaca Energy's position as a dynamic, leading UKCS production and growth company focused on accelerating growth opportunities and future value creation.

With a proven track record for value-accretive M&A and a significant high-value, long-life resource base, our investment optionality has the ability to underpin material long-term organic growth, delivering the oil and gas essential for UK energy security while supporting the UK's decarbonisation targets and reducing the UK's reliance on high-emission imports.

Long-term supportive and complementary shareholders

Aligned partnership between Delek and Eni with a focus on delivering material growth and value creation.

As the Group enters its Next Era of growth, it is supported by committed long-term shareholders and an aligned partnership between Delek and Eni in support of Ithaca Energy's growth strategy.

By combining the agility of an independent with the capabilities of a Major, the Business Combination seeks to replicate the success and proven track record of material value creation of Delek's inorganic growth strategy and Eni's proven satellite model.

Delek Group

Focus on E&P and international expansion

- Deploying capital strategically to acquire assets internationally, bringing Delek's expertise to create value.

Development and optimisation of existing assets

- Strategic positions in the East Mediterranean, continuously developing operational expertise.

Successful investments and long-term shareholders in:

Ithaca Energy

NewMed Energy

Eni SpA

Lead value in the sector via near-field and infrastructure-led exploration

- Pursue distinctive dual exploration model and fast track developments to generate value.

Deliver value-accretive growth

- Organic and inorganic growth strategy focused on portfolio efficiency and value creation.

Successful investments and long-term shareholders in:

Vår Energi

Azule Energy

Diverse and high-value portfolio of scale

Post Combination, the enlarged Group is positioned as the largest resource holder in the UKCS and the second largest independent operator by production in the basin.

UKCS operations of material scale:
Our enlarged portfolio provides significant scale with 2024 pro forma production of 105.5 kboe/d (2023: 70.2 kboe/d), placing the Group as the second largest independent operator in the basin by production. In the final quarter, the Group's focus on operational efficiency and the successful start-up of the Talbot field supported peak production rates of up to 138 kboe/d.

Balanced and diversified portfolio:
By combining highly complimentary portfolios, Ithaca Energy has created a diverse and high-value portfolio of over 40 fields across the UKCS, including stakes in six of the ten largest UKCS fields. The enlarged portfolio, with its enhanced production diversification and no single asset contributing over 20% of total production, offers much higher resilience and stability while maintaining a balanced mix of oil and gas production.

Material long-life resource base providing organic growth potential:
We enter 2025 as the largest resource holder in the UKCS with the organic growth potential to become the largest producer in the UKCS by the early 2030s. The Group's material long-life 2P Reserves and 2C Resources of 657 mmboe (67% of which are liquids) (2023: 544 mmboe) provide signficant growth optionality and supports an attractive resource-to-production ratio of 17 years.

DIVERSIFIED PORTFOLIO

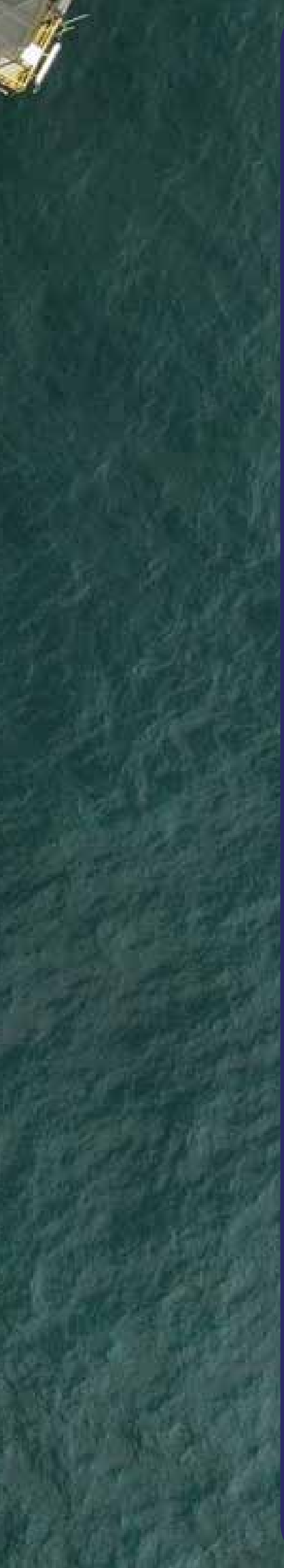
<20%

Single asset contribution to total production

RESOURCE-TO-PRODUCTION RATIO

17 years

"The Group's material long-life 2P Reserves and 2C Resources provide significant growth optionality and supports an attractive resource-to-production ratio."



Synergistic benefits of Business Combination immediately realised

Materially transformed business post completion with enhanced production and well-advanced integration process driving synergies.

Operating performance and reliability:
The Group's enhanced portfolio strength and diversification has supported a materially improved production performance and reliability. In Q4, our enlarged portfolio delivered average production of 116 kboe/d, reaching a peak of 138 kboe/d, with the strong production trend continuining into Q1 2025.

The high netback capability of the post Business Combination portfolio, is further demonstrated in our Q4 cost per barrel of $14.0/boe (2024: $22.1/boe).

Immediate near-term organic value creation:
The Group's increased stakes and asset additions in the J Area provided immediate access to near-term value creation catalysts across the value life-cyle. This included the immediate benefit of first production from the Talbot field in November, which added high-value barrels to the portfolio and successful exploration drilling at Jocelyn South. The discovery offers immediate upside potential with a short-cycle return period, with the field tied-back to existing facilities with first production achieved in March 2025.

Integration supports operating synergies:
The Group's significant integration experience and capabilities have supported a rapid and well-executed process, with integration streams well advanced, including:

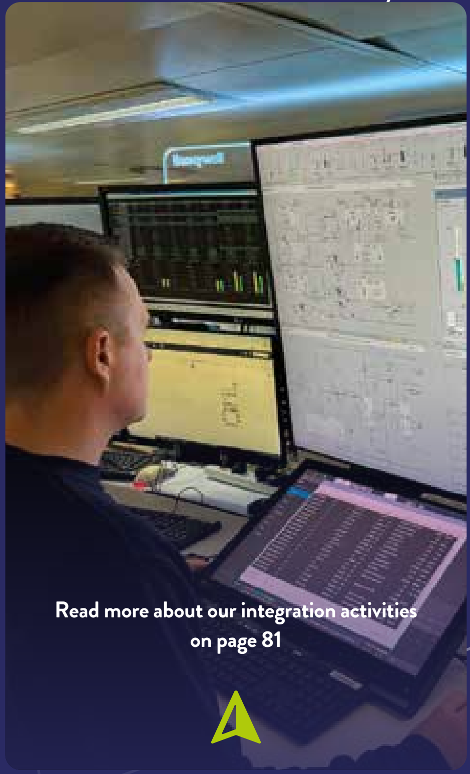
- Integration of all main IT systems and office relocations completed by January 2025
- Reorganisation and streamlining of organisation communicated to workforce and targeted for completion by 1 July 2025

Q4 AVERAGE PRODUCTION (KBOE/D)

116

Q4 OPEX PER BOE

~$14/boe



Read more about our integration activities on page 81

Financial firepower to support growth

Our ambitions are underpinned by a proven growth strategy and increased financial strength and flexibility.

The Group's transformational Business Combination has created a dynamic growth player with an enhanced strategic platform for value creation and the financial firepower to deliver our aspirations.

With significant organic and inorganic investment optionality, our proven strategy is centred on targeted value-led growth. Growth optionality includes continued investment in our high-quality resource base, further deal-based consolidation in the UKCS and a broadening of our M&A strategy internationally, all supportive of a pathway to Investment Grade status.

The Business Combination significantly enhances the Group's financial strength and flexibility, with the immediate financial synergies evident in the successful $2.25 billion refinancing completed shortly after deal close. This refinancing, along with a higher credit rating, provides strong foundations to deliver long-term growth and delivers immediate benefits including:

Provides material financial firepower:
Balance sheet strengthened by refinancing, lengthening the Group's debt maturity profile to 2029. $2.25bn RBL and Senior Notes refinanced (including $500m letters of credit), with further financial capacity provided by an uncommitted RBL accordion facility of >$700m, providing the potential for expansion of the facility as required through deal execution and additional unsecured letter of credit facilities of >$400m offering further capacity for decommissioning security postings.

Improved credit ratings supporting lower cost of borrowing:
The Group's improved credit ratings from B+/B1 to BB-/Ba, immediately following completion, has supported a lower cost of borrowing and progresses us on our pathway to Investment Grade status.

Low leverage position and significant liquidity:
With a low pro-forma leverage position of 0.45x, the Group's balance sheet offers significant available liquidity of over $1bn to support investment in growth.*

* Non GAAP measure

Delivering value creation for all our stakeholders

Through continued investment in our assets, our people and our communities, we aim to deliver sustainable value creation for all stakeholders.

Supporting our people and our partners:
We recognise that our people, supply chain and operating partners are critical to our future success. Our combination has created a scalable business with significant growth optionality. Realising these opportunities will require close collaboration with our supply chain and JV partners. For our people, this means new opportunities and the chance to be part of building something significant.

Responsible operator with ESG and decarbonisation focus:
With a focus on safe, responsible and efficient operations and investment in low carbon intensity assets, that will fundamentally transition the Group's portfolio over the medium to long-term, we strive to be a key contributor to UK energy security, supporting affordability while cutting associated emissions.

Delivering attractive and sustainable shareholder returns:
Our increased scale of operations, enhanced cash flows and disciplined capital allocation policy underpin our ambitions to maximise shareholder value. Having successfully delivered our 2024 dividend target, we remain committed to delivering material and sustainable shareholder returns with a 2025 dividend target of $500 million, highlighting the strength of our business.

"The Business Combination is truly transformational on many levels.

Put simply, it has created a dynamic growth player with significant organic and inorganic growth optionality and an enhanced platform to pursue our growth ambitions."

Yaniv Friedman
Executive Chairman

OUR PEOPLE	OUR RESOURCES
~800	657
Onshore and offshore employees	2P Reserves and 2C Resources (mmboe)

YANIV, A WARM WELCOME TO ITHACA ENERGY AND YOUR FIRST ANNUAL REPORT. YOU WERE APPOINTED AS EXECUTIVE CHAIRMAN IN JULY 2024. WHAT ATTRACTED YOU TO JOIN ITHACA ENERGY? CAN YOU SHARE A LITTLE ABOUT YOUR AMBITIONS FOR THE GROUP?

When I was approached about the Executive Chairman role at Ithaca Energy, my decision was straightforward. Yes, absolutely.

I had been following Ithaca Energy and its remarkable growth story, and having recently announced the Business Combination, the Group's future growth story was compelling. Aligning perfectly with my own aspirations. This is a company where I can add tangible value. With a strategy focused on both organic growth and M&A, my background and extensive experience, particularly in mergers and acquisitions within the energy sector, made the opportunity a great fit for me, and I believe, the Group.

My ambitions are big. Matching those of our shareholders. We have an extraordinary platform for growth and a team that can deliver. I'd like to see our business growing in size in the coming years and, while maintaining our heritage in the UK North Sea and growing it, my ambition is to operate in at least one international basin with the aim of achieving investment grade status, which will place Ithaca Energy as one of the leading global independents.

IT HAS BEEN A TRANSFORMATIONAL YEAR FOR THE GROUP, WITH THE COMPLETION OF THE BUSINESS COMBINATION WITH ENI UK, CAN YOU SHARE WHY THIS IS SUCH A SIGNIFICANT TRANSACTION FOR THE GROUP?

The Business Combination is truly transformational on many levels. Put simply, it has created a dynamic growth player with significant organic and inorganic growth optionality and an enhanced platform to pursue our growth ambitions.

A platform that will benefit from the agility of an independent, the capabilities of a major and the backing of its majority shareholders.

With the largest resource base in the UKCS, a diverse and highly cash generative portfolio, track record for value-accretive M&A, enhanced financial strength and strengthened executive and operational teams, the Group is well positioned to deliver material long-term growth and value creation for its shareholders.

WITH THE COMPLETION OF SUCH A MATERIAL TRANSACTION, ARE YOU STARTING TO REALISE TANGIBLE BENEFITS IMMEDIATELY?

Yes, within the week. Just six days after we announced the completion of the combination, we announced the launch of our Notes offering. This coincided with credit rating upgrades from the three major ratings agencies. And within two days of the launch, we announced the successful pricing of our senior notes offering and an upscaled RBL facility, representing a $2.25bn refinancing.

The successful refinancing provides us with material firepower for growth and is real evidence of the financial synergies we knew were possible when agreeing our combination with Eni UK. With significant investor demand for the senior notes in the market, and the notes offering vastly oversubscribed, the refinancing provides the immediate benefit of lowering our cost of capital, lengthening our debt maturity profile and increasing our financial flexibility.

A great start to our Business Combination. And a sign, I believe, of things to come.

THE GROUP HAS DEMONSTRATED SIGNIFICANT PROGRESS ACROSS ITS STRATEGIC PRIORITIES IN THE YEAR, CAN YOU TELL US MORE ABOUT THESE HIGHLIGHTS?

Putting the Business Combination aside, I am delighted with the Group's performance against our strategic priorities for the year. We have been disciplined in our allocation of capital. Investing across our portfolio in value-enhancing activities that will support our medium to long-term production outlook.

At Captain, we successfully delivered our Enhanced Oil Recovery (EOR) Phase II project, on time and within budget. Achieving this in an inflationary environment is an outstanding accomplishment. Following injection into the six new subsea polymer injection wells, we are now seeing the first enhanced oil response, which is exceeding expectations with water cuts reducing by over 10% in four producers. The remaining EOR patterns are on track to start responding through 2025 and 2026, and together with the 13th drilling campaign, supports a strong medium-term outlook for the field, with enhanced oil recovery accounting for almost half of the field's future remaining production.

Across the field's portfolio, we continue to advance pre-final investment decision projects that we believe have the potential to deliver significant organic value creation, including opportunities such as Fotla, Tornado, K2 and Cambo.

REFINANCING COMPLETED

$2.25bn

October 2024

CAPTAIN EOR PHASE II

2026

Peak production and polymer response

ROSEBANK PROJECT
2026/27
Targeted first production date

2024 DIVIDEND
$500m
Dividends declared for FY 2024

"We continue to see material opportunity in our home basin, with an eye on international expansion, providing a range of strategic options for growth."

STRATEGICALLY, 2024 WAS A SIGNIFICANT YEAR. HOW DID ITHACA ENERGY PERFORM FROM AN OPERATIONAL AND FINANCIAL PERSPECTIVE IN THE YEAR?

Operationally, we have had a strong year delivering combined production at the upper end of our guidance range, a testament to the Group's operating capabilities. Our enlarged portfolio delivered 2024 production of 80.2 kboe/d, taking into account production from the Eni assets only in the second half of the year. On a pro-forma basis we delivered production of 105.5 kboe/d in 2024.

With operational issues experienced across our non-operated joint venture (NOJV) portfolio in the earlier half of the year behind us, we delivered average production of 116 kboe/d in the final quarter, reaching peak production rates of 138 kboe/d. We closed the year with first production from the Talbot field and successful exploration drilling at Jocelyn South prospect, both in the J Area. These are great examples of the immediate benefits our combination has realised, offering near-term value creation opportunities at increased working interests.

From a financial standpoint, we reported adjusted EBITDAX of $1.4 billion (2023: $1.7 billion), representing a 18% reduction from 2023 due to the impact of lower realised gas commodity prices and reduced production in the 1H 2024, profit after tax for the year of $153.2 million (2023: $292.6 million) and Group cash flow from operations of $0.9 billion (2023: $1.3 billion). And I am pleased to share our material cash flow generation has supported material distributions to our shareholders, delivering on our 2024 dividend target, declaring dividends of $500 million for the year.

2024 REPRESENTED ANOTHER YEAR OF MATERIAL FISCAL AND REGULATORY CHANGE. HOW HAS THE GROUP NAVIGATED THESE UNCERTAINTIES, AND WHAT ARE YOUR THOUGHTS ON THE OUTCOME OF THE FISCAL REVIEW?

Let me begin by saying, I am pleased we now have clarity. Or at least in the medium-term. This allows us to make investment decisions with some level of certainty and certainty is critical for planning, capital allocation etc. For those longer-term production opportunities, we will continue to engage constructively with the UK government on the post-2030 regime before making material decisions. However, I firmly believe we will only see improvements to the existing regime as energy security and affordability come back under the spotlight.

While we still believe that the Energy Profits Levy will continue to have a detrimental impact on investment across the North Sea, we also believe it will create opportunity. Our aim is to be a consolidator in the basin, taking an agile response to market dislocation to deliver value-accretive M&A. This will allow us to build further scale in high-quality UKCS assets and support our long-term growth outlook.

WITH AN ENLARGED BUSINESS AND CLARITY ON THE FISCAL REGIME IN 2024, DO YOU FORESEE CHANGES TO THE GROUP'S STRATEGY?

Post Business Combination our strategy has evolved. We recognise the limitations of operating solely in one country. The uncertainty around the UKCS fiscal and regulatory regime has highlighted this and has brought international M&A into the frame. International expansion also acts as an important catalyst to achieving our ambition of reaching Investment Grade status through scale and diversification.

Following our Business Combination, we have a credible platform to pursue international M&A as an additional avenue for value creation. Where previously we lacked the scale and capabilities to make this a viable option, we can now rely on enhanced technical resources and capabilities and our increased financial strength, while leveraging the expertise of our shareholders to drive targeted and meaningful international growth.

THE GROUP CONTINUES TO DELIVER STRONG ORGANIC GROWTH FROM ITS PORTFOLIO. CAN YOU PROVIDE AN UPDATE ON THE ROSEBANK PROJECT AS A MATERIAL CATALYST FOR MEDIUM-TERM GROWTH?

The Rosebank project continues to make steady progress with work advancing in line with the multi-year development timeline towards expected first production in 2026/27. In July, the development achieved a key milestone, completing the major subsea campaign ahead of schedule with installation of all nine subsea structures on the seabed of the Rosebank field.

I was delighted to witness the significant progress being made on upgrading the Petrojarl Rosebank FPSO, currently docked in Dubai, during my recent visit to the shipyard in January. We also took the opportunity during this visit to build on the strong relationships we have formed with Equinor, as we work closely together to deliver this material project for the UK.

We welcomed the outcome of the judicial review, that allows the project to continue in its development phase while the partnership gets ready to apply for and obtain the new consent based on the expected new regulatory guidance expected to be published by the UK Government in Spring 2025.

Q WHAT IS THE OUTLOOK FOR ITHACA ENERGY FOR 2025 AND BEYOND? WHAT ARE YOUR TOP PRIORITIES FOR THE YEAR?

Our outlook for 2025 and beyond is very promising and ambitious, marking the beginning of our Next Era of growth.

The completion of our Business Combination has created an enhanced strategic platform for growth. With increased scale of operations, improved cash flows and available liquidity, and a disciplined capital allocation policy we have everything that is required to deliver against our continued growth aspirations while supporting sustainable shareholder returns. Following our material distributions to shareholders in 2024, we are again targeting dividends of $500 million for the financial year, reaffirming our 2025 dividend ambitions.

As I mentioned earlier, we now have sufficient fiscal certainty in the UK, in the medium-term, to shape our future strategy both in the UK and internationally. We continue to see material opportunity in our home basin, with an eye on international expansion, providing a range of strategic options for organic and inorganic growth. Our focus will continue to be on high-grading investment across our range of growth opportunities, executing in line with our strategy as a value-led investor, to maximise long-term sustainable shareholder value.

Yaniv Friedman
Executive Chairman

"My ambitions for the Group are clear and attainable.

To become the top performer in the UKCS sector and deliver material and value-accretive growth for the benefit of all our key stakeholders, including our employees and shareholders."

Luciano Vasques
Chief Executive Officer

LUCIANO, YOU WERE WELCOMED TO THE GROUP FOLLOWING THE COMBINATION WITH ENI UK. WHAT ATTRACTED YOU TO JOIN ITHACA ENERGY? CAN YOU SHARE A LITTLE ABOUT YOUR AMBITIONS FOR THE GROUP AS INCOMING CEO?

I am excited to have joined Ithaca Energy at what promises to be an exciting time for the Group as we seek to capitalise on the Group's recent Business Combination with Eni UK. With the coming together of our companies we have created a business of scale – not only scale in our portfolio, but scale in our opportunities.

On a personal level, I am thrilled to bring the experience, knowledge and business insight I was lucky to gain in over three decades with Eni, to my new role as CEO of an independent operator. By applying these valuable learnings in the most efficient and agile manner, we have the chance to create something truly remarkable as we embark on this exciting new chapter.

My ambitions for the Group are clear and attainable: to become the top performer in the UKCS sector and deliver material and value-accretive growth for the benefit of all our key stakeholders, including our employees and shareholders.

YOU HAVE RECENT HISTORY WITH THE ENI UK ASSETS HAVING OVERSEEN THE BUSINESS AS MANAGING DIRECTOR, WHAT ARE YOUR THOUGHTS ON THE COMBINED PORTFOLIO?

The combined portfolio is, in my opinion, one of the best in the UKCS, if not the best. We are blessed with six of the ten largest and best performing fields in the basin, stakes in the only two meaningful upcoming greenfield projects in the North Sea, Rosebank and Cambo, material brownfield opportunities and promising exploration opportunities that offer potential across the full asset life-cycle. In fact, our selective and high graded exploration portfolio has already delivered success since the Business Combination, with a discovery announced in December at the Group's Jocelyn South prospect, located in the J-Area.

Our enlarged portfolio offers significant scale, diversification and opportunity with pro-forma production of 105.5 kboe/d in 2024, a medium-term production outlook of above 100kboe/d, and significant 2P Reserves and 2C Resources of 657 mmboe. Put simply, if there is a company you want to be part of in terms of the asset base and resources available – this is it.

THE PORTFOLIO PROVIDES STABLE PRODUCTION OVER 100 KBOE/D FOR A NUMBER OF YEARS. CAN YOU SHARE A LITTLE ABOUT THE KEY CONTRIBUTING ASSETS TO THE MEDIUM-TERM OUTLOOK?

Diversification is a strong feature of our portfolio, with production well distributed across 38 producing fields, and no single asset contributing more than 20% of total production. This balanced distribution provides stability and supports our production outlook, acting as a robust safety net composed of multiple threads.

Across our high-value portfolio, we have been investing for growth. Our targeted investment in value-accretive, exploration, long-life field developments and asset extensions provides a solid foundation for our medium-term production outlook, highlighting the quality of our portfolio. Projects such as Rosebank, Captain EOR Phase II, the Captain 13th infill drilling campaign and near-field developments and infill drilling at J-Area, Elgin Franklin and Cygnus ensure stable production above 100 kboe/d for the next five years. Additionally, we have significant optionality and upside from greenfield and brownfield projects like Tornado and Fotla, which offer high-return potential.

THE GROUP EXPERIENCED SOME OPERATIONAL ISSUES WITHIN ITS NOJV PORTFOLIO AND NOJV INFRASTRUCTURE IN THE YEAR. ARE THESE ISSUES BEHIND YOU?

Yes, I am pleased to report the issues experienced at Schiehallion, Pierce, Jade and Erskine's host facility during H1 have been resolved and are now behind us.

Reflecting on this period, we can draw several positives. Both Ithaca Energy and our operated partners responded promptly, implementing recovery plans swiftly. This responsiveness is evident in our Q4 production volumes, with an average production rate of 116 kboe/d and the achievement of a peak production rate reaching 138 kboe/d.

HOW WILL THE COMPANY ADDRESS PRODUCTION OPTIMISATION ACROSS ITS OPERATED AND NON-OPERATED ASSETS IN 2025?

As a sector, I believe we have a great deal of opportunity to improve. While the UK is a mature operating basin which comes with its challenges, my international experience suggests that we should aim for higher efficiency rates in the UKCS than we are currently achieving.

Throughout my career, I have been intensely focused on identifying and implementing efficiency opportunities using a scientific approach, supported by emerging technologies. Today, we are able to apply the same methodologies, leveraging Eni's shared technical expertise and resources to enhance production efficiency operations. By monitoring and measuring areas with higher frequencies of downtime, we aim to prioritise predictive activities and maintenance that minimise both the frequency and duration of operational disruptions helping to improve our overall efficiency rates.

Across our non-operated joint venture portfolio, I am a strong believer in the power of collaboration. When operators recognise the value of constructive engagement, we have seen the benefits of offering recommendations, suggestions, and studies as active participants, often influencing the final outcome to maximise the value of the assets.

THE ENLARGED BUSINESS HAS WELCOMED A REFRESHED LEADERSHIP TEAM, TELL ME A LITTLE ABOUT THE STRENGTHS OF THE TEAM AND YOUR ASPIRATIONS FOR THEM?

I am thrilled to be working with our newly established Leadership Team, which brings together high-calibre, accomplished leaders from Ithaca Energy and Eni UK, and Eni Energy UK to form a refreshed Leadership Team that will lead us into our next phase of growth.

By uniting a diverse group of leaders from these organisations, I am confident that we will capture the best practices and ways of working from all three, setting us up for success while also building our own unique culture.

The Executive Leadership Team consists of individuals at the pinnacle of their careers and the top of their respective fields, creating a highly capable and experienced team in which I have full confidence. But perhaps, what sets our team apart is their collective ambition and enthusiasm for what we can achieve together. My aspiration for them is to fulfil this natural ambition, deliver collectively as a team to maximise value, and create something meaningful.

WHY IS ITHACA ENERGY'S CULTURE IMPORTANT TO YOU? AND HOW DO YOU SHAPE THIS IN A POSITIVE MANNER DURING TIMES OF CHANGE?

Any company's success is driven by its people, their spirit, and the culture they collectively create. It's not just important; it's fundamental. Our people and culture are the engine that drives our targets and results; at Ithaca Energy we are well aware of that and are able to invest in this power.

That means to listen to everyone's contributions, embrace diversity, and ensure everyone feels valued and integral to our success. This is especially important during times of change. We continue to prioritise communicating with integrity and openness to build trust and strengthen relationships as we work towards achieving our collective vision for the Group.

I believe that when people feel valued, supported, and free to fly, we can achieve extraordinary results together.

AS PART OF THE NEW COMBINED BUSINESS YOU'RE LOOKING TO REFRESH THE GROUP'S VISION AND VALUES. CAN YOU TELL ME A LITTLE ABOUT THIS?

As we embark on this new era for the Group, I believe that it is crucial that we all feel part of the same journey and embrace the values that will guide us to our future success. This makes refreshing the vision and values, which provide the foundations for our culture and our way of working, an important next step as we integrate our businesses. We aim to roll out our refreshed values in July.

Our refreshed values must continue to reflect the agility, ambition, integrity, and strength of our newly combined business, with the fundamentals of our current values still at the heart of what guides us.

MEDIUM-TERM PRODUCTION OUTLOOK

>100

KBOE/D

PEAK PRODUCTION RATE ACHIEVED IN 2024

138

KBOE/D

Introducing our refreshed Leadership Team

Positioning Ithaca Energy with the leadership and operating capability for its next phase of transformational growth.

Today, our refreshed Leadership Team, strengthened and augmented following the Business Combination, embodies the ambition, experience, and operational rigour necessary to deliver our next phase of transformational growth.

Together, our management and workforce bring a wealth of experience and a proven track record of safe operations, growth, and value creation. Their expertise, coupled with a focus on building the most effective and agile organisation that adopts the best practices from each company, will be crtitical to our future success.

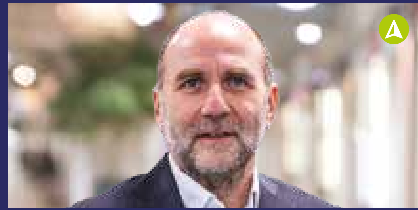
The Group's organisational capabilities are further enhanced through the access to Eni's deep operational and technical capabilities via its Technical Services Agreement. As we look to expand our operating footprint beyond the UK, these capabilities will be invaluable.

"Any company's success is driven by its people, their spirit and the culture they collectively create. It's not just important, its fundamental."

EXECUTIVE BOARD DIRECTORS

Yaniv Friedman
Executive Chairman

With significant executive, strategic, M&A and public market experience in the energy sector, Yaniv's focus is on delivering the Group's strategic priorities and is the driving force behind the Group's inorganic growth ambitions to support long-term growth and value creation.



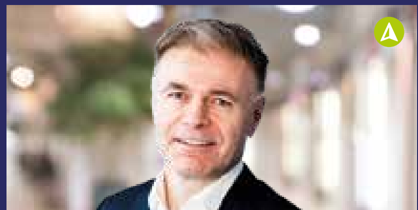
Luciano Vasques
Chief Executive Officer

Following completion of the Business Combination, Luciano stepped into the role of CEO, as Eni's nominated director. Luciano brings over 30 years of energy, executive and operational experience to lead the Group into its next phase of growth.

Iain Lewis
Chief Financial Officer

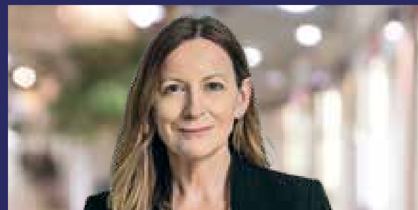
Having led the Group as Interim CEO during most of 2024, Iain steps back into his role as CFO, ensuring continued financial discipline and focus on the Group's capital allocation policy to support growth and sustainable shareholder returns.

LEADERSHIP TEAM



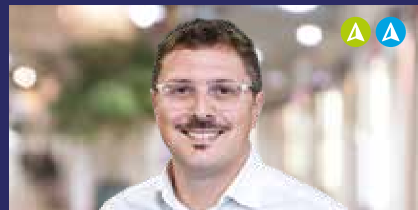
Odin Estensen
Chief Operating Officer

Bringing a wealth of operating experience, Odin is focused on delivering operational excellence and rigour across our portfolio while supporting safe and responsible operations.



Julie McAteer
General Counsel and Co Sec

Offering extensive experience, Julie is responsible for all legal, compliance and governance matters while also overseeing People and Culture, guiding the Group through its integration activities.



Michele Lucifora
EVP Technical

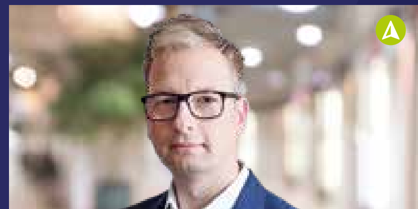
Leading the technical services of Ithaca Energy including wells, subsurface, projects and supply chain, Michele offers significant experience in delivering projects and operations globally for Eni.

Alessandro Barberis
EVP Exploration

Leading our exploration strategy with a focus on infrastructure-led exploration to unlock future value potential. Over 30 years of experience.

Simon Taylor
EVP Health, Safety and Environment

Ensuring the delivery of safe and responsible operations, as the Group's number one priority. Leading the Group's decarbonisation strategy.



Ross Mitchell
EVP Business Development & Commercial

Executing our M&A strategy to deliver material long-term value creation and growth for our shareholders.

New appointees   Eni Secondees

2024 – A story of transformational growth

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

The Combination has established Ithaca Energy as a dynamic growth player with the single largest resource base in the UKCS and the underlying un-risked growth potential to become the largest producer in the basin by 2030. Through our Combination and the Group's ongoing investment in key long-life assets, we have materially grown our 2P Reserves and 2C Resources base to 657 mmboe as at 31 December 2024 (2023: 544 mmboe).

A proven strategy and enhanced platform supports 'Next Era' of growth

As we enter our Next Era of growth, we do so with a proven strategy and an enhanced platform for organic and inorganic value creation, drawing on the agility of an independent, the capabilities of a Major and the support of its committed majority shareholders.

Leveraging our enhanced operational and technical capabilities, we aim to be the highest-performing operator in the basin, focused on sustaining production and optimising performance to support our short to medium-term production outlook and investing in our material organic resource base to generate long-term sustainable growth and value creation.

With a proven track record for value-accretive M&A, the Group is well positioned to play a pivotal role in further North Sea consolidation, taking an agile response to continued market dislocation, while expanding its inorganic growth strategy internationally. We remain confident that material opportunity for consolidation exists in the Group's core UKCS market, with the potential for basin exits and portfolio rationalisation as a result of UK fiscal policy. Capitalising on our agility and operational robustness, we are in an ideal position to extract even further value from these opportunities.

By augmenting our proven track record for M&A with our shareholder's global credentials and relationships, Ithaca Energy now has a credible platform to broaden its M&A strategy internationally, establishing an additional option for value creation. The Group will take a disciplined and targeted approach to its international expansion strategy, focusing on investing in regions that offer the potential for scale, further M&A opportunities, and stable fiscal regimes.

With significant organic and inorganic investment optionality, the Group's focus remains on being a disciplined, value-driven investor, targeting growth opportunities that maximise value creation for our shareholders.

Material delivery across all strategic pillars in 2024

During the year, the Group has continued to prioritise targeted investment in high-quality assets across its diverse UK North Sea portfolio.

SAFETY

ZERO

Serious incident and fatalities frequency (SIF-F)

PRO FORMA 2024 DAILY PRODUCTION

105.5 KBOE/D

across 38 fields

The Rosebank project, in its first full year of construction activity, continued to make solid progress against its multi-year development timeline towards first production in 2026/27, delivering against the Group's strategy to invest in long-life, low carbon intensity assets supporting long-term production growth. The development achieved a key milestone in July, completing the first major subsea campaign ahead of schedule with installation of all planned structures on the seabed of the field. The Petrojarl Rosebank FPSO engineering and modification scopes continue to progress and remain critical to delivering on the targeted first production date.

The Rosebank JV partnership welcomed the court ruling in relation to the Rosebank Judicial Review in January 2025. The ruling allows the project to continue in its development phase while the partnership gets ready to apply for and obtain the new consent based on the expected new regulatory guidance. We will continue to support Equinor (Operator) as we work closely with the Regulators and Department for Energy Security and Net Zero (DESNZ) to progress the Rosebank project, including submitting a downstream end user combustion emissions (Scope 3) assessment in full compliance with the Government's new environmental guidance, which is targeted to be published in spring 2025.

The Group is progressing its pre-FID projects including Cambo, Fotla, Tornado and K2 by implementing a fast-track approach in project maturation and delivery. Following the Business Combination and the Autumn review of the UK Government's fiscal strategy, we have revitalised the Cambo project, looking to further enhance the technical and operational features of the project, leveraging the experience of our shareholders. In the second half of the year, the Group completed its development concept selection for Fotla, in support of a FID for the tie-back opportunity.

Farm-down processes remain live for Cambo and Fotla with the processes experiencing a temporary pause as the industry awaited the outcome of the new Labour Government's fiscal and regulatory review. The Group has made representations to the North Sea Transition Authority (NSTA) to remove the licence milestone in relation to achieving a farm-down prior to 31 March 2025, to reflect the Group's enhanced strength following the Business Combination with Eni UK, and to grant an extension of the Cambo licence to 30 September 2027 from 31 March 2026. Engagement with the NSTA in relation to this matter remains ongoing.

The successful completion of the EOR Phase II project, on schedule and within budget, at the Group's flagship Captain field, represented a significant milestone in 2024. The multi-year project builds on the success of the platform-based EOR Phase I project, with an expansion to the subsea area of the field. With first polymer injection in the subsea wells achieved in May 2024, the field is already experiencing its first enhanced oil response, which is exceeding expectations with water cuts reducing by over 10% in four producers and increasing oil production by over 2,500 kboe/d relative to the business plan. The phased response of EOR patterns through 2025 and 2026, together with the 13th drilling campaign, that extends over a two-year duration and targets four new production wells, a pilot well and the workover of two wells, supports Captain's life extension and a strong medium-term production outlook.

In parallel, the Captain asset is focused on delivering stronger levels of uptime performance with a flotel secured for a six-month period in support of optimisation projects and backlog reduction with an additional 150 Person on Board (POB) capacity reflecting the scale of ongoing activity at the field.

Across the Group's operated portfolio, a successful well workover reinstated the fifth production well at the Erskine field and following scheduled turnaround activity and remediation of compressor issues at the host Lomond field, the field returned to full production in the second half of the year.

The benefits of our Business Combination became immediately evident as the Group's increased non-operated stakes and asset additions in the J Area unlocked near-term value catalysts. In the final quarter, we commenced first production from the Talbot field, adding high-value barrels to the portfolio. In addition, the partnership enjoyed exploration success at Jocelyn South, offering near-term high-value production potential with the field tied back to existing facilities with first production achieved in March 2025, aligning with our strategy to invest in high-return tie-back opportunities close to existing infrastructure to maximise reserve recovery.

FIRST EOR PHASE II POLYMER INJECTION (KBOE/D)

2,500

Increased EOR II oil production against business plan

COMBINED EMISSION INTENSITY

23.9

$kgCO_2e/boe$ (gross operated emissions intensity)

"During the year, the Group has continued to prioritise targeted investment in high-quality assets across its diverse UK North Sea portfolio."

> "The Group is proud to report that it continued to deliver a positive trend in its safety performance in 2024, with zero Tier 1 and Tier 2 process safety events recorded in the year."

TIER 1 AND TIER 2 PROCESS SAFETY EVENTS

ZERO

Strong operational delivery against 2024 guidance with improved safety record

The Group is proud to report that it continued to deliver a positive trend in its safety performance in 2024, with zero Tier 1 and Tier 2 process safety events recorded in the year (2023: recorded one Tier 1 event, 2022: recorded two Tier 2 events) and a 30% improvement in our Total Recordable Injury Rate, reducing from 3.31 in 2023 to 2.30 per million hours worked in 2024 (2022: 3.38). In recognition of the need for continued improvement across major accident prevention we continue to focus on embedding our process safety fundamentals (supporting greater visibility of our major accident hazard risks), process safety KPIs and the use of our barrier model.

The Group recorded strong operational performance in the final quarter of the year with the enlarged group achieving average production of 116 kboe/d in Q4, reaching peak production rates in the period of 138 kboe/d. A strong final quarter, with all operational issues across our non-operated joint venture (NOJV) portfolio and non-operated infrastructure substantially resolved, supported average 2024 production of 80.2 kboe/d (including six months production from the Eni UK assets reflecting an economic effective date for the combination of 1 July 2024). Improved performance in Q4, allowed the Group to close the year towards the upper end of its revised production guidance range of 76-81 kboe/d for the enlarged Group. Production was split 60% liquids and 40% gas with the Group's operated assets accounting for 43% of total 2024 production. On a full year pro-forma basis, the enlarged portfolio achieved average 2024 production of 105.5 kboe/d (2023: 70.2 kboe/d).

Adjusted net operating costs in 2024 from the effective economic date of 1 July 2024 of $649 million (including six months of ENI UK related operating costs) (2023: $524 million), representing an adjusted net unit opex cost from the effective economic date of 1 July 2024 of $22.1/boe (2023: $20.5/boe), came in marginally below management guidance of $650 million to $730 million for the enlarged Group. Our aim is to maintain opex per boe in the low $20s to deliver high net back production, that remains resilient in all commodity environments.

Total net producing asset capital expenditure (excluding decommissioning) of $448 million (including six months of ENI UK capital costs) (2023: $393 million), came in at the mid-point of the Group's management guidance range of $410 million to $480 million. Net capital expenditure on the progression of the Rosebank development totalled $198 million, compared to management guidance of $170 million to $195 million reflecting the material scopes of project activity completed in the year in line with the multi-year development timeline.

Group cash tax paid in the year of $351 million was below the Group's management guidance range of $390 million to $410 million due primarily to cash tax payments made by the acquired Eni UK business prior to the economic effective date of the Business Combination that will be offset in the final deal working capital settlement. The significant majority of tax payments related to the Energy Profits Levy, including all of the Ithaca Energy legacy business cash tax payments.

Creating an optimised organisation to drive our next phase of growth

In the first half of the year, and in preparation for the Combination, the Group made several changes to its Board of Directors and Executive Management team to enhance its leadership and operational capabilities. These appointments, including a new Executive Chairman, Chief Executive Officer and Chief Operating Officer, reflect the Group's growth ambitions and the operational expertise and rigour required to deliver its next phase of growth. Post completion, the Leadership Team was further augmented by new senior leaders, bringing together a diverse range of experiences and backgrounds, reflecting both our agility and strength.

Having completed the Combination in October 2024, integration activities are now well-advanced, recognising the significant benefits a swift and well-executed integration process provides. The respective workforces of Ithaca Energy and Eni UK have been consolidated into two main offices, primarily at our Aberdeen headquarters, with the migration of all main IT systems completed in early January. The Group has initiated a restructuring process aimed at creating an optimised organisation to support its next phase of growth. The restructuring exercise is expected to impact a small portion of our workforce, with the intention to complete this process by 1 July 2025.

Responsible operator

Our commitment to ESG serves as our licence to operate. We balance the need to supply reliable long-term hydrocarbons, critical to delivering domestic energy security and affordability for the end user, with the necessity to lower our emissions footprint, while doing so safely, creating value for our people, shareholders, partners and communities. With a clear focus and commitment to value-led decarbonisation, we have embedded a strong ESG mindset across our operations. Our ambitions are supported by a well-defined ESG strategy to acquire assets that benefit the emissions profile of our portfolio, invest in low emission intensity assets that have the ability to materially transition our portfolio in the long-term, and deliver meaningful optimisation activities across our current portfolio in the short-term that are economically viable.

Through the addition of Eni UK assets, we have lowered the Greenhouse Gas (GHG) emission intensity of our operated portfolio, bringing our gross operated emissions intensity to 23.9 kgCO$_2$e/boe from 25.0 kgCO$_2$e/boe in 2023 and an exit rate below 20 kgCO$_2$e/boe reflecting the full benefit of the Business Combination to our emissions profile. Whilst our gross operated absolute Scope 1 and 2 emissions have increased to 448,190 tCO$_2$e in 2024 (2023: 435,792 tCO$_2$e), reflecting a greater number of contributing assets, the carbon intensity of our operated portfolio has been reduced.

Since 2020, we have held a target of 25% emissions reduction by 2025 from our 2019 levels, on a gross operated basis. This was an industry leading ambition, set before the NSTD was signed, to drive emissions reduction and a GHG conscience in the business. This target has led to a significant reduction from our 2019 baseline and the initiation of several meaningful emission reduction projects, reducing our Scope 1 operated emissions by 23% between 2019 and 2023.

The Group has changed significantly since 2020, including our recent Business Combination with Eni UK in 2024. As a result of portfolio changes, the target no longer has the same impact and benefit as it once did and is not representative of where we are today. The Group now operates the Cygnus field and considerable increased non-operated production, therefore it is more representative for us to track and report on net equity emissions reduction, in alignment with the UK government through the NSTD. As we enter 2025, we have retired our original target and now focus on a net equity absolute emissions target of 25% reduction from 2018 levels by 2027, as set out by the NSTD. In 2024, we re-baselined our Scope 1 absolute emissions and emissions intensity to include the combined business portfolio as it was in 2018. This allows us to track progress towards the targets outlined above. In 2024, our net equity emissions intensity was 20.7 kgCO$_2$e/boe. From 2025, we will report on percentage change from the baseline year, 2018.

Our enlarged portfolio benefits from low intensity assets such as Cygnus and Seagull. As the single largest producing gas field in the UK, Cygnus is a key contributor to UK energy security operating as a low intensity asset, emitting approx. 7 kgCO$_2$e/boe, meaningfully below the current UK average of 24 kgCO$_2$e/boe and significantly below the average emission intensity of importing LNG at 79 kgCO$_2$e/boe.

Across our portfolio, we continued to make material progress with notable emissions reduction projects completed at FPF-1 (single train operation), Alba (gas compressor) and Cygnus (TEG system) and ongoing progress made to deliver flare gas recovery projects at Captain and Cygnus and pump replacement projects and export compressor projects at Captain in the year.

Work on the Captain electrification FEED study was completed in the second half of the year, however continued fiscal and regulatory uncertainty in the year meant that the project did not mature to a final investment decision in 2024. Work continues to be progressed to support the project, however the project risks, increasing abatement costs and continued coupling of the decarbonisation allowance to the Energy Profits Levy regime creates significant economic uncertainty to the project. The Board will determine in 2025 if there is sufficient certainty on the availability of allowances to determine investment viability, with the project also competing for capital across our portfolio.

2024 ADJUSTED EBITDAX

$1.4bn

PRO FORMA LEVERAGE RATIO

0.45x

Adjusted net debt to adjusted EBITDAX

Enhanced financial firepower supports growth ambitions and material shareholder returns

We remain disciplined in our capital allocation priorities, investing to **sustain** our base production, **protecting** our financial position through maintaining a low leverage position, proactively hedging and optimising our tax positions and delivering material **returns** to shareholders, while retaining the financial flexibility to **evolve** our business through investing in organic and inorganic growth opportunities.

Maintaining a robust Balance Sheet, with significant available liquidity and financial flexibility remains of critical importance to the Group as we continue to pursue our growth aspirations. Our recent Business Combination with Eni UK has strengthened the Group's financial position, with increased scale and diversification and the addition of Eni UK's unlevered asset creating additional debt capacity.

The immediate benefits of the Combination were reflected in the Group's successful $2.25 billion refinancing and credit rating upgrades. The refinancing, including $750 million Senior Notes and $1.5 billion amended and restated floating rate Reserve Based Lending (RBL), including $500 million letters of credit facility, has been further enhanced by a RBL accordion facility of over $700 million and a new $400 million unsecured letter of credit facility secured in November.

The successful refinancing has unlocked significant financial synergies, including lengthening the Group's debt maturity profile, reducing the Group's cost of capital and increasing the Group's liquidity position. With a low pro forma 2024 leverage position of 0.45x (2023: 0.33x) and a robust available liquidity position of over $1 billion at 31 December 2024 (2023: $1 billion), the Group has material financial firepower and flexibility to support further investment in growth.

The Group's net current liability position has increased from $226 million at 31 December 2023 to $462 million at 31 December 2024, largely as a result of the deferred consideration payable on the business combination. The Group expects that the net current liability position will be addressed through a combination of operating cash flows, available liquidity and the realisation of out-of-the-money commodity hedges.

Once again, the importance of our robust hedging policy has been highlighted in the year, recording $135 million of hedging gains. The Group's pro-active approach to hedging recognises the importance of balancing upside exposure to commodity prices while managing downside protection of our cash flows, protecting shareholder returns. The Group has generated over $400 million of hedging gains in respect of financial years 2023 and 2024, the equivalent of our 2023 dividend of $400 million. Following a material build to our hedge book post completion of our Business Combination, the Group ended the year with a hedged position of 21.65 million barrels of oil equivalent (mmboe) (25% oil) from 2025 into 2026 at an average price floor of $77/bbl and average ceiling of $85/bbl for oil and an average price floor of 88p/therm and average collar ceiling of 102p/therm and average wide cost collar ceiling of 132p/therm for gas.

The Group's cash flows continue to be protected by our tax efficient structure, supplemented by the Business Combination, with a material ring fence corporate tax and supplementary charge tax loss position of $5.4 billion and $4.7 billion respectively at year-end. The current tax charge for 2024, representing mainly Energy Profits Levy (EPL) of circa $210 million is payable in October 2025. In addition, following the further amendments to the EPL regime in October 2024, that included a rate increase to 38% and the removal of EPL Investment Allowances, the Group incurred a tax charge of $58 million. Profit after tax for the year of $153.2 million (2023: $292.6 million), was further impacted by a $263.0 million (2023: 557.9 million) pre-tax impairment charge, post-tax $102.7 million (2023: $154.0 million), principally in relation to the Greater Stella Area and Pierce. Profit for the year was lower than 2023 principally due to a higher tax charge in 2024 due to the enactment of the increase in EPL from 35% to 38% and a reduction in Ring Fenced Expenditure Supplement due to some Group tax loss positions reaching their claim limit in 2023.

In 2024, our enlarged portfolio delivered adjusted EBITDAX of $1.4 billion (2023: $1.7 billion), representing contributions from Eni UK assets from the completion date of 3 October onwards. 2024 adjusted EBITDAX was impacted by lower production volumes and realised prices in comparison to 2023.

EBITDAX performance of $646.5 million in the final quarter, reflects the truly transformational nature of our Combination, when compared to the previous quarter EBITDAX of $225.5 million. In fact, Q4 2024 represents the highest quarterly EBITDAX performance since the Group's listing in November 2022, during a significantly more advantageous commodity price environment.

Our robust operating cash flow generation in the year of $0.9bn (2023: $1.3bn), supported material shareholder distributions in line with the Group's capital allocation policy, returning a total of $433 million to shareholders during the year, $300 million declared in relation to Financial Year 2024. The Board has today declared an interim dividend of $200 million in respect of the 2024 financial year to be paid in April 2025, bringing our total 2024 dividend declared to $500 million. Since our IPO in November 2022, we have built a strong track record of delivering material returns to shareholders with $900 million declared dividends and returned to shareholders in respect of 2023 and 2024 calendar years.

Outlook

We enter 2025 in a position of greater strength, strategically, operationally and financially. The transformational Business Combination with Eni UK has solidified Ithaca Energy's position as a leading UKCS operator and highlights our ongoing commitment to value-driven growth.

With a portfolio of scale, balance and optionality and material financial firepower, following the Group's successful refinancing, the Group has an enhanced strategic platform to unlock both organic and inorganic growth through the execution of our strategy. Our focus remains on high-grading investment in our diverse range of growth opportunities to maximise sustainable shareholder value.

Management provides the following guidance for the year, inclusive of the acquisition of Japex UK E&P Limited (announced 25 March), assuming a completion date of the transaction of 30 June 2025, and medium-term outlook:

Our 2025 production guidance of 105-115 kboe/d reflects a full year's contribution from the enlarged portfolio and increasing production from the Captain field as we begin to see the early benefits of our Captain EOR Phase II project. Beyond 2025, the Group expects to maintain production above 100 kboe/d in the medium-term from its existing producing asset base and the start-up of the Rosebank development.

Our operating cost guidance for 2025 of $770-850 million reflects high netback capability of enlarged portfolio with opex/boe estimated to reduce. We expect to maintain a relatively flat unit operating cost per barrel in the low $20/boe range in the short to medium-term, reflecting our stringent focus on cost control.

Our producing asset capital cost guidance of $560-620 million (excluding capital investment for projects awaiting Final Investment Decision and Rosebank), reflects our continued high levels of activity at Captain, J-Area, Elgin Franklin and Cygnus in support of sustaining our medium-term outlook.

Rosebank development to be in the range of $190-230 million reflecting significant project activity in line with the multi-year development timeline.

Estimated 2025 cash tax payments of $235-265 million, primarily related to EPL.

The Group continues to proactively hedge in the first quarter of the year, securing attractive gas hedge positions during a period of escalating prices with a hedged position of 32.1 million barrels of oil equivalent (mmboe) (29% oil) from 2025 into 2027 at an average price floor of $75/bbl, and average collar ceiling of $82/bbl, and average wide cost collar ceiling of $91/bbl for oil, and an average price floor of 90p/therm and average collar ceiling of 104p/therm and average wide cost collar ceiling of 133p/therm for gas as at 20 March 2025.

The Group retains its target for 2025 dividends of $500 million, in line with our capital allocation policy of 15 – 30% post-tax cash flow from operations (CFFO), and our commitment to distributing 30% post-tax CFFO in 2025.

Strong cash flow generation over the next five years (2025 to 2029) with a potential for over $9bn of total pre-tax cash flow from operations from 2P Reserves at $80/bbl and 85p/therm.

Market review

Stimulating investment in the UKCS is key to meeting the UK Government's energy security and Net Zero objectives

Ithaca Energy welcomes the certainty on UKCS fiscal policy in the medium-term and will continue to actively engage with the UK government in relation to fiscal and regulatory policy reviews launched in the first quarter of 2025. We fundamentally believe that investing in our domestic energy resources provides significant benefits to the UK, supporting 200,000 highly-skilled jobs, providing secure and reliable energy, supporting affordability to consumers across the UK, while delivering a just transition and supporting the UK economy.

As we navigate the changes in the UK fiscal and regulatory back drop, we believe that these change will stimulate further consolidation trends in the North Sea, creating opportunities for further value-accretive M&A in our core UKCS basin.

1 **Energy security and decarbonisation**
The UK is faced with an energy quadrilemma with pace of investment in alternative energy sources slowing

2 **Fiscal and regulatory environment**
Fiscal certainty in medium-term welcomed with attention moving to the long-term regime and regulatory environment

3 **M&A trends**
A focus on scale continues to drive consolidation plays in the sector, with opportunity for further consolidation in UKCS

4 **Commodity prices**
Continued commodity price volatility with softening in oil prices

Energy security and decarbonisation

The UK is faced with an energy quadrilemma

Labour's appointment to government in 2024 has seen a shift in focus towards creating a 'Green Economy'. Under the leadership of Prime Minister Sir Keir Starmer, Labour introduced a series of policies aimed at changing the UK's energy landscape and accelerating the transition to a low-carbon economy. The appointment of Ed Miliband as the Secretary of State for Energy Security and Net Zero, brought a strong focus on climate action and energy reform supporting Labour's vision of making the UK a "clean energy superpower".

Energy quadrilemma – Security and reliability

Research from industry consultancy, Cornwall Insights, states that the UK is on track to miss its 2030 clean power targets. Despite notable wind and solar build out, the UK still needs to keep a significant amount of dispatchable firm capacity (e.g. gas) to ensure peak demand is always met when intermittent generation is not available. At the beginning of 2025, during a period of bitterly cold temperatures and lack of wind power generation, the UK became perilously close to facing blackouts, highlighting concerns for the reliability of our energy system.

Energy quadrilemma – Accessibility and affordability

UK energy production reached a record low in the third quarter of 2024. Consequently, the UK is now importing over 40% of its energy needs from overseas with £20bn worth of oil and gas imported in 2023/24 from Norway alone. This reliance has resulted in UK energy prices being more than double those in the US and higher than many European countries.

Energy quadrilemma – Sustainability

The Climate Change Committee's Balanced Pathway to Net Zero projects that the UK will use 15 billion barrels of oil and gas over the next 25 years. However, the North Sea Transition Authority's latest forecast suggests that, at the current rate, the UK will produce less than 4 billion barrels, covering less than a third of the anticipated demand.

This growing reliance on imports weakens our energy security, raises costs for consumers, makes us more vulnerable to supply disruptions and global geopolitical events and instead of delivering emissions reductions from domestic production merely outsources the UK's emissions. A recent report prepared by Gneiss Energy on UK Gas Policy highlighted this fact stating "Imported LNG has an estimated 79kg CO_2/boe by the time it reaches the UK point of consumption. Liquefaction requires energy, transportation requires energy, regasification requires energy, and these processes also have associated waste". In contrast, the UK average emissions intensity is 24kg CO_2/boe across all assets.

Energy quadrilemma – Economic viability of investment

Investment in alternative energies has slowed in pace across the sector, with a number of notable strategic announcements from bp, Equinor and others in recent months. Following a review of strategic priorities these companies have opted to increase their investment in traditional oil and gas while reducing investment across other energy sources. This move responds to investors' calls to ensure the economic viability of these investments to protect shareholder returns.

Our response:

The UK government continues to support the UK oil and gas sector, while the world still requires fossil fuels until a well-managed transition is possible. We continue to engage constructively with the UK Government, alongside our industry peers to highlight the significant issues current energy policies are creating to the attainment of the UK's energy security, affordability and decarbonisation targets.

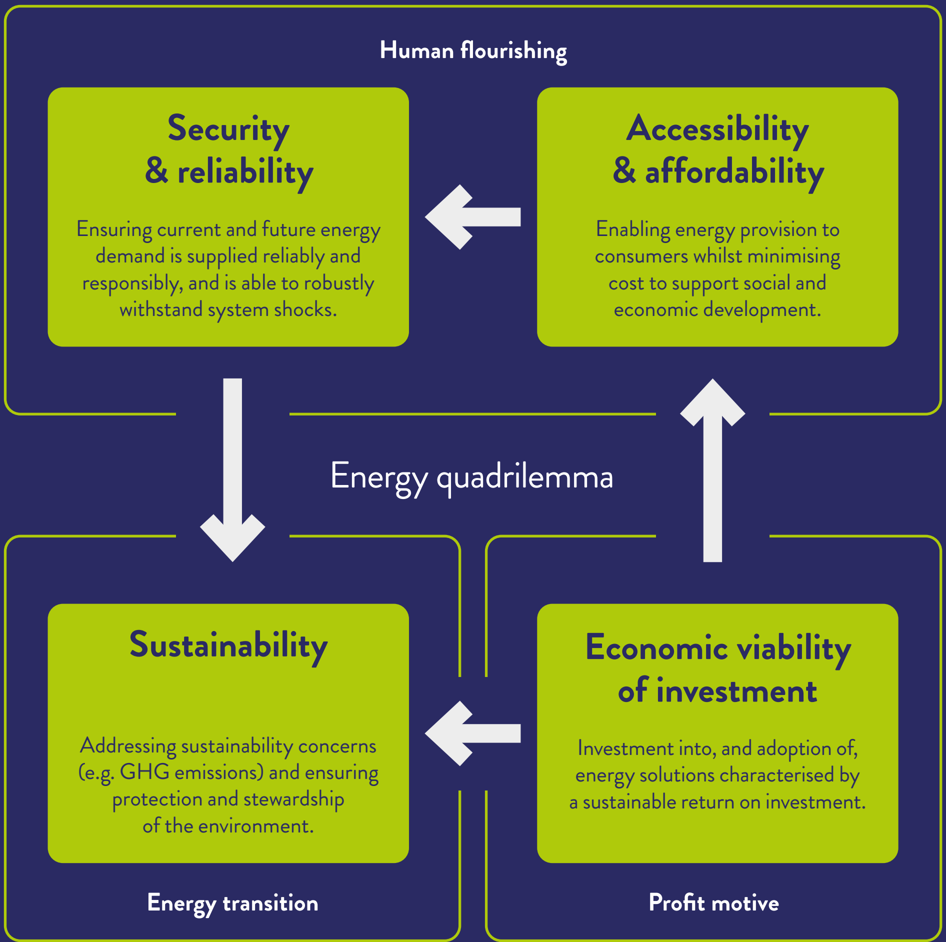
During 2024, the Offshore Petroleum, Regulators for Environment and Decommissioning (OPRED) launched a consultation with industry in relation to the assessment of Scope 3 emissions following the Finch ruling in June. Ithaca Energy responded to this consultation and participated in the industry's response led by Offshore Energies UK.

Our response highlighted the Energy quadrilemma, in particular the impact to the UK's emission footprint from replacing domestic production with LNG imports that emit almost four times that of the UK average.

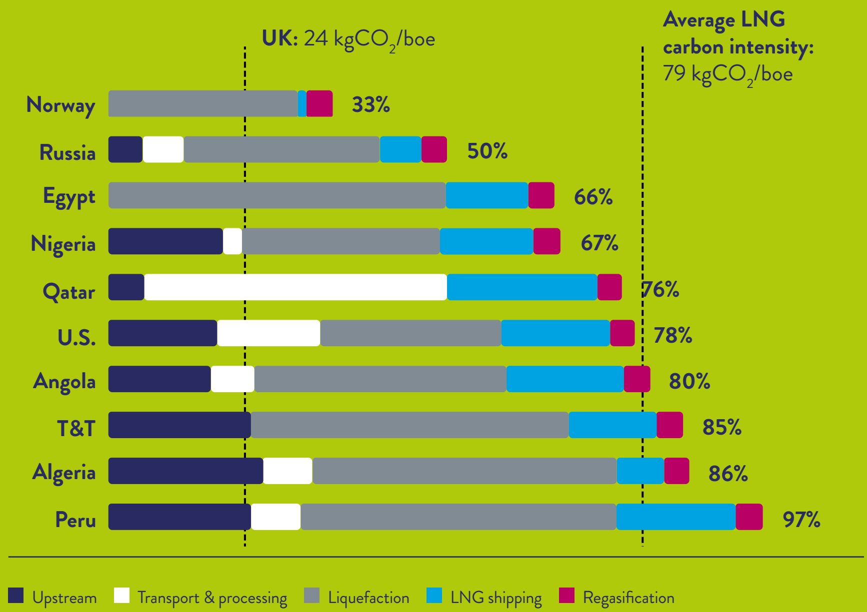
Ithaca Energy continues to operate and invest in a responsible manner, delivering critical energy security while fundamentally transitioning our portfolio over the medium to long-term through investment in low carbon intensity assets such as Rosebank with an estimated lifetime upstream CO_2 intensity of around 12 kg (no electrification) with the potential to decrease to approximately 3 kg CO_2/boe on the basis of full electrification.

Importing in the context of the UK's energy quadrilemma

Increasing the UK's reliance on imports, at the detriment of domestic production, weakens the UK's energy security, raises cost for consumers and increases emissions intensity. The energy transition will require significant new investment in alternative energies to meet growing energy demand and close the import gap. With pace slowing across investment in these alternatives, investment in oil and gas has never been so critical if the UK wishes to reduce its reliance on high-emissions and politically volatile imports.



UK VS AVERAGE LNG CARBON INTENSITY



> "Developing and operating low intensity fields in UKCS reduces reliance on highly volatile, high-emission imports."

Fiscal and regulatory framework

UKCS fiscal certainty in the medium-term

In 2024, the UK's fiscal and regulatory framework for oil and gas companies operating in the North Sea underwent significant changes. The Labour government, led by Chancellor Rachel Reeves, introduced changes to the EPL aimed at balancing revenue generation and supporting renewable energy initiatives.

One of the key changes was the increase in the EPL from 35% to 38%, with its duration extended to 2030. This brought the headline tax rate on oil and gas activities to 78%. Additionally, the 29% investment allowance, previously used to stimulate capital reinvestment into oil and gas projects, was removed. However, first-year allowances and a 66% decarbonisation allowance were retained to provide continued relief for investments, with a focus on stimulating investment in decarbonisation.

These changes raised concerns across North Sea operators, who warned that increased taxation, without sufficient fiscal incentives, could deter investments in the declining basin. A trend that is highlighted by the Office for Budget Responsibility (OBR), predicting a 26% decline in capital expenditure in offshore energy over the forecast period, with reductions of 6.3% and 9.2% in oil and gas production, respectively[1].

With much needed certainty delivered on the EPL regime in the medium-term, the Government changed its focus to designing a successor regime post 2030. A consultation process was launched in March 2025, post period-end, that will see industry and the UK Government engage to design a regime that adapts to future potential price shocks.

Our response:

The prolonged fiscal and regulatory uncertainty in the UKCS has made it challenging to make investment decisions during 2024. We have remained disciplined and agile, prioritising investment opportunities that can create the most value, while protecting the long-term optionality across our portfolio.

The Group has chosen to work constructively with the UK government, highlighting the long-term consequences of the EPL on UK's energy security and decarbonisation objectives. Despite an increase in the EPL in 2024 and the reduction to cash flows available for reinvestment, we have demonstrated our commitment to investing in the UK North Sea, through our Business Combination with Eni's UK assets, significantly expanding our scale in the UK.

We remain committed to maximising the value of our UK portfolio and staying agile to capitalise on further consolidation opportunities. However, fiscal and regulatory uncertainty has highlighted the limitations of operating in a single basin. To address this, our business must remain flexible and adapt, resulting in a broadening of our M&A strategy globally.

In 2024, the Group made cash tax payments of $350 million in relation to its 2023 EPL charge and incurred an EPL charge of $210 million in relation to FY 2024, payable in October 2025.

DECLINE IN CAPITAL EXPENDITURE IN OFFSHORE ENERGY

26%

FORECAST REDUCTIONS IN OIL & GAS PRODUCTION

6.3% & 9.2%

1 https://energycouncil.com/articles/budget-2024-impact-on-north-sea-operators-and-investors

M&A

M&A trends highlight a focus on building scale

In 2024, the M&A market within the oil and gas sector was driven by strategic shifts and the need to enhance operational efficiencies. The global oil and gas sector saw significant consolidation, particularly in regions like the Permian Basin, where larger companies acquired smaller players to optimise production and reduce costs. This trend was fuelled by the ongoing volatility in energy prices and the need for companies to secure competitive advantages in a rapidly evolving market.

In the UK North Sea, M&A activity was influenced by fiscal and regulatory uncertainty. With a looming general election and growing negative sentiment from the Labour party towards our sector, the first half of the year was dominated by uncertainty and, consequentially, limited M&A activity. Following Labour's victory in the election, the industry entered a period of consultation with the UK Government with the outcome delivered in the Chancellor's Autumn Statement. With much desired fiscal certainty delivered, M&A markets in the UKCS reopened with the most notable being the combination of Shell and Equinor's UK operations.

Overall, M&A activity in the oil and gas sector in 2024 was characterised by strategic consolidations, a focus on efficiency, and a drive towards diversification and scale. These trends are expected to continue as companies navigate the complexities of the global energy landscape and seek to position themselves for long-term success.

Our response:

In 2024, we announced and completed the Group's Business Combination with Eni UK. This strategic move marked a transformational step for the Group, enhancing its presence in the UKCS and creating a leading production and growth company in the region with an enhanced platform to deliver the Group's future organic and inorganic growth aspirations.

The transaction combined highly complementary portfolios, enhancing the Group's scale and diversification in the basin, growing our pro-forma production base to above 100 kboe/d in 2024, while providing the organic growth potential to grow to 150 kboe/d in the early 2030s.

The Business Combination underscores our commitment to energy security in the UK, positioning the Group for long-term growth and value creation in the evolving energy market.

> **"Our Business Combination underscores our commitment to energy security in the UK, positioning the Group for long-term growth."**

GAS PRICES

85p/therm

before hedging

103p/therm

after hedging

BARRELS HEDGED AT 31 DECEMBER 2024

21.65m

barrels of oil equivalent (mmboe) (25% oil)

Commodity Prices

Commodity price fluctuations

In 2024, Brent crude oil prices experienced notable fluctuations due to a combination of geopolitical tensions, economic factors, and production changes. The average price of Brent crude oil was around $80 per barrel, slightly lower than the previous year. Prices ranged between $68 and $93 per barrel, marking the narrowest trading range since 2019.

Early in the year, Brent prices rose due to heightened geopolitical risks, particularly in the Middle East. Tensions between Israel and Hamas, along with attacks on vessels in the Red Sea, caused significant disruptions and pushed prices higher. The peak price of $93 per barrel was reached in April amid concerns over potential conflicts between Iran and Israel.

However, the second half of the year saw a downward trend in prices. Slowing economic growth, especially in China, and reduced demand for liquid fuels contributed to this decline. Furthermore, China's shift towards liquefied natural gas (LNG) for transportation and the increasing adoption of electric vehicles played a role in limiting the demand for traditional fuels.

OPEC+ production cuts were a significant factor in stabilising prices. Multiple delays in increasing production helped prevent prices from falling too low. Despite these cuts, production growth from non-OPEC+ countries, including the United States, Guyana, and Canada, offset the reductions and added downward pressure on prices.

Additionally, natural gas prices saw fluctuations in 2024, influenced by similar factors. The global demand for natural gas remained strong, driven by the transition to cleaner energy sources and the need for reliable power generation. However, supply disruptions and geopolitical tensions, particularly in Europe, led to price volatility. The ongoing conflict in Ukraine and sanctions on Russian gas exports created supply uncertainties, pushing prices higher at times.

Our response:

Ithaca Energy takes a disciplined and pro-active approach to hedging, recognising the importance of balancing upside exposure to commodity prices while managing downside protection of our cash flows. With clear hedging targets and a pro-active approach, the Group seeks to place hedges at peaks in commodity markets, supporting an attractive hedge book.

At year-end the Group has 21.65 million barrels of oil equivalent (mmboe) (25% oil) hedged from 2025 into 2026 at an average price floor of $77/bbl and average ceiling of $85/bbl for oil and an average price floor of 88p/therm and average collar ceiling of 102p/therm and average wide cost collar ceiling of 132p/therm for gas.

Following completion of the Business Combination, the Group began to materially build on its gas hedge book, reflecting the increase in gas weighting to the portfolio from asset additions, in order to protect cash flows and support the Group's Capital Allocation Policy, including distribution ambitions. Gas hedges were placed at attractive prices covering 2025 and 2026 providing significant protection to cash flows with notable increase in Wide Zero Cost Collars with ceilings above 120p/therm until end 2026.

In 2024, we achieved realised gas prices of 85p/therm before hedging and 103p/therm after hedging.

Dedicated to sustainable growth

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

1 Exploration & appraisal

What we do
We operate a targeted approach to exploration and appraisal drilling, prioritising prospects in close proximity to existing infrastructure hubs.

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

Business Combination benefits
Access to Eni's globally recognised exploration and appraisal capabilities (including supercomputer)*.

2 Development

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

Our responsible approach
Through investing in low emission development projects we aim to fundamentally transition our portfolio to one of the lowest carbon portfolios in the UK.

Business Combination benefits
Utilising Eni's deep project execution capabilities, we will optimise project development concepts to maximise value potential, including a review of the Cambo development.

3 Production

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

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

Business Combination benefits
Created the second largest independent operator by 2024 production, increasing portfolio scale and diversification.

4 Late-life operations & decommissioning

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

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

Business Combination benefits
Enlarged portfolio offers further late-life and decommissioning synergy opportunities.

5 Inorganic growth

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

Our responsible approach
All M&A opportunities are considered through an ESG lens.

Business Combination benefits
Creates credible platform for international M&A, leveraging enhanced technical capabilities, financial strength and the expertise of our shareholders.

Operations review

We are dedicated to delivering sustainable and responsible operations across all our operated and non-operated assets.

Read more on page 38

* The Group has access to Eni's high-performance computing system. The supercomputing system, which is a computing cluster, i.e. a set of computers working together to multiply overall performance is among the most powerful in the world. Ranked fifth globally and first in Europe in the Top 500 list, the system is designed with state-of-the-art energy efficiency standards.

Delivering value for all stakeholders

Shareholders and lenders

$500 million
Total dividends declared for 2024

$2.25 billion
Refinancing of RBL and Bond

2029
Maturity profile

8.125%
Bond coupon

Outcomes

- Material shareholder distributions in line with targeted policy of 30% post-tax CFFO, with dividends declared of $500 million for FY 2024, meeting our 2024 target
- Business Combination immediately unlocked financing benefits with $2.25bn refinancing completed providing material financial firepower
- Improved credit rating supporting lower cost of borrowing and providing pathway to Investment Grade status

JV partners, suppliers, and customers

23 kgCO_2e/boe
Combined CO_2e GHG emission intensity (on a Scope 1 and 2 net equity basis)

~$650 million
Adjusted net capital investment (inlcuding Eni UK from effective economic date of 1 July 2024)

~$650 million
Adjusted net operating costs (inlcuding Eni UK from effective economic date of 1 July 2024)

Outcomes

- Delivering oil and gas essential for energy security and affordability while cutting associated emissions
- Significant capital investment across portfolio, including $198 million of net capital spend on Rosebank development project in 2024
- Aligned JV partnerships with a focus on maximising value from our assets in a safe and responsible manner

Our people

~230 years
Combined experience of new Leadership Team post Business Combination

~175
Increase in personnel as a result of Business Combination

92%
2024 Engagement Pulse Survey – Our employees responded they felt safe at work

73%
Employee participation in Engagement Pulse Survey

Outcomes

- Refreshed executive Leadership Team appointed, reflecting the ambition, experience and operational rigour required to deliver the next phase of transformational growth
- Meaningful and transparent engagement with workforce during Business Combination completion and transition activities
- Improved engagement score and survey participation with strong safety culture visible through score

Communities

5
Key charitable partnerships

~1,200
Hours of workforce volunteering

> 40
Financial donations to support employee nominated community project

10
Summer intern and graduates employed

Outcomes

- Strategic partnerships offer volunteering opportunities, supporting employee engagement
- Employee-led community engagement scheme providing broad financial support to wide-ranging community projects
- Investment in science, technology, engineering and mathematics (STEM) initiatives and technical apprenticeship programmes

A strategy for our Next Era

With significant investment optionality, our strategy is centred on targeted value-orientated growth with the aim of maximising value for shareholders.

As we enter our Next Era of growth, we do so with a proven strategy and an additional avenue for value creation, supporting a pathway to Investment Grade status.

We enter our Next Era of growth, following a truly transformational journey. Our proven strategy and our clear vision for growth have seen the business execute two transformational phases of growth.

The Group's first phase of transformational growth, driven by value-accretive M&A, built a UKCS independent of sufficient scale, resource and portfolio longevity to support the Group's successful listing on the London Stock Exchange in 2022.

In 2024, following a period of material fiscal uncertainty, we delivered our next transformational step with our Business Combination with Eni UK creating a leading independent with material scale and opportunity in the UKCS, that combines the agility of an independent with the capability of a major, as we embark on the Group's Next Era of growth.

Our Next Era will draw on our proven strategy and our enhanced financial strength, with the potential for further consolidation in our core UKCS market or an expansion of our M&A strategy internationally.

With significant organic and inorganic growth potential, the Group's strategy will be value-led, focusing on building further scale, stability and strength, supporting a pathway to Investment Grade Status and our aim of maximising value for our shareholders.

Spotlight on M&A

Ithaca Energy has a rich history in delivering value-accretive M&A and successful integration, having completed nine transactions over the last six years.

Delivering material M&A begins with our ability to imagine. With a clear vision of what we want to achieve, and a deep understanding of different value levers across our core UKCS basin, we identify the opportunities that we believe can maximise value creation.

Our agility allows us to move quickly, responding to opportunities and market dislocation to deliver value-accretive M&A. Moving into the integration phase, our experience allows us to efficiently integrate new assets into our portfolio, realising tangible synergies.

We 'imagine'

Clear vision for value-led growth – building scale, stability and strength on our pathway to Investment Grade status

We 'identify'

Rigorous screening and understanding of value creation levers and catalysts, helps us target the right opportunities

We 'implement'

Strong track record of delivering material M&A. Our agile response to market dislocation supports value-accretive transactions

We 'integrate'

Efficient and experienced integrator, monetising value-creation opportunities and delivering synergies

1. Sustain and Optimise Production

Objective

Deploy our enhanced operational and technical capabilities to maximise field performance and recovery through implementing efficiencies and investing in sustaining production, supporting our ambition to be the highest performing operator in the UKCS.

Progress in 2024

- Peak production of 138kboe/d achieved in Q4 2024; pro forma 2024 average production of 105.5 kboe/d
- Successful delivery of Captain EOR Phase II project, on time and within budget, with first EOR II response outperforming expectations
- Initiated 13th drilling campaign at Captain, with two-year well programme
- Completed well workover at Erskine, reinstating the fifth production well
- Captain Electrification feed study completed with technically viable project. Ongoing discussions with UK Government in relation to decoupling decarbonisation allowance from EPL regime

FY 2025 priorities

- Execution of 13th drilling campaign at Captain
- Infill drilling campaigns at Cygnus, Elgin Franklin, Schiehallion and J-Area
- Identify assets with higher frequencies of downtime, prioritising predictive activities and maintenance to improve our overall efficiency rates
- Increase partner influence with higher equity positions

2. Unlock Material Organic Growth Opportunities

Objective

Invest in our organic resources, developing projects with strong economics and lower carbon intensity to create a robust long-term sustainable portfolio that offers longevity, scale and material growth.

Progress in 2024

- Rosebank project continuing in line with multi-year development timeline
- First production from Talbot field and successful exploration well at Jocelyn South in the J-Area
- Fotla development concept completed
- Successful award of licence extension from 31 March 2024 to 31 March 2026 for Cambo field

FY 2025 priorities

- Following the outcome of the Rosebank Judicial Review, JV partnership to submit downstream end-user combustion emissions (‘Scope 3’) assessment
- Leveraging Eni’s technical capabilities to technically review Cambo project and boost project maturation of our greenfield projects
- Application for Cambo licence milestone amendment and extension to 30 September 2027
- Progress Fotla project to FID, subject to regulatory environment

Consolidation in Core UKCS Market

3.

Objective

Leverage our proven M&A execution capabilities and deep integration expertise to pursue further consolidation, building scale and adding high-quality, long-life assets, in the Group's core UKCS market.

Progress in 2024

- Transformational Business Combination with Eni UK completed in October 2024, creating the largest resource holder and the second largest independent producer in the UKCS, and enhancing the Group's platform for further UKCS consolidation
- $2.25bn refinancing completed provides material firepower for growth, including M&A
- Farm out process for Cambo and Folta ongoing, having experienced a pause during the Energy Profits Levy and regulatory consultations

FY 2025 priorities

- Complete integration activities relating to the Business Combination and realise near-term synergies
- Position the Group as lead consolidator in the UKCS, targeting further value-accretive consolidation in the basin, adding production and resources

Focused International Expansion

4.

Objective

Disciplined and targeted international expansion, leveraging the credentials and relationships of our shareholders, and focusing on investing in regions that offer the potential for scale, growth and fiscal stability.

Progress in 2024

- Business Combination creates credible platform for international M&A as an additional route for value creation
- Review of international expansion investment criteria completed with clear guiding principles for international M&A

FY 2025 priorities

- Continued screening of opportunities and refining of international investment guiding principles
- Targeted and disciplined approach to international M&A
- Investment Grade status criteria will guide approach

Key performance indicators (KPIs)

Measuring progress

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

How we determine our KPIs

The majority of the Group's KPIs, as presented, were identified during the IPO process and included in the IPO prospectus. These KPIs enable the Board and the Executive Leadership Team (ELT) to monitor the Group's performance. The ELT uses these measures to evaluate operational and financial performance and to make informed decisions on operational, financial and strategic matters.

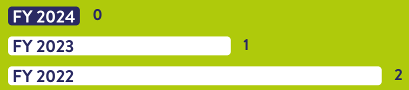
Non-GAAP measures

Adjusted EBITDAX, unit operating expenditure, available liquidity, leverage ratio, adjusted net debt and certain other reported metrics are non-GAAP measures that are not specifically defined under International Financial Reporting Standards or other generally accepted accounting principles. Further details are set out on pages 249 to 252.

Safety, production and emissions KPIs

TIER 1 AND 2 PROCESS SAFETY EVENTS

0



Objective

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

FY 2024 performance

There were no tier 1 or 2 process safety events during 2024.

TOTAL PRODUCTION

80,177 boe/d

Objective

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

FY 2024 performance

Total production was 14% higher than 2023 principally due to the Business Combination (with an economic effective date of 1 July 2024) partly offset by lower production in the first half of 2024.

RESERVES & RESOURCES

657 mmboe

Objective

We aim to have a stable to growing level of reserves and resources through our strategy to unlock material organic growth opportunities as set out on page 34.

FY 2024 performance

Reserves and resources are 21% higher than 2023 mainly as a result of the Business Combination partly offset by a full year of production.

SERIOUS INJURY AND FATALITY FREQUENCY

0/m hrs

Objective

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

FY 2024 performance

During 2024 we again had zero events resulting in serious injury or fatality.

SCOPE 1 AND 2 EMISSIONS

448,190 tCO_2e

Objective

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

FY 2024 performance

Scope 1 and scope 2 emissions from operated assets were 3% higher than 2023 principally due to the Business Combination (with an economic effective date of 1 July 2024) partly offset by our emission reduction projects which are set out in the ESG section.

GREEN HOUSE GAS (GHG) INTENSITY

23.9 $kgCO_2e/boe$

Objective

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

FY 2024 performance

GHG intensity was 4% lower than 2023 primarily due to higher production delivery from our lower intensity assets. The Group achieved an exit rate of below 20 $kgCO_2e/boe$ reflecting the full benefit of the Business Combination to our emissions intensity profile.

Financial performance KPIs

ADJUSTED EBITDAX

$1,405.0m

FY 2024	1,405.0
FY 2023	1,722.7
FY 2022	1,916.2

Objective
The Group aims to grow adjusted EBITDAX through increased production, strict cost control and our progressive hedging strategy.

FY 2024 performance
Adjusted EBITDAX was 18% lower than 2023 due to reduced production in the first half of 2024 and lower realised gas commodity prices partly offset by the Business Combination completed on 3 October.

NET CASH FLOW FROM OPERATING ACTIVITIES

$853.3m

FY 2024	853.3
FY 2023	1290.8
FY 2022	1723.3

Objective
We aim to generate predictable and reliable cash flows to support investment and shareholder returns whilst maintaining financial stability and strength throughout the commodity price cycle.

FY 2024 performance
Net cash flow was 34% lower than 2023 due to the adjusted EBITDAX outturn and higher EPL payments partly offset by improved working capital.

UNIT OPERATING EXPENDITURE

$22.4/boe

FY 2024	22.4
FY 2023	20.5
FY 2022	19.0

Objective
The Group aims to optimise unit operating expenditure by maintaining the highest levels of operational efficiency whilst not compromising on health, safety and environmental matters.

FY 2024 performance
Unit operating expenditure was 9% higher than 2023 principally due to significant fixed costs and the lower production in the first half of 2024.

AVAILABLE LIQUIDITY

$1,015.1m

FY 2024	1,015.1
FY 2023	1,028.2
FY 2022	578.8

Objective
Ithaca Energy aims to maintain a minimum available liquidity of $50 million by securing and maintaining appropriately structured facilities with third-party lenders.

FY 2024 performance
Available liquidity was 1% lower than 2023 reflecting the utilisation of the $150 million project capital expenditure facility partly offset by the refinancing.

PRO-FORMA LEVERAGE RATIO – ADJUSTED NET DEBT/ADJUSTED EBITDAX

0.45x

FY 2024	0.45
FY 2023	0.33
FY 2022	0.51

Objective
The Group aims to achieve a leverage ratio of 1.5 times or lower throughout the commodity price cycle whilst pursuing prudent capital investment and M&A opportunities supported by our active hedging strategy.

FY 2024 performance
The pro-forma leverage ratio was 36% higher than 2023 principally reflecting higher net debt partly offset by higher pro-forma EBITDAX.

ADJUSTED NET DEBT

$884.9m

FY 2024	884.9
FY 2023	571.8
FY 2022	971.2

Objective
We aim to pay down debt where it makes sense to do so within our capital allocation framework.

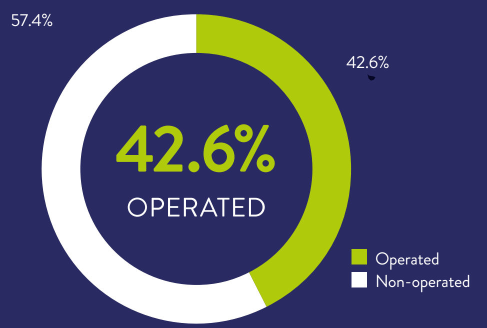
FY 2024 performance
Adjusted net debt was 55% higher than 2023 principally due to the utilisation of the $150 million project capital expenditure facility, a $150 million drawdown on the RBL facility and an increase in Senior Notes of $125 million partly offset by the repayment of the $100 million bp loan.

Our operating review

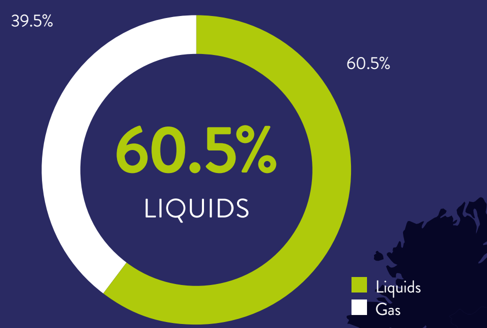
Diverse and high-quality portfolio of operated and non-operated assets in the UKCS.

Our UK North Sea portfolio consists of 38 producing field interests, which predominently lie in the Northern, Central and Southern North Sea, Moray Firth and West of Shetland areas of the UKCS.

Net production split
(Operated and non-operated)



Net production split
(Liquids and gas)



Case study

Rosebank

Standing as the UK's largest undeveloped discovery, with over 300 mmboe of recoverable reserves, the Rosebank field will deliver vital energy security to the UK, producing 7% of UK oil production from first oil to 2030, while supporting Net Zero targets.

The project is progressing in line with its multi-year development timeline with first production expected in 2026/27, with material activity completed in 2024, including the completion of the subsea campaign.

The development is expected to lead to £8.5 billion of total direct investment, £6.6 billion likely to be invested in UK-based businesses. To date, the JV partnership has committed over £2.2bn on developing Rosebank, awarding vital contracts across the supply chain. The project is expected to support around 2,000 jobs during the height of the construction phase of the project, and it will continue to support approximately 525 UK-based jobs during the lifetime of the field.

The Rosebank development has been optimised to reduce carbon emissions, in line with the North Sea Transition Deal, with the FPSO designed to be electrification ready when arriving at the field. Material work continues on the redevelopment of the Knarr FPSO, with the vessel docked for refurbishment and preparation for electrification readiness. The Rosebank development has the potential to produce at approximately 3kgCO_2/boe – a seventh of the UK average.

The Judicial Review ruling allows the JV partnership to continue progressing the Rosebank project while we await new consents. We will now engage with the Regulators and DESNZ to achieve revised consents, including submitting a downstream end-user combustion emissions ('Scope 3') assessment in full compliance with the UK Government's new environmental guidance, which is targeted to be published in spring 2025.

"The Rosebank field will deliver vital energy security to the UK. Producing 7% of UK oil production from first oil to 2030."

TARGETED FIRST PRODUCTION DATE

2026/7

GROSS PHASE 1 FIELD 2P RESERVES (MMBOE)
ITHACA ENERGY WORKING INTEREST: 20%

243

Case study

Captain

Material ongoing activity at the Group's flagship Captain asset focused on optimising and sustaining production from the field.

2024 continued to be a year of high activity across the Captain field with continued investment in asset life extension projects focused on optimising and sustaining field production, supporting our medium-term outlook and maximising value creation from the field.

During the year, the Group safely completed its turnaround activity with significant scopes executed, including successfully commissioning a third water injection booster pump, providing spare operating capacity in a critical process area. Towards the end of the year, the asset achieved improved polymer injection system uptime due to significant efforts in this area by the operations and maintenance teams onshore and offshore.

Further highlights include significant Diving Support Vessel work and change out of the bow thruster on the FPSO, resolution of various subsea communication issues at Areas B & C, and the installation and hook-up of a new power and communications cable between Bridge Linked Platform (BLP) and Area B.

In H1 2024, the asset completed a five yearly recertification of the WPPA Rig – a significant scope that involved the refurbishment of circa 200 tonnes of equipment across five European countries. This was all completed safely and in line with schedule requirements. Following this, Captain commenced drilling activities on WPPA with the 13th drilling campaign. The C50z work over has been completed and brought online with C73 handed over to operations for flowline hook-up towards the end of December. Activities remain on track as part of this programme.

In Q3, the Group awarded a six-month contract for a Flotel at WPPA starting in 2025, representing a significant undertaking that will be key in supporting the Captain facilities safely through to end of field life. The flotel supports the maximisation of allowable persons on board (POB) on the asset, in support of optimisation and backlog reduction and reflects the scale of ongoing activity at the field.

Meaningful value-driven decarbonisation activity:
The Group continued to progress meaningful decarbonisation activity at the field.

The Group sanctioned a $6.8 million upgrade of the BLP power water pumps by improved cartridge installation. Installation of the new cartriges began in 2024, for completion in 2026. The benefits of improved reliability and emissions reduction are already being seen. Once complete in 2026, the full upgrade will reduce emissions by 10,000 tCO_2e per year.

Detailed engineering work continues on the BLP Flare Gas Recovery Engineering design, seeking to eliminate non-routine flaring on the BLP. Construction work will commence during the flotel campaign with system tie-ins phased into turnaround activity in 2025, with emissions savings being seen as soon as the system is online in late 2026.

The second export gas compressor return to service is progressing well through engineering and procurement. The compressor mechanical run test has been successfully completed in Italy during the last quarter of the year.

Read more on our Net Zero & Energy Transition approach and performance on pages 59 to 60.

CAPTAIN FLARE GAS RECOVERY PROJECT EMISSIONS REDUCTION TARGET

14,700
tCO_2e per year

CAPTAIN PUMP REPLACEMENT PROJECT EMISSIONS REDUCTION TARGET

10,000
tCO_2e per year

CAPTAIN REINSTATEMENT OF SECOND EXPORT COMPRESSOR EMISSIONS REDUCTION TARGET

21,000
tCO_2e per year

Case study

Captain EOR Phase II case study

In H1 2024, the Group achieved a major milestone of successfully completing its EOR Phase II project within budget and on schedule. The project seeks to build on the success of the platform-based EOR Phase I project with an expansion to the subsea area of the Captain field.

The pioneering polymer technology, used in EOR, enhances reservoir sweep efficiency by injecting a water-soluble polymer into the reservoir to sweep previously bypassed and stranded oil, directing it towards adjacent production wells. By accelerating and maximising field life recovery, polymer technology provides significant decarbonisation benefits.

With six new polymer injection wells brought online safely, first polymer injection in the subsea wells was achieved in May 2024, with the field experiencing its first EOR Phase II response from the E2 pattern production Wells B25 & B32. Initial observations suggest that the response is exceeding expectations with water cuts reducing by over 10% in four producers and increasing oil production by over 2.5 kboe/d relative to the business plan. The remaining five patterns are expected to respond over the next 18 months.

Captain EOR Phase II project will be a significant contributor to the Captain field supporting the Group's medium-term production outlook, adding over 30 MMSTB incremental oil and, at its peak, delivering around half of all Captain production.

CAPTAIN EOR PHASE II

2026

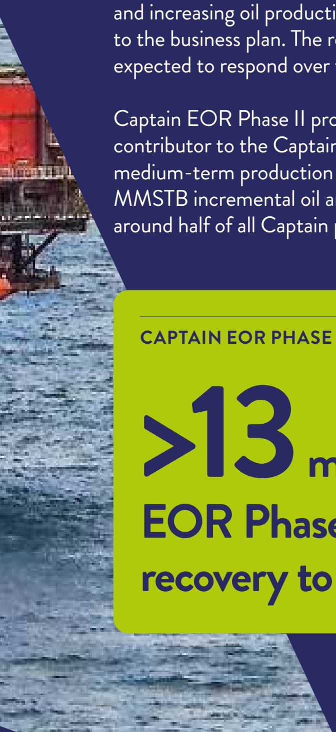
Est. peak production and polymer response

> "2024 continued to be a year of high activity across the Captain field with continued investment in asset life extension projects."

CAPTAIN EOR PHASE I

>13 mmboe

EOR Phase I reserve recovery to date



OPERATED ASSETS NON-OPERATED ASSETS

Operated assets

Captain

Production efficiency from the Captain field averaged 82% in 2024 (inclusive of planned turnaround activity) reflecting increased turnaround scope and duration.

Activity levels remained high throughout the year at the Captain field achieving significant milestones for the asset, most notably the successful completion of the Captain EOR Phase II project, on schedule and within budget, and the rig recertification, in support of the topside drilling campaign that commenced in the second half of the year.

The 13th drilling campaign will extend over a two-year duration targeting four new production wells, a pilot well and the workover of two wells in support of Captain's life extension.

In parallel, the Captain asset is focused on delivering improved uptime performance with a flotel secured for a six-month period in support of optimisation projects and backlog reduction activities.

Read more on:
Sustaining and optimising activity in our case study on page 40.
Meaningful ongoing decarbonisation activity on page 40.
Successful execution of Captain's EOR Phase II project and the benefits of pioneering polymer technology in our case study on page 41.

CAPTAIN
WORKING INTEREST
85.00%

Cygnus

Production efficiency from the Cygnus field averaged 87% in 2024 (inclusive of planned turnaround activity).

The Cygnus field is the single largest producing gas field in the UK, making the field's production a key contributor to UK energy security. The field was acquired by Ithaca Energy as part of the Business Combination with Eni UK, and reported net production to Ithaca Energy of 12 kboe/d[1] during H2 2024, following the effective date of 1 July 2024. On a pro forma 2024 basis, the field delivered net production of ~13 kboe/d1.

The Cygnus field saw very strong process and personal safety performance across 2024, with zero serious injuries or fatalities, no recordable injuries, zero Tier 1 and Tier 2 process safety events and zero high potential incidents.

The field performed well in the year, delivering full year production ahead of the Asset Business Plan, although the second half of 2024 production was lower, mainly due to the availability of Cygnus compressors. A 15-day turnaround was successfully undertaken in August during the planned Bacton Terminal outage, sheltering the asset from further outages. Maintenance undertaken during the turnaround included 8,000 hour service on both compressors A and B, with replacement of the A compressor bundle.

Further infill drilling was approved in 2024 and drilling of the 12th and 13th wells commenced in H1 2025.

CYGNUS
WORKING INTEREST
38.75%

Erskine

Production efficiency from the Erskine field averaged 49%, significantly impacted by NOJV infrastruture issues in the year.

Unplanned but essential repair and replacement work on the Lomond compression and pipework systems impaired production during the first half of 2024. The Lomond platform, which provides fluid processing and an export route for Erskine fluids, then went into an extended shutdown following which reliability performance greatly improved and resulted in significantly higher levels of production efficiency post remedy.

A well intervention from a Heavy Duty Jack Up Drilling Unit was executed from April to August 2024 and successfully reinstated production from the W1 well which had been shutdown for several years due to flow assurance issues. This increased the asset's production potential and this fifth well now produces from both the Pentland and Erskine formations, producing strongly following the Lomond turnaround.

ERSKINE
WORKING INTEREST
50.00%

1 Includes six months production from Eni UK assets from 1 July economic effective date (legal completion on 3 October 2024)

OPERATED ASSETS NON-OPERATED ASSETS

Alba

Production efficiency from the Alba field averaged 67% in 2024 (inclusive of planned turnaround activity).

Production in the year fell below expectations, reflecting a challenging year for the asset, mainly due to two independent events. The first of which was the decision in February 2024 to cancel well B06, as part of the Group's infill well programme, in co-operation with our joint venture partners.

Production in the first quarter of the year continued to be impacted by the lack of water injection pressure caused by the John Brown turbine remaining offline until March 2024. During 2023, the John Brown Turbine required a major repair due to a failed turbine blade. Water injection was reinstated to the field once the John Brown Turbine returned to service, helping to increase reservoir pressure and therefore, increasing production. A scale-squeeze operation was undertaken on six wells to protect the base production and bring A69 back online.

A successful 10-day compliance outage was undertaken in September ahead of the longer turnaround scheduled for 2025. The Alba North Platform drilling rig commenced its five-yearly maintenance ahead of starting well coiled tubing and plug and abandonment scopes as part of the decommissioning programme of work. As Alba enters ultra-late life operations, the Group is maturing its integrated ultra-late life and decommissioning plan for the asset and has issued a decomissioning programme and comparative assessment for public consultation.

ALBA
WORKING INTEREST
36.67%

Greater Stella Area

The Greater Stella Area (GSA), hosted by the FPF-1 floating production unit, averaged 75% in 2024 (inclusive of planned turnaround activity).

The Group recorded a strong year of production at GSA, delivering ~700 boe/d higher than business plan, despite facing challenges with the plant and Vorlich wells, that lowered production efficiency in the year (2023: 91%).

During 2024, Abigail and Vorlich performed better than expected supporting a good year at the GSA hub. Following a planned 25-day turnaround in June, the asset suffered a 21-day unplanned outage in August as a result of both gas compressors being offline. Vorlich wells were shut-in during May and October due to liquid loading, however on both occasions production restarted after an intervention.

Several projects were successfully completed through 2024, including Stella riser strengthening, mooring tensioning upgrade and mooring line inspection. The gas processing system was optimised to use only a single compressor to deliver gas to the mainland. This was a material reduction of around 34,000 tCO_2e per year from Janaury 2024.

Following the decision in 2023 not to proceed with an infill drilling programme previously planned for Harrier, as a direct result of the Energy Profits Levy, the GSA field has entered its ultra-late life phase and planning for decommissioning has commenced.

STELLA, HARRIER, ABIGAIL
WORKING INTEREST
100%

VORLICH
WORKING INTEREST
34.00%

Cook

Production efficiency from the Cook field averaged 85% in 2024 (inclusive of planned turnaround activity).

Production was negatively impacted by a critical subsea Corrosion Inhibition line being blocked in April and May; an extended TAR in August; and gas compression constraints in September and October. Strong performance for the rest of the year resulted in production efficiency averaging 85%. The field is supported by one water injection well which provides long-term pressure support for the single production well, with injection targets met in the year.

COOK
WORKING INTEREST
61.35%

OPERATED ASSETS NON-OPERATED ASSETS

Non-operated assets

The Group's enlarged non-operated asset base consisting of interests in 28 producing fields, representing 57% of pro forma 2024 production.

Elgin Franklin

Operated by TotalEnergies, the Group holds a 27.95% non-operated working interest.

Ithaca Energy increased its stake by 21.9% in the high-quality, long-life Elgin Franklin fields as part of the Business Combination with Eni UK, having previously built a stake of 6.1% through multiple acquisitions.

Elgin Franklin delivered strong production efficiency in 2024, despite a well failure at the start of the year, resulting in net production from the economic effective date of 1 July 2024 of 12.5 kboe/d[1]. Production in the first half of the year averaged 4.9kboe/d (prior to the Business Combination) and 20.0 kboe/d in the second half of the year, reflecting Ithaca Energy's increased stake from the economic effective date of 1 July 2024[1]. On a pro forma full year 2024 basis, the field delivered net production of ~21 kboe/d[1], making the asset a significant contributor to Group production.

The field's major decarbonisation flare gas recovery project (44 ktCO_2e/yr) was sanctioned in 2024, and engineering continues to be ready for construction during 2025.

ELGIN FRANKLIN
WORKING INTEREST

27.95%

J Area

Operated by Harbour Energy, the area comprises of assets: Jade (32.5%), Judy and Joanne (33.0%), Jasmine (33.0%) and Talbot (33.0%).

Ithaca Energy increased its participation and interests in the J Area as part of the Business Combination with Eni UK. Ithaca Energy added interests in the Judy, Joanne, Jasmine and Talbot fields and increased its interest in the Jade field by 7% to 32.5%.

Net production of kboe/d from the economic effective date of 1 July 2024 of 7.9 kboe/d[1]. Production in the first half of the year averaged 2.5kboe/d (prior to the Business Combination) and 13.3 kboe/d[1] in the second half of the year reflecting Ithaca Energy's increased stake and field interests in the area from the effective date of 1 July 2024 and the production benefit from the start-up of the Talbot development in November with wells performing as per forecast. On a pro forma full year 2024 basis, the Area delivered net production of ~12 kboe/d[1].

The Jocelyn South discovery made in December has successfully been tied into facilities with first production achieved in March 2025, offering immediate production and a short-cyle return.

Hydraulic fracturing conducted on the K3 development well in 2024 is an example of the current strategy to focus upon improving hydrocarbon recovery levels from existing producing reservoirs.

On Jade, an intervention restored J13 production which had stopped due to scale deposition in the well.

J AREA
WORKING INTEREST

32.50% - 33.0%

Seagull

Operated by bp, Ithaca Energy holds a non-operated working interest of 35%.

The Group's 35% stake in the Seagull field was added to our enlarged portfolio as part of the Group's Business Combination.

Seagull was developed by Eni Energy UK as a subsea tieback to the bp-operated central processing facility of the Eastern Trough Area Project (ETAP) in the central North Sea. With first production achieved in November 2023, Seagull was the first tieback to the ETAP hub in 20 years.

2024 was Seagull's first full year of operations, with 9.2 kboe/d[1] of net production to Ithaca, from the effective date of 1 July 2024. Production delivery was impacted at the field by unplanned well outages due to challenges with subsea infrastructure and host platform uptime. 2024 also saw the start-up of the third development well, J3 which came onstream in September.

Drilling of the fourth development well, J4 continues with first production expected in H2 2025.

SEAGULL
WORKING INTEREST

35.00%

1 Includes six months production from Eni UK assets from 1 July economic effective date (legal completion on 3rd October 2024)

OPERATED ASSETS NON-OPERATED ASSETS

Greater Britannia Area

Comprising of assets: Britannia (32.38%), Alder (operated 73.68%), Callanish (16.5%), Brodgar (6.25%) and Enochdhu (50%).

Production from the Greater Britannia area was reliable in 2024 with net production to Ithaca Energy of 8.0 kboe/d.

Further development of the area progressed with the sixth Callanish well completed and performing at or above planned levels at year end.

The fifth Brodgar well was approved with drilling progressing during the first half of 2025, with production scheduled for the summer of 2025. These wells are a great example of our strategy to sustain and optimise production, where we seek to invest in brownfield opportunities close to existing infrastructure with attractive returns.

GREATER BRITANNIA AREA
WORKING INTEREST

6.25%-73.68%

Schiehallion

Ithaca Energy has a 11.75% equity stake in the Schiehallion field.

Production from the Schiehallion field delivered net production to Ithaca Energy of 4.8 kboe/d.

Both production and drilling performance disappointed in 2024 due to the impact of weather related downtime and outages caused by the Ocean Great White rig being off station, which also impacted the timing of production wells later in 2024. Operational issues on the Glen Lyon FPSO during Q2 restricted production capacity for the majority of the remaining year, with the FPSO returned to full production capacity in Q4.

Performance from the FPSO facilities and Ocean Great White drilling unit were improved in the final month of the year. Drilling on the field will continue in 2025, supporting the completion of the drilling programme.

SCHIEHALLION
WORKING INTEREST

11.754%

Montrose Arbroath

Ithaca Energy has a 41.03% equity stake in the Montrose Arbroath (MonArb) area.

Production from the MonArb area delivered at expectations with net production to Ithaca Energy of 5.7 kboe/d.

Evaluation of development options in the MonArb area continues with engineering progressing on the Shaw and Montrose infill projects.

MONTROSE ARBROATH
WORKING INTEREST

41.03%

Other non-operated assets

Ithaca Energy owns interests of less than 10% in the Mariner, Pierce and Columba assets.

- The Mariner field delivered strong reliability in the year with a record ten rig activities completed in the year from the platform.
- Production from the Pierce field was impacted by an extended period of the vessel being offstream following mooring issues. These issues have now been resolved.
- The Columba asset operator has commenced decommissioning activities in parallel with delivering ultra-late life production.

Q&A with Zvika Zivlin

Senior Independent Director (SID)

"I believe our Board members complement each other well, creating a well-rounded and balanced Board that benefits from a greater diversity of thought."

ZVIKA, YOU JOINED THE BOARD AS SENIOR INDEPENDENT DIRECTOR IN MAY, CAN YOU SHARE YOUR INITIAL REFLECTIONS ON THE GROUP?

Since joining the Board in May 2024, I have been thoroughly impressed by the Group's Board and Leadership Team and the progress the Group has made against its strategic objectives for the year, despite a challenging fiscal and regulatory backdrop.

The Business Combination with Eni UK marks a transformational step in the Group's growth journey. With integration activities already well progressed, the Board is confident that the Group can efficiently realise the full potential of its combination, building a stronger business to support our future growth ambitions.

Throughout the year, I have dedicated considerable time in engaging with leaders from across the Group, gaining a deep understanding of our opportunities, challenges and the teams that will help us navigate them. These discussions have clearly demonstrated a strong desire and commitment to delivering safe and responsible operations and achieving operational excellence, as we strive to be the highest performing UKCS operator.

As an industry we continue to face regulatory headwinds, with increased pressure from climate groups. In contrast, the UK's energy security, reliability and affordability stays very much in the spotlight. In this context, the Board remains confident of 'Our Purpose' and 'Our Vision' of serving today's needs for domestic energy through operating sustainably, creating value for our stakeholders.

With a clear purpose and growth strategy, significant optionality and the long-term support of committed shareholders, I firmly believe our enhanced platform for growth will continue to support material value creation for all stakeholders.

HOW DID THE BUSINESS COMBINATION WITH ENI UK FIT WITH THE GROUP'S STRATEGIC OBJECTIVES?

Ithaca Energy has long been recognised for being a highly acquisitive company. The Group's growth strategy has focused on creating a business of scale and optionality through strategic, value-accretive M&A over the course of the last six years.

The ambition to deliver a significant Business Combination, that would position the Group as one of the largest operators in the basin, has been in the making since the Group's IPO in 2022. The Board has exercised M&A discipline, patiently waiting for a truly compelling opportunity. We believe we have achieved this by executing a transaction that establishes Ithaca Energy as the largest UKCS operator by resources creating undeniably strong foundations for further value-enhancing growth.

Following the Business Combination, the Group has also completed a significant refinancing on attractive terms, showcasing the enhanced strength of the enlarged business. This refinancing equips the Group with the financial strength and flexibility needed to pursue our future growth plans. See page 10.

AS A RESULT OF THE BUSINESS COMBINATION THE GROUP NOW HAS TWO MAJOR SHAREHOLDERS, WHAT GOVERNANCE CHANGES HAVE BEEN REQUIRED?

Following the issuance of new shares to Eni UK as part of the Business Combination and the subsequent completion of the transaction, Delek and Eni now hold 52.2% and 37.2% of the Group's issued share capital, respectively. This means both Delek and Eni are deemed to be controlling shareholders under the purposes of the Listing Rules.

The Group entered into a Relationship Agreement with Delek at the time of the Company's listing in November 2022, with the principal purpose of ensuring that Ithaca Energy is capable of carrying out its business independently of its controlling shareholder. Over the last two years, our controls and processes regarding the flow of information to Delek have become well understood and mature in practice. Following our Business Combination, the Group has also entered into a Relationship Agreement with Eni, operating under similar principles to the Delek Relationship Agreement. See pages 163 to 164.

The Board's primary focus is on maintaining a governance framework that safeguards the interests of all shareholders. As Senior Independent Director, I am confident that these agreements have put in place comprehensive processes that facilitate sound decision-making, ensuring we always act in the best interests of all our shareholders.

HOW DO YOU FEEL THE BOARD HAS PERFORMED IN 2024?

Our new Board is in its relative infancy, with several new appointments in the year, including my own. During 2024, we welcomed a new Executive Chairman, Chief Executive Officer and three additional Non-Executive Directors, resulting in a larger Board enriched by a broadening of experiences. Given the changes in Board composition, the Board has decided to perform an internal Board evaluation this year, followed by an externally facilitated review of the Board's performance in 2025. See page 124.

My initial impressions of our new Board are very positive. The joining Board members are all highly experienced in their respective fields, bring significant public market experience and have contributed valuable insights and increased rigour to our discussions. Our Independent Non-Executive Directors continue to perform well, offering their deep knowledge and expertise to the Board and Committees. I believe our Board members complement each other well, creating a well-rounded and balanced Board that benefits from greater diversity of thought.

As the new Executive Chairman, Yaniv has excelled in facilitating our Board discussions, ensuring all Board members' views are heard and encouraging robust debate. His approach enables the Board to arrive at balanced and well-considered decisions that benefit all stakeholders. This same approach applies to the committees I participate in. All committees are well-managed, utilise top advisors, and ensure members' views are heard and debated. Consequently, I believe the recommendations to the Board are balanced and well-considered. See our s.172 statement on pages 48 to 55 and principal decisions of the Board on pages 50 to 52.

ARE THERE ANY GOVERNANCE AREAS THAT YOU WISH TO BUILD ON IN THE COMING YEAR?

The Board remains committed to upholding the highest standards of corporate governance, ensuring a rigorous governance framework is in place.

Throughout the year, we have made significant progress in addressing the key areas of focus identified during the 2023 Board Evaluation process. These improvements include the introduction of a refreshed Code of Conduct, and an increased frequency of Board Meetings along with regular updates on progress against our strategy. The Board acknowledges that further efforts are needed to develop succession planning for the Executive Leadership Team and improve workforce engagement mechanisms following the Business Combination.

We will continue to identify and address governance areas with potential for further improvement as part of the informal 2024 Board Evaluation, incorporating feedback from both new and existing Board members.

AND YOUR THOUGHTS FOR 2025?

For just over a year, we have observed a wave of consolidation in the oil and gas sector, with UK consolidation now starting to gain pace. Our Business Combination with Eni UK, paved the way for others, with the announcement of the merger of Shell and Equinor's UK offshore oil and gas assets announced in December.

As we enter 2025, I anticipate a continuation of this trend, particularly in the UK, with North Sea participants and private equity owners looking to rationalise portfolios or exit the basin. Our Business Combination positions us perfectly to be the lead consolidator in the North Sea, leveraging our deep operational and technical capabilities, M&A expertise and enhanced financial strength to deliver value accretive M&A and build material scale.

Our ambitions for the Group extend beyond the UK, as we strive towards building a global business of scale and diversification, aspiring to achieve Investment Grade status. Rest assured, we will embark on this new chapter with continued M&A discipline, maintaining a strong focus on value creation for our shareholders.

Engaging with our stakeholders

At Ithaca Energy, we genuinely care about creating value for all of our stakeholders.

We regularly map our stakeholders to ensure that the groups we have identified as key stakeholders remain appropriate. There have been no changes to the Group's business or operations that have merited a change to our key stakeholders within the year. We will continue to keep our stakeholder mapping process under review, adapting our key stakeholders as appropriate.

"At Ithaca Energy, we aim to actively engage with all stakeholders, recognising and considering the views of all stakeholders."

Section 172 (1) statement

The Board recognises the importance of engaging and taking into account the views of all stakeholder Groups, in accordance with our purpose to create value for all stakeholders in a safe and responsible manner. To shape our long-term strategy and maximise value for our stakeholders, we must understand what matters to them.

Through regular engagement, we gain insight into the different perspectives of our diverse stakeholders, ensuring our vision and strategy is understood. Considering their feedback on our strategy, business model and performance builds strong, constructive relationships and enables robust decision-making at Board-level.

The Directors are required by law to act in a way that promotes the success of the Group for the benefit of its shareholders. In accordance with the requirements of Section 172 (1) of the Companies Act 2006 (s.172), the Directors consider, that during the financial year ended 31 December 2024, they have acted in a way that they consider, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole, and in doing so, have had regard to the likely consequences of any decision in the longer term and the broader interests of other stakeholders.

In order to support the statement above, further information can be found on our Stakeholder Engagement on pages 52 to 55, principal Board decisions on pages 50-51, and key Board activities on pages 121-122.

How the Board has had regard to s.172 Duties

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

s.172 Duties	Read more	Page
The likely consequences of any decision in the long-term.	Our business model Our strategy Governance framework Principal risks Key decisions of the Board	30-31 32-35 117 103 50-51
The interests of our employees.	Our people Inegrating our people case study Diversity, equity and inclusion Whistleblowing policy Purpose, values and culture	52, 84 81 90 91 2,18,116
The need to foster business relationships with our suppliers, customers and others.	Our stakeholders Principal risks Key Board activities	54 106 121
The impact of our operations on the community and environment.	Our stakeholders Environment, Social and Governance TCFD and CFD Disclosures HSE Committee report	55 56 64 134
Maintaining a reputation for high standards of business conduct.	Code of Conduct Whistleblowing policy Modern Slavery Purpose, values and culture	89 91 91 116
Acting fairly between our shareholders.	Shareholder engagement Annual General Meeting	52 162

Ithaca Energy non-financial and sustainability information statement

The following information is prepared in accordance with Section 414CA and 414CB(1) of the Companies Act 2006 and the information is incorporated by cross-reference:

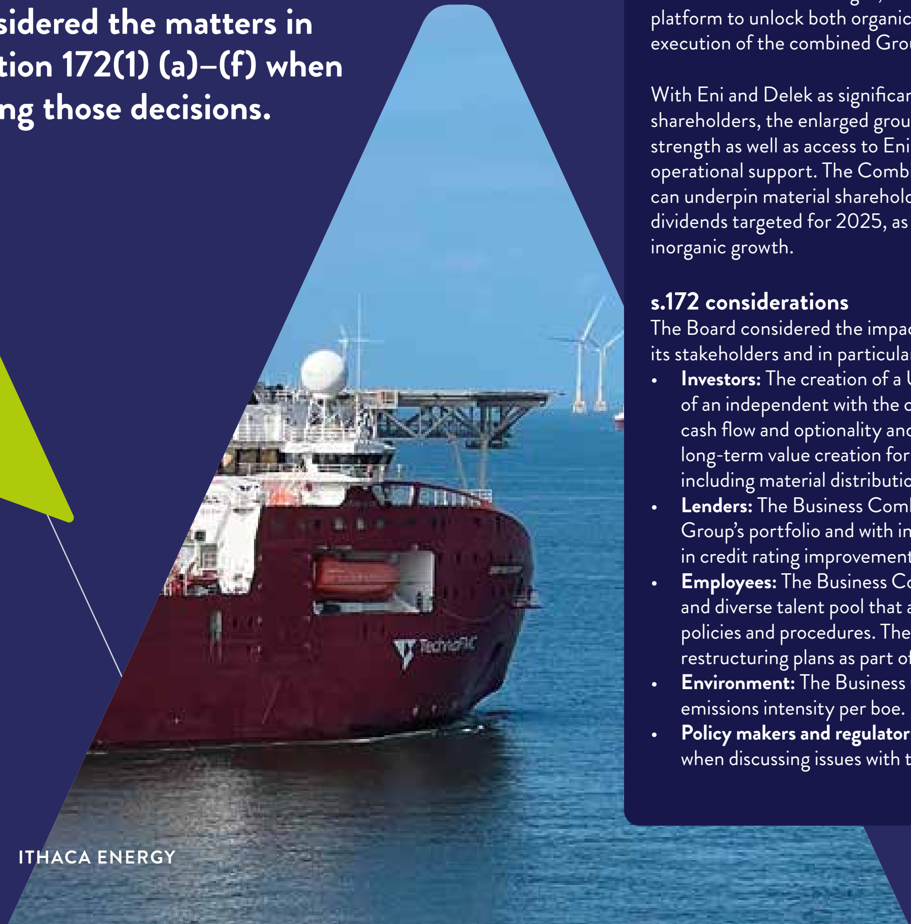
Requirement	Our policies and standards	Information related to policies and due diligence processes
a Environmental matters	• ESG Policy (online) • TCFD and CFD (governance and risk management)	• Environmental, Social and Governance – see pages 56 to 91 • Net Zero and Energy Transition – pages 59 to 62 • Water, spills and waste – page 63 • TCFD and CFD disclosures – pages 64 to 79
b Employees	• Code of Conduct • Diversity, Equity and Inclusion Policy • Board Diversity, Equity and Inclusion Policy	• s.172 Statement – page 48 to 55 • Environmental, Social and Governance – pages 56 to 91 • Corporate Governance Report –pages 110 to 160 • Nomination and Governance Report – pages 130 to 133
c Social matters	• ESG Policy (online)	• s.172 Statement – pages 48 to 55 • Social – pages 80 to 87
d Respect for human rights	• Modern Slavery Statement (online) • Modern Slavery and Human Trafficking Policy • Code of Conduct	• Purpose, mission and values – page 2 • Our people – page 84
e Anti-corruption and anti-bribery	• Anti-Bribery and Corruption Policy (online) • Code of Conduct • Whistleblowing Policy	• Governance – pages 88 to 91 • Code of Conduct case study – page 89 • Whistblowing Policy – pages 91 and 129
Description of principal risks relating to matters (a-e above)		• Risk management – pages 84 and 85 • Principal risks – pages 86 to 90 • TCFD disclosures – pages 52 to 68

Our business model can be found on pages 30 to 31

The details of our non-financial KPIs can be found on page 36

Key decisions in 2024

We cover four of the key strategic issues considered and decisions made by the Board during 2024 together with an explanation of how the Board considered the matters in Section 172(1) (a)–(f) when taking those decisions.



Business Combination

On 24 April 2024, the Group announced its proposed Business Combination with substantially all of Eni's UK Upstream Oil and Gas Assets, and the successful completion of this agreement was announced on 3 October 2024.

Outcome

The transformational Business Combination with Eni UK's highly cash-generative UKCS portfolio has created a dynamic growth player with the largest resource base in the UK North Sea and the organic growth potential to become the largest producer in the UKCS by early 2030s. With a portfolio of scale, balance and significant optionality and increased financial strength, the combined business creates a strategic platform to unlock both organic and inorganic growth through the execution of the combined Group's strategy.

With Eni and Delek as significant, long-term and supportive shareholders, the enlarged group now benefits from increased financial strength as well as access to Eni's world-class technical capabilities and operational support. The Combination has created a solid platform which can underpin material shareholder distributions, with $500 million of dividends targeted for 2025, as well as delivering future organic and inorganic growth.

s.172 considerations

The Board considered the impact of the Business Combination on all of its stakeholders and in particular:

- **Investors:** The creation of a UKCS powerhouse, combining the agility of an independent with the capability of a major would deliver material cash flow and optionality and unlock potential for growth providing long-term value creation for the benefit of the Group's investors, including material distributions.
- **Lenders:** The Business Combination added unlevered assets to the Group's portfolio and with increased scale and diversification, resulted in credit rating improvements.
- **Employees:** The Business Combination provides access to a new, wider and diverse talent pool that allows for the sharing of best practice policies and procedures. The Board condidered the impact of future restructuring plans as part of the optimisation of the organisation.
- **Environment:** The Business Combination lowered the Group's emissions intensity per boe.
- **Policy makers and regulators:** A larger company gives a greater voice when discussing issues with these bodies.

2024 Special Dividend

On 21 November 2024, the Company declared a Special Dividend for 2024 of $200 million, following its interim dividend of $100 million declared in August 2024.

Outcome

With enhanced cash flow generation following the Business Combination with Eni UK, the Group has the potential to offer a significant annual dividends to its shareholders. On announcement of the Business Combination, the Group shared its updated distribution policy of 30% post-tax CFFO in 2024 and 2025, with ambitions to distribute up to $500 million to shareholders in these years.

Any decision to declare and pay a dividend will be made at the discretion of the Directors and subject to restrictions in the Company's operational performance, commodity prices as well as the combined Group's borrowing arrangements and any required refinancing, the availability of distributable profits and other factors that the Directors deem significant from time to time.

Having successfully completed a refinancing in October 2024 and considering all other relevant factors, the Directors were pleased to declare a special dividend of $200 million in November 2024, which was paid on 20 December 2024 to shareholders on the share register on 29 November 2024.

The Directors are committed to targeting a minimum annual dividend of 30% post-tax CFFO for 2025 and have an ambition for special dividends to increase total shareholder distributions up to $500 million in the year.

s.172 considerations

The Board considered all of its stakeholders in the decision to pay a Special Dividend and in particular:

- **Investors:** Investors view dividend payments as an important element of their investment in the Group and the payment of regular dividends is an expectation. The payment of this Special Dividend signalled that the Group's financials were robust and supported both material distributions to shareholders as well as for reinvestment for growth.
- **Lenders:** The Group's capital allocation policy was considered as part of the dividend announcement, including obligations to lenders.
- **Employees:** Those employees participating in the Share Incentive Plan as well as other Company share schemes benefit from dividends declared.

Strengthening the Board and Leadership team

In 2024, the Group focused on strengthening the Board of Directors and Leadership Team, positioning the Group for its next phase of growth.

Outcome
In May, Zvika Zivlin was appointed as Senior Independent Director, bringing a wealth of Board experience as well as experience in cross border transactions across a variety of sectors, including energy and infrastructure. This was followed by the appointment of Yaniv Friedman as Executive Chairman in June. Yaniv has significant global executive experience working in the energy and infrastructure sectors with considerable strategic, commercial, public company and M&A expertise.

Following the Business Combination with Eni UK, Luciano Vasques, Francesco Gattei and Guido Brusco were appointed to the Board in October. Luciano was appointed to the role of Chief Executive Officer and brings a wealth of energy industry experience with a career spanning over 30 years covering a range of leadership, technical and operational roles. Francesco and Guido were appointed as Non-Executive Directors: Francesco has over 25 years of experience in the oil and gas industry across various senior roles at Eni S.p.A. Group, while Guido has over 25 years of experience in the energy business for Eni S.p.A Group across different countries and senior positions.

Tamir Polikar was appointed a Non-Executive Director as nominee of Delek Group Ltd and brings a deep level of expertise in business, finance and management.

The Group announced its refreshed Executive Leadership Team post the Business Combination, bringing together leaders from across the three organisations to ensure the appropriate leadership composition to deliver the ambitious growth plans of the combined business was in place.

s.172 considerations
The Board considered all of its stakeholders when appointing additional Directors and the Executive Leadership Team and in particular:

- **Investors:** All of the Directors appointed to the Board during 2024 have considerable experience and will be instrumental in shaping the strategy of the Group, focusing on long-term organic and inorganic growth and underpinning material shareholder distributions.
- **Employees:** The Board considered the impact of employees when forming its refreshed Leadership Team. The Executive Directors ensured that organisational changes to the workforce were communiczated appropriately.

Refinancing

On 11 October 2024, the Group announced the successful pricing of its Senior Notes Offering and the signing of its Reserve Based Lending Facility.

Outcome
Successful refinancing completed in October enhancing the Group's balance sheet strength, including a $750 million Senior Notes Offering at a rate of 8.125% due 2029 and $1.5 billion amended and restated floating rate Reserve Based Lending (RBL) facility (including letters of credit facility) maturing in 2029, with the proceeds used to redeem the Group's existing $625 million 9% Senior Notes due 2026, repay amounts drawn under an existing loan from bp and pay refinancing related fees and expenses.

The timing of the refinancing, shortly after the completion of the Business Combination, immediately unlocked the financial synergies of the Business Combination, reflecting the Group's enhanced financial strength, increased portfolio scale and diversification and improved credit rating. The refinancing lengthened the Group's debt maturity profile, reduced the Group's cost of capital and provided incremental liquidity to support future growth.

s.172 considerations
The Board considered the impact of the refinancing on all of its stakeholders and in particular:

- **Lenders:** The Board considered its financing composition and the Chairman and CFO met with Bond holders, new and existing, to update them on the Group's position post Business Combination and future strategic plans as part of the finance raise providing an opportunity for Q&A. The Executive Directors considered the composition of its RBL Syndicate and the terms of the facility.
- **Investors:** The Board considered the impact on its shareholders and considered that a refinancing and enhanced balance sheet would support the Group's strategy of pursuing organic and inorganic growth.

AVAILABLE LIQUIDITY
>$1 billion

Active engagement with our stakeholders is at the heart of our Company values with the overall goal of making a positive difference.

Group 1:
Our people

Why we engage
Our people are central to our success. By nurturing a culture where they feel valued and listened to, we fulfil our mission to 'Triumph. Together'. This year, engaging with our workforce has been especially important following the announcement of our Business Combination and the introduction of a refreshed Leadership Team. Engaging with employees helps to identify and address their concerns in an open and transparent manner while building relationships to support future growth.

How we engage
We recognise that frequent, open and interactive communication with our workforce is critical, both onshore and offshore. We achieve this through holding regular town halls, village halls, informal Q&A sessions with the Leadership Team, weekly messages from the CEO, frequent leadership and Board visits offshore and Board and leadership engagement with the Employee Consultation Forum. Face-to-face and digital channels help to support accessibility for our workforce.

Following the announcement of our Business Combination and reflecting the period of change for our business operations and colleagues, a dedicated intranet site focused on delivering useful information about the transaction was launched. This site provided all staff with the opportunity to submit questions to the leadership team in relation to the transaction with all responses published in a central accessible place. This was supplemented by increased frequency of our face-to-face communications, including town halls and 'LIVE with Leaders'.

Building on the Employee Engagement Survey in 2023, the Group launched a follow-on pulse survey in the second half of the year. Both the participation and engagement score increased, and the survey provided further insight into continued areas for improvement.

Recognising the importance of building a culture that all employees can relate to post Business Combination, the Group launched a review of its vision and values welcoming feedback from engagement groups and leaders from across the organisation, with a broad cross section of representation.

Focus areas of engagement
- Organisational design
- Vision, values and behaviours
- Diversity, equity and inclusion
- Development and progression
- Reward and recognition

Outcome from engagement
As we navigated the combination of our businesses, we prioritised addressing any questions or concerns during the transition and integration process through open and regular two-way communication channels providing a voice to our workforce.

FY 2025 priorities
In 2025, our priority will be on delivering a seamless integration of our organisations, bringing together the best working practices from each company to build an even stronger business. Integration and restructuring will be supported by open and transparent communications to our workforce.

Group 2:
Shareholders

Why we engage
With a transformed business post combination with Eni UK and continued fiscal and regulatory uncertainty, engagement with our shareholders has been critical to ensure investors have continued confidence and sufficient clarity in our future strategy and that we understand their priorities.

By engaging in an open and transparent manner with our shareholders we aim to build long-term, supportive relationships with our investors as we continue to pursue our growth aspirations.

How we engage
We maintain an active investor relations programme, led by the Group's Executive Chairman, CEO, CFO and Head of Investor Relations and External Affairs.

We regularly engage with our shareholders and investors through one-to-one investor meetings, the quarterly publication of our financial results, investor webcasts, investor roadshows and attending industry and investor conferences.

We actively gather feedback from our investors, both directly and indirectly, providing valuable insights into their priorities, ensuring our long-term growth strategy remains aligned.

Following the announcement of our Business Combination, the Group held a series of meetings with shareholders to ensure the investment rationale, the future strategy of the combined business and distribution policy were well understood. These meetings provided investors with the opportunity to ask questions directly relating to the Business Combination and other key matters affecting the business, including UK fiscal policy.

Focus areas of engagement
- Corporate strategy and progress
- UKCS Fiscal and Regulatory Framework
- Operational and financial performance
- Capital allocation and dividend policy
- Sustainability plans

Outcome from engagement
In an evolving political and fiscal landscape for the sector, transparent engagement with our shareholders has been critical in navigating the uncertainty. The Group's Business Combination was aligned with our strategic objectives to consolidate and build scale in the UKCS and was well received by the Group's shareholders in light of the changing fiscal backdrop created by the Energy Profits Levy.

FY 2025 priorities
In 2025, the Group seeks to build upon its existing relationships with investors through an Investor Update providing further clarity on the Group's strategy, growth aspirations and dividend ambitions following the successful completion of its Business Combination with Eni UK.

Group 3:
Lenders

Why we engage
Ensuring the Group is well capitalised and maintains the financial strength and capacity to support the Group's long-term growth aspirations is critical to delivering against our corporate strategy. Building strong relationships with our lending groups is vital to ensuring access to long-term debt financing enabling the business to respond to growth opportunities as they arise.

How we engage
We engage regularly throughout the year with our syndicate banks and bond holders. Our engagement led by the Group's CFO and Head of Corporate Finance, is not limited to quarterly reporting cycles, recognising the need to foster strong working relationships to support our growth plans. We connect via one-to-one meetings, quarterly scheduled webcasts with bond holders and attending conferences throughout the year. Feedback from our bond holders and our syndicate banks throughout the year ensures that their interests are considered when making capital allocation decisions that might affect their interests.

As part of the $750 million Bond refinancing in 2024, the Group hosted a virtual roadshow providing an update on operations post the Group's Business Combination, a financial overview of the Group including our Capital Allocation Policy and our strategic plans for the enlarged business and offering the opportunity to answer questions from this key stakeholder group.

The Group negotiated a $1.5 billion amended and restated floating rate RBL facility maturing in 2029 in October 2024. Redetermination of the Group's RBL facility will continue to occur on a bi-annual basis in June and December. At period end, we maintained a healthy liquidity position of over $1 billion, with RBL capacity of $850 million. As at 31 December, the Group's amended facility was drawn by $150 million.

Focus areas of engagement
- Financial performance
- Risk management
- Compliance with covenant suite
- ESG performance

Outcome from engagement
The Group's successful refinancing of its facilities in the year reflected the benefits of the Business Combination and the Group's improved credit ratings almost immediately post completion. The refinancing enhanced the Group's financial position lengthening the Group's debt maturity profile, reducing the Group's cost of capital and providing incremental liquidity to support future growth.

The Group continues to maintain a low leverage position significantly below its capital allocation policy leverage ceiling of 1.5x

FY 2025 priorities
In 2025, we will continue to foster our relationships with existing lenders, ensuring they are kept up to date with the Group's progress against its strategic objectives ensuring we have access to the debt capacity to support our growth ambitions.

Group 4:
Joint venture partners

Why we engage
With a diverse portfolio of scale and a balanced mix of operated vs non-operated assets, building and sustaining strong relationships with our joint venture partners is essential to our operations. By working together with our partners, we seek to achieve alignment across key short-term operational decisions and the broader strategic direction of our assets. In an evolving fiscal and regulatory environment, partner alignment and collaboration has never been so critical.

How we engage
Whether acting as the Operator or as a JV partner, we are committed to working in a collaborative and transparent manner to maximise the value of our assets, while putting safe and responsible operations as our top priority.

We engage on a regular basis with our partners via scheduled Operating Committee Meetings (OCMs) and Technical Committee Meetings (TCMs), supplemented by day-to-day interaction between asset managers. The timings of OCM and TCM engagements are scheduled under the terms of the Joint Operating Agreement (JOA). The JOA provides the parameters for discussions held during OCMs and TCMs, ensuring an effective environment for engagement across all subject areas.

The Operating Committee is responsible for agreeing the overall strategic direction of the asset with key decisions agreed by vote, governed by the JOA pass mark requirements. It is the responsibility of the Operating Committee to agree the associated Work Programme and Budget in alignment with the overall strategic direction of the asset.

Focus areas of engagement
- Safety and environmental performance
- Operational efficiency
- Long-term asset strategy
- Work programmes and budgets
- Emission reduction plans

Outcome from engagement
As our industry has responded to the challenges faced from fiscal and regulatory uncertainty, we have collaborated closely with our JV partners to align on asset investment decisions while ensuring we respond to government consultations with a collective voice. Collaboration across the industry has been critical to conveying the damaging impact of a protracted period of uncertainty to investment, energy security and decarbonisation.

FY 2025 priorities
Following a number of operational issues across our non-operated joint venture portfolio and non-operated infrastructure in 2024, our focus will be on working collaboratively with our JV partners to focus on production efficiency and uptime across our operated and non-operated portfolio.

Group 5:
Suppliers and customers

Why we engage
With a focus on UK energy security, affordability and decarbonisation, our purpose of delivering domestic energy in a safe, sustainable and reliable manner to meet end-user demand continues to be of critical importance. Our supply chain are critical to our ability to do so and therefore it is imperative that we maintain strong relationships across our supply chain to support our operations.

How we engage
Acknowledging the significance of our key suppliers, the Group's contracting strategies emphasise collaboration and building robust supplier relationships, with a focus on operational and safety performance. To manage supply chain risks, the Group has formed and continues to form and maintain strategic partnerships with key suppliers when appropriate.

Throughout the year, we maintain regular engagement with our suppliers through scheduled meetings and performance reviews with particular focus on our key strategic partners. This approach allows us to identify opportunities for improvement and anticipate potential issues, while consistently reinforcing our health, safety, and environment (HSE) expectations. Ensuring alignment on our safety standards is crucial.

We maintain regular dialogue with our customers to ensure the timely delivery of our product to specific grades. We deliver our oil and natural gas liquids (NGL) products via established specialised marketers under various term offtake and marketing agreements with prices linked to standard price benchmarks. Our UK terminal grade products (Forties and Ekofisk) are sold at the UK oil terminals under minimum annual term deals with established international buyers. Our natural gas is sold at various UK terminal entry points under mid to long-term sales arrangements to established international buyers.

Focus areas of engagement
- Safety performance
- Project visibility
- Reliability and quality of product
- Payment and contracting terms

Outcome from engagement
In 2024, we worked closely with our suppliers to review a number of emissions reduction initiatives and through our combined focus on safety we completed the year with no Tier 1 or 2 incidents. Safety workshops, which many of our key suppliers participated in, where we all shared key learnings have been instrumental in achieving this goal.

FY 2025 priorities
Following completion of the Business Combination, the Group has a number of new key suppliers across its asset base and will seek opportunities to consolidate its contracts and operations to achieve efficiencies.

We will continue to work alongside our supply chain partners to identify opportunities for optimisation across our portfolio, including emissions reduction initiatives as we seek to minimise our environmental impact.

Group 6:
Government and regulators

Why we engage
The importance of an open dialogue with the UK Government and opposition parties has never been so critical with operators in the UKCS facing both fiscal and regulatory changes in the sector. With a General Election in the year and a change to the elected Government, the core aim of our engagement has been to highlight the importance of our sector and continued investment in our domestic assets to support highly skilled jobs and the attainment of the UK's energy security and decarbonisation objectives.

Our ability to operate depends on satisfying licensing and other regulatory requirements. We continue to maintain strong and transparent relationships with the regulators to ensure we comply with regulations, maintain our licence to operate, satisfy consenting obligations and contribute to the evolving regulatory framework.

How we engage
We constructively engage across our organisation to help shape policies that will impact our operations in the UK North Sea covering both fiscal policy and regulatory frameworks.

During the year, the Group has been an active participant in Fiscal Forums including the consultation process launched post the Labour party's election in relation to the Energy Profits Levy. Led by the Executives and supported by Government Relations and Tax colleagues the business has attended industry roundtable events, met with key Treasury and Department of Energy Security and Net Zero (DESNZ) ministers and their advisors and responded to calls for evidence.

The Group's fiscal policy response and engagement has been managed on a standalone basis and as part of an industry-wide response to the UK Government, fronted primarily by Offshore Energies UK.

The Group complies with all regulatory requirements and actively engages with the North Sea Transition Authority (NSTA), Offshore Petroleum, Regulators for Environment and Decommissioning (OPRED) and the Health & Safety Executive, to ensure we are compliant with all environmental and safety regulations, in line with our licence to operate.

During 2024, the Group responded to the consultation launched by OPRED regarding assessment of Scope 3 emissions following the Finch ruling and participated in the compilation of an industry-wide response developed by Offshore Energies UK.

Focus areas of engagement
- Fiscal policy and future investment
- Environmental Impact Assessment
- Field Development Plans
- Decarbonisation strategy and performance
- Decommissioning programmes

Outcome from engagement
We have delivered a strong message to the UK Government that both fiscal and regulatory uncertainty has stalled and cancelled investment in the UK basin and highlighted the negative consequences of under investment in our basin and the potential for redeployment of capital out with the UK as a direct consequence of further changes to the Energy Profits Levy.

FY 2025 priorities
During the year we aim to be an active participant in the Government's review of the post 2030 successor oil and gas fiscal regime and continue our engagement in relation to the assessment of Scope 3 emissions. As part of this further fiscal review, we aim to advocate for an earlier introduction of the longer-term fiscal regime that takes a more progressive approach to price shocks.

Group 7:
Communities

Why we engage
We recognise that we play an important role in supporting our wider society, not only through providing highly skilled jobs, vital UK energy security and the delivery of responsible operations and decarbonisation initiatives but also in giving back to the local communities in which we operate. Our commitment to giving back to local communities is embedded in our Company values and continues to be a great source of pride for our workforce.

How we engage
Through our Charity Committee, we seek to build relationships that support community and charity projects across the North East of Scotland. We regularly engage with our charitable partners, to understand how we can best support them and make the most difference, both through continued financial commitments, fundraising events and committing our time to support volunteering projects.

As our long-term charity partner we have worked closely with VSA during the year to support a number of their ongoing service related projects and fundraising initiatives. During 2024, our workforce focused their efforts on the creation of a new sensory garden for Linn Moor School supporting children and young adults with additional support needs, a project that VSA had highlighted would make a tangible difference to their service offering.

In addition, the Charity Committee supported five further employee-nominated corporate charities providing support for people living with dementia, disadvantaged families, children and young people with additional support needs, cancer care and support centres, and humanitarian and disaster relief. With social projects sponsored by employees and an Executive lead in tandem, our community engagement spans across our organisation. Beyond our corporate charity partners, we supported a further 40 employee nominated charitable projects during the year.

Ithaca Energy is committed to supporting skilled jobs in the UK, investing in the development of UK talent through science, technology, engineering and mathematics (STEM) initiatives and technical apprenticeship programmes. The Group's 2024 intern and graduate programme employed eight summer interns, two graduates as part of the Group's graduate programme and hired two apprentices for offshore roles.

Details about our work with our charity partners can be found on pages 86 to 87

Focus areas of engagement
- Energy Security, affordability and decarbonisation
- Charity and community support
- STEM and apprenticeship initiatives

Outcome from engagement
In 2024, Ithaca Energy was nominated for the "OEUK Neighbour of the Year" award and celebrated a member of its apprenticeship programme winning "OEUK's Apprentice of the Year" award, recognising the Group's significant contribution towards its local community.

FY 2025 priorities
With a new cohort of charitable partners for 2025, we are excited to build new partnerships supporting a range of child poverty support, mental health support, cancer and end-of-life support, and environmental charities broadening our support across a number of key social areas in our community, while providing continued support to VSA.

Doing the right thing, the right way

"Sustainability, the communities in which we operate, and governance matter deeply to us and are interwoven into our balanced business strategy. We do the right things in the right way. We are clear and confident about what ESG means for us. It regulates our social licence to operate."

Julie McAteer
General Counsel and Company Secretary

Simon Taylor
EVP Health, Safety and Environment

ESG highlights 2024

OPERATIONAL SCOPE 1 AND 2 GHG EMISSIONS REDUCTION VS 2018 BASELINE[1]	EMPLOYEE ENGAGEMENT SURVEY PARTICIPATION	INCIDENTS OF SERIOUS INJURY AND FATALITIES	TIER1 & TIER2 EVENTS
18%	73%	ZERO	ZERO

1 The business combination was effective from 1st July 2024. For accurate and transparent comparison with our baseline year emissions, we have included the emissions from assets acquired as part of the combination from the 1st of January 2024.

Introduction
Ithaca Energy is committed to delivering the highest level of Environmental, Social and Governance (ESG) standards throughout our business. We pride ourselves on doing the right thing, the right way, and achieve this through our well-integrated and focused emission reduction plan which is embedded in our business, ensuring we are always progressing towards our targets.

In 2024, we are proud of our material progress in meeting our ESG targets, which has meant sustained growth through the safe and responsible production of our assets, supporting continued value creation for all our stakeholders, including employees, shareholders and our local communities.

We believe in the vast societal benefits of access to low-cost energy and the need to safeguard the UK's domestic energy supply. While the world still needs oil and gas, as a critical part of the long-term energy mix, we recognise our responsibility to continue to produce and develop these resources responsibly, whilst reducing the environmental impact of our operations.

Our ESG strategy continues to support both the UN Global Compact and UN Sustainability Goals, ensuring we safeguard the environment, respect human and labour rights and act against corruption in all forms.

The role of the Board
The Board of Directors of Ithaca Energy (the Board) is collectively responsible for the overall leadership, control and governance of Ithaca Energy, responsible for providing direction and guidance to help shape the effective execution of the Group's strategy. It ensures that the Company operates in a manner that generates financial value in a sustainable manner, while protecting the value of our assets, on behalf of our shareholders.

The role of our Executive Leadership Team
The Executive Leadership Team is comprised of the most senior leaders within Ithaca Energy, who hold the ultimate responsibility for driving business success through building and executing the strategy, talent management and stakeholder engagement. These individuals articulate purpose, set a clear and actionable strategy for achieving that purpose, and most importantly, motivate and empower everyone in the organisation to succeed.

This diversified team of senior-level executives provide various functional expertise, work collaboratively and shape interaction between teams. The Executive Leadership Team is the nerve centre and heartbeat of Ithaca Energy responsible for strategy, execution and vision while ensuring an inclusive, collaborative and dynamic workplace with continued learning and employee engagement.

Reporting and engagement with stakeholders
We set out to genuinely make a positive impact for our people, shareholders and communities, and proactively engage with stakeholders to provide full transparency in a constructive manner. We ensure the views of all stakeholders are considered during the Board's decision-making process.

We regularly map our key stakeholders into groups, and as of 2024 there have been no changes to the Group's business or operations that have merited a change to our key stakeholders within the year and the key stakeholders as set out in our Section 172 (1) Statement (s.172), which remains the same as the prior year. We will continue to keep our stakeholder mapping process under review, adapting our key stakeholders as appropriate, our people, shareholders, lenders, joint ventures, suppliers and customers, government and regulators, and communities.

Our s.172 statement, detailing how we actively engage with all key stakeholders and the outcome of our stakeholder engagement, is set out on pages 48 to 55.

Investing in the future

Environmental

Sustainable operations

→ Read more on page 58

Objectives

- Committed to achieving Net Zero by 2040
- On track to meet the NTSD emissions targets of 10% reduction by 2025, 25% by 2027, and 50% by 2030
- Aim to achieve zero routine flaring (ZRF) across our operated assets ahead of 2030
- Progressing towards OGMP 2.0 gold standard across all our assets

How we performed in the year

Achieved 0.1% methane intensity across our operated assets, well below our 0.2% target. Our gross operated absolute Scope 1 and 2 emissions have increased to 448,190 tCO_2e in 2024 (2023: 435,792 tCO_2e), reflecting a greater number of contributing assets as a result of the Business Combination with Eni UK. The carbon intensity of our operated portfolio has reduced to 23.9 $kgCO_2e$/boe (2023: 25 $kgCO_2e$/boe).

Ambitions for 2025

- Progress towards OGMP 2.0 gold status
- Progress flare gas recovery on the Captain assets to construction and have the system online for January 2026
- Continue to review our ERAPs, to identify and assess any new potential emissions reduction opportunities

Long-term goals

- Net Zero carbon emissions by 2040, with an objective to achieve absolute emissions (Scope 1 and 2) reductions vs the baseline year of 2018, of 50% by 2030 on a net equity basis

Social

Delivering low-cost energy and supporting our society

→ Read more on page 80

Objectives

- Deliver domestic energy in a safe, sustainable and reliable manner to meet end-user demand
- Committed to providing a safe and healthy working environment
- Attracting and retaining a skilled, adaptable and diverse workforce
- Always supporting our communities where we operate

How we performed in the year

In 2024, our production delivered over 7% of the UK's gas prodution, contributing to UK energy security. The safety of our people continues to be our number one priority, and we are pleased to report a positive trend in our safety performance. We recorded ZERO cases of serious injury & fatalities and an improvement in all key safety metrics. We engaged in regular and transparent communications with our workforce.

Ambitions for 2025

- Focus on the integration of our health and safety procedures and our ways of working following the Business Combination with Eni UK in 2024
- Regularly conduct employee engagement surveys to understand the needs of our employees

Long-term goals

- Maintain high standards of health and safety, maximising the benefits of resources such as our IOGP membership to support and enhance our capabilities
- Invest in our early career talent, and continually improve our programmes
- Continue to support our local communities through financial support, volunteering and raising awareness of social issues

Governance

A strong governance environment

→ Read more on page 88

Objectives

- Committed to creating an open, diverse and inclusive organisation where employees feel engaged and supported
- Clear and credible executive succession planning to ensure all eventualities are covered and continuity of the business is safeguarded
- Continuing to act with business integrity, high ethical values and professionalism in all business dealings and relationships

How we performed in the year

We strengthened our leadership with several new appointments across the Board and ELT and re-launched our Code of Conduct, which serves as a compass to guide our actions and interactions, ensuring that we conduct our business responsibly and with respect for all our stakeholders. We had zero breaches of anti-bribery and corruption.

Ambitions for 2025

- Remain focused on our pledges, respect our differences and be inclusive in all that we do. DE&I Network to focus on continuing to educate, advocate, engage and empower our community
- Regular succession planning to continue focused on our next tier of leaders
- Complete annual training for all employees

Long-term goals

- Focused on maintaining high ethical standards, always ensuring our staff are compliant with anti-bribery and corruption policy
- Continue to monitor and adapt our leadership structure as necessary to ensure the longevity of our business

Environmental

Sustainable operations

Our material topics

- Net Zero and energy transition
- Water, spills and waste

OUR TARGETS/ OBJECTIVES

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

Reach OGMP 2.0 Gold Standard status by 2028

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

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

Centralise environmental data collection post Business Combination

Achieved In progress New

LINKED SDGs

7 AFFORDABLE AND CLEAN ENERGY

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

13 CLIMATE ACTION

14 LIFE BELOW WATER

Introduction

Whilst the world still needs oil and gas, Ithaca Energy is committed to producing it responsibly, with the lowest environmental impact possible. We are committed to the North Sea Transition Deal (NSTD) and our role in supporting GHG emissions reduction. We accept the need for action to address climate change and in recognition the Group has established a well-defined emissions reduction action plan meeting or exceeding NSTD targets. We have an ambitious goal of reaching the Net Zero carbon emissions target by 2040, on a Scope 1 and 2 net equity basis. We define our net equity emissions as the total emissions from all of our operations, operated and non-operated, calculated based on our proportional share in each field, project or operation.

The energy transition is a substantial task facing our sector. Through value-led investment in emissions reduction activities we are strategically positioning ourselves to deliver one of the lowest carbon emissions portfolios in the UKCS in the long-term. We aim to achieve this through meaningful action in the short term, delivering projects to reduce our emissions associated with current operations, decommissioning high-intensity assets at the end of their life and transitioning the portfolio in the medium to long-term through investment in lower emission intensity assets.

Our own GHG emissions, especially CO_2, are strictly monitored and measured, giving us accurate data as we focus on reducing our emissions. We recognise our contributions to the emissions of the UKCS and we are aligned to the NSTD, a deal backed by the UK Government and Industry to reach a Net Zero UKCS basin by 2050. The targets to reduce CO_2 emissions are the driving force behind our own Emissions Reduction Action Plans (ERAPs).

In 2024, we made significant progress towards improving our emissions performance:

- Our operated Scope 1 and 2 emissions have fallen beyond targets set by the NSTD
- We reduced our gross opertated emissions intensity from 25 $kgCO_2e$/boe in 2023 to 23.9 $kgCO_2e$/boe on a Scope 1 and 2 net equity basis

From 2025, we will report our emissions performance and progression towards targets on a net equity basis, and we will report our percentage reduction from our 2018 baseline.

We have made progress towards our emissions reduction activites. We completed efficiency modifications on our late life assets, Alba North and FPF-1, saving upwards of 34,000 tCO_2e per year. On Captain, we reached major milestones in our key emissions reduction projects by completing the detailed design phase of the flare gas recovery project and sanctioning major upgrades to the water injection pumps. This sets us up, as planned, to execute these projects in 2025, and realise 25,000 tCO_2e/year savings from 2026 onward. In addition, the Group concluded its Captain Electrification FEED Study during the year.

In 2024, we stepped up our efforts on methane, and became signatories of the United Nations Environment Programme Oil and Gas Methane Partnership 2.0 memorandum of understanding, and developed our methane action plan to align with the OGMP framework, setting out a staged methane mitigation approach, focusing on each source and their materiality. We have set 2023 as our benchmark year for reporting, and have a credible plan to reach Gold Standard status by 2028.

This year we have matured our emissions reporting by describing our Scope 3 emissions in line with four of the categories set out by the GHG Protocol. We have worked with suppliers and partners to gather emissions-related data, whilst our teams have been active in seeking to influence those in our supply chain. We know that often, Scope 3 emissions represent a large part of a company's carbon footprint, so we need to understand, quantify, measure, and reduce them wherever possible.

Finally, we recognise that climate change and the energy transition cannot be tackled alone and we need to work together to be part of the solution. We regularly engage with industry and regulatory forums, such as the Net Zero Technology Centre, Offshore Energies UK, Technology Leadership Board and the NSTA ESG Taskforce to collaborate on doing things better and sharing our knowledge, in particular on emissions reduction and working with our supply chain.

Net Zero and energy transition

Our approach

The energy transition presents a significant challenge for the industry, and we are strategically positioning ourselves to maintain one of the lowest carbon emissions portfolios in the UK North Sea. We 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. We are also transitioning our portfolio by investing in lower-emission intensity assets, such as Cygnus and Rosebank, while seeking to advance projects such as Cambo.

Our Net Zero strategy is at the heart of our approach to GHG emissions reduction. It is a clear and simple approach that takes us to Net Zero by 2040. Our strategy is comprised of three parts:

- The first part of our strategy is to reduce our emissions across operated and non-operated assets as much as reasonably practicable. Our focus today, and in the near term, is to deliver emissions reduction projects as set out in our asset ERAPs. On our operated assets, we continuously identify and assess emissions reduction opportunities and progress the projects through our maturation process. On non-operated assets, we support and collaborate with the other joint venture participants to deliver the opportunities in the assets' ERAPs, contributing to the reduction of the Group's net equity emissions footprint;
- The second part of our strategy is to transition our 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 our strategy takes us from today towards 2040, the final part of our strategy looks at 2040 and beyond, where the longer-term approach will be to achieve and sustain Net Zero through offsetting our hard to abate residual Scope 1 and 2 emissions. By 2040, we believe there will be offset schemes, leveraging global carbon prices that will provide trusted ways to fund the best carbon-reduction projects.

On our journey to Net Zero, we are committed to achieving our emissions reduction targets, which are aligned to the NSTD, and we are 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. Further information on our progress towards these targets is detailed on page 77.

Since 2020, we have had a reduction target for only operated assets, of a 25% reduction versus our 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 CO_2 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, our 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 we are 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, we have retired our original target and now focus on the net equity absolute emissions target as described. Together with this target we continue to aim to achieve zero routine flaring across our assets ahead of 2030, and are maturing and implementing projects to successfully deliver this objective.

Our performance

During 2024, Ithaca Energy announced the completion of its transformational Business Combination with Eni UK. Emissions performance data relating to the operated assets, specifically Cygnus Alpha and Cygnus Bravo, has been incorporated into the Group performance data reported for 2024, since the effective date of the Business Combination of 1 July.

In 2024, our gross operated GHG emissions were 447,864 tonnes. The increase versus 2023 is due to the inclusion of the emissions from the Cygnus asset from 1 July 2024. Our gross operated emissions intensity reduced to 23.9 $kgCO_2e$/boe (2023: 25.0 $kgCO_2e$/boe) due to an increase in production, on our lower intensity assets.

Throughout 2024, the Group has demonstrated strong emissions performance in line with our approach. Our emissions performance in 2024, compared to 2023, has materially changed due to the Business Combination. Whilst absolute emissions have increased, given the additional assets, equity and production, the carbon intensity of our portfolio has improved significantly. Further breakdown of our emissions performance can be found with Metrics and Targets (b) of the TCFD section, on page 77.

Notable emissions reductions achieved in 2024 included:

- Single train operation on FPF1 – The asset optimised the gas processing system to only use a single compressor to deliver gas to the mainland. This was a material reduction of around 34,000 tCO_2e per year;
- On Alba, the process was modified to allow gas import to top up the field's own gas in its compressor and utilise it in both turbines. This was beneficial in minimising flaring and diesel usage as the field recovered from the long-term outage of the John Brown turbine that occurred in 2023; and
- Cygnus has continued to reduce the stripping gas rate from its TEG system with the ultimate aim to reduce it from 12 kg/h to 0 kg/h, equating to a reduction of 70 te of CO_2e per year. The asset is utilising appropriately sized temporary electrical generators during shutdowns. This has reduced the quantity of fuel required which equates to a saving of approximately 334 tCO_2e per year.

GROSS OPERATED SCOPE 1 GREENHOUSE GAS EMISSIONS IN 2024

447,864 tonnes

OPTIMISATION OF THE GAS PROCESSING SYSTEM ON FPF1 RESULTED IN

34,000 tCO_2e

material reduction per year from 2024

METHANE INTENSITY

0.1%

reduction versus 0.2% in 2023

GROSS OPERATED EMISSIONS INTENSITY

23.9 kg CO_2e/boe

reduction versus 25.0 $kgCO_2e$ in 2023

The main efforts in 2024 were continuing to progress the engineering of the significant emissions reduction projects on the assets. The highlights of these include:

- Sanctioning a $6.8 million pump replacement project on Captain BLP asset which will right size the large power water pumps, and cut emissions by 10,000 tCO_2e per year;
- Similar to the successfully executed Alba import gas opportunity, investigations into running the Captain compressors on import gas were completed. This would allow the field to minimise flaring during start up and avoid, on average, 4,000 tCO_2e per year. This opportunity continues to be progressed through engineering;
- Detailed engineering on multiple projects on Captain. The flare gas recovery project (14,700 tCO_2e/yr) and reinstating the second export compressor (21,000 tCO_2e/yr) both continued through detailed design, preparing for major construction works in 2025; and
- A technical feasibility study has been completed on Cygnus looking at the potential of installing a flare gas recovery unit. If feasible, this project would have the potential to reduce CO_2 emission from Cygnus of around 4,820 tCO_2e/yr as well as meeting our commitment to ZRF.

The Captain electrification project completed Front-End Engineering and Design (FEED) of the power from shore option in 2024. An emissions reduction project of this scale – with the potential to reduce the asset's emissions by 110 kt CO_2e/year and emissions intensity by 60% – requires significant investment, over $250 million over several years of construction. Due to the General Election and UK budget uncertainty at the time, the project was not taken to final investment decision in 2024. The impact of the Energy Profits Levy continues to be felt, with cash flow available for reinvestment being reduced as a result and projects having to compete for capital. However, the project continues and work is being progressed while the Group determine investment viability of the project.

In 2024, studies were completed looking at alternative decarbonisation options to electrification. These focus around displacing power generated with diesel on the Captain FPSO with power generated from lower carbon intensity fuels, including gas and HVO. Utilising gas over diesel could reduce emissions from the field by 20,000 tCO_2e/year and adoption of HVO could reduce emissions by over 75,000 tCO_2e/year.

In addition, to further demonstrate our commitment to achieving zero routine flaring by 2030, the Group signed up to the World Bank ZRF initiative in 2024.

On our non-operated assets, we supported the joint ventures in the assets' emissions reduction efforts, with the most material projects being:

- Sanctioning the flare gas recovery project on Elgin-Franklin, a significant project in both investment, $65 million, and emissions reduction of 40,000 tCO_2e/year; and
- On Britannia, the ZRF project was approved to enter FEED Stage, another significant project reducing emissions by an estimated 36,000 tCO_2e/year.

Looking ahead

The outlook of the new portfolio, following the Business Combination, puts us on track to meet our 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.

We have projects underway that will ensure we meet our commitments to zero routine flaring on all our operated assets, as well as supporting our 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 our 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 CO_2 capacity for further lower intensity developments in the portfolio.

We will continue to review our ERAPs and identify and assess any new potential emissions reduction opportunities across our assets and prioritise them appropriately.

Furthermore, we will continue to enhance our knowledge of industry best practices and identify further ways to improve our performance. One such example of this is our new membership of the International Association of Oil & Gas Producers (IOGP), which the Group joined in December 2024. IOGP membership supports our goal to enhance our performance in health and safety, environmental protection, and operational efficiency, whilst fostering a culture of continuous learning and improvement. Membership provides us with access to first-class documentation and standards, reliable data for performance benchmarking, and collaboration opportunities with the member organisations to assist us in driving delivery of further improvements in our health, safety and environmental performance.

Figure 1 – Group Greenhouse Gas (GHG) emissions targets

NSTD commitments to reducing GHG emissions (versus 2018)

10% reduction by 2025	**25% reduction by 2027**	**50% reduction** by 2030	**Net Zero** by 2050

We aim to exceed or align to the industry targets in the short and long-term

Operated assets targets

Maintain methane intensity at less than 0.2% in 2025 and beyond	**Achieve OGMP 2.0 gold level status by 2028**	**Zero routine flaring by 2030**

Net equity targets (Scope 1 and 2 basis)

Reduce emissions from oil and gas production in line with NSTD commitments up to 2030	Net Zero by 2040

Methane

Our approach

In 2023, recognising the importance of methane in contributing to global climate change, we set out to include methane intensity and reduction as one of our core metrics for measuring progression towards our Net Zero targets. We set a target of maintaining a methane intensity across our operated assets of less than 0.2%, in line with the NSTA recommendations.

During 2024, Ithaca Energy signed the United Nations Environment Programme Oil and Gas Methane Partnership 2.0 memorandum of understanding. We further developed our methane action plan to align with the OGMP framework, setting out a staged methane mitigation approach, focusing on each source and their materiality, and set our baseline year for reporting.

Our performance

In 2024, our methane emissions intensity was 0.10 tCH4/t Gas exported, a significant decrease since 2023 levels (0.17 tCH4/t Gas exported). This is due to the shift in our production weighting between oil and gas, through the Business Combination and addition of the Cygnus assets.

Looking ahead

In 2025, learning from the success of Cygnus reaching level 5 OGMP 2.0 status, we will progress with the commitments laid out in our methane action plan and deploy a combination of technology, modelling and reduction solutions to help us progress toward Gold Standard status across all of our operated assets. We are committed to working closely with our non-operated partners, industry, and stakeholder groups to share best practices and encourage industry-wide action on methane emissions reduction.

Case study

Cygnus Methane Quantification

Ithaca Energy's Cygnus platform achieved Gold Standard under the UNEP Oil and Gas Methane Partnership.

The Oil and Gas Methane Partnership (OGMP), launched at the 2014 United Nations (UN) Secretary General's Climate Summit, was created by the Climate and Clean Air Coalition (CCAC) and the United Nations Environmental Programme (UNEP) as a voluntary initiative designed to improve the reporting accuracy and transparency of methane emissions from the oil and gas sector. Gold Standard status is awarded to companies or assets that meet the highest reporting standards.

Our Cygnus asset achieved Gold Standard status in 2024 by demonstrating commitment to methane quantification and reduction through a number of technical studies and measurement campaigns, involving the work of many teams – both within the Group and with some of our partners.

We performed a bottom up source survey, conducted sample analysis of the turbine and compressor exhausts, and completed destruction efficiency modelling on our flare tips. Finally, we performed a survey using remotely operated drones to reconcile our site level emissions.

The results from these surveys have given us a good understanding of where and how methane is being emitted and has confirmed that Cygnus in fact emits low levels compared to the basin average. We will continue to improve on our methane reporting in line with our OGMP commitments and transfer these learnings to our other operated assets as they commence their journey on the OGMP pathway.

Case study

Tier 3 emergency response exercise

During 2024, Ithaca Energy successfully undertook a Tier 3 emergency response test overseen by regulatory authorities, a key test of emergency response preparedness undertaken every three years.

The exercise was based on a loss of crude from the Captain FPSO, requiring development of short, medium, and long-term solutions to mitigate a potentially significant pollution event. The exercise was a significant test of our preparedness, involving the UK's Secretary of State's Representative (SOSREP) for Maritime Salvage and Intervention and numerous regulatory representatives as well as technical and environmental personnel from Ithaca. Such exercises are incredibly useful, providing ourselves and key stakeholders with assurance regarding our level of preparedness and highlighting the importance of our regular emergency response training and exercising activities.

Transparent reporting

Our approach

As we progress on our ESG journey, we strive to ensure that our ESG reports continue to provide all stakeholders with a clear and transparent picture of our performance and our plans going forward. This report is aligned to multiple internationally recognised sustainability reporting frameworks and standards, including the Task Force on Climate-related Financial Disclosures (TCFD) and is also prepared in accordance with the 2021 GRI Standards.

Streamlined energy and carbon reporting (SECR)

A comprehensive breakdown of our energy and carbon reporting is provided on page 77 of our TCFD disclosures. Ithaca Energy has disclosed all emission sources under its operational control, in accordance with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, and The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. Ithaca Energy has applied the principles of the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) and utilised the collected data to meet the requirements outlined in the 'Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance' (March 2019). All reported emissions are associated with our operations in the UK and offshore areas.

Our Environmental Management System (EMS)

Ithaca Energy's primary focus is to ensure a safe and healthy working environment for all employees, contractors, and other personnel working within the Group, while minimising the environmental impact of its operations through increasingly sustainable practices. Environmental management is central to the policies and procedures that shape the Group's health, safety, and environmental management system, as well as its corporate culture.

Ithaca Energy's Environmental Management System (EMS) was re-certified to the ISO 14001:2015 standard in May 2024, and is fully integrated into the Group Business Management System. The EMS is designed to support the implementation of the Group's Health, Safety, and Environmental (HSE) policy, including the management of emissions and overall environmental impact.

It reflects our commitment to complying with environmental legislation and upholding the Group's standards, processes, and objectives for the environmental management of hydrocarbon exploration and production.

Our performance

In 2024, we continued to provide clarity to all stakeholders in the most efficient manner and worked diligently to conform with aforementioned standards and frameworks, including the SECR and ISO14001. Additionally, we focused on the integration activities following the completion of the transformational Business Combination with Eni UK which was completed in October 2024, ensuring a streamlined transition is taking place. In the time since the completion Ithaca Energy have been completing detailed reviews of systems, tools and processes with a view to identifying best practice opportunities to implement which will enhance HSE management and deliver business efficiencies.

Looking ahead

Whilst we have already made significant progress towards integration following the completion of Business Combination, a key activity for 2025 will be continuing the integration progress activities. We will integrate activities, designed to deliver performance improvements across the business via a closely managed change management programme.

Water, spills and waste

Our approach

The Ithaca Energy Health, Safety and Environmental Policy places environment at the heart of everything we do. We recognise the importance of effectively managing our activities and their potential impacts on the environment.

Under our ISO14001:2015 certified environmental management system, we take a proactive approach to managing environmental aspects by systematically identifying, monitoring, and reducing environmental impact. We regularly assess our operations, set measurable environmental objectives, and engage employees in environmental awareness and initiatives. Through this structured approach, Ithaca Energy strives to minimise waste, reduce emissions, and promote environmental stewardship while achieving business goals.

Our performance

In 2024, Ithaca Energy complied with permitting requirements for produced water across all producing operated assets. Produced water discharged volumes from across Ithaca Energy's producing operated assets are summarised below.

	2024	2023
Produced water		
metric tonnes*	**4,848,551**	4,122,960
Average oil in water mg/l	**5mg/l**	9mg/l

* Cygnus data from Jul-Dec only. All other assets Jan-Dec 2024.

Produced water re-injection is carried out on the Captain asset. In 2024, 15,424,693 tonnes of produced water was re-injected compared to 15,142,133 tonnes in 2023.

Waste returned onshore from our operated assets is shown in the following table.

	2024	2023
Waste tonnage	**4,774**	6,991

* Cygnus data from Jul-Dec only. All other assets Jan-Dec 2024.

Ithaca Energy works with our waste management contractors to continuously improve waste management and minimise landfill volumes. In 2024, our production assets produced a total of 4,774 tonnes of waste. 2,515 tonnes (53%) of this waste was recycled.

Our performance with regard to events reported to the Regulator as spills (PON1s) is shown in the following table.

Spills reported	**2024**	2023
Total PON1s	**27**	24
PON1 hydrocarbon	**16**	16
PON1 chemical	**11**	8

The increase in PON1s in 2024 compared to 2023 is due to the transition of additional assets into the business. However, the Group is committed to continual improvement in environmental management and will strive to reduce these figures.

During 2024, several members of the HES Team attended and completed ISO14001 Lead Auditor training. This training ensures that there are internal resources to assess and assure the effectiveness of the environmental management system.

Looking ahead

We regularly assess and update our environmental processes to ensure compliance with the latest regulations and industry standards. By investing in green technologies, promoting resource efficiency, and engaging employees in environmental initiatives, we aim to minimise unplanned events. Our dedication to transparency and accountability ensures that we consistently monitor our progress and seek innovative solutions to enhance our environmental performance.

As we continue through the business integration and combine the environmental management systems, there will be focus on environmental training, audit and assurance, and identifying focused areas of improvement.

> "The Ithaca Energy Health, Safety and Environmental Policy places the environment at the heart of everything we do."

TCFD and CFD

In compliance with UK Listing Rule 9.8.6R(8), Ithaca Energy plc is required to describe its compliance with the Task Force on Climate-related Financial Disclosures (TCFD).

Further, Ithaca Energy is in scope of the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 and, therefore, required to incorporate Climate-related Financial Disclosures (CFD)-aligned climate disclosures in its Annual Report and Accounts. We refer to the recommendations of the TCFD and CFD, structured across the four thematic areas of the frameworks in the table below, to support the identification, assessment and management of climate-related impacts to the Group.

We have included in the Annual Report and Accounts climate-related financial disclosures consistent with the TCFD Recommendations and Recommended Disclosures and CFD requirements.

Recognising the significance of managing climate-related risks and opportunities to the success of our business, we acknowledge the importance of improving our reporting and communications to further align with the TCFD recommendations and expectations of the Financial Reporting Council. As such, the supporting pages include details of planned steps to improve alignment with TCFD and further develop the disclosures over the coming years.

Recommendations that are addressed on an Explain basis are summarised in the TCFD compliance summary table on the opposite page and further information on the Group's Energy Transition strategy can be found earlier in this ESG section.

	TCFD compliance summary	Compliance status	Section reference
Governance			
(a)	Describe the Board's oversight of climate-related risks and opportunities	Comply	**TCFD section:** Governance (a), pages 65 to 66.
(b)	Describe management's role in assessing and managing climate-related risks and opportunities	Comply	**TCFD section:** Governance (b), page 67.
Strategy			
(a)	Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long-term	Comply	**TCFD section:** Strategy (a), page 68.
(b)	Describe the impact of climate-related risk and opportunities on the organisation's businesses, strategy and financial planning	Explain	**TCFD section:** Strategy (b), pages 69 to 72.
(c)	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Explain	**TCFD section:** Strategy (c), page 73.
Risk management			
(a)	Describe the organisation's processes for identifying and assessing climate-related risks	Comply	**TCFD section:** Risk management (a), page 74.
(b)	Describe the organisation's processes for managing climate-related risks	Comply	**TCFD section:** Risk management (b), page 75.
(c)	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	Comply	**TCFD section:** Risk management (c), page 75.
Metrics and Targets			
(a)	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Explain	**TCFD section:** Metrics and targets (a), page 76.
(b)	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	Comply	**TCFD section:** Metrics and targets (b), pages 77 to 78.
(c)	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Explain	**TCFD section:** Metrics and targets (c), page 79.

Disclosure	Alignment and next steps

Governance

(a) Describe the Board's oversight of climate-related risks and opportunities

The Board has ultimate responsibility and oversight for managing climate-related risks and opportunities. This includes review of the assessment of climate-related risks and the appropriateness of mitigating actions.

Two Board sub-committees support it in this regard:
- Audit and Risk Committee: Informed of climate-related issues, risks and opportunities on a quarterly basis, ensuring climate risks are considered as part of wider business processes for evaluating and managing risk; and
- Health, Safety, Environment and Security (HSE) Committee: Meeting quarterly, the Committee hold responsibility for reviewing and assessing climate-related issues, risks and opportunities, working closely with the HSE Team, tracking Greenhouse Gas (GHG) emissions vs. corporate targets and ensuring compliance with regulations and reporting requirements. The HSE Committee reports to the main Board quarterly, reviewing performance regarding absolute carbon equivalent emissions and GHG intensity. In 2024, methane intensity is included in the performance review. In addition, monthly HSE performance information is shared with Board members. The HSE Committee also periodically reviews progress towards Net Zero targets and emissions reduction commitments.

Two Executive Leadership Team members also sit on the Board, ensuring cohesive discussion and decision making. The Board reviews Ithaca Energy's Net Zero strategy periodically and oversees its implementation and delivery. During 2024, the Board discussed climate-related matters eight times during the monthly Board meetings, including an assessment of energy transition and achieving Net Zero risks and the effectiveness of corresponding risk management activities. As part of each meeting information pack, the Board receives a report from the HSE Committee noting the HSE monthly performance including information on environmental compliance and details of the gross operated emissions and emissions intensity.

The Board receives additional updates from the Executive Leadership Team on energy transition and achieving Net Zero matters, risks and opportunities as part of the quarterly meetings. Reports on sustainability related issues, including progress against targets, have been delivered and discussed at Executive Leadership Team meetings throughout the year.

Principal risks, which include climate risks, are a standing agenda item for the Audit and Risk Committee. The Audit and Risk Committee plays a key role in supporting and advising the Board and Executive management in their responsibilities over climate risk management, including the risks associated with transitioning to a lower-carbon and more climate-resilient economy. GHG emissions performance versus targets is included in monthly reports which are provided to the Board to enable monitoring of progress implementing reductions versus the corporate targets and strategy. The Board receives copies of all Committee minutes and the respective Committee Chair can speak to the information provided to the Board if any clarification or further details are requested. Climate-related risks and opportunities are further discussed by the Board during its annual strategy discussion.

Climate-related issues are considered by the Board in the organisation's strategy development, risk management and financial planning processes, including via consideration of climate impacts on the assumptions (e.g. commodity and carbon prices) and underlying decisions made in these areas. Recommendations to the Board regarding major capital investments or M&A opportunities include consideration of climate issues and their impact on the Group's emissions reduction targets and long-term strategy. Discussion of climate and related risks is an integral part of project approval processes. Potential projects are assessed on set investment criteria which focus on Net Zero strategy impacts in the long term. This assessment uses a range of qualitative and quantitative metrics such as cash flow, NPV and emissions intensity.

The HSE Team has an integrated objectives and improvement plan for 2025 which outlines key elements for measuring success in progressing towards climate targets, which is endorsed by the ELT and the board. Key objectives for the short term are focused on integration of management systems and setting out Net Zero ambitions and roadmaps after the Business Combination.

Climate performance, including performance against the Company's Net Zero targets, is embedded in the corporate scorecard and annual performance KPIs through the Remuneration Committee. More on our performance against our climate targets can be found on page 36.

Comply

The Board will continue to monitor implementation and progress towards achieving climate commitments and the management of energy transition and achieving Net Zero risks as part of its corporate decision-making.

The evolution of the Group's TCFD disclosure will focus on improvements to further integrate climate considerations into existing governance frameworks, for which the Board has ultimate accountability. Given this year we have focused our efforts on the combination with the Eni UK businesses, our priority for 2025 will be to more closely evaluate and track our progress against mitigating/realising the identified material climate-related risks and opportunities.

Governance structure

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

Board

Audit and Risk Committee

Health, Safety, Environment and Security Committee

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

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

Executive Leadership Team (ELT)

Chief Executive Officer

Chief Financial Officer

VP Heath Safety and Environment

Investment Committee

Enterprise Risk Management Committee

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

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

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

Finance

Environment and Energy Transition

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

Disclosure	Alignment and next steps

Governance continued

(b) Describe management's role in assessing and managing climate-related risks and opportunities

Comply

The management of climate-related issues, risks and opportunities are the responsibility of the VP of HSE and the Chief Operating Officer, who are members of Ithaca Energy's Executive Leadership Team.

Reporting to the HSE VP is a dedicated Environment and Energy Transition Team. The Environment and Energy Transition Team manage climate-related issues, risks and opportunities, including the long-list climate risk and opportunity register and manage emissions data and associated regulatory reporting, reporting emissions performance against targets to asset managers and the ELT regularly, for operated and non-operated assets. The Environment and Energy Transition Team tracks GHG emissions KPIs and identifies emissions reduction opportunities, working closely with our asset teams to manage emissions performance and identify improvement opportunities.

The ELT holds an annual meeting to review climate-related risks and opportunities. The ELT, together with the HSE Team, review the current assets' emissions performance, the Group's outlook and how business decisions can impact these, updates on critical projects, changes or potential changes in regulators' actions and regulations, and any other related items that could impact the business. Key actions are tracked, managed and reviewed at subsequent meetings. The HSE Committee and Audit and Risk Committee are informed of emissions reduction performance, major climate-related issues, risks, and opportunities and that these are being managed appropriately across the wider organisation of functional and asset teams. Progress on managing key climate-related issues through updates on relevant metrics and targets (see Metrics and Targets (a) for further information), such as towards GHG emissions targets are communicated as described above.

The Environment and Energy Transition team, with input from the commercial, audit and risk and finance teams, formally evaluates and update the Climate Risk Register on an annual basis through internal workshops, with additional updates possible should material changes occur. The VP of HSE is responsible for the management of this process.

Company principal risks are reviewed in alternate months or following any major business changes, where the VP of HSE facilitates discussions regarding climate-related risks and opportunities.

This year, the Group reassessed the climate-related risks and opportunities identified in our 2023 disclosure based on changes within the organisation as well as wider industry developments and have updated the scenario analysis and modelling accordingly. Our climate-related risk and opportunity identification and assessment refresh considered the combination with the Eni UK businesses. From the outcomes of this year's work, one additional risk was identified and prioritised for quantitative climate risk scenario analysis compared to our prior year risks and opportunities. This risk relates to increased industry scrutiny and regulations on flaring and methane emissions.

We will further integrate climate-related risks and opportunities into decision-making at the management level, ensuring progress in managing these risks through the development of specific metrics and targets. Further details of our key climate risk indicators can be found in Metrics and Targets (a).

Disclosure	Alignment and next steps

Strategy

(a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long-term

Comply

Our focus this year has been reaffirming and refining the contents of the Climate Risk Register and set of prioritised material climate risks and opportunities that were established last year. The work undertaken in 2023 included a risk and opportunities identification exercise which resulted in a short-list of potentially materially climate-related risks and opportunities, comprising one physical risk, six transition risks and one opportunity. These were logged in our Climate Risk Register, and were then taken forward for financial impact quantification.

As part of this year's climate risk identification and assessment refresh, we sought to reaffirm and refine the risks and opportunities identified in 2023. To achieve this, we have considered major updates to Ithaca Energy's business (in particular the combination with the Eni UK businesses that was completed in October 2024) as well as wider industry developments and trends over the past year. We conducted a validation workshop to review existing risk definitions, as well as evaluate the shortlist of prioritised risks and opportunities that would be taken forward for quantitative scenario analysis again this year. From the outcomes of this exercise, one additional risk was identified and prioritised for quantitative climate risk scenario analysis. This risk relates to increased industry scrutiny and regulations on flaring and methane emissions.

The eight risks and opportunities detailed in Strategy (b) reflect Ithaca Energy's sectoral and geographical basis as an upstream oil and gas producer in the UK North Sea, with dependencies on the global oil and gas market and value chain. For further information on the risk identification and assessment process, see Risk Management (a).

The physical risk relevant to our business and sector includes more frequent and severe weather events that may affect assets and operations, such as downtime or interruptions from damage to infrastructure and service provision, as well as costs associated with higher insurance premiums to cover weather-related damages. Considering the location of our assets and operations, such weather events include increasing frequency of storms impacting safe operations.

The transition risks identified as potentially impactful to our business and sector span the policy and legal, reputation, market and technology categories, such as changes to governmental policy and taxes, consumer and investor preferences/sentiment, and technology readiness. These transition risks could have a direct financial impact on Ithaca Energy's, sale projections and debt financing plans.

We also re-evaluated the climate-related opportunities that may be relevant for our business, such as market growth prospects relative to global competitors resulting from lower carbon intensity products from the UKCS region in which Ithaca Energy operates.

In line with the TCFD requirements, we assessed the impact of two climate scenarios on the identified material climate risks and opportunities under our current business model and strategy. Further information on these scenarios can be found in Strategy (c). The impact of these scenarios has been explored over our three defined time horizons:

- Short-term: to 2030
- Medium-term: to 2040
- Long-term: to 2050

This aligns with the maturity mix of our asset portfolio (late-life, mid-life and long-life assets), as well as our emissions reduction targets and associated strategy focused on short-term operational improvements, mid-term portfolio revitalisation and long-term targeted electrification, as described earlier in the strategic report. As climate-related issues tend to materialise over a longer-term than other business risks and usual business-planning cycles, these timeframes allow the ability to consider climate risks and opportunities, and their uncertainties, over a relevant period, while aligning with global standards and targets. For example, physical risks tend to materialise in the medium and longer-term, while transition risks tend to materialise in the shorter term.

Further detail on these risks and opportunities and the expected magnitude of impact under the specified scenarios and time horizons is included in Strategy (b) and Risk management (b) respectively.

Ithaca Energy will continue to monitor and evaluate existing and future possible climate related risks and opportunities, updating the Climate Risk Register on an annual basis as outlined in Risk Management (a).

Disclosure		Alignment and next steps

Strategy continued

(b) Describe the impact of climate-related risk and opportunities on the organisation's businesses, strategy and financial planning

As detailed above, we carried forward our findings from the previous year to inform this year's refresh of the climate-related risks and opportunities risk assessment. A quantitative assessment of the financial impacts of the most material physical and transitional risks and opportunities to our business was undertaken. The table on the following page summarises the material physical and transitional risks and opportunities, their potential financial impact to our business, qualitative discussion of the relative magnitude of their financial impact under assessed scenarios and time horizons (drawn from the outputs of the quantitative assessment performed), and the key activities we undertake to manage these. The analysis covers both operated and non-operated assets. For further information, see note 3 of the Financial Statements.

We are acutely aware of our role in contributing to the decarbonisation of our value chain, the oil and gas industry, and to the economy-wide low-carbon transition. Our emissions reduction plan is centred on our Net Zero by 2040 target, ten years ahead of the NSTD commitments, and our supporting interim targets. Further information on our targets, as well as details of our ongoing and planned emissions reduction activities can be found on pages 59 to 60.

We consider the implications of climate-related risks and opportunities in our financial planning processes, and the detailed climate risk assessment below has helped us understand these potential impacts over the climate scenarios and time horizons which we have assessed. As well as through our emissions reduction plan and inclusion of climate-related targets in our Executive remuneration (see Metrics and Targets (a) for further details), we are continually looking to integrate climate change-related impacts into our strategic and business thinking. Our approach to governing climate risks and opportunities and maintaining strategic resilience has been detailed further in the Governance section above. Our intention is to continue with our work in 2025 by conducting a high-level review of the quantitative scenario analysis assessment annually, and an in-depth update every three years, or following any major changes to the business such as divestments or acquisitions. This year's refresh of the quantitative climate scenario analysis has included the Business Combination with Eni UK which was completed in 2024.

Explain

We are fully compliant with the qualitative requirement of the disclosure. Our intention is to continue to refine the climate scenario analysis and disclosures on an annual basis.

Additionally, we will review the outputs of the climate scenario analysis and consider how we can best integrate the results into our business decision-making process, ensuring we fully respond to the resiliency of our business model and strategy while considering the two contrasting climate scenarios. The Group is expected to be in a position to disclose quantitative information on our climate scenario analysis findings, and become fully compliant with this section of the recommendation within the next two years.

TIME HORIZON — Short-term | Medium-term | Long-term

Indicates the time horizon where the risk is evaluated to be most material

Scenario analysis output table

The below table qualitatively summarises the outcomes of the scenario analysis performed for the material climate-related risks and opportunities. For further information on the climate scenario analysis process, see Strategy (c). For definitions of timelines used in the scenario analysis table below, see Strategy (a).

TCFD taxonomy	Climate-related risk/ opportunity	Potential financial impact	Relative magnitude of financial impact from scenario analysis	Mitigation activities
Physical risk – acute S M L (time horizon: S)	**Increased severity of extreme weather events:** Increased severity of extreme weather events such as storms causing direct damage to assets and indirect impact from disruption, including potential increases costs from rising insurance premiums.	Increases in extreme weather, most notably storms and high winds and waves, could cause disruption to drilling operations as health and safety concerns cause a cease in operations, causing subsequent losses in revenue. Ithaca Energy's North Sea offshore platforms are resilient to extreme weather, but increased damage repair costs across operated and non-operated assets may increase under increased frequency of extreme weather. This may also have an impact on the Group's insurance premiums to account for increased frequency of extreme weather events and their associated impacts.	Resilience is built into the design of Ithaca Energy's assets to withstand the extreme weather conditions of the North Sea. However, the risk is considered highest (moderate) in the short-term as, while the frequency and severity of extreme weather is expected to increase in the future, potential financial damages and disruption, including insurance premiums, are expected to be limited as Ithaca Energy continues to mitigate the risk and as existing assets mature.	• Continue to assess and embed resilience and mitigation measures, relating to environmental hazards and climate change design allowances for the construction and operation of our offshore assets. • Continue to maintain and update our severe weather policy and business continuity plans, including asset level severe weather action plans and emergency response plans. • We undertake meteorological and oceanographic studies for all our offshore developments, which incorporate the latest climate scenarios.
Transition risk – policy & legal S M L (time horizon: M)	**Increased cost of carbon through taxation and other carbon pricing mechanisms:** The cost of emitting GHG emissions increases due to evolving regulatory requirements, such as carbon pricing, more stringent policies, regulations and punitive measures, and increased regulations around the use of carbon offsets.	Increased compliance, operating, capital expenditure and decarbonising requirements resulting in direct costs, particularly for our higher-emitting assets. Increased exposure to carbon pricing through increased prices and changes to the free allowance regime would result in direct cost for Ithaca Energy in relation to Scope 1 emissions and an indirect cost in relation to Scope 3 emissions. Decreased profit margins as a result of absorbing higher carbon costs associated with Ithaca Energy's operations. For Ithacas non-operated assets and equity share of the assets emissions and associated costs are likely to be passed to Ithaca. Changes in equity share will vary the cost exposure due to change in equity share of GHG emissions.	The impact of carbon pricing is expected to be more material (moderately high) under a 'Net Zero' scenario in the medium-term, as carbon prices increase and policy changes (e.g. reduction in free allocations). Under the same scenario, this risk is moderate in the short and long-term. In a 'Current Policies' scenario, the risk of carbon pricing is expected to be moderate as climate regulation stagnates and carbon prices remain steadier through to 2050.	• Maintain our roadmap for reaching our Net Zero 2040 target, including meeting our 50% scope 1 reduction by 2030 on a net-equity basis. • Continue to invest in low-carbon activities available to Ithaca Energy, to lower our emissions footprint. • Continue to use internal carbon pricing to inform capital planning and business decisions and stress test resilience of Ithaca Energy's operating model to market-based carbon price regimes. • Continually assess our strategy for offsetting our residual emissions to reach our Net Zero 2040 target.

TIME HORIZON — Short-term | Medium-term | Long-term

Scenario analysis output table continued

TCFD taxonomy	Climate-related risk/ opportunity	Potential financial impact	Relative magnitude of financial impact from scenario analysis	Mitigation activities
Transition risk – policy & legal S M L	**Increased legal risks from litigation or non-compliance with climate-related laws and current regulations:** Increased scrutiny on oil and gas sector resulting from rising instances of non-compliance and litigation results in increased direct legal costs, and reduced revenue from perceived loss of social licence to operate, including risk related to the impact of the NSTA decarbonisation plan if it were legislated in its current form. The risk of litigation might be heightened by increased environmental activism driving judicial proceedings.	Potential direct and/ or indirect financial impacts related to climate-related litigation. For example, instances of class action against Ithaca Energy may result in increased expenses for legal services and financial penalties from lost lawsuits. Non-compliance and fines may be relevant if Ithaca Energy fails to comply with climate regulation or related disclosure requirements. Increased scrutiny following litigation or non-compliance could also result in a loss of Ithaca Energy's social licence to operate and subsequently a potential loss of future licencing rights, affecting Ithaca's ability to generate revenue.	The impact of increased climate litigation is expected to be more impactful under a 'Net Zero' scenario but remains low under both 'Net Zero' and 'Current Policies' scenarios. Ithaca Energy's current legal spend is limited and we are not expecting this to materially change in relation to increased litigation for climate-related matters. Under both scenarios the impact is expected to remain very low to low over all timeframes considered.	• Closely monitor emerging regulation and requirements, including through engagement with external consultants, customers, and trade associations to understand how they apply to Ithaca Energy. • Continue to work towards and transparently report against our pathway to Net Zero by 2040. • Clearly communicate any future development carbon removal/ offset ambitions and strategy. • Continue to seek independent assurance over our Scope 1 and 2 emissions, and other KPIs and reported metrics. • Continue to work with peers and industry bodies to provide feedback to the NSTA plan.
Transition risk – reputation & market S M L	**Increasing cost of capital and/or reduction in access to capital:** Industry scrutiny resulting in increased cost of capital and/or reduction in access to capital as investor preferences shift away from companies in high-emitting industries with lower climate performance.	As financial institutions come under increasing regulatory and societal pressure to align their portfolios to a Net Zero world, it may become harder (reduced or more conditional access) and more expensive for Ithaca Energy to source funding if the carbon intensity of the business does not align with regional, investor and lender expectations. Ithaca Energy may face issues with divestment, securing funding and negotiating attractive debt agreements for exploration activities and other opportunities such as capital investments and mergers and acquisitions.	The impact of increasing cost of capital and/ or reduction in access to capital is considered low to moderate under all scenarios. This risk is more material (moderate) under a 'Net Zero' scenario in the short-term, where interest rates are projected to be higher and investors are more likely to consider climate performance in investment/ divestment decision-making. This risk of divestment is anticipated to be less likely under a 'Current Policies' scenario, where there will be greater continued reliance on traditional fossil fuels.	• Continue to clearly and publicly communicate our commitment to our Net Zero goals. • Continue to monitor investor and bank lending appetite and preferences in the context of decarbonisation and the energy transition. • Continue to work towards and transparently report against our pathway to Net Zero by 2040. • Consider incorporating emissions reductions targets into any lending debt facility.
Transition risk – policy & legal S M L	**Increased industry scrutiny and regulations on flaring and methane emissions:** Failure to effectively measure, monitor and report on methane emissions and reduce flared gas in line with industry standards and/or regulatory requirements may impact production consents, result in financial penalties, or reduce available gas output, resulting in lost revenue.	Increased scrutiny of methane emissions may lead to a weakened business reputation and result in decreased demand and, therefore, revenue. Failure to comply with EU methane regulations on oil and gas importers may also result in significant financial penalties for Ithaca Energy's importers which may result in indirect impacts on Ithaca Energy's revenue streams.	The potential impact of methane regulations is greatest in the short-term under both scenarios (moderate), as we are continually maturing our approach to methane management, which we anticipate will effectively mitigate this risk over the medium to long-term. The impact is slightly more material under the 'Net Zero' scenario considering that regulation is likely to be more stringent and penalties are more likely to be enforced than under a 'Current Policies' scenario.	• Strengthen our monitoring, reporting and verification through continued alignment with OGMP 2.0 recommendations. • Progress towards Level 5 and Gold Standard OGMP status by improving inventory methodology and conducting reconciliation programs as per OGMP Guidance • Progress with ZRF projects as planned on our operated assets.

TIME HORIZON — Short-term, Medium-term, Long-term

Scenario analysis output table continued

TCFD taxonomy	Climate-related risk/ opportunity	Potential financial impact	Relative magnitude of financial impact from scenario analysis	Mitigation activities
Transition risk – technology S M L	**Changes in availability and capital costs of low emissions technologies, limiting the ability to meet climate targets:** To meet emissions reductions targets, there will be a need to invest in emerging low emissions technologies, which would result in increased capital expenditure.	As Ithaca Energy invests in technologies to meet climate commitments around GHG emission reduction, there is significant capital expenditure required. There is some uncertainty around the availability and marginal abatement cost of certain technologies which is dependent on scale up to reduce capex. As a result, investment may be more or less costly (or delayed) depending on the maturity curve of these types of technologies required for Ithaca Energy to reach targets.	The impact of capital costs to implement low emissions technologies is more material (moderate) in the 'Current Policies' scenario under all time horizons, as the marginal abatement costs of low emission technologies are likely to stay relatively high and any reductions in operational costs from carbon savings are limited due to relatively lower carbon prices. However, in the 'Net Zero' scenario, investing in low emissions technologies to meet climate targets is likely to materialise as a low to moderate risk for Ithaca Energy given cost savings associated with carbon pricing would likely help mitigate increased expenditure on low emission technologies.	• Develop a clear roadmap to reaching our Net Zero 2040 target, including a marginal abatement cost curve (MACC) and capital allocation plan to set a clear strategy prioritising the most effective emissions reductions activities in terms of cost and reduction potential. • Continue to monitor the global market for emerging low-carbon technologies, such as CCUS, and associated government policies affecting technology development. • Continue to assess asset portfolio for electrification options.
Transition risk – market/policy and legal S M L	**Reduction in demand for oil and commodity price volatility driven by government regulations, fiscal policy changes and/or changing customer preference:** Contraction in oil and gas demand and market value due to changes in government policies, shifting consumer preferences or reduction in overall energy demand from energy efficiency measures, as well as exposure to commodity price declines and/or volatility. This includes potential changes in fiscal policy that may hinder relief from capital projects.	Changing consumer preferences towards lower carbon energy sources and demand reductions as a result of climate policy may reduce demand for Ithaca Energy's oil and gas products, resulting in reduced revenue and/or stranded assets. Coupling reduced demand with excess supply could significantly reduce global prices of hydrocarbons, which both reduces revenue and increases the risk of stranded assets.	The potential impact of global demand reduction for hydrocarbons and declining oil and gas prices presents the greatest climate risk for Ithaca (moderately high), particularly in the short- to medium-term under the 'Net Zero' scenario. Over the longer term in both scenarios, demand, and therefore revenue, is projected to reduce, although at a much slower rate in the 'Current Policies' scenario, which is initially moderately high in the short-term, decreasing to a moderate impact over the medium to long-term.	• Continue to conduct reviews of our corporate strategy and business model in the context of the energy transition and changing demand/ prices for oil and gas. • Continue to explore investment in emissions reductions to reduce the emissions intensity of Ithaca Energy's products. • Regularly consider business diversification into the wider energy supply. • Continually assess Ithaca Energy's ability to pivot the business as demand dictates and assess the Group's ability to improve/ maintain market share of hydrocarbon supply should relative carbon intensity become a differentiating factor.
Opportunity – market S M L	**Increased demand for Ithaca Energy's products due to the lower relative carbon intensity of UKCS O&G and shifting consumer preferences:** The UKCS low GHG/BOE oil and gas provides a potential competitive advantage as the global commodity market transitions toward lower carbon products which may increase market share, revenue and debt appetite.	As the world decarbonises and policy restricts the use of carbon-intensive fuels, the relative carbon intensity of hydrocarbons globally is likely to factor into purchasing decisions for refiners and end users in relation to downstream processing and combustion. The UKCS has a naturally low-carbon intensity compared to other regions which may increase demand for UKCS hydrocarbons vs more carbon-intensive sources. This relative increase in market share for UKCS may increase demand for Ithaca Energy's products and hence revenue.	In the 'Net Zero' scenario, the potential impact of increasing demand for UKCS oil and gas is expected to be material to Ithaca Energy (moderately high) particularly in the short-term as consumers initially move to lower-carbon intensity hydrocarbons, before moving to alternative renewable energy sources in the medium to longer-term. This opportunity is more pronounced under the 'Current Policies' scenario, becoming most material (high) in the long-term as demand for oil and gas products grow steadily, with a continued preference for lower-carbon intensity hydrocarbons.	• Ongoing implementation of GHG emission saving projects in-line with climate targets will reduce Ithaca Energy's carbon intensity compared to peers maintaining a strong position in the UKCS. • Ongoing horizon scanning on how hydrocarbon characteristics are pricing into decisions on hydrocarbon selection (e.g. carbon intensity as well as API gravity and sulphur content). • Continue to develop a lower carbon intensity portfolio.

TIME HORIZON
Short-term Medium-term Long-term

Disclosure	Alignment and next steps

Strategy continued

(c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

Ithaca Energy assessed its resilience to the selected material climate risks and opportunities using a combination of quantitative and qualitative scenario and sensitivity analysis, as outlined in Strategy (b). Scenario analysis identifies and assesses the potential implications of plausible future states under conditions of uncertainty. Scenarios are projections of future macroeconomic and environmental states based on key trends and inputs like differing macroeconomic drivers and techno-economic outcomes, not designed to deliver precise outcomes or forecasts. Instead, they help the Group consider how the future might look if certain trends continue or conditions are met. With third-party support, we assessed eight prioritised climate-related risks and opportunities over the short, medium, and long-term horizons under the following scenarios:

- Optimistic 'Net Zero' scenario of 1.5°C global warmin
- g, which closely maps to the (Intergovernmental Panel on Climate Change) IPCC's representative concentration pathway RCP2.6; and
- 'Current policies' scenario of 3°C+ global warming, which closely maps to the IPCC's representative concentration pathway RCP8.5

The scope of our analysis of physical climate risks included all operational assets across the Group, assessed on a net equity basis.

Transition risks were assessed using predominantly International Energy Agency (IEA) scenarios or the Network for Greening the Financial System (NGFS) scenarios when IEA data was not available or appropriate. The models have been updated from the previous year's assessment to incorporate the latest available IEA and NGFS datasets, namely the 2024 World Energy Outlook and version 5.0 NGFS IIASA Scenario Explorer. Physical risks were assessed using IPCC AR6 models for RCP2.6 and RCP8.5 scenarios.

The Net Zero scenario assumes all necessary climate policies and related measures are implemented sufficiently to achieve global Net Zero GHG emissions by 2050 and limit global warming to 1.5°C. Under this scenario, transition risks—driven by changes in policy, markets, and consumer behaviour—are expected to have a greater impact on society and our business than physical risks. Our analysis shows transition risks in this scenario may negatively impact the Group's growing portfolio of existing assets and new investment or M&A opportunities due to increased carbon costs, stricter regulations on flaring and methane emissions, demand contraction for hydrocarbons, and lower commodity prices. This would likely result in higher operating costs, lower revenues, and reduced overall asset valuations.

Therefore, Ithaca Energy continually evaluates the financial exposure of current assets as well as potential assets over the short, medium and long-term. The Group has plans to support the energy transition, as described within the ESG section above (see page 59) which is centred on immediate, impactful actions, including projects aimed at reducing emissions from our current operations and ensuring the efficient decommissioning of high-intensity assets at the end of their lifecycle. Additional measures in place to both support and build resilience to the energy transition include investing in lower-emission intensity assets, exploring further emissions reduction activities and initiatives to maximise asset efficiency, industry collaboration on emissions reduction, and exploring further M&A and investment opportunities.

In contrast to the Net Zero scenario, the 'Current Policies' scenario assumes limited climate policies are implemented, resulting in some global warming. Under this scenario, we expect physical risks from long-term weather changes to impact our business more than in the Net Zero scenario. Our analysis suggests that lower carbon costs and higher commodity prices from a less pronounced transition mean operational costs, revenues, profit margins, production dates, and Company valuations are less negatively affected. However, increased physical risks could lead to asset damage, disruptions to business activities or the supply chain, causing financial losses, insurance cost increases, and higher contingency planning expenses, reducing profits and asset valuations.

In a Net Zero scenario, we expect commodity demand and price volatility to pose the most significant risk, driven by the increased competitiveness of lower-carbon energy sources. As Ithaca Energy's strategy focuses on oil and gas, there is a risk of reduced revenues in this scenario. However, the UK's lower-carbon-intensity production versus other regions is likely to be favoured as policies reduce spending on higher-emission products. Ithaca Energy will continue to enhance resilience using climate scenario analysis to guide our sustainability strategy and mitigate physical and transition risks. For example, we will regularly review our GHG emissions commitment to Net Zero by 2040, including our targets of zero routine flaring, a 50% reduction in operated emissions by 2030, and ongoing investment in energy efficiency improvements.

Explain

We are fully compliant with the qualitative requirement of the disclosure. Our intention is to continue to refine the climate scenario analysis and disclosures on an annual basis.

We continue to mature our transition strategy and long-term financial planning to effectively consider the climate-related risks and opportunities. As part of this, we will prioritise refining our transition plan and expect to reach comply status with this TCFD recommendation in the next 12 months. We will review existing GHG emissions commitments and interim targets, as well as evaluating our strategic priorities to effectively build resilience to climate risks and opportunities. This process will involve identifying and implementing appropriate activities that promote climate resilience building.

Disclosure	Alignment and next steps

Risk management

(a) Describe the organisation's processes for identifying and assessing climate-related risks

Comply

This year, we refreshed our Climate Risk Register with the help of a third-party organisation as part of the climate-risk and opportunity financial impact assessment process. Based on the existing Climate Risk Register developed in 2023, a consideration of existing and emerging regulation, as well as knowledge of Ithaca Energy and our industry more widely, our long-list of climate-related risks and opportunities was re-evaluated and updated where appropriate.

Following this, a risk validation workshop was held with senior stakeholders from across the business. The long-list of climate-related risks and opportunities were reviewed by these stakeholders, and those determined to be most material to Ithaca Energy in terms of impact and likelihood were confirmed to be taken forwards for quantification through the climate scenario analysis described in Strategy (c) (see page 73). This process involved assessing the potential financial impact of each risk and opportunity against Ithaca Energy's Enterprise Risk Management Framework, to ensure alignment with those risks and opportunities deemed most material to our business.

Ithaca Energy will continue to review and evaluate climate-related risks across the asset, organisational and investment level on an ongoing basis.

At the **organisational level**, responsibility for the climate risk register sits with the HSE and Energy Transition teams. This includes evaluation of the risks and opportunities to account for additional planned mitigation measures used to calculate a post-mitigation residual risk level score. The most material climate-related risks were integrated into the Group's formal enterprise risk register under the principal risk 'Energy Transition and Net Zero Delivery' and are monitored closely on an ongoing basis in conjunction with other significant business risks. Responsibilities of the HSE and Energy Transition teams also extend to the review of the climate risk register and identification of any new climate-related risks and opportunities, as part of wider annual re-assessment and following any material change to the business. This process includes a review of the discrete asset and function risk registers as well as a consideration of any changes to existing and emerging regulatory requirements and government policies (also considered as part of the 'UK Government's Energy and Fiscal Policies' Group emerging risk). Company principal risks are reviewed in alternate months or following any major business changes, where the VP of HSE facilitates discussions regarding Climate related risks and opportunities.

This informs whether any risks need to be updated or added to the climate risk register, including a (re)assessment of Inherent and Residual Risk Level Scores, and any changes are communicated to the Leadership Team as appropriate. In alternate months or following any major updates, the HSE and Risk teams will consult on the need to escalate any climate-related risks and opportunities to discrete Group Principal Risks based on financial materiality and mitigation/risk management requirements, before being raised for discussion with the ELT.

At the **asset and investment** level, significant climate-related risks relating to oil and gas prices, economic lifetime, expected cessation of production and carbon costs have been integrated into the risk assessment and due diligence process for each asset, investment, merger or acquisition opportunity. This is used to inform asset management, investment and strategic decision-making. Additionally, each asset holds its own risk register which feeds into the organisational level climate risk register held by the Environment and Energy Transition team. From the asset risk registers, the top 10 risks are raised to ELT on a monthly basis, and reviewed by the Risk function to manage escalation to principal risks where necessary.

We will seek opportunities to further embed and integrate processes for identifying and assessing climate-related risks to inform corporate decision-making and financial planning for existing and future assets.

Disclosure	Alignment and next steps

Risk management continued

(b) Describe the organisation's processes for managing climate-related risks

Comply

As a Group principal risk under the 'Energy Transition and Net Zero delivery' risk, climate change is governed and managed in line with the Group's risk management framework outlined on pages 101.

As sub-risks within this Group Principal Risk, Ithaca Energy's Risk function review and consider each risk identified in the Climate Risk Register described above to identify possible options to mitigate, transfer, accept or control each risk.

If deemed material, each risk will be assigned an overall risk owner, before current and additional planned risk mitigation measures are then defined and assigned an action owner and due date. Decisions to mitigate, transfer, accept or control each risk are based on the team's assessment of the most viable or attractive options, such as cost and value delivered. This process will be repeated for any new climate-related risks identified and reviewed on an annual basis for existing risks. Further information on the Group risk governance structure and process can be found in the Risk management section on pages 101 to 103.

Ithaca Energy will also closely monitor the prioritised climate risks and opportunities with the aim of reducing risk across climate scenarios and strengthening our long-term resilience, with current management and mitigation actions for those risks summarised in Strategy (b) on pages 69 to 72.

As previously described, risks and opportunities identified in Ithaca Energy's Climate Risk Register have been assessed against our Enterprise Risk Management framework and Risk Prioritisation Matrix to consider the financial impact to the Group, likelihood of occurrence and timing of the risk. This allows the climate-related risks and opportunities to be categorised according to the following risk level scores:

- Risk Levels 1-4 **(High)**
- Risk Level 5 **(Moderately High)**
- Risk Level 6 **(Moderate)**
- Risk Level 7+ **(Low)**

High and **Moderately High** climate-related risks are monitored closely by the energy transition team, with any material changes and progress communicated to the Leadership Team. Where appropriate, material climate risks are communicated to the Health, Safety, Environment and Security Committee and the Audit and Risk Committee, who will review the likelihood and the impact of risks materialising, and the management and mitigation which aim to reduce the likelihood of their incidence or their impact.

Moderate and **Low** climate-related risks are reviewed and updated annually with the rest of the Climate Risk Register by the Environment and Energy Transition team.

We will look to further integrate climate-related risks and opportunities into decision-making at management level and improve the process of identifying climate risks through the Climate Risk Register.

(c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management

Comply

At organisational level, material transition and physical climate-related risks from the Climate Risk Register are embedded into the Group's Enterprise Risk Management procedures under the 'Energy Transition and Net Zero Delivery' principal risk (see page 105) along with other business risks to be managed appropriately. As such, each material climate-related risk will be assigned an overall risk owner, mitigation action owner and due date in line with the process outlined in Risk Management (b) above.

Further information on the Group's Enterprise Risk Management Function can be found in the Risk management section (see pages 101 to 109). Climate-related risk in terms of Energy Transition and Net Zero Delivery risks are included in the Group's Principal Risks.

Principal risks are frequently reviewed by the Executive Leadership Team (through the Enterprise Risk Management Committee), by the Audit and Risk Committee (ARC) and at the Board meetings. Material climate-related risks are brought forward periodically by the Energy Transition Team and Chief Financial Officer (CFO) to the Enterprise Risk Management Committee (ERMC) and the Board to guide corporate decision-making, business strategy and financial planning. The CFO reviews Group principal risks and attends the ARC and main Board meetings. In addition, the CFO will periodically review progress regarding energy transition and emission performance at monthly energy transition and emissions meetings.

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

As the Group's climate-related risk management process and Climate Risk Register evolves, the integration of climate-related risks into the Enterprise Risk Management process will be developed further.

Disclosure	Alignment and next steps

Metrics and Targets

(a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process

Ithaca Energy has considered all sector-specific metrics suggested by the TCFD implementation guidance to select the below set of metrics as appropriate to assess climate-related risks and opportunities in line with the strategy and risk management process:

- **Scope 1 and 2 GHG emissions:** The Group collects and tracks Scope 1 and 2 GHG emissions for each of its operated assets, as well as Scope 1 emissions for non-operated assets, measured in tonnes of carbon dioxide equivalent (tCO_2e). The breakdown of Scope 1 emissions is tracked by source, including emissions from flared hydrocarbons, other combustion, vented emissions and fugitive emissions. Ithaca Energy accounts are verified under the requirements, regulations and guidance of the 2020 UK GHG Order (UK ETS). Scope 2 emissions are emissions from our office energy purchase. Since 2023, Scope 1 GHG emissions have also been reported on a net equity basis, incorporating the proportional contribution from both operated and non-operated assets, offering a more comprehensive perspective on the Group's emissions. It is upon this full portfolio view that our longer-term emissions reduction targets are based. This aligns with the North Sea Transition Deal targets, which are basin wide targets and not specific to any individual asset. For further details see Metrics and Targets (b).
- **Scope 3 GHG emissions:** In 2024, the Group established processes to collect and track Scope 3 GHG emissions for categories 1 (purchased goods and services), 4 (upstream transportation and distribution), 6 (business travel) and 11 (use of sold products). These categories were prioritised for this year's reporting as a result of peer analysis, sector-specific materiality considerations and availability of internal and/or secondary data. A Scope 3 GHG emissions inventory was created as an outcome of this work, which was developed using guidance from the GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard[1] and IPIECA's Estimating Petroleum Industry Value (Scope 3) Greenhouse Gas Emissions[2]. Refer to Metrics and Targets (b) below for further details on the Scope 3 GHG emissions figures and calculation methodology.
- **Emissions intensity:** The Group tracks the emissions intensity of its portfolio of operated assets, comparing assets with the industry average. The emissions intensity metric considers Scope 1 and 2 GHG emissions (as above) and oil and gas production and is measured in kilogrammes of carbon dioxide equivalent per barrel of oil equivalent ($kgCO_2e/boe$). Since 2023, we have also tracked and reported our net equity Scope 1 emissions intensity.
- **Energy intensity:** The Group tracks the energy intensity of its portfolio of operated assets to monitor progress and identify further efficiency opportunities. The energy intensity metric considers energy consumption from operated assets and Ithaca Energy's offices, and oil and gas production, measured in terajoules per barrel of oil equivalent (TJ/boe).
- **Emissions abatements and progress towards group emissions targets:** Progress towards targets is tracked against our baseline year, 2018, and against NSTD targets. Milestones related to emissions reduction project delivery are included in team objectives for relevant individuals and teams, and are included in the Group scorecard as a key measure of success. Scorecard performance helps to determine the annual bonus outcomes for almost all employees, including Executive Directors and senior management. For further information on the KPIs included in performance scorecards see page 36.

Ithaca Energy currently holds an internal carbon price assumption of £50/tonne, £70/tonne and £80/tonne for 2025, 2026 and 2027 respectively, and is inflated thereafter. The appropriateness of this assumption will be reviewed annually or more frequently if warranted by changes to our assessment of the outlook.

Explain

Our priority this year was to develop a Scope 3 GHG emissions inventory, and continue to strengthen the accuracy and transparency of our emissions metrics explained opposite.

Moving forwards, we will evaluate the findings from this year's climate-related risks and opportunities identification and assessment refresh, to help identify additional metrics to support our climate-related risk assessment and management processes.

By 2027, we plan to have in place KPIs and targets associated with each climate-related risk and opportunity we have identified, allowing us to track also our exposure to climate risk, in addition to our emissions performance. For example, we will consider developing and disclosing specific KPIs and/or targets related to capital spent on decarbonisation efforts.

1 GHG Protocol https://ghgprotocol.org/corporate-value-chain-scope-3-standard
2 IPIECA https://www.ipieca.org/resources/estimating-petroleum-industry-value-chain-scope-3-greenhouse-gas-emissions-overview-of-methodologies

Disclosure

Metrics and Targets continued

(b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

Net equity operated and non-operated basis	2024[3]	2023[3]	2022[3]	2021[3]
Scope 1 GHG Emissions (tCO_2e)	**602,650**	566,711		
Carbon Intensity ($kgCO_2e$/boe)	**20.7**	19.2		
Gross operated asset basis				
Scope 1 GHG emissions (tCO_2e)	**447,864**	435,522	482,647	497,362
Scope 2 GHG emissions (tCO_2e) (office energy purchased)	**326**	270	678	567
Total Scope 1 and 2 GHG emissions (tCO_2e)	**448,190**	435,792	483,325	497,929
Amount of Scope 1 emissions from flared hydrocarbons (tCO_2e)	**67,752**	74,696	67,362	82,312
Amount of Scope 1 emissions from other combustion (tCO_2e)	**353,104**	323,655	375,775	391,977
Amount of Scope 1 emissions from process emissions (tCO_2e)	–	–	–	–
Amount of Scope 1 emissions from vented emissions (tCO_2e)	**23,348**	32,371	39,510	22,215
Amount of Scope 1 emissions from fugitive emissions (tCO_2e)	**3,660**	3,642	949	949
Carbon intensity ($kgCO_2e$/boe)	**23.9**	25.0	23.8	24.6
Energy intensity (TJ/Mboe)	**0.35**	0.35	0.33	0.36
Percentage change in Scope 1 and 2 emissions, compared with baseline[3]	**-18%**	-23%	-15%	-10%
Energy consumption MWh	**1,821,011**	1,677,419	1,879,541	2,040,278
Scope 3 GHG emissions (tCO_2e) [4]				
Category 1[5]	**394,007**	–	–	–
Category 4[6]	**111,958**	–	–	–
Category 6[7]	**669**	–	–	–
Category 11[8]	**10,441,600**	–	–	–

Comply

We will continually assess the suitability of the metrics we use to measure our progress toward achieving our Net Zero milestones.

We will also build on the work achieved in 2024, by seeking further opportunities to refine our calculation methodology and incorporate additional categories into our Scope 3 GHG emissions inventory and reporting where appropriate.

3 The metrics reported under 2023, 2022 and 2021 highlight the business emissions metrics pre-combination. The percentage reduction is against the 2019 baseline, as reported in previous years. Percentage change in 2024 is against the new 2018 combined baseline, assuming for a full year of Cygnus emissions in 2024 for transparency in the comparison. All other metrics reported under 2024 assume ownership of Cygnus emissions from the date of the business combination on 1 July 2024. See page 59 within the ESG section for more on our re-baselining activities since the 2024 Business Combination.

4 Only current year data is provided given this is the first year Ithaca Energy has calculated and reported Scope 3 GHG emissions. Moving forwards, historical data will be provided to allow for trend analysis (covering 2024 reporting period onwards).

5 Category 1: Purchased Goods and Services has been calculated on an operational basis using a spend-based method. Emissions associated with drilling rig rental and Mobile Offshore Drilling Units (MODUs) have also been included in Category 1 emissions calculations. Ithaca Energy aims to develop a more tailored and hybrid calculation approach in future years, increasing data collection from suppliers and internal systems.

6 Category 4: Upstream Transport and Distribution has been calculated on an operational basis and includes emissions from the fuel consumption of upstream supply vessels, tankers, dive support vessels, remotely operated vehicle support vessels, walk-to-work vessels, and helicopters.

7 Category 6: Business Travel has been calculated on an operational basis, and includes emissions associated with hotel stays, and the air, rail and road travel of employees for business related activities in vehicles owned or operated by third parties.

8 Category 11: Use of Sold Products has been calculated on an equity share basis, and accounts for emissions associated with the use of oil, natural gas, and natural gas liquids (NGL). Emissions from the production of oil account for the assumed combustion of various energy-use refinery products.

Disclosure

Metrics and Targets continued

(b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks continued

Since 2023, Scope 1 Greenhouse Gas absolute emissions, and carbon intensity have been reported on a net equity basis, incorporating the proportional contribution from both operated and non-operated assets. All emissions metrics are calculated in line with the GHG Protocol. Scope 2 emissions are calculated using a market-based method.

In 2024, in order to align with industry and the NSTD, we moved from a 2019 baseline to a 2018 baseline and included the emissions from the portfolio of assets we operate, and have interest in, post the Business Combination with Eni UK effective 1 July 2024. When comparing our progress towards our emissions targets, we have compared the 2024 data from the 1st of January 2024, in order to get an accurate picture of our portfolio emission performance.

This year we focused on expanding our GHG emissions monitoring and reporting to address Scope 3 GHG emissions, which denotes the indirect emissions that occur within the upstream and downstream activities in our value chain. For our first year of reporting on Scope 3 GHG emissions, we have calculated and reported against four of the fifteen Scope 3 GHG emissions categories as defined by the GHG Protocol. Scope 3 GHG emissions estimates have been calculated using guidance from the GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard and IPIECA's Estimating Petroleum Industry Value (Scope 3) GHG Emissions.

Ithaca Energy's Scope 3 GHG emissions are significantly greater than its Scope 1 and 2 emissions and account for the majority of our emissions footprint. We have prioritised our data collection, estimation and reporting efforts on Scope 3 activities that we expect to be most significant or material to the business, as well as taking into consideration data availability given our first-year reporting of Scope 3 GHG emissions. For example, Category 11 (Use of Sold Products) was prioritised given it is typically a significant Scope 3 activity for all oil and gas companies. By estimating and monitoring our Scope 3 emissions moving forwards, we aim to better understand the broader footprint and identify areas for emission reduction across the value chain.

In future years, we will continue developing our calculation methodologies to mature our GHG emissions calculations. We will aim to do this through further engagement with our suppliers to gather additional, more granular data, as well as expand reporting to include additional Scope 3 categories based on relevance to the organisation and data availability. We anticipate some changes to some category emissions in future years as additional data is captured and assessed by the organisation[8]. Ithaca Energy intends to explain any material changes in emissions in the future as well as provide clarity on emission calculation approaches to increase transparency around Scope 3 emissions while also supporting alignment on industry-wide approaches

Disclosure		Alignment and next steps
Metrics and Targets continued		
(c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets		**Explain**
Ithaca Energy has a target of achieving Net Zero operations on a Scope 1 and Scope 2 net-equity basis by 2040, ten years ahead of the NSTD commitments, with several interim targets. The Group is targeting an absolute reduction of Scope 1 and 2 emissions of 50% by 2030 on a net-equity basis, which includes emissions from non-operated joint ventures, using the NSTD-aligned 2018 baseline. As of the end of 2024, the Group is on track to surpass the NSTD targets of 10% by 2025 and 25% by 2027 All targets are re-baselined following any major changes to the business, including acquisitions or divestitures. In 2024, following the Business Combination with the Eni UK businesses, our asset portfolio changed significantly and as a result, we have re-baselined our 2018 emissions levels, on both an operated and net equity basis, to align with the current portfolio. As we enter 2025, we have retired our original target of 25% reduction in operated emissions by 2025 versus 2019, and focus on net equity absolute emissions targets versus 2018, in line with the NSTS. The Group's Net Zero strategy, and progress towards targets set therein, are described earlier in the ESG section on pages 58 to 60.	In 2024, building on the methane targets set in 2023, we matured our methane action plan and maintained our methane intensity under 0.2%. We have set out a credible and measurable plan to reach Gold Status level with OGMP 2.0, learning from the success of our newly acquired asset, Cygnus. Further information on this, and on our 2024 performance can be found on page 58 to 60. In 2024, we became signatories of the World Bank's Zero Routine Flaring initiative, with engineering works to achieve this on our Captain assets getting well underway in 2025. Further information regarding our climate-related targets can be found in the environmental content within the ESG section, above.	Following the Business Combination with Eni UK we have continued to monitor our emissions and climate performance against internal targets and industry expectations. The refresh of the Climate Risk Register and completion of quantified scenario analysis per strategy (c) and risk management (a), allowed us to assess our climate-risk exposure, informed by the all-sector and sector-specific guidance per TCFD tables 1.1 and 1.2. In 2024, our priority was to effectively manage the combination of Eni's UK assets and re-baseline our existing targets accordingly. Moving forwards, in 2025 our attention will turn towards further refining our broader strategy and pathway to achieving our Net Zero goals. Once this process is complete, we expect to reach comply status with this TCFD recommendation. The strategy will be regularly reviewed to ensure ongoing accuracy and suitability to our business.

Social

Delivering low-cost energy and supporting our society

Our material topics

- Health and safety
- Our people
- Our communities

OUR TARGETS / OBJECTIVES

Ensure no Tier 1/Tier 2 process safety events are experienced across our assets
Implement a new harmonised Business Management System across the organisation
To launch and embed our behavioural framework – 'Our Way'
Integration of our people to form one team, following successful Business Combination
Launch of our new volunteering project with our charity partner, VSA. To build, create and launch Aberdeen's first Dementia Village for Crosby House Care Home residents

Achieved In progress New

LINKED SDGs

- 3 GOOD HEALTH AND WELL-BEING
- 4 QUALITY EDUCATION
- 5 GENDER EQUALITY
- 8 DECENT WORK AND ECONOMIC GROWTH
- 11 SUSTAINABLE CITIES AND COMMUNITIES
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Introduction

Ithaca Energy believes in the vast societal benefits of access to low-cost energy and the need to safeguard the UK's domestic energy supply. Our operations in the UK are critical to this. In 2024, our Combined Business contributed over 7% of UK gas production, with the addition of the Cygnus field, the single largest producing gas field in the UK. Read more about the UK's energy quadrilemma on page 26.

We remain focused on our social landscape, through our commitment to the health and safety of our workforce, embedding a strong culture and giving back to our local communities, all as key stakeholders of the Group.

We strive to provide a safe and healthy work environment for all employees, contractors, and personnel, ensuring that our operations meet the highest standards, and have established a robust HSE policy supported by a comprehensive management system, which includes critical frameworks such as the Company Major Accident Prevention Policy (CMAPP), among others.

We continue to hold ourselves accountable for performance by incorporating challenging safety and environmental measures into our scorecard, which is reviewed regularly by our Board. Our management processes include risk assessments, compliance with legislation, and proactive participation in key industry groups such as OEUK and Step Change in Safety.

Our people remain central to our success, with a focus on talent development, employee engagement, and fostering a culture of accountability. By embedding our values through the Group's 'Our Way' behavioural framework, we create a positive and inclusive work culture that drives collaboration, strengthens leadership, and empowers individuals to contribute to our business objectives and shared success. Our initiatives aim to bring our visions and values to life and create a sense of belonging for all of our staff. In 2024, we saw an uplift in our employee engagement survey participation, and drew on their feedback to further develop our action plans, ensuring that our people feel that their voices are heard and valued.

We continue to show our commitment to our talent development, allowing the Group to both attract and retain a skilled, adaptable workforce by providing ongoing development opportunities for all employees. In 2024, we expanded our graduate programme and investment in supervisor training to ensure continued growth and development of our teams.

Our social commitments extend beyond the workplace, as we continue to engage with and support the communities in which we operate. Ithaca Energy has built strong relationships with charity partners, contributing to causes related to poverty, mental health, dementia, cancer, and educational support.

In 2024, we donated approximately £250,000 to our key corporate charitable partners and approved 40 employee charitable requests providing support to community projects. Our employees contributed a total of ~1,200 volunteering hours to various charitable projects.

Our charitable contributions and volunteering efforts were recognised, with the Group receiving a nomination for OEUK's Neighbour of the Year Award. We are proud to have shown our support for VSA, Maggie's Centre, Living Well Café, AberNecessities, and Camphill School, making a positive impact on local communities and enhancing our social licence to operate.

Case study

Integrating our people

Following our successful Business Combination with Eni UK in October 2024, Ithaca Energy has prioritised the integration of its current and new employees ensuring a streamlined integration of all personnel, cultures and systems. Integration activities have centred around bringing people together to create new connections and build relationships.

Supporting our people
From day one, taking care of our people has been our top priority, recognising the need for open and transparent two-way communications. A dedicated hub site was created to allow the opportunity for Q&A and a comprehensive and user-friendly guide was made available on the hub, featuring essential information on topics such as safety, IT, HR, time-writing, and expenses for our new colleagues. In addition, more detailed resources on changes for colleagues were provided.

HR and IT teams dedicated significant time collaborating with Eni UK to ensure seamless system connectivity and alignment. Teams worked hard to ensure understanding of systems and processes and, most importantly, provide a warm welcome to the new business.

Bringing people together
The Business Combination was marked with an engaging town hall event, bringing together approximately 500 staff members at a single location in Aberdeen. This gathering provided a unique opportunity to connect with new colleagues, hear the new Leadership Team's vision for the future, and participate in high-energy team challenges.

Our Executive Chairman, Yaniv Friedman, kicked off the day, with a clear message: This is a new era – together, we will shape an exciting future for ourselves and our colleagues.

Fostering connection and engagement
Throughout October, a programme of informal team visits saw leaders engaging directly with teams across the business. These visits provided valuable opportunities to introduce leadership, gather feedback, and reinforce the rationale behind the Business Combination.

Offsite team-building events further strengthened team dynamics, with activities ranging from curling to coasteering, and helping colleagues build connections both inside and outside the office.

Health and safety

Our approach

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

To drive effective HSE management we ensure that we:

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

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

- Focus on developing a strong leadership culture, prioritising process safety culture and Stop Work Authority;
- Emphasise our Group safety leadership expectations, which were launched in 2024;
- Further develop our process safety culture, with continued focus on leadership training for senior leaders;
- Work to understand and effectively manage human factors within our activities;
- Continue frontline Operator Process Safety training; and
- Implement the Process Safety Fundamentals across our operations.

Performance

The Group continues to monitor and manage the Serious Injury and Fatality Frequency (SIF-F) associated with its operated assets as a means of evaluating the health and safety performance of the Group and the suppliers working on the assets.

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

During 2024, Ithaca Energy announced the completion of its transformational Business Combination with Eni UK. HSE performance data relating to the operated assets, specifically Cygnus Alpha, Cygnus Bravo, and operational MODU from 1 July 2024 onwards, has been incorporated into the Group performance data reported for 2024.

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

	2024	2023	2022
Serious Injury and Fatalities	–	–	–
Process Safety Events Tier 1	–	1	–
Process Safety Events Tier 2	–	–	2
Total Recordable Case Frequency per million hours	2.30	3.31	3.38

Looking ahead

In 2025, Ithaca Energy will continue to seek opportunities to deliver improvements in our HSE performance. Key focus areas include:

- Leadership: Supporting our frontline regarding our safety leadership expectations and human performance;
- Controls: Continuing to improve our control of work processes;
- Assurance: Delivering our Lines of Defence plans for HSE and Technical Authority Auditing; and
- Process Safety: Continuing to embed improvements, including immersing Process Safety Fundamentals, process safety KPIs and the use of the Barrier Model into our operations.

A key activity in 2025 will be progressing integration activities following the completion of the Business Combination with Eni UK in 2024. In the period since the completion, Ithaca Energy has been completing detailed reviews of systems, tools and processes with a view to identifying best practice opportunities to implement which will enhance HSE management and deliver business efficiencies. We will integrate activities designed to deliver performance improvements in 2025 via a closely managed change management programme.

In 2024, our priority was to effectively manage the combination of Eni's UK assets and re-baseline our existing targets accordingly. Moving forwards, in 2025 our attention will turn towards further refining our broader strategy and pathway to achieving our Net Zero goals. We will also review existing GHG emissions commitments and interim targets. Once this process is completed next year, we expect to reach comply status with this TCFD recommendation. The strategy will be regularly reviewed to ensure ongoing accuracy and suitability to our business.

Case study

Supporting the Next Generation of Energy Professionals

Ithaca Energy is proud to be a longstanding supporter of OPITO's Oil and Gas Technical Apprenticeship Programme (APTUS). We currently have nine apprentices working across our assets, gaining invaluable experience and insights into the energy industry.

OPITO's apprenticeship programme begins with two years of college, where apprentices develop foundational knowledge and complete the academic requirements for their SVQ Apprenticeship. In their third and fourth years, apprentices join sponsoring companies to gain two years of practical offshore experience.

This year, our Process Operator, Dylan Fettes, who worked on the Group's operated Captain and Alba assets, was named OEUK's Apprentice of the Year. Reflecting on his experience, Dylan shared:

"The opportunity to work alongside experienced individuals with years of industry knowledge has been invaluable. There's always more to learn from your peers. My time offshore has provided not only technical skills but also life lessons. The crews on both installations have been friendly and supportive, and I'm truly grateful for their guidance – without them, I wouldn't be where I am today."

APPRENTICES WORKING ACROSS OUR ASSETS

9

VOTED OEUK'S APPRENTICE OF THE YEAR

1

Our people

Culture

Our approach

At Ithaca Energy a key focus area is to create a company that we all want to be a part of. 2023 saw the embedding of our vision and values, and the development of our behavioural framework 'Our Way'. The behavioural framework was developed in partnership with a cross section of our workforce using employee feedback to bring our values to life, providing clear expectations for all. We launched 'Our Way' early in 2024 and have been embedding these behaviours, that support our Company Values throughout the course of the year.

Our performance

In 2024, we engaged with our workforce through townhalls, village halls and team sessions to achieve a high level of understanding of the 'Our Way' behavioural framework. This was supplemented by the support of our culture ambassador team (CATs). Our CATs are a group of employees who volunteered to support the leadership team in embedding our vision, values and behaviours. The CATs have supported communications, shared and celebrated examples of our values in action, provided feedback, and acted as role models.

Looking ahead

We will continue to focus on our values and bring them to life every day with leadership commitment and communication and by celebrating and recognising employees who live the values, making Ithaca Energy a great place to work.

Following the Group's Business Combination, aligning our ways of working and a 'one team' focus is critical. We will use our values and behaviours to guide and support this process.

Employee engagement

Our approach

Attracting and retaining a skilled, adaptable and diverse workforce is one of our key goals. Ensuring we have an engaged workforce is critical to achieving this goal and our success as an organisation. We engage with our workforce through a number of well-established forums such as our employee consultation forum, diversity, equity & inclusion network, sports & social committee, culture ambassador team and our team of well-being champions. In addition, we share key messages through town halls, interactive 'LIVE with Leaders' sessions and with smaller groups in informal sessions such as our breakfasts with our Executive Leadership Team.

Listening to employee feedback is important to us. In addition to face-to-face engagements we conduct employee surveys to identify opportunities for improvement, by providing reliable insights into the areas our employees feel we are doing well and where we need to improve.

Our performance

In our most recent survey in August 2024, which had a high 73% response rate, our employees told us that they felt safe at work, they believed that their health and safety is a priority and they had a good understanding of our values and behaviours and thought collaboration between teams was a strength. Furthermore, they told us that they want to see greater leadership visibility, more visible career opportunities and an increased sense of belonging. As part of this engagement survey we asked our employees for feedback on our values and 75% of respondents said that they had a good understanding of our values and behaviours.

To take steps to improve on our lower scoring areas leaders met with their teams to listen to their thoughts on how to improve and created action plans together.

Looking ahead

We are committed to conducting regular employee surveys to provide employees with a voice where they can share their feedback confidentially so that we can shape our culture and improve engagement. We will continue to use the feedback to measure the impact our actions have over time and update as needed.

Talent development

Our approach

At Ithaca Energy we recognise that providing employee development opportunities is a key contributor to our goal to attract and retain a skilled, adaptable and diverse workforce. We invest in talent development and took a number of steps this year to provide opportunities for employees to learn and progress.

Our early career talent has grown in recent years through our summer internships and graduate programme, securing a pipeline of talent for the future.

We provide development opportunities to all of our workforce, and ran employee sessions throughout the year on career development planning. Employees are kept updated on all vacant roles, have access to regular inhouse learning and external training and education to support their development.

Our performance

In 2024, we conducted a review of our graduate programme to ensure it was meeting our graduates' development needs and that it aligned with the business needs. This involved gathering feedback from our graduates, leaders, graduate sponsors and mentors.

We continue to invest in the APTUS apprenticeship programme and in 2024, we were proud to see one of our apprentices being awarded Offshore Energy UK's apprentice of the year award.

Recognising the importance of the role of our supervisors and investing in their development, we engaged a local training specialist to work closely with us to develop and deliver a bespoke People Leaders Programme. 64 supervisors have attended so far, awarding the course an average overall rating of 8.8 out of 10.

We regularly reviewed our succession plans with our leaders and our functional talent teams and identified and implemented development opportunities for our future leaders and successors of business critical roles.

We improved our recruitment practices by implementing a clear recruitment policy and process to provide transparency, improve efficiency and reduce timelines from advertising to candidate acceptance. This policy provided a clear commitment to advertising opportunities internally and we have seen many employees transferring across departments, as a result providing development and sharing experience across the business.

Looking ahead

We will continue to invest in our early career talent and following the launch of our improved graduate programme, we will engage with our graduates and mentors to ensure that it is effective.

We will continue to support training and education opportunities for all through inhouse and external training sessions and development opportunities and review our succession plans to support employee development and readiness for future roles.

Following the success of our first People Leaders Programme, we have scheduled more dates for 2025 to meet demand and provide opportunities to new leaders following our Business Combination.

Our communities

Our approach

The communities in which we operate matter deeply to us. We believe that being a good neighbour is an integral component of our sustainability strategy; our social licence to operate.

Over the course of 2024, we were delighted to have continued working closely with our five charitable partnerships. We have built strong relationships with our charity partners and worked closely to support them, financially and practically, along with developing employee engagement opportunities and learning around different social issues; poverty, dementia, mental health, cancer, and special educational needs as well as supporting mainstream education from primary to higher education and community sport.

Since the commencement of our partnerships in 2023, our employee engagement surveys and informal employee feedback have been increasingly positive. Our most recent engagement score for social connection rose by 43%. The feedback shows that supporting voluntary or charitable activities has created a stronger sense of purpose, positively impacting overall engagement at work as well as bringing our shared behaviours to life. Whilst our financial support is needed more than ever, our partners say our volunteers' time, including specialist skills, is our most precious gift.

Each year, our staff receive four volunteering days, as well as the opportunity to take part in learning lunchtimes and well-being seminars, webinars and lectures which have included subjects from mental health, suicide awareness, menopause to personal experience of dementia and cancer treatment. We continue to support our employees and contractors to participate in various activities and volunteering in support of Aberdeen Cyrenians, AberNecessities Giving Tree and Winter Appeals, The River Dee Trust, Cancer Research UK, Alford Railway and Linn Moor School.

With a strong passion for supporting the next generation of energy sector employees, every year we welcome interns, graduates and apprentices, as well as building lasting relationships with universities, schools and colleges and sponsoring early-stage career participation at conferences.

Our performance

This year we were honoured to be shortlisted for The OEUK Neighbour of the Year Award which aims to recognise companies that have exemplified exceptional corporate social responsibility and community engagement. This nomination further endorsed the contribution of Ithaca Energy to our community, as well as motivating our highly valued and ambitious team of volunteers.

Our support is multi-faceted: from financial support and volunteering, to raising awareness of social issues facing our community. In the last year, we have matched charitable donations and supported more than 40 charitable requests from employees, donating over £75,000 to local charities, groups and clubs in the North East of Scotland.

We are delighted to have supported community projects, charities, clubs, funds, raffles, and charitable balls, with highlights including:

- Supporting positive mental health, onshore and offshore. From Therapet visits to supporting the training of our 50 mental health first-aiders and well-being champions, we provide support across the organisation and continue to focus on removing the stigma associated with mental health problems, supporting local charity Men in Mind and encouraging teams on and offshore to share the national campaign, Time to Talk;
- We have worked in partnership with Aberdeen Inspired over the past two years to bring an installation to our office – The Umbrella Project, which helps to raise awareness and understanding of neurodiversity;
- Proudly supported the River Dee Trust, which was set up to improve knowledge of the ecology and associated fish stocks of the River Dee, to ensure that practical improvements and restoration of the river and the wildlife it supports can be achieved through financial donations. In addition, we joined their team for two volunteering days, helping to remove skunk cabbage and litter from woodlands and along the river path;
- Increased our commitment to LGBTQ+ awareness with fundraising events for local charity Four Pillars;
- Participation in the Aberdeen Sports Village Corporate Games. With involvement in every event, from football to rugby, diving and badminton, the annual event creates a real sense of collaboration across departments, driving a sense of belonging and pride; and
- Proudly sponsored the Aberdeen Intercompany Rowing Regatta, which included sponsorship of a women's lightweight boat, encouraging more women from across the city to take part in a club firmly rooted in the local community.

We have continued to provide donations to various local charities, such as Aberdeen Cyrenians, The Gordon Highlander Museum, Cash For Kids, ESS Christmas Appeal, Aboyne Canoe Club, Buchan Pipe Band, The All Play Project, JDRF, Macmillan Cancer Support, Alford Railway, Dementia UK, The Inform Prize, Bon Accord Baths, Men In Mind, Hamish Warm Hugs, Friends of Anchor, PAPYRUS, Archie Foundation, Westdyke Football Club, Ellon Guides and The Aberdeen Clydesdale Show.

CHARITABLE PARTNERSHIPS IN 2024

5

OUR CONTRIBUTION TO VSA

£150,000

double our 2023 contribution

Our charity partners

VSA

2024 marks two years of our corporate partnership with VSA. Over the last year, we have continued to build a close and strong relationship with the team at VSA and our partnership has flourished.

We have seen significant commitment from our employees to support our work with VSA and our pledge to support Linn Moor School, an Aberdeenshire residential school which provides specialist education for some of Scotland's most vulnerable children and young people living with complex and additional support needs. This reflects how important this partnership is to our employees, onshore and offshore, and the impact that the team at VSA have had on our people over the last two years.

Our teams volunteered to create the Ithaca 'Sensory' Garden, clearing ground, erecting fences and planting shrubs and trees, designed to stimulate students' senses – touch, taste, and sound – using different plants and materials which help the children with their cognitive, emotional, physical, social and communication development. It was a proud moment for Ithaca Energy when the garden opened in spring 2024.

Our contribution has already doubled that of our initial charitable donation of £150,000; through fundraising activities and a pledge to participate in a wide variety of events. When we launched our partnership, we didn't appreciate the positive impact it would have on our business. We have supported initiatives from tea parties and choirs, endurance events such as rowing challenges, golf days, the Kilt Walk, the London Marathon, Run Balmoral and Aberdeenshire Enduro, and social events such as our Burns' Supper and two charity balls – side by side with VSA staff and volunteers.

Aberdeen Maggie's Centre

Ithaca Energy are a proud partner with Maggie's Centre in Aberdeen, working closely with the centre, supporting their fantastic initiatives, volunteering opportunities and fundraising events. The charity makes a significant difference in our local community and across the UK by providing free emotional, practical and social support to people with cancer and their family and friends.

We supported the charity with an initial donation of £20,000 and rolled out various fundraising initiatives, including Christmas Jumper Day, Wear it Pink Day, jail or bail, fire walks, Christmas card sales, sponsoring Maggie's annual ball and volunteering for their culture crawl. Our teams enjoyed volunteering at their centre in Aberdeen, helping with preparations for their second Charity Ball. We hosted an Ovarian Cancer in the Workplace session alongside Maggie's Cancer Support specialists who offered advice, support and helped our employees, managers and department leads to learn more about the impact of cancer in the workplace. This year we were delighted to sponsor and attend their Orange Ball, provide a raffle prize and a further end-of-year donation of £20,000.

Living Well Café

We are delighted to have supported Living Well Café in 2024, a charity that provides a safe and supportive place for people living with dementia and/or memory problems as well as respite for their caregivers. With a close personal connection to one of our valued employees, we have experienced first-hand what the charity means to the people who use this valuable service and it is a privilege to be able to provide support.

As well as our initial donation of £20,000, we organised a Dementia in the Workplace session to encourage an open and honest conversation around dementia and Alzheimer's and for us all to think about conversations at work. We further supported the charity in their Silent auction, helping to raise as much funds as possible for this incredibly important and much needed café and safe space for those affected by dementia and memory problems.

AberNecessities

Ithaca Energy are privileged to support AberNecessities, a children's charity dedicated to supporting children from birth to 18 years of age, living in extreme poverty. Our staff choose to support AberNecessities in different ways during the year, including collecting and sorting preloved clothes, donating to their annual Giving Tree, and packing Christmas Eve boxes at their HQ. Our Technology and Innovation team offered their time and valuable expertise to the charity, supporting the charities IT systems development, as well as providing a donation of £5,000 towards new IT equipment. With one in five children living in poverty across Aberdeen city and shire, it was important for us to support their 'Believing in Magic' Christmas campaign.

The Group donated £28,000 and volunteering support to help bring magic to many children in our community this Christmas. Our six volunteering teams worked extremely hard at their Christmas HQ, from counting and costing donations, to sorting and organising the gifts and making up the Christmas Eve boxes. Our volunteers found the experience heart-warming, thought-provoking, inspiring and left feeling overwhelmed by the generosity of our staff and local community.

During the year we also donated to the charity's Sweet Dreams campaign, which bought and supplied 115 beds and 'snug as a bug' packs for children and young people living in the North East of Scotland and contributing to improved sleep, health and learning outcomes.

Camphill School

Our charity partner, Camphill School, saw an 86% increase in children and young people with profound disabilities unnecessarily placed in hospital units due to a lack of appropriate placements between 2015 and 2021. Camphill provides support to children and young people, many with additional support needs to reach their fullest potential across its campuses in Aberdeen.

In 2023, Ithaca Energy provided an initial donation of £20,000 which was pivotal in creating Camphill's new residential home, which allows them to support young people and their families in crisis. This contribution also helped Camphill to establish their first carbon-negative home, marking a significant milestone in their efforts towards sustainability.

Our latest donation of £21,000 in 2024 will help to fund Aberdeen's first fully inclusive Outdoor Sensory Adventure and Learning Playground. This innovative project will serve the 35,000 children with registered additional support needs in Aberdeen City, providing a free, accessible space that ensures every child's right to play.

Looking ahead

We will continue our commitment to support local charities and have selected our four new charity partners for 2025, based in and around the North East of Scotland. Over the course of each partnership, our aim is to build strong relationships with each charity; commit our time to volunteering, fundraising, supporting initiatives and attending charitable events. We will offer financial support, as well as providing our teams with rewarding volunteering opportunities.

This year, we continue our three-year charity partnership with VSA, helping and supporting the charity to provide the best of care in our community. We will launch our new volunteering project, and this project will include financial support and corporate volunteering at Crosby House Care Home. Our shared vision is to create a Dementia Village at Crosby House for the residents to help them to be as independent as possible. This will be a year long project, and the Dementia Village will help to evoke memory, which in turn helps with mobility and cognitive behaviour. Throughout the year we will update one summer house unit at a time, into different hospitality or retail concepts, to allow individuals to relive happy times from their lives.

We are committed to continue our support for employee requests for charitable funding of up to £1,000 per request for various local charities and organisations in and around the North East Scotland.

Case study

Supporting our local communities

In 2024, Ithaca Energy were proud to be shortlisted for the OEUK Neighbour of the Year Award, which aims to recognise companies that have exemplified exceptional corporate social responsibility and community engagement.

In 2024, we continued to work closely with our charitable partnerships: VSA, Aberdeen Maggie's Centre, Living Well Café, AberNecessities and Camphill School, building strong relationships while supporting them, financially and practically, along with developing employee engagement opportunities.

Our strong commitment to ethical practices, sustainability and social impact within the offshore energy sector and the initiatives and programmes that we have put in place, demonstrate our prioritisation of environmental stewardship, community development, employee welfare, and stakeholder engagement.

This nomination further endorsed the contribution of Ithaca Energy to our community, as well as motivating our highly-valued and ambitious team.

Governance

A strong governance environment

Our material topics

- Diversity, equity and inclusion
- Executive succession planning
- Anti-bribery and corruption planning
- Whistleblowing
- Data protection

OUR TARGETS/ OBJECTIVES

- Creation of a new Board Diversity, Equity and Inclusion Policy
- Launch of our refreshed Code of Conduct
- On-going programme of diversity, equity and inclusion initiatives for all employees
- Annual training for all employees and contractors to ensure all policies and procedures are adhered to
- Strengthen our talent pipeline through regular succession planning discussions for all senior roles

Achieved · In progress · New

LINKED SDGs

10 REDUCED INEQUALITIES

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Introduction

At Ithaca Energy, we strive to maintain the highest standards of corporate governance and our governing principles are rooted in dealing fairly and openly, creating a place of work that treats everyone equally. We also demand the same of every business in our supply chain.

The Board is collectively responsible for the governance of Ithaca Energy and provides direction and guidance to help shape the strategy and ensure that it is being executed effectively within a structure that is well controlled, mitigates risk and is compliant with corporate and social responsibility. It ensures that the Group operates in a manner that generates financial value in an environmentally viable way, while protecting the value of our assets on behalf of our shareholders.

The Board is responsible for the overall leadership and control of the Group and there is a formal schedule of matters reserved for decision by it. This includes approval of strategy, annual budgets, financial statements, significant capital expenditure, Board appointments and the Group's corporate governance arrangements and systems of internal control.

During the year, a comprehensive Code of Conduct was put in place and approved by the Board. The refreshed Code sets out clearly the leadership's expectations for behaviour across the business in the areas of integrity, objectivity, confidentiality, professional behaviour and professional competence. It helps to ensure employees are comfortable in their working environment. It sets out the principles for appropriate behaviour in the workplace, helping to ensure good relationships between colleagues as well as those between employees and employers. Input to the refreshed Code of Conduct was provided by several departments within the business. See more on our Code of Conduct on page 89.

In May 2024, the Board approved a Board Diversity, Equity and Inclusion Policy, which sits alongside the Company's general Diversity, Equity and Inclusion Policy. Further information on the objectives set out in this Board Policy can be found in the Nomination and Governance Committee Report on pages 130 to 133.

We fully subscribe to the aim and spirit of the UN's Sustainable Development Goals and Ithaca Energy is a signatory to the UN Global Compact. We are committed to taking action across the goals that we believe we have an ability to influence, including good health and well-being, quality education, gender equality, affordable and clean energy, decent work and economic growth, industry innovation and infrastructure, reduced inequalities, responsible consumption and production, climate action, life below water, and peace, justice and strong institutions.

The Board delegates some of its responsibilities to the following Board Committees:

- Audit and Risk Committee;
- Nomination and Governance Committee;
- Remuneration Committee;
- Health, Safety, Environment and Security Committee; and
- Disclosure Committee.

Further detailed information on Ithaca Energy's governance framework can be found within the Corporate Governance Report on pages 110 to 125.

Case study

Code of Conduct

Ithaca Energy is committed to excellence, integrity and ethical business practises and our Code of Conduct is testament to that.

In October 2024, we re-launched our Code of Conduct across the business, which serves as a compass that guides our actions and interactions, ensures that we conduct our business responsibly and with respect for all our stakeholders.

This applies across our Company, its subsidiaries, directors, officers and employees, including temporary and contracted employees.

Committed to conducting our business in an honest and ethical manner, we promote openness and transparency and encourage our employees to raise concerns no matter how small. See more on our Whistleblowing Policy on page 91.

The Code of Conduct is designed to foster a culture of openness, trust and respect, providing clear guidelines for what is expected from each of our employees, covering the following areas:

- People and Community;
- Business Integrity and Reputation; and
- Information and Assets.

The Company's policies set out our ethical and behavioural framework which govern our Group's activities and form the basis for the internal and external actions of our people and how we expect our business to be conducted.

These policies are underpinned by the effective embedding of our vision, values and behaviours across everyone who works with us, guiding us how to behave. See more on our policies on pages 90 to 91 and in the Non-Financial and Sustainability Information Statement on page 49.

> "Committed to conducting our business in an honest and ethical manner."

Diversity, equity and inclusion

Our approach

Diversity, Equity and Inclusion (DE&I) are fundamental concepts in creating an open, diverse and inclusive organisation where employees feel genuinely engaged and supported. Diversity and inclusion are fundamental to the well-being of our employees and the success of our business and our aim is that our workforce is truly representative of all areas of society and each employee feels respected and able to give their best. A diverse and inclusive workforce will support our business capabilities, increase engagement and enhance our business results, helping to contribute to fairer and more equitable communities.

Our performance

During 2024, Ithaca Energy once again took part in the ADHD Foundation's Neurodiversity Umbrella Project (the Project), raising awareness and understanding of neurodiversity. The Group's DE&I Network, established in 2022, provided further information and opportunities to learn more about neurodiversity, opening up the discussion on neurodiversity and allowing people to understand both the challenges and positive impact that neurodiversity can bring to the workplace to aid in the project's aim to change the perception of neurodiverse/neurodivergent people and celebrating all the many strengths that come from thinking differently. Employees were provided with more information on topics such as Dysgraphia, Tourettes Syndrome and Dyspraxia.

The DE&I Network's events calendar for 2024 included topics such as International World Autism Awareness; Disability Pride Month; International Women's Day; International Men's Day and UN International Day for Cultural Diversity for Dialogue and Development. In addition, throughout the year there were various discussions, led by employees with experience in the area, covering subjects such as dementia and Alzheimer's. In May, a separate DE&I policy for the Board was approved and adopted. More information on this policy can be found on page 132.

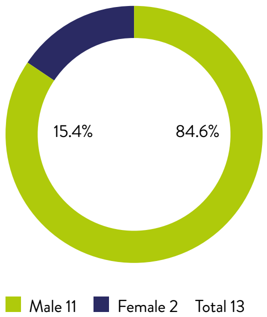
Looking ahead

We are committed to an ongoing programme of equity and inclusion for all and we want everyone to feel comfortable to be themselves, feel listened to and be able to express themselves. We know that we are still on this journey and are determined to keep challenging ourselves to do more. During 2025, we will focus on our pledges, respect our differences and be inclusive in all that we do. The Group's DE&I Network will continue to educate, advocate, engage and empower our community to create and sustain a culture and environment that is diverse, equitable and inclusive. Employee feedback is vital and the annual DE&I engagement survey allows us to gather data to help inform our actions and track our progress.

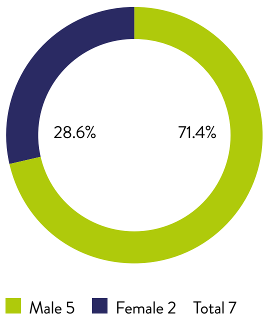
Board, senior management and employee diversity

As at 31 December 2024, the gender breakdown of our employees and Directors was as follows:

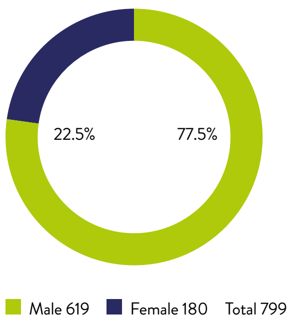
The Board



Senior management



Employees



Executive succession planning

Our approach

Succession planning as well as talent management is of critical importance and is discussed and reviewed regularly at both Board and Nomination and Governance Committee meetings. Having clear and credible plans in place is vital to ensure that all eventualities are covered and that the continuity of the business is safeguarded with disruption minimised as we pursue our strategic plans for growth.

Our performance

A regular review of the Board and our leadership team by the Nomination and Governance Committee is a key part of this process, as it allows us to assess the effectiveness of our people and identify potential opportunities that we might need to develop, as well as mitigate any risks. Proactive planning will help us prepare for the departure of those in leadership positions, whether through retirement, promotion or another form of exit, meaning that we can rely on competent successors.

During 2024, the composition of the Board was reviewed in light of the Business Combination with several changes being made to strengthen the Board including the appointment of Zvika Zivlin as Senior Independent Director, Yaniv Friedman as Executive Chairman and following the appointment of recruitment consultants and the subsequent completion of the Business Combination, Luciano Vasques was appointed as CEO. In addition, the Group further strengthened its Executive Leadership Team ahead of the Business Combination with the appointment of Odin Estensen as Chief Operating Officer and refreshed the composition of the Executive Leadership Team following the completion of the Business Combination. See page 19.

Looking ahead

For 2025, the Nomination and Governance Committee will ensure that regular succession planning discussions will continue as this enables us to assess and strengthen our talent pipeline for senior roles and develop programmes to support career progression across the business. It strategically supports our leadership development and builds a pipeline of leaders who are ready to step in when needed.

Anti-bribery and corruption policy

Our approach

Ithaca Energy is committed to business integrity, high ethical values and professionalism in all of its business dealings and relationships, wherever we operate and to implementing and enforcing effective systems to counter bribery and corruption.

It has a zero-tolerance approach to bribery and corruption and the Group's anti-bribery and corruption policy specifically prohibits the offering, giving, solicitation or acceptance of any bribe to or from any person or company, wherever they are situated and whether they are a public official or body or private person or company. Any breach of this policy is regarded as a serious matter and will result in disciplinary action, including, where appropriate, summary dismissal.

Our performance

In 2024, all employees and contractors were required to complete an anti-bribery and corruption course. No breaches of the anti-bribery and corruption policy were identified during the year.

Looking ahead

Annual training for all employees and contractors will continue to be carried out. The Group's anti-bribery programme is built around a clear understanding of how and where bribery risks affect the business and comprises key controls such as: policies (anti-bribery, gifts and entertainment, supply chain); procedures such as conducting due diligence on suppliers; training colleagues on bribery risks; and ongoing assurance programmes such as external as well as internal audits to test that the controls are functioning effectively.

Whistleblowing

Our approach

The Group operates a whistleblowing policy through which senior managers, officers, Directors, employees, consultants, contractors and all persons associated with us, wherever their location, are encouraged to report any behaviour which they feel is not right, whether this affects them personally, or a colleague, or the safety or compliance of the business.

Whistleblowing concerns can relate to actual or potential breaches of law or Group policy, including those relating to accounting, risk issues, internal controls, discrimination, bullying, illegality, suspicion of criminality, modern slavery and unsafe practices.

The policy is designed to make it easy for concerns to be raised without any fear of the consequences. For those wishing to keep their identity anonymous, they may raise their concerns on a dedicated whistleblower hotline, which is maintained by an independent external provider who will take the details of the incident and provide a report to the Group of the concern raised. This ensures concerns or issues can be escalated and dealt with effectively, without fear of victimisation, discrimination or disadvantage, in the interests of the business, colleagues, shareholders and other stakeholders.

Our performance

All matters raised will be reported to and investigated by the Audit and Risk Committee. No matters were raised or reported during 2024.

Looking ahead

Our whistleblowing policy will continue to form part of the employee induction process. The benefit of having a clear whistleblowing policy in place that specifically targets the reporting of wrongdoing within the workplace and provides an accessible and easy procedure to follow, reassures our employees that we take any wrongdoing very seriously and encourages them to come forward with any concerns which they may have without them fearing a consequence.

Data protection

Our approach

We consider data protection a critical concern and keeping personal data safe represents a fundamental element of maintaining the trust of our employees, customers, stakeholders and other individuals who provide us with their confidential information.

The UK General Data Protection Regulation sets out strict requirements for collecting, processing and storing personal data and failure to comply with this can result in significant legal and financial consequences, including fines and damage to our reputation.

Protecting data in the workplace helps prevent fraudulent activities, hacking, phishing and identity theft and upholds data security and privacy, strengthening overall business security.

Our performance

In 2024, we continued to take the protection of our data very seriously, all employees and contractors were required to complete online training on Data Protection; Internet Security/Cyber; and Phishing. In May, Lynne Clow, Independent Non-Executive Director was appointed as the Board representative who would lead Board discussions in the event of a cyber attack. The Board, ELT and Technology and Innovation Team continued to build upon its cybersecurity strategy and performed a number of simulated cyber attack exercises during the year.

Looking ahead

Our data protection training is ongoing and the periodic email phishing tests will continue to be sent, with those who fail to spot the tell-tale signs assigned a training module aimed at reinforcing the skills needed to help identify future phishing attempts.

"2024 has been a transformational year.

The Business Combination and corporate refinancing have reinforced the strong foundations of the Group. The value growth journey continues."

Iain C S Lewis
Chief Financial Officer

Case study

Refinancing

$2.25bn refinancing package including:

- $1.5bn amended and restated floating Reserves Based Lending (RBL) facility, maturing 2029
- $750m 8.125% Senior Notes, maturing 2029

The amended and restated RBL facility of $1.5bn (including $0.5bn letters of credit), further details of which are set out in note 20, was closed with a high quality syndicate of 14 principally European, North American and Middle East institutions with material demand above the facility amount.

There was significant global investor demand for the Senior Notes with the offering vastly oversubscribed and a public offering process of only 2 days.

The Senior Note proceeds were used to redeem the 2026 $625 million 9% Senior Notes in full, repay amounts drawn under a loan facility with bp and pay certain refinancing related fees and expenses.

The refinancing was supported by marked improvements in credit ratings with Fitch Ratings, S&P Global Ratings and Moody's Ratings, following the completion of the Eni UK Business Combination.

Fees amounted to $17.8 million for the Senior Notes and $32.4 million for the RBL which are being amortised over the period of the respective terms.

In addition an early repayment charge of $14.1 million on the Senior Notes due 2026 and unamortised fees of $7.9 million related to the previous facilities were charged to finance costs.

Financing activities for the year closed with additional letters of credit secured during Q4 with the signing of new facility agreements with relationship banks. More than $400 million of additional capacity was added, providing the Group with material optionality for future decommissioning postings.

AVAILABLE LIQUIDITY

$1.0bn

TOTAL CONSIDERATION

£1.1bn

Case study

Business Combination

The Business Combination created a dynamic growth player with the largest resource base in the UKCS providing significant growth optionality.

Total consideration of $1,065.7 million comprising of the issue of 639.4 million new shares and $204.5 million of deferred cash consideration.

The former Eni UK businesses contributed $290.1 million of revenue, $272.7 million of adjusted EBITDAX and $195.0 million of profit before tax in the period from 3 October 2024 to 31 December 2024.

Had the Business Combination completed 1 January 2024, the Eni UK businesses would have contributed $1,014.0 million of revenue, $853.0 million of adjusted EBITDAX and $598.4 million of profit before tax.

Business Combination related costs of $16.3 million were incurred in the year to 31 December 2024 and are included within 'administrative expenses'.

Summary of financial results

Financial key performance indicators (KPIs)

	2024	2023
Adjusted EBITDAX[1] ($m)	**1,405.0**	1,722.7
Statutory profit for the year ($m)	**153.2**	292.6
Adjusted net income[1] ($m)	**323.6**	446.5
Basic EPS (cents)	**13.2**	29.1
Net cash flow from operating activities ($m)	**853.3**	1,290.8
Available liquidity[1] ($m)	**1,015.1**	1,028.2
Unit operating expenditure[1] ($/boe)	**22.4**	20.5
Adjusted net debt[1] ($m)	**884.9**	571.8
Pro forma adjusted net debt/adjusted EBITDAX[1,2]	**0.45x**	0.33x

Other KPIs

	2024	2023
Total production (boe/d)	**80,177**	70,239
Tier 1 and 2 process safety events	**0**	1
Serious injury and fatality frequency	**0**	0

1 Non-GAAP measure.

2 The pro forma leverage ratio includes the results from the Eni UK businesses from 1 January 2024 to 31 December 2024. The results for the year include the contribution from the Eni UK businesses from the legal completion date of 3 October 2024. The economic benefits of the Business Combination were attributable to the Group from 1 July 2024 and have been adjusted through the deal settlement mechanism.

Details of non-GAAP measures are set out on pages 249 to 252.

“Statutory profit for the year was $153.2 million (2023: $292.6 million) and adjusted net income was $323.6 million (2023: $446.5 million). A reconciliation between statutory net income and adjusted net income is set out on page 97.”

Financial performance: revenue, costs and charges and adjusted EBITDAX

Adjusted EBITDAX is a key measure of operational performance delivery in the business and amounted to $1,405.0 million (2023: $1,722.7 million), mainly reflecting the lower production in the first half of the year and lower realised gas commodity prices compared with FY 2023 partly offset by the results of the Business Combination assets being included from 3 October 2024.

Average realised oil prices for 2024 were $81/boe before hedging results and $82/boe after hedging results (2023: $85/boe before hedging results and $82/boe after hedging results). Average realised gas prices for 2024 were $64/boe before hedging results and $78/boe after hedging results (2023: $76/boe before hedging results and $111/boe after hedging results).

Movement on oil and gas inventory was a credit of $84.2 million (2023: $20.6million) representing movements in underlift/overlift entitlements.

During the year, operating costs (excluding over/underlift) including tariff expenses but excluding tanker costs and net of tariff income were $569.6 million (2023: $524.4 million). The increase in unit operating expenditure per boe compared to 2023 reflects the significant fixed cost nature of operating cost spend coupled with lower production in the first half of 2024.

Administrative expenses, excluding Business Combination costs of $16.3 million, were $41.0 million (2023: $34.3 million) with the increase principally due to the ongoing administrative costs of the former Eni UK businesses.

Adjusted EBITDAX analysis

	2024		2023	
Production	**kboe/d**	**mmboe**	**kboe/d**	**mmboe**
Oil	41	15	43	16
Gas	25	9	24	9
Condensate	3	1	3	1
Total production	**69**	**25**	**70**	**26**
Revenues[1]	**$/boe**	**$m**	**$/boe**	**$m**
Oil revenue	81	1,176	85	1,330
Gas revenue	64	599	76	659
Condensate revenue	48	47	44	49
Oil and gas hedging gains	5	135	10	266
Total	**77**	**1,957**	**90**	**2,303**
Movement in oil and gas inventory	3	84	1	20
Tanker costs	(1)	(18)	(1)	(21)
Stella royalties	–	(2)	–	(4)
Total value from production	**79**	**2,021**	**90**	**2,299**
Costs				
Operating costs excluding tanker costs and net of tariff income	(22)	(570)	(20)	(524)
Administrative expenses excluding Business Combination costs	(2)	(41)	(2)	(34)
Foreign exchange losses/materials inventory provision	–	(5)	(1)	(18)
Other operating costs in arriving at adjusted EBITDAX	**(24)**	**(616)**	**(23)**	**(576)**
Adjusted EBITDAX[2]	**55**	**1,405**	**67**	**1,723**

1 Revenues in the above table exclude principally other income and put premiums on oil and gas derivative instruments.
2 Non-GAAP measure.

Adjusted EBITDAX to profit before tax

	2024 $m	2023 $m
Adjusted EBITDAX	1,405.0	1,722.7
Depletion, depreciation and amortisation	(600.2)	(740.3)
Impairment charges on development and production assets	(263.0)	(557.9)
Exploration and evaluation expenses	(24.5)	(13.6)
Net finance costs	(189.4)	(184.0)
Oil and gas put premiums	(4.9)	(15.4)
Change in fair value of contingent consideration	27.3	(8.0)
Remeasurements of decommissioning reimbursement receivables	–	5.6
Revaluation of derivative contracts	0.3	42.8
Business combination costs	(16.3)	–
Historic claim relating to an acquisition	–	50.1
Profit before tax	**334.3**	**302.0**

Depletion, depreciation and amortisation charges were $600.2 million (2023: $740.3 million). The year-on-year reduction was principally due to the lower production in the first half of 2024 and the effect of the write-down of GSA and Alba in FY 2023 partly offset by the result of the Business Combination. Depletion, depreciation and amortisation per barrel was $24 (2023: $29).

Impairment charges on development and production assets of $263.0 million (2023: $557.9 million) principally reflects a charge of $117 million for the Greater Stella Area due to a downward revision in reserves, lower gas prices than previously forecast and EPL changes together with a charge of $32 million in respect of Pierce due to lower oil prices than previously forecast and EPL changes (see note 19 for further details). Other impairment charges of $112 million were recorded during 2024 principally relating to decommissioning estimate changes on assets that have either been fully written off or have ceased production. The charge in 2023 mainly reflected write-downs of the Greater Stella Area and Alba following changes in commodity prices as well as reductions in planned drilling activities due to EPL.

Exploration and evaluation expenses amounted to $24.5 million (2023: $13.6 million) and principally relate to licence relinquishments during the year.

Net finance costs were $189.4 million (2023: $184.0 million) and include an early repayment charge of $14.1 million on the Senior Notes due 2026 and the write off of unamortised fees of $5.3 million on the refinancing of the RBL and $2.6 million on the refinancing of the Senior Notes due 2026. Underlying net finance costs were lower year-on-year as there was less drawn on the RBL facility.

Change in fair value of contingent consideration was a credit of $27.3 million (2023: charge of $8.0 million), mainly due to an updated view from management of the likelihood of certain milestones being achieved.

Revaluation of derivative financial instruments was a credit of $0.3 million (2023: $42.8 million) principally reflecting gains on commodity hedges partly offset by losses on forex forward hedges and interest rate swaps. The credit in 2023 was mainly due to gains on commodity hedges.

Transaction costs of $16.3 million (2023: $nil) reflect principally professional fees and other cost directly related to the Eni UK Business Combination.

The settlement of a historic claim in relation to an acquisition was received in Q1 of 2023.

Financial performance: profit for the year and adjusted net income

	2024 $m	2023 Restated[3] $m
Profit before tax	334.3	302.0
Tax	(181.1)	(9.5)
Profit for the year	**153.2**	**292.5**
Impairment charges[1]	263.0	557.9
Tax credit on impairment charges[1]	(160.3)	(403.9)
Business combination costs	16.3	–
One-off finance charges related to refinancing	22.0	–
Tax credit on business combination costs and one-off finance charges	(28.7)	–
EPL tax impact of rate increase from 35% to 38%	58.1	–
Adjusted net income[2]	**323.6**	**446.5**

1 Post-tax impairment charges of $102.7 million comprise $38.5 million for GSA and Pierce and $64.2 million principally in relation to decommissioning cost estimate changes on assets that have either been fully written off or have ceased production.
2 Non-GAAP measure.
3 See note 2.

Taxation

The tax charge for the year was $181.1 million (2023: $9.5 million) with the increase mainly due to the enactment of the increase in the EPL rate from 35% to 38% and a $88.5 million reduction in Ring Fenced Expenditure Supplement due to some Group tax loss positions reaching their claim limit in FY 2023. The tax charge for the year excludes the impact of the two year extension of EPL to 31 March 2030 which had it been exacted by 31 December 2024 would have increased the tax charge by $318 million. This extension was substantively enacted on 3 March 2025 and will, therefore, be a charge to the consolidated statement of profit or loss in Q1 of 2025.

Earnings per share (EPS)

Statutory EPS was 13.2 cents (2023: 29.1 cents) and adjusted EPS was 27.8 cents (2023: 44.4 cents). Adjusted EPS is a non-GAAP measure which eliminates items which distort period-on-period comparisons such as impairment charges, Business Combination costs, one-off finance charges related to refinancing, the tax effect of such items and tax charges due to changes in EPL.

Shares in issue

On completion of the Business Combination, 639.4 million new ordinary shares of £0.01 each were issued. As a result, at 31 December 2024, there were 1,653.7 million (2023: 1,014.3 million) shares in issue. The weighted average number of shares during the year for EPS calculations, excluding shares held by the Employee Benefit Trust, was 1,164.3 million (2023: 1,006.7 million).

Dividends

Dividends paid during the year amounted to $432.7 million (2023: $266.0 million), reflecting the third interim dividend for 2023 of $133.6 million and the first and second interim dividends for 2024 of $299.1 million. A further interim dividend for 2024 of $200.0 million will be paid in April 2025.

Financial position: assets/liabilities/equity

	2024 $m	2023 Restated[1] $m
Total assets	8,275.0	6,323.5
Total liabilities	(5,234.6)	(3,802.2)
Net assets and shareholders' equity	**3,040.4**	**2,521.3**

1 See note 2.

Assets

At 31 December 2024, total assets amounted to $8,275.0 million (2023: $6,323.5 million), and comprised current assets of $976.2 million (2023: $845.6 million) and non-currents assets of $7,298.8 million (2023: $5,477.9 million). The increase in total assets was primarily due to the Business Combination (see note 17) partly offset by a reduction in derivative financial assets of $124.3 million due largely to gas collars and swaps with a higher asset valuation at 31 December 2023 which were realised in FY 2024. In addition, goodwill of $345.6 million arose on the Business Combination.

Liabilities

At 31 December 2024, total liabilities amounted to $5,234.6 million (2023: $3,802.2 million) including decommissioning provisions of $2,655.1 million (2023: $1,859.7 million) and gross borrowings of $1,024.9 million (2023: $748.2 million). The increase in total liabilities during the year was again primarily due to the Business Combination (see note 17) along with an increase of $145 million due to upward revisions to decommissioning cost estimates. In addition, cash payable for the Business Combination amounted to $204.5 million, borrowings increased by $276.7 million principally due to a $150.0 million drawdown on the RBL, the utilisation of the $150 million project capital expenditure facility, a $125 million increase in Senior Notes, offset by the $100 million repayment of the bp loan. In addition, derivative financial liabilities increased by $137.0 million due to gas trades moving out of the money with rising prices. These were all partly offset by a reduction in corporation tax payable of $74.1 million.

Equity and reserves

At 31 December 2024, total equity and reserves amounted to $3,040.4 million (2023: $2,521.3 million). The increase in equity and reserves during the year was primarily due to the fair value of shares issued on the completion of the Business Combination of $861.3 million and the profit for the year of $153.2 million partly offset by dividend payments of $432.7 million and adverse movements on hedging reserves of $68.8 million.

Financial position: cash

	2024 $m	2023 $m
Opening cash	**153.2**	**253.8**
Operating cash flows	853.3	1,290.8
Investing cash flows	(390.9)	(492.4)
Financing cash flows	(449.5)	(900.7)
Foreign exchange	(1.0)	1.7
Net cash flow	11.9	(100.6)
Closing cash	**165.1**	**153.2**
Undrawn borrowing facilities	850.0	725.0
Undrawn project capital expenditure facility	–	150.0
Available liquidity	**1,015.1**	**1,028.2**

Operating cash flows
Net cash from operating activities amounted to $853.3 million (2023: $1,290.8 million), reflecting adverse working capital movements of $101.7 million (2023: $210.8 million) and tax payments of $351.3 million (2023: $176.3 million). The reduction in net cash flow from operating activities was largely driven by lower adjusted EBITAX, higher tax payments and the receipt of the historic claim relating to an acquisition in 2023 partly offset by better working capital management in 2024.

Investing cash flows
Cash flow used in investing activities amounted to $390.9 million (2023: $492.4 million), reflecting capital expenditure of $464.1 million (2023: $478.8 million) driven mainly by Captain EOR Phase II and Rosebank partly set off by cash acquired through the Business Combination amounting to $107.5 million (2023: $nil).

Financing cash flows
Cash outflow from financing activities of $449.5 million (2023: $900.7 million) with interest costs and charges and lease payments of $122.5 million (2023: $141.7 million), a drawdown of principal debt of $150.0 million (2023: repayment of $600.0 million), net proceeds of Senior Notes due 2029 of $86.8 million (2023: $nil), fees paid on RBL refinancing of $31.7 million (2023: $nil) , repayment of the bp unsecured loan of $100.0 million (2023: drawdown of $100.0 million) and dividend payments of $432.7 million (2023: $266.0 million).

Cash balances were $165.1 million (2023: $153.2 million) at 31 December 2024 and available liquidity was $1,015.1 million (2023: $1,028.2 million).

Prior period adjustments
The income tax charge and the profit for the year ended 31 December 2023 have been restated to reduce the former and increase the latter by $76.9 million, in order to correct the deferred EPL tax treatment of impairment charges recorded in Q4 of 2023. Deferred tax assets and retained earnings as at 31 December 2023 have been increased by the same amount. Further details are set out in note 2.

Derivative financial instruments
Derivative financial instruments are utilised to manage commodity price risk in a substantive financial hedging programme for future oil and gas production volumes. As at 31 December 2024, the following hedges were in place:

	2025	2026
Oil		
Volume hedged (mmboe)	5.5	–
Weighted average floor hedged price ($/bbl)	77	–
Gas		
Volume hedged (mmboe)	11.4	4.75
Weighted average floor hedged price (p/therm)	89	86

Subsequent events
On 29 January 2025, the Group announced a reorganisation and streamlining of the organisational structure for onshore staff with a targeted completion date of 1 July 2025.

On 30 January 2025, the Court of Session ruled that consent had been unlawfully given in relation to the sanctioning of the Rosebank field development and that a new consent application would be required which included Scope 3 emissions. It did, however, permit the project to progress as planned whilst this new consent is sought.

On 25 March 2025, the Group announced the signing of a sale and purchase agreement to acquire the entire issued share capital of JAPEX UK E&P Limited for an enterprise value of $193 million, based on an effective date of 1 January 2024. The acquisition, which is subject to certain conditions including regulatory approval, is subject to customary purchase price adjustments, which, assuming an illustrative completion date of 30 June 2025, equates to an estimated payment at completion of approximately $140 million.

Going concern

Management closely monitor the funding position of the Group, including monitoring compliance with covenants and available facilities to ensure sufficient headroom is maintained to fund operations. Management have considered a number of risks applicable to the Group that may have an impact on the Group's ability to continue as a going concern. Short-term and long-term cash forecasts are prepared on a weekly and quarterly basis, respectively, along with any related sensitivity analysis. This allows proactive management of any business risk including liquidity risk.

The Directors consider the preparation of the financial statements on a going concern basis to be appropriate. This is due to the following key factors:

- Continuing robust commodity price backdrop and a well-hedged portfolio over the next 12 months;
- Reserves Based Lending (RBL) liquidity headroom of $850 million ($150 million drawn versus $1,000 million available), plus $383 million of cash as at 14 March 2025; and
- Robust operational performance and a well-diversified portfolio.

Cash flow forecast – base case assumptions		2025	H1 2026
Average oil price	$/bbl	71	68
Average gas price	p/therm	107	96
Average hedged oil price (including floor price for zero cost collars)	$/bbl	75	70
Average hedged gas price (including floor price for zero cost collars)	p/therm	91	89

The oil and gas price assumptions used in the going concern and viability assessments represent management's current best estimates at the date of approval of the Annual Report and Accounts, as supported by data from third-party analysis, of future commodity prices whereas the commodity prices used in impairment testing (see note 19) are based on market conditions at 31 December 2024.

Owing to the ongoing fluctuations in commodity demand and price volatility, management prepared sensitivity analyses to the forecasts and applied a number of plausible downside scenarios including: decreases in production of 10%, reduced sales prices of 20% and increases in operating and capital expenditures of 10%. Management aggregated these scenarios to create a reasonable combined worst-case scenario. The sensitivity analysis showed that, without any consideration of the mitigation strategies within management's control, there was no reasonably possible scenario that would result in the business being unable to meets its liabilities as they fall due. The analysis demonstrated that the Group would still continue to comply with financial covenants and have sufficient liquidity throughout the period to 30 June 2026 to continue trading.

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

Based on their assessment of the Group's financial position over the period to 30 June 2026, the Directors believe that the Group will be able to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

Throughout FY 2024 we have continued to mature and embed our risk management process.

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

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

Ithaca Energy's risk management framework

	Top down	Bottom up
Board/ Audit and Risk Committee	Strategic risk management Review external environment Robust assessment of principal and emerging risks Determine strategic action points	Operational risk management Assess effectiveness of risk management system Report on principal and emerging risks and uncertainties
Enterprise Risk Management Committee/ Executive Leadership Team	Identify principal and emerging risks Direct delivery of strategic actions in line with risk appetite Monitor key risk indicators	Consider completeness of identified risks and adequacy of mitigating action Consider aggregation of risk exposure across the business
Business units	Execute strategic actions Report on key risk indicators	Report current and emerging risks Identify, evaluate and mitigate operational risks

Risk management in Ithaca Energy

Throughout FY 2024, we have continued to mature and embed our risk management process, which is based on ISO 31000.

The Board is ultimately responsible for ensuring that the Group maintains an effective risk management and internal control system by appropriately incorporating the 'three lines of defence model' into the governance structure of the Group. Selected principal risks and associated mitigations are presented and discussed at each regular meeting of the Board such that all principal risks and associated mitigations are reviewed by the Board on an annual basis.

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

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

Each operation, project and function is responsible for the identification, tracking and management of their specific risks with formal risk registers maintained. Review of key risks are monitored and challenged in monthly operational and project meetings with ELT members. Risks are escalated within the defined governance structure so they can be used to inform the principal risks of the Group.

The Internal Audit Plan for 2025 was reviewed and approved by the ARC in November 2024. The areas and processes that are included in the approved Internal Audit Plan all map to a principal risk of the Group. As risk is dynamic, the Internal Audit Plan will be reviewed throughout the current year to ensure that it remains focused on the key areas of the Group and to ensure the most effective use of resources.

Emerging risks

Our risk profile will continue to evolve as a result of future events and uncertainties. Horizon scanning is undertaken at the meetings to help anticipate future events that may impact existing principal risks or support identification of emerging risks that may lead to the requirement for the creation of a new principal risk. Emerging risks can be defined as risks where the scope, impact and likelihood are still uncertain but could have a major effect on the strategic objectives of the Group. These emerging risks are monitored to understand the potential impact on our business and the risk velocity, to allow timely decision-making. Where appropriate emerging risks are escalated to our ARC as part of our regular risk reporting processes.

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

- UK Government's Energy and Fiscal Policies – this remains an area of uncertainty, with changes introduced following the change of Government in the UK and the possibility of the introduction of further onerous regulation and legislation. This risk is closely monitored with current mitigation, including engagement with the UK Government, His Majesty's opposition and His Majesty's Treasury. This risk is managed as a subset of the Government, Regulatory, Political and Fiscal risk.
- Geopolitical instability – we monitor the impacts caused by continuing political instability. Events such as the Russian war against Ukraine, tensions in the Middle East and attacks on international shipping in the Red Sea, have an ongoing impact on inflation and the global supply chain. This emerging risk is managed and monitored as a subset of the Supply Chain risk.
- Decommissioning environment – the level of decommissioning activity in the basin will continue to increase in the medium to long-term. The availability of vessels, equipment and expertise in the basin, as well as the stability of the regulatory environment, particularly the fiscal regime for decommissioning costs, could have a significant impact on the Group. This emerging risk is managed as a subset of the Government, Regulator, Political and Fiscal risks.

We handle climate risk in the same way as we manage other risks, albeit that time horizons may be longer. We have continued to develop our climate risk approach during 2024, more detail on this can be found in our TCFD disclosures on pages 64 to 79.

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

RISK CLIMATE: ↑ Increasing ↔ Stable ↓ Decreasing

Principal risks

Risk title	Risk description	Key risk mitigations	Activities and impacts in 2024
Major HSE Incident **Risk climate** ↔	Operations and well activities may face a major accident or process safety event, resulting in personal injuries, loss of containment, resultant physical asset damage and/or environmental impact. A major accident event could impact production and financial performance of the Group. The Group could also be subject to regulatory actions, including fines and external reputation could be affected. **Board oversight:** The Board sets the expectations for compliance with health and safety policies and training across the Group and regularly seeks assurance of compliance with health and safety processes by reviewing health and safety management information.	• Health and Safety is owned and driven by the leadership team who have a strong leadership culture, prioritising process safety culture and Stop Work Accountability. Safety and environmental performance measures are included in our Group scorecard and are regularly reviewed by management and the Board. • Robust and comprehensive HSE policies and Company Major Accident Prevention Policy (CMAPP) in place, which includes requirements providing a framework for all Group activities. • Regulator-accepted safety cases for all offshore facilities, summarising management of potential Major Accident Hazards (MAH). • Active engagement with key contractors at all levels in the organisation to ensure alignment on safety expectations. • Line of Defence auditing framework in place, driving focus on prevention of MAHs, with regular progress reporting to the Board HSE Committee. • Independent assurance of Safety and Environmental Critical Elements (SECE) by an Independent Competent Person (ICP) as part of our Written Scheme of Verification with a process in place to ensure actions are managed and implemented appropriately. • Independent review of well programmes by our well examiner. • Crisis Management and emergency response processes, exercised regularly.	During 2024 we have: • updated our HSE policy, endorsed by our Executive chairman and our CEO. • established a Process Safety Improvement Plan. • in-depth regulatory inspection of Process Safety Leadership practices successfully undertaken during 2024 with implementation of detailed Process Safety Leadership Plan continuing through 2025. There has been continued focus on: • safety leadership, particularly with regard to Process Safety Leadership and management of MAHs. • the implementation of the digital Barrier Model, supporting reviews of the strength of our barriers by our frontline teams and asset leadership. We have continued to implement IOGP Process Safety Fundamentals. • improvement of our Control of Work process, including frontline self-assurance and changes to how we appoint our key Permit to Work roles. In 2025, we will progress delivery against our Process Safety Improvement Plan across all of our assets, including those incorporated during 2024 as part of the Business Combination. This process will include reviewing any 'best practice' approaches within the newly incorporated assets. We are reviewing our process regarding Human Performance Principals, including focusing on how we learn from events. In January 2025, Ithaca Energy joined IOGP which provides access to key resources and publications and opportunities for collaborating and sharing best practice across the many member organisations. This membership supports our goal to enhance our performance in safety, environmental protection, and operation efficiency, while fostering a culture of continuous learning and improvement.
Cyber security breach **Risk climate** ↑	Cyber security is an ongoing risk to the Group due to the constantly-evolving and intensifying threat landscape which has heightened due to the increased Group profile and media attention around the oil and gas industry. Malicious attacks may lead to system unavailability, lack of access to systems and loss of data. Leading to production downtime, financial costs, fines and reputational damage which would have a significant impact on the Group and adversely affect the Group's ability to achieve its strategic objectives. **Board oversight:** The Board receives annual updates on the status of cyber security across the Group and emerging risks and reviews the adequacy of the Group's cyber resilience.	• Dedicated Information Risk Management team with appropriate third-party support to oversee cyber security. • Best practice security policies, tools and processes implemented to protect our applications, systems and networks. • Effective operation of cyber security systems with 24/7 monitoring and detection by Security Operation Centre. • Workforce education and ongoing awareness activities. • Independent testing and assurance of internal controls and systems. • Regular review and testing of business continuity and disaster recovery plans.	In 2024, the cyber threat landscape has been shaped by geopolitical tensions, rising environmental awareness, climate-related activism, and increasingly sophisticated attacks, including ransomware incidents targeting supply chains within our industry. These challenges underscore the need for a strong and proactive cybersecurity posture. Adding to this complexity, we navigated a Business Combination that required integrating networks, applications, and data, each a high-risk activity from a cybersecurity perspective. Despite these challenges, the transition was executed seamlessly, prioritising the protection of our systems and data. As threats evolve, we remain committed to protecting our systems, data, and operations by continually assessing and enhancing our monitoring technologies, policies, processes, and training programmes, maintaining vigilance, and adopting a proactive cybersecurity stance.

Principal risks continued

Risk title	Risk description	Key risk mitigations	Activities and impacts in 2024
Access to capital **Risk climate** ↓	The Group does not have access to sufficient capital to fund the capital investment required to deliver the core strategy of the Group. ESG and fiscal regime instability is undermining lending with a number of banks withdrawing from Reserves Based Lending to oil and gas companies. Increasing decommissioning security postings exacerbates capital access risk. **Board oversight:** The Board monitors the capital arrangements and structure of the Group on a quarterly basis as part of the financial reporting cycle.	• Board approved capital allocation framework including adjusted net debt/adjusted EBITDAX cap of 1.5x, which is calculated quarterly, and forms part of the Protect leg of the capital allocation framework. • Diversified capital structure, including Reserve Based Lending facility and Corporate Bonds. • Actively managed relationships with banks in the RBL facility and bond holders via quarterly calls. • Robust hedging programme to manage the impact of commodity price exposure on leverage ratios. • Governance structure to provide regular oversight and scrutiny of the Group's financial position. • Annual capital budget preparation is reviewed and approved at Board level. • Insurance programmes in place with respect to key asset risk areas, including Captain loss of production risk.	In 2024, the activities of the Group, including the completion of the Eni Business Combination, enabled positive credit rating changes to be issued by Fitch Ratings, S&P Global Ratings and Moody's Ratings. Together with a significant programme of institutional engagement this enabled the execution of a full corporate refinancing to be completed in October including: • an amended and restated Reserves Based Lending (RBL) facility of $1.5bn with maturity extended to 2029 including $0.5bn of letters of credit; • issuance of $750m Senior Notes maturing 2029 (concurrent with the redemption of the $625m Senior Notes due 2026); and The refinancing was completed with materially over-subscribed interest in both the RBL and Senior Notes with the issuance process confirming the financial market support available to the Group. Further financial capacity is provided by an uncommitted RBL accordion facility of >$700 m. The process has reduced borrowing costs and provided incremental liquidity to support future growth.
Capital project execution **Risk Climate** ↔	The Group is currently engaged in a significant level of capital project activity, some of which require substantial levels of funding and technical expertise. Consequently, the Group faces significant risks associated with capital project execution and development. If a major capital project materially exceeds cost and schedule estimate it could erode project economics and create liquidity challenges for the Group. **Board oversight:** The Board sanctions all new large capital projects and receives regular reporting on capital project progression throughout the year.	• Ithaca Energy stage gate process provides a roadmap for moving an opportunity from initial concept through to a delivered project. • Robust investment appraisal process to enable consistent evaluation of opportunities. • Contract placement follows a formal tender Board process ensuring control and value realisation. • Project reporting is prepared monthly and presented to all project stakeholders, internal and external. • Independent technical and business assurance to provide confidence to decision-makers. • Project governance is in place to ensure the project meets the needs of the organisation and that anticipated benefits are realised.	In 2024, the Group launched a revised stage gate process, providing an enhanced structured route to deliver projects, adding rigour to the project process and improving consistency of outputs. Costs have been actively managed to mitigate inflationary impacts, either through commercial negotiation or scope optimisation. Captain EOR Phase II project was completed during the year with milestone first subsea polymer injection in May 2024. The project was undertaken through various post-pandemic supply chain issues but was delivered both on time and on budget. Rosebank project progressing in line with multi-year development timeline towards first production in 2026/27.
Commodity price volatility **Risk climate** ↑	Future commodity prices are difficult to predict but are expected to remain subject to increased levels of volatility and speed of change. The fluctuations in supply and demand, and consequent impact on commodity prices, may result in the Group being unable to deliver the anticipated financial returns to shareholders and be unable to support all ongoing operations and capital projects. This could restrict growth opportunities for the Group and limit its ability to meet its strategic objectives. **Board oversight:** The Board approves all changes to the Group's hedging policy and receives monthly reporting on the Group's hedging status.	• Effective oil and gas price hedging framework in place using swaps, puts and zero-cost collars to protect from price downside risk whilst providing substantial price upside exposure. • Capital allocation framework designed to protect liquidity. • Balance of short and long-cycle capital investments. • Carbon credits auction participation undertaken in a disciplined manner in order to reduce exposure to price volatility.	During 2024, the Group has continued to execute its tiered hedging policy with proactive hedging at commodity price peaks. This resulted in higher volume hedging of oil in the earlier part of 2024 and higher volume hedging of gas in the later part of 2024. GBP hedging has continued to be deployed in tandem with the commodity price hedging policy. The inclusion of the Eni UK assets has increased the gas production in the portfolio, thereby increasing the GBP revenue stream and, therefore, the GBP net exposure of the Group.

RISK CLIMATE
↑ Increasing ↔ Stable ↓ Decreasing

Risk title	Risk description	Key risk mitigations	Activities and impacts in 2024
Production delivery issues **Risk climate** ↔	Due to a range of factors, such as early cessation of production of third party host infrastructure, alignment with JV partners, well performance, ageing assets and unexpected shutdowns/expenditure, Ithaca may be unable to deliver forecast production volumes which could then undermine the future growth and investment strategy. **Board oversight:** The Board reviews performance of all assets and key production metrics throughout the year.	• Continual monitoring of production efficiency with losses identified and action taken to rectify. • Key metrics (leading and lagging) agreed with Board and leadership team that are regularly reviewed at all levels. • Diversified portfolio containing operated and non-operated assets across the lifecycle. • Continuous engagement with JV partners and regulatory bodies directly involved with North Sea oil and gas production.	The ENI Business Combination diversified the portfolio and brought significant enhancement activity at J Area. Operational issues experienced during 2024 across non-operated joint venture portfolio and non-operated infrastructure have substantially been resolved. Production peaked in Q4 2024 at over 135 kboe/d. Turnarounds successfully completed on all operated assets in 2024.
Energy Transition & Net Zero delivery **Risk climate** ↔	The Group is aligned with the Government and industry regulator NSTA's Net Zero Framework and recognises that our Group needs to evolve to support the transition as we continue to focus on reducing emissions whilst supporting the UK's long-term energy needs. Transitional risks on the route to Net Zero have been identified, including changes to supply, demand and pricing for our products as well as potential for changes to the regulatory landscape which may impact how we operate our Group and the associated costs of doing so. Changes to investor requirements could also impact our access to funding and societal expectations could impact our licence to operate. Longer-term physical risks related to changing meteorological conditions because of climate change are also considered. Refer to Section Strategy (b) on pages 69 to 72 of TCFD for more detail. **Board oversight:** The Board sets the GHG/emissions targets for the Group and maintains oversight of the progress of the GHG/emissions reduction strategy.	• GHG/emissions reduction strategy and policies in place including 2040 Net Zero goal, endorsed by the Board. • Progress versus targets regularly reviewed by CEO and leadership team monthly, and by Health, Safety, Environment and Security Committee quarterly. • Emission reduction activities linked to performance compensation. • Emissions metrics incorporated into investment decisions. • Emission forecasts built into annual Group planning processes, including review of risk and opportunities regarding climate change as part of the TCFD framework. • Processes established ensuring compliance with regulatory emissions reporting requirements, including independent verification by UKAS appointed verifier as part of UK ETS Order.	Ithaca Energy participated in the NSTA consultation on the draft Oil and Gas Authority Plan to reduce UKCS GHG emissions, principally through electrification. We will work to understand how this impacts upon future activities on a case by case basis, and work with industry peers on requirements. We responded to the consultation with OPRED regarding assessment of Scope 3 emissions following the Finch ruling, and participating in the compilation of an industry-wide response developed by OEUK. We will continue to work closely with OEUK through 2025 to understand developments and help shape industry guidance which will be incorporated into our future Environmental Statement submissions. Ithaca has signed up to Oil and Gas Methane Partnership (OGMP) and World Bank Zero Routine Flaring commitment. Our Cygnus assets, included as part of the Business Combination, hold Gold standard status through previous participation in OGMP and we will work to use experiences from across our entire asset portfolio. Progress of emissions reduction scopes, with more details provided in ESG section (see pages 56 to 91). Continued focus regarding flaring and venting, with more details provided in ESG section (see pages 56 to 91). We have dedicated focus to how we will monitor, review and report Scope 3 emissions, and have included some elements of Scope 3 reporting, as well as methane intensity in our ESG report.

Principal risks continued

Risk title	Risk description	Key risk mitigations	Activities and impacts in 2024
Workforce recruitment & retention **Risk climate** ↔	Ithaca Energy faces a continuous challenge competing with local markets and competitors for specific skills and disciplines, especially with the general shift in the workforce dynamic in the UK and our industry, including an ageing and experienced workforce offshore. This could impact the business's capabilities and capacity in delivering the business plan, affecting the achievement of our strategic objectives and a reduction in shareholder value. **Board oversight:** The Board reviews workforce planning status and initiatives, including succession planning, at least annually to ensure key skills and knowledge are retained and developed across the Group.	• Succession planning and workforce planning is undertaken on a regular basis to evaluate our current and future needs, in line with the Group strategy (to help identify critical gaps and ensure continuity in key and leadership positions, retaining and developing the knowledge, quality and skills needed). • Compensation and benefits are benchmarked against the market and our peers, to ensure we remain fair, equitable and attractive to new and existing employees. • DE&I Committee in place with the aim to improve awareness across the organisation and create a more inclusive environment. • Employee consultative forum providing direct access for onshore and offshore employees to senior management.	Employee survey completed in 2023 with a subsequent pulse survey in Q3 2024 showing a small improvement in engagement. Following this our key focus areas continue to be communication, sense of belonging and career opportunities along with improved recognition. This is being actioned at a team level with each team holding an engagement session and committing to action. Series of DE&I awareness initiatives rolled out during 2024, supporting a sense of belonging. A late life steering group was established to develop our offshore resourcing strategy for facilities nearing end of life. This included a focus on matching career aspirations to business needs. We have continued with our commitment to early career programmes with a number of apprentices, interns and graduates joining us in 2024, along with improving our development programme for our early career employees. Following the Business Combination there has been a focus on integrating our business practices and establishing a one-team approach. This will continue during 2025 where we will work to optimise our organisational structure.
Supply chain capacity & capability **Risk climate** ↑	Group success and achievement of strategic objectives is dependent on supplier performance. We recognise that our suppliers are subject to similar risks to our own that impact on their capacity and capability, e.g. workforce retention and recruitment and cost escalation, volatile commodity prices and regulatory compliance. Supply chain risks could result in delays and/or increased cost to capital projects, increased unplanned production downtime, increased safety or environmental incidents, regulatory breaches which may impact achievement of strategic objectives and shareholder value. **Board oversight:** The Board maintains oversight of the supply chain and associated key risks with a formal review at least annually.	• Formal tendering framework in place to ensure that both technical and financial hurdles are established and met by potential suppliers prior to appointment. • Diversification of suppliers and back-up providers contracted for key scopes. • Robust supplier due diligence and qualification process. • Enhanced liaison, communication and management of key suppliers throughout capital projects lifecycle.	Market conditions continue to deteriorate with suppliers leaving the market, decreasing availability and increasing prices. Improved internal planning and communication with contractors to ensure they have visibility of our requirements and can plan accordingly. Supply chain forums held during the year with a focus on safety performance and expectations. Engagement with key offshore labour suppliers on approach for late life assets.

RISK CLIMATE ↑ Increasing ↔ Stable ↓ Decreasing

Risk title	Risk description	Key risk mitigations	Activities and impacts in 2024
Government regulator, political & fiscal **Risk climate** ↑	The Group could be adversely impacted by changes to the fiscal, regulatory and political regime that may undermine its ability to meet its production commitments and deliver its strategy. Furthermore, the Group is entirely exposed to the UK jurisdiction and within the UK there is currently a significant level of political uncertainty that impinges on the UK oil and gas sector. The EPL was introduced by the UK Government in 2022, increasing the tax burden on the Group. Changes to the EPL have already been introduced since it was first announced, including the increase in rate and duration, reduction and removal of investment allowances, and the introduction of the Energy Security Investment Mechanism. A consultation process on the post 2030 fiscal regime has commenced in Q1 2025. The consequence of fiscal, regulatory or political change could significantly impinge on the future profitability of the Group and on the economic feasibility, scale and phasing of the future investment plans. The Group is also subject to increasing threat of legal challenge, e.g. environmental challenge. This may result in protracted legal cases/judicial reviews that may delay the planned completion of future capital project developments. In 2024, the UK Government, through OPRED, launched a consultation process on the assessment of Scope 3 emissions, and placed a hold on new Environmental Statement submissions. This may result in a delay to Development Consents for new capital projects as the regulator has the potential to face an increased backlog and new Scope 3 reviewing parameters. **Board oversight:** The Board oversees the key regulatory and governance requirements of the Group through at least annual review of the evolving risk areas, updates from relevant specialists and the detailed work of Board sub-Committees on specific operational, HSE and fiscal matters.	• The Group engages in regular and constructive consultations with regulatory bodies, UK Government departments and industry associations, to ensure the value of the industry to energy security is understood. • Active member of the industry trade associate contributing to the strategic direction and supporting alignment across the industry. • The Group has considerable experience and robust procedures to manage legal cases and judicial reviews.	Ithaca Energy has been actively engaging with the UK Government and opposition parties during the year as part of the Government's Fiscal Forum and formal consultation process with the industry to ensure the impact of EPL and the criticality of capital allowances and investment allowances to ongoing investment are well understood and appropriately responded to. The Group has highlighted the consequential impact of reduced investment to the UK's energy security and decarbonisation targets. In response to the UK Government's regulatory review on Environmental Impact Assessment, the Group has responded to the consultation with OPRED regarding assessment of Scope 3 emissions following the Finch ruling and participated in the compilation of an industry-wide response developed by OEUK. We will continue to work closely with OEUK throughout 2025 to understand developments and help shape industry guidance which will be incorporated into any future Environmental Statements.

Principal risks continued

Risk title	Risk description	Key risk mitigations	Activities and impacts in 2024
Major compliance breach **Risk climate** ↔	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. **Board oversight:** The Board sets the expectations of compliance with legislative and regulatory requirements and seeks regular assurance over compliance with Group policies.	• Established governance Committees with defined roles and responsibilities for Audit and Risk, HSE, Nomination, Remuneration and Disclosure. • Board approved documented standards and policies. • Competence and training, together with necessary safety culture, embedded across the Group. • Appropriate joint venture management and support from commercial and legal with respect to Licences, Joint Operating Agreement/Unitisation and Unit Operating Agreement compliance. • Comprehensive system of internal controls over financial reporting with ongoing work to enhance and develop the robustness of material processes and controls.	Mandatory Code of Conduct training and independent whistleblowing line in place. Increased HSE and Technical Assurance auditing, linking to HSE compliance requirements.
Integration of Eni UK upstream assets **Risk climate** **New risk**	Failure to deliver integration of people, systems and processes across Ithaca Energy and the Eni UK businesses, both leading up to and beyond the completion date of the combined Group. Failure to effectively integrate carries several diverse impacts, including poor communication across the organisation, inefficiencies in planning and execution of work, duplication of effort, failure to comply consistently with regulatory requirements and ultimately, destruction of value from the Business Combination. **Board oversight:** The Board oversees the integration process and reviews progress on a quarterly basis.	• Cross functional integration team in place with representatives from each legacy organisation. • Internal communications plan in place to ensure employee engagement through the integration process. • The ELT are updated monthly on successes and impediments and supports the prioritisation of integration activities.	Ithaca Energy's Business Combination with Eni UK completed on 3 October 2024. During 2024 ,integration activities commenced, with leads from each function appointed to ensure consistency of approach and visibility of activities. Each function has been reviewing systems, tools and processes across the portfolio and, from this, will work to identify the most appropriate approach to integration. In some cases this may mean continuing 'as is', whilst in others a process of harmonisation will be undertaken. Prioritisation of systems integration was identified as a key enabler of the integration process and full ERP integration was completed in the first weeks of January 2025. Integration and Business Management System combination is a key deliverable and a priority item for 2025. The Group recognises that business integration is a long-term focus area and continued focus is needed to ensure that the integration is fully effective.

Viability statement

The Directors have assessed the viability of the Group over a three-year period to 31 December 2027 (the viability statement period) which was selected for the following reasons:

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

The viability assumptions are consistent with the going concern assessment for the period to 30 June 2026 as set out in note 3 of the financial statements with the following additional assumptions:

	H2 2026	2027
Crude oil price ($/bbl)	67	67
UK NBP gas price (p/therm)	83	77

The oil and gas price assumptions used in the going concern and viability assessments represent management's current best estimates, as at the date of approval of the Annual Report and Accounts, as supported by data from third-party analysis, of future commodity prices whereas the commodity prices used in impairment testing (see note 19) are based on market conditions at 31 December 2024. The timeframe of the cash flow projections used in impairment testing is also significantly longer than the viability statement period as it is based on the expected life of each field which can extend up to 40 years. It is not considered appropriate to use such a long period for viability or going concern assessments.

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

Following the October 2024 refinancing, the only debt facility which starts to fall due within the viability period is the $150 million project capital expenditure facility. Repayments under this facility are linked to revenue generated from a specific field which is currently at the development stage. Further details of this facility are set out in note 20.

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

Climate change

The Board has also considered how climate risk could impact the Group's viability. Further details of the Group's assessment of risks and opportunities from climate change is contained in the strategy (b) section of our TCFD disclosures on pages 64 to 79.

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

Sensitivity analysis and reverse stress tests

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

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

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

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

Other principal risks

The sensitivities outlined above have particularly focused on the following principal risks: production delivery issues risk, commodity price volatility risk and capital project execution risk. The other principal and emerging risks facing the Group as set out on pages 103 to 108 have also been considered over the viability statement period. On top of the sensitivities run for commodity prices, production volumes and increased opex and capex described above, the potential impacts of the Group's other principal risks on the viability of the Group over the viability statement period has been considered. The Board has reviewed the risk mitigation strategy for each of these individual risks and believes that either the risks are likely to manifest outside the three-year viability window or that the mitigation strategies are sufficient to reduce the likelihood and impact of these risks such that either individually or collectively, they would be unlikely to jeopardise the Group's viability over the period to 31 December 2027.

Conclusion

Based on the results of this analysis as set out above, the Directors confirm that they have a reasonable expectation that the Group will be able to continue in operational existence and meet its liabilities as they fall due over the period to 31 December 2027 and that the likelihood of extreme scenarios, which would either lead to a breach of covenants or lack of liquidity, is remote.

The Board confirms that, in making this statement, it carried out a robust assessment of the principal and emerging risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity.

This strategic report was approved on behalf of the Board on 25 March 2025:

Iain C S Lewis
Director

Governance at a glance

Meeting attendance

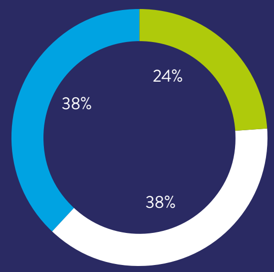
	Scheduled [13]	Ad-Hoc [13]
Executive Chairman		
Gilad Myerson [1]	▲▲△	▲▲▲▲▲▲▲▲△
Yaniv Friedman [2]	▲▲▲▲▲	▲▲▲
Executive Directors [3]		
Luciano Vasques [4]	▲▲▲▲	▲
Iain Lewis [5]	▲▲▲▲▲▲▲▲	▲▲▲▲▲▲▲▲▲▲▲△
Non-Executive Directors		
Idan Wallace	▲▲▲▲▲▲▲▲	▲▲▲▲▲▲▲▲▲▲▲▲
Itshak Tshuva [6]	▲▲△△△△△△	▲▲▲▲▲△△△△△△△
Tamir Polikar [7]	▲▲▲▲	▲
Francesco Gattei [8]	▲▲▲△	▲
Guido Brusco [8]	▲▲▲△	▲
Independent Non-Executive Directors		
John Mogford (SID) [9]	▲△	▲▲▲▲▲▲△△△
Zvika Zivlin (SID) [10]	▲▲▲▲▲	▲▲▲
Assaf Ginzburg [11]	▲▲▲▲▲▲▲△	▲▲▲▲▲▲△△△△△△
Dave Blackwood	▲▲▲▲▲▲▲▲	▲▲▲▲▲▲▲▲▲▲▲▲
Deborah Gudgeon [12]	▲▲▲▲▲▲▲▲	▲▲▲▲▲▲▲▲▲▲▲△
Lynne Clow	▲▲▲▲▲▲▲▲	▲▲▲▲▲▲▲▲▲▲▲▲

1 Gilad Myerson, Executive Chairman, ceased to be a member of the Board with effect from 28 May 2024. Gilad missed one ad-hoc and one scheduled Board meeting due to a prior engagement that the Board was notified of in advance.
2 Yaniv Friedman was appointed to the Board as Executive Chairman with effect from 28 June 2024.
3 Alan Bruce resigned as CEO with effect from 4 January 2024 and did not attend any Board or Committee meetings.
4 Luciano Vasques, CEO was appointed to the Board with effect from 3 October 2024.
5 Iain Lewis was unable to attend one ad-hoc meeting due to a prior engagement that the Board was notified of in advance.
6 Itshak Tshuva missed several meetings due to prior engagements that the Board were notified of in advance.
7 Tamir Polikar, previously an observer, was appointed to the Board as a Director with effect from 7 October 2024.
8 Francesco Gattei and Guido Brusco were appointed to the Board effective 3 October 2024. Both were unable to attend a scheduled meeting due to a prior engagement, however, alternates attended on their behalf.
9 John Mogford, Senior Independent Director, ceased to be a member of the Board with effect from 16 May 2024 and was unable to attend three ad-hoc and one scheduled meeting due to a prior engagement that the Board was notified of in advance.
10 Zvika Zivlin joined the Board as Senior Independent Director with effect from 16 May 2024.
11 Assaf Ginzburgh missed one scheduled meeting and several ad-hoc meetings due to prior engagements that the Board were notified of in advance.
12 Deborah Gudgeon missed one ad-hoc meeting due to a prior engagement that the Board was notified of in advance.
13 Of the 20 Board meetings held in 2024, eight were scheduled as part of the Board calendar and 12 were ad hoc meetings as a result of the Business Combination.

Highlights of 2024

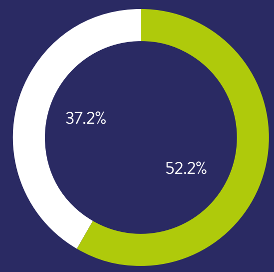
- Approved the transformational Business Combination with Eni UK
- Successful pricing of our Senior Notes offering and an upscaled RBL facility, representing a $2.25bn refinancing.
- Approved a new Code of Conduct and a Board Diversity, Equity and Inclusion Policy.

Board composition



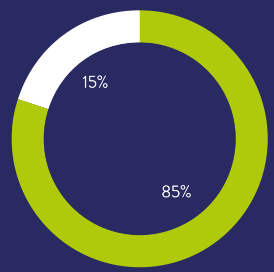
- Executive Directors, inc. Executive Chairman
- Independent Non-Executive Directors
- Non-Executive Directors

Major shareholders



- Delek Group Limited
- Eni S.p.A Limited

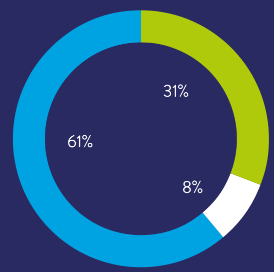
Gender diversity



- Men
- Women

As at 31 December 2024

Ethnic diversity



- White
- Mixed Multiple Ethnic Groups
- Other Ethnic Group

During the year Ithaca Energy reported under the Financial Reporting Council's 2018 UK Corporate Governance Code (the Code). The table below, together with the Directors' Remuneration Report, set out on pages 136 to 161 describes in greater detail how the Company has applied the principles and complied with the provisions of the Code.

Code provision	Page
1. Board leadership and company purpose	
A. Board of Directors	113 to 115
B. Purpose, values and culture	116
C. Resource and control framework	127
D. Stakeholder engagement	48 to 55
E. Workforce policies and practices	119
2. Division of responsibilities	
F. Role of the Chair	118
G. Division of responsibilities	118
H. Role of the Non-Executive Directors	118
I. Board policies, processes, information, time and resources	119 to 120
3. Composition, succession and evaluation	
J. Appointments to the Board	123
K. Board skills, experience and knowledge	131
L. Board evaluation	124 to 125
4. Audit, risk and internal control	
M. Independence and effectiveness of internal and external auditors	129
N. Fair, balanced and understandable assessment	163
O. Risk and internal control	127
5. Remuneration	
P. Alignment to purpose, values and long-term success	152
Q. Remuneration policy	152
R. Independent judgement and discretion	156

Compliance with the UK Corporate Governance Code

Ithaca Energy and its Board of Directors are fully committed to upholding the highest standards of corporate governance as these play a vital part in driving the right behaviour while being crucial to overall business integrity and performance and to maintaining a sound framework for the control and management of the Group.

During the year under review and up until the date of this report, the Company applied the principles and complied with the provisions of the Code, with the exception of the provisions set out below. The Code can be found on the Financial Reporting Council's website at www.frc.org.uk.

The Company is aware that the composition of the Board is impacted by the rights of the significant shareholders under their respective Relationship Agreements, see further details on page 120.

Provision 9 recommends that the Chair be independent upon appointment. The Company has an Executive Chairman, Yaniv Friedman, and as such, he is not considered to be independent. Gilad Myerson, who was Executive Chairman up until 28 May 2024 was not considered to be independent. The Board is unanimous in its support for Yaniv's appointment and considers that the role of an Executive Chairman is in the best interests of the Group. Yaniv brings to the Board significant global executive experience working in the energy and infrastructure sectors and the benefit of his sound leadership and significant experience ensures the ongoing commercial success of the Group. The Directors are of the view that there is sufficient independent challenge and judgement on the Board to ensure highly-effective, independent governance. Further details on the division of responsibilities of the Board can be found on page 118.

Provision 11 recommends that at least half the Board, excluding the Chair, should be Non-Executive Directors whom the Board considers to be independent. Up until 3 October 2024, the Board was compliant with this provision. Following the Business Combination, there are 12 Directors on the Board, excluding the Chair, of which five Non-Executive Directors are considered to be independent, which falls below the recommended threshold of the Code. Our Nominated Non-Executive Directors are diverse and all our Independent Non-Executive Directors are highly experienced. To continue to promote effective discussion and decision-making, the Board continues to progress its search for an additional Independent Non-Executive Director. Further details can be found in the Nomination and Governance Committee report on page 130.

Provision 17 recommends that a majority of members of the nomination committee should be independent Non-Executive Directors. Up until 3 October 2024, the Company was compliant with this provision. However, following the Business Combination and in line with the Relationship Agreements (see page 120), Eni are entitled to appoint one nominated Non-Executive Director to the Nomination and Governance Committee. Guido Brusco was appointed as a member of this Committee with effect from 3 October 2024. The Nomination and Governance Committee consists of the Executive Chairman, who is not considered to be independent, two Nominated Non-Executive Directors and three Independent Non-Executive Directors. The Directors are of the view that there is sufficient independent challenge and judgement on the Committee to ensure highly-effective, independent governance. Further details on the Nomination and Governance Committee can be found on page 130.

UK Listing Rules Statement on Board Diversity Targets

In accordance with UK Listing Rule 6.6.6R (9), the Company acknowledges that as at 31 December 2024, the Board has not met the following targets on Board diversity:
(i) at least 40% of the Board are women; and
(ii) at least one senior Board position (Chair, CEO, CFO or SID) is a woman.

The Board has met the target of at least one individual on its Board is from a minority ethnic background, see page 133 for the Report on Gender Identity.

Further details on the reasons for not meeting these targets is set out within the Nomination and Governance Committee report on page 132.

Executive Chairman's introduction

Dear Shareholder, I am pleased to present my first Corporate Governance report as Executive Chairman for Ithaca Energy plc for the year ended 31 December 2024.

Corporate governance

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

Good governance comes from an effective Board which provides strong leadership and engages well with both management and stakeholders. Our Non-Executive Directors bring a range of different experiences and backgrounds and provide constructive challenge to the Executives, which is vital to create accountability and drive performance. This in turn creates an environment that generates and preserves value for stakeholders.

As Directors, we are mindful of our statutory duty to act in the way each of us considers, in good faith, would be most likely to promote the success of Ithaca Energy for the benefit of its members as a whole, as set out in s.172 of the Companies Act 2006, and further details of how we have achieved this can be found on page 48.

Following the Business Combination, our high calibre Board and experienced Executive Leadership Team (ELT) have been further bolstered with the addition of new colleagues, details of whom can be found below and on pages 113 to 115. The ELT, with the guidance of the Board, continue to focus on maximising value for shareholders through the safe, efficient and responsible production of our assets and the pursuit of the Group's strategic objectives. See more on page 19.

Board changes

The Board has seen a number of changes during the year, including the appointment of a new Executive Chairman, Chief Executive Officer and Senior Independent Director.

Responsible leadership
ensures the independence of the Board and the effectiveness of management is safeguarded

Integrity and transparency
ensures clarity, honesty and reliability in everything we do

Risk management
ensures all risks are identified, evaluated, mitigated and monitored

Compliance
ensures all laws and regulations are adhered to

Relationship with stakeholders
ensures there is open and frequent communication

Corporate governance
ensures a robust system of policies and practices is maintained

Following the completion of the Business Combination, Guido Brusco and Francesco Gattei were appointed as Eni nominated Non-Executive Directors while Tamir Polikar, previously a Delek Observer on the Board, became a nominated Non-Executive Director. Further details on the changes to the Board can be found in the Nomination and Governance Committee report on page 130 and the biographies of each of the Directors can be found on pages 113 to 115.

Board effectiveness

Under the Code, the Board is required to undertake a formal and rigorous annual evaluation of its own performance and that of its Committees and individual Directors. In December 2024, it was agreed that, due to the significant number of Board changes taking place in the latter half of the year, an internally-facilitated evaluation would be conducted and details of the process and its outcomes are covered in the Corporate Governance report on page 124. An externally-facilitated evaluation is planned for 2025.

Diversity, equity and inclusion

The Board is cognisant of the importance of creating an open, diverse and inclusive organisation where individual differences and the contributions of all are recognised and valued.

The tone for diversity and inclusion across the Group is set from the top and the Board believes that having a diverse Leadership Team and an open and inclusive environment is key. Accordingly, a new Board Diversity, Equity and Inclusion Policy was adopted during the year, which sits alongside the Company's Diversity, Equity and Inclusion Policy. Further information can be found in the Nomination and Governance Committee report on page 132.

Sustainability

Sustainability, the communities in which we operate, and governance matter deeply to us and are interwoven into our balanced business strategy and we are clear and confident about what ESG means for us.

As we move into our industry's new era, we recognise that oil and gas will continue to play an important part of the long-term energy mix to meet the UK's energy demands, as we navigate the energy transition. We are responding to the challenge by harnessing our deep engineering and environmental expertise to take action. Our Environmental Stewardship process identifies and addresses the environmental impact of all aspects of our operations, driving continuous improvement in environmental performance and reducing our environmental impact.

Our aim is not just to meet government carbon emission targets, but to better them. In the medium term, we will transition our portfolio to one of the lowest carbon emission portfolios in the UK North Sea, by investing in lower-emission intensity assets. We have an ambitious target of achieving Net Zero ahead of the North Sea Transition Deal Commitments and further details can be found on pages 58 to 79.

Relationships with stakeholders

Engaging with our stakeholders in an open, constructive and transparent manner is essential to understand what matters most to them and the likely impact of any key decisions. Our s.172 statement, detailing how we actively engage with all key stakeholders and the outcome of our stakeholder engagement, is set out on pages 52 to 55.

Board priorities for 2025

The Group is ideally positioned to create value both in the UK and through international diversification and our focus for 2025, to pursue our growth aspirations while maintaining the trust of our stakeholders and the highest standards of business ethics, is core to our strategy.

We will continue to focus on ensuring the safety of our workforce and protecting the environment while monitoring our Group-wide controls. Finally, I would like to thank all of our Directors, employees, shareholders, stakeholders, partners and contractors for their continued support over the course of the year.

Yaniv Friedman
Executive Chairman

Board of Directors

Committee Key: Committee Chair · A Audit and Risk · N Nomination and Governance · R Remuneration · H Health, Safety, Environment and Security · D Disclosure

"The Board's primary objective is to ensure that Ithaca Energy remains a successful Company that generates and preserves long-term value for its stakeholders."

Yaniv Friedman
Executive Chairman

Yaniv Friedman

Executive Chairman
Date of appointment: June 2024

Experience and Board contribution:
Yaniv joined Ithaca Energy in July 2024 as Executive Chairman. He has significant global executive experience working in the energy and infrastructure sectors and brings considerable strategic, commercial, public company and M&A expertise. Yaniv most recently held the role of CEO of Modiin Energy LP, an oil and gas partnership listed on the Tel Aviv Stock Exchange with operations, including development projects in the US as well as exploration offshore in Israel. Prior to this, Yaniv served as Deputy Chief Executive Officer of NewMed Energy LP, Israel's leading energy partnership in the exploration, development, production and sale of natural gas. Additionally, Yaniv has held other senior executive positions in public and private energy companies.

Principal external appointments:
None

Committee membership:
N D

Luciano Vasques

Chief Executive Officer
Date of appointment: October 2024

Experience and Board contribution:
Luciano joined Ithaca Energy in October 2024 as CEO. He brings a wealth of executive and energy industry experience with a career spanning over 30 years covering a range of leadership, technical and operational roles. Luciano previously held the role of Managing Director of Eni UK Limited and led the recent acquisition and integration of Eni Energy UK (formerly Neptune Energy) into Eni UK's operations and prior to this he held the role of Head of Central Asia for Eni S.p.A, overseeing interests in two giant oil and gas fields, Kashagan and Karachaganak. During Luciano's upstream career, he has demonstrated a track record of successfully overseeing and delivering multibillion dollar developments and operations across Eni S.p.A.'s global business that will prove invaluable as the Company embarks on the development of its high-value greenfield portfolio. Luciano is a member of the Board of OEUK.

Principal external appointments:
None

Committee membership:
D

Iain Lewis

Chief Financial Officer
Date of appointment: October 2022

Experience and Board contribution:
Iain has over 20 years of upstream oil and gas finance experience in public practice and the multinational corporate environment. He is a Chartered Accountant who held senior positions with EY in the UK and Canada, leading financial advisory and assurance engagements for upstream oil and gas companies ranging from small cap independents to supermajors. For the past 13 years, Iain has occupied several executive roles in the Abu Dhabi listed TAQA group, including Group Deputy CFO and Europe CFO overseeing the UK and Netherlands upstream and midstream businesses. He has also been accountable for large scale capital programme governance as the Decommissioning Director for TAQA's multibillion-dollar UK decommissioning programme. In January 2024, Iain was appointed to fulfil a dual role of Interim Chief Executive Officer and Chief Financial Officer, he continued in this role until October 2024.

Principal external appointments:
None

Committee membership:
D

Zvika Zivlin

Senior Independent Director
Date of appointment: May 2024

Experience and Board contribution:
Zvika brings a wealth of board experience, currently holding the position of non-executive director of Afcon Holdings Ltd, a Tel Aviv Stock Exchange listed infrastructure, technology and construction group, and having previously held the position of non-executive director, over a five-year tenure, for London Stock Exchange listed 888 plc, including roles as chair of the Remuneration Committee and member of the Audit, Nominations and Compliance committees. Zvika is the Founder and Managing Partner of Tulip Capital Partners, Wells Fargo's former exclusive Israeli partner firm, with deep experience in cross-border transactions across a variety of sectors, including energy and infrastructure. Zvika currently acts as advisory Board member of Infinidat Limited, a data storage company. He has previously served as Senior Advisor to Mediobanca and Strategic Partner to Alias Tech Investments (venture capital fund sponsored by JB Capital Markets of Javier Botin and Jose Miguel Garcia Venture Capital).

Principal external appointments:
Afcon Holdings Ltd

Committee membership:
A R H N

Itshak Sharon Tshuva
Non-Executive Director
Date of appointment: March 2023

Experience and Board contribution:
Itshak is an Israeli entrepreneur and businessman with global business operations. As the major shareholder of Delek Group, he is responsible for the discovery of significant natural gas reserves offshore Israel, which contributed to its emergence as an international player. He has been deeply involved in the development of Ithaca Energy, helping to position the Company for its IPO in 2022. In pursuit of Itshak's vision, and in partnership with Noble Energy, since 2000, Delek Group has discovered substantial offshore natural gas reserves in Israel and Cyprus, including the Leviathan field, the world's largest gas reserve discovered in deep water in the last decade.

Principal external appointments:
Delek Group Limited

Committee membership:
None

Idan Wallace
Non-Executive Director
Date of appointment: October 2022

Experience and Board contribution:
Idan was appointed the CEO of Delek Group in January 2020, after previously serving as CEO of Tshuva Group, a group of private companies owned by Yitzhak Tshuva, the controlling shareholder of Delek Group (through Tashluz Investments and Holdings Ltd.). In addition, since 2010, he has served as a strategic advisor to the CEO of Delek Drilling (now called NewMed Energy).
In addition, Idan serves as a director in a number of leading companies in the energy, real estate and media sectors. Idan has a degree in law from Tel Aviv University and is a Member of the Israel Bar.

Principal external appointments:
Delek Group Limited

Committee membership:
N

Tamir Polikar
Non-Executive Director
Date of appointment: October 2024

Experience and Board contribution:
Tamir previously served as a Director of Ithaca Energy from 2020 to 2022 prior to the Group's listing on the London Stock Exchange. Subsequent to the Group's listing, he acted as an observer on the Board on behalf of the Delek Group Ltd. Following the Group's Business Combination, Tamir returned to the Board as a Non-Executive Director, bringing with him 30 years of experience in various roles in the business sector, including as CFO, CEO and director at public companies in the energy and real estate sectors.

Tamir was appointed the Principal Chief Financial Officer of Delek Group Ltd in August 2020. Alongside this role, he serves as a director of Delek Group Ltd subsidiaries, as well as a director and business consultant of Polikar Holdings Ltd, a company engaged in real estate development in Israel and Bulgaria. In the past five years, he has served as the Deputy CEO of Delek Group Ltd, and previously held the position of CEO of the Aspen Group. Tamir is a Certified Public Accountant and holds an MBA from Heriot-Watt University in Scotland.

Principal external appointments:
Delek Group Limited

Committee membership:
None

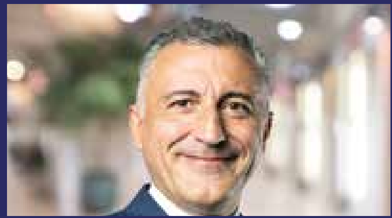
Francesco Gattei
Non-Executive Director
Date of appointment: October 2024

Experience and Board contribution:
Francesco has over 25 years of experience in the oil and gas industry across various senior roles at Eni S.p.A. Group. He is currently Chief Transition & Financial Officer, Chief Operating Officer and General Manager for Eni S.p.A. and has previously served as Chief Financial Officer of Eni, Upstream Director of the Americas, Head of Investor Relations, Secretary to Eni's Advisory Board, Senior VP of Market Scenarios and Strategic Options, and Head of Upstream M&A.

Alongside these roles, he was a member of the board of directors of Saipem from 2014 to 2015. Francesco holds a Masters in Energy and Environmental Management from the Scuola Mattei. Furthermore, he earned a degree in Economics and Commerce at the University of Bologna with a thesis on the oil market. Alongside these roles, he currently holds a position on the board of directors of Vår Energi, a company listed on the Oslo Stock Exchange.

Principal external appointments:
Eni S.p.A

Committee membership:
None



Guido Brusco
Non-Executive Director
Date of appointment: October 2024

Experience and Board contribution:
Guido has over 25 years of experience in the energy business for Eni S.p.A Group across different countries and senior positions. He is currently Chief Operating Officer Global Natural Resources and General Manager and has previously served as Upstream Director, Executive Vice President for the Sub-Saharan Region and Managing Director in Angola and Kazakhstan.

Alongside these roles, Guido currently holds a position on the board of directors of Vår Energi and Azule Energy Holdings Limited, an international energy company located in Angola. In addition, he was appointed as Chairman of Confindustria Energia, Italy's Federation of energy sector associations, in July 2023. He graduated with Honours in Mechanical Engineering at "La Sapienza" University of Rome.

Principal external appointments:
Eni S.p.A

Committee membership:
N

Committee Key: Committee Chair A Audit and Risk N Nomination and Governance R Remuneration H Health, Safety, Environment and Security D Disclosure

Deborah Gudgeon

Independent Non-Executive Director
Date of appointment: October 2022

Experience and Board contribution:
Deborah qualified as an ACA at PwC (Coopers & Lybrand) before spending eight years as Finance Executive with the Africa-focused mining and trading group Lonrho plc. She subsequently held positions with Deloitte, BDO, Gazelle Corporate Finance and Penfida Limited. Deborah has significant experience in acting as an independent non-executive director having held that position at Petra Diamonds Limited, Evraz plc, Highland Gold Mining Limited and Acacia Mining plc. As well as being an independent non-executive director, Deborah was also chair of the audit committee for each of these entities.

Principal external appointments:
Petra Diamonds Limited; Serabi Gold plc

Committee membership:
A R

Dave Blackwood

Independent Non-Executive Director
Date of appointment: October 2022

Experience and Board contribution:
Dave has over 49 years' experience in the oil and gas sector, including seven years in the service sector with Schlumberger in the North Sea and the Middle East, and 27 years in various global roles within bp, including heading up bp's upstream business in the UK and Norway. Since leaving bp in 2009, he has been a Senior Advisor with Evercore, and has been a non-executive director with Valiant Petroleum, Expro, and most recently acting as a non-executive director at Premier Oil plc for four years, from 2017 to 2021. Dave has a Bachelor's degree in engineering from the University of Glasgow.

Principal external appointments:
Evercore Group LLC

Committee membership:
H N A

Lynne Clow

Independent Non-Executive Director
Date of appointment: October 2022

Experience and Board contribution:
Lynne is an experienced HR and Operations Director who has worked extensively in the UK and abroad, across a variety of sectors. In December 2024, Lynne was reappointed as a non-executive director of the Board of Highlands and Islands Airports Limited for an additional three-year term and Chairs its People Committee. Lynne has also been reappointed for an additional three-year term to the Board of the Scottish Prison Service and joined the Board of the Scottish Children's Reporter Administration as a non-executive in October 2024.

Lynne has a wealth of strategic and commercial experience obtained in KCA Deutag and throughout her career which, in addition to her depth of experience in human resources, enables her to make a valuable contribution to the Board and as Chair of the Remuneration Committee.

Principal external appointments:
Dundee Airport Limited; Highlands and Islands Airports Limited; Scottish Prison Service

Committee membership:
R N

Assaf Ginzburg

Independent Non-Executive Director
Date of appointment: October 2022

Experience and Board contribution:
Assaf has over 15 years of experience in the energy industry. He is currently the CFO of Ormat Technologies, a global operator and developer of renewable energy projects which offers geothermal, recovered energy, energy management and storage solutions. Until May 2020, Assaf held a number of senior positions at Delek US Energy, including EVP and CFO. Prior to this, he was a member of the boards of directors for each of Alon USA Energy and Delek Logistics.

Assaf has a BA in accounting and economics from Tel Aviv University.

Principal external appointments:
Ormat Technologies Inc.

Committee membership:
A R H N

Julie McAteer

General Counsel and Company Secretary
Date of appointment: October 2022

Experience and Board contribution:
Julie joined the Group as Legal and HR Director (since renamed General Counsel and Company Secretary) in February 2020 and has over 25 years of experience in the oil and gas sector. Julie previously held senior leadership and legal manager/corporate and commercial roles with major operators and independents covering matters in the UKCS and internationally. For the previous eight years Julie was Legal Manager and on the leadership team at Premier Oil. Prior to this Julie occupied legal roles for Dana Petroleum plc, Elf Exploration and TotalEnergies. Julie holds a law degree from the University of Aberdeen and is dual-qualified to practice in both Scotland and England.

As Company Secretary, Julie is responsible for advising the Board on all governance matters.

Committee membership:
D

Board members who stepped down from the Board in 2024:

- **Alan Bruce** with effect from 4 January 2024
- **John Mogford** with effect from 16 May 2024
- **Gilad Myerson** with effect from 28 May 2024

Purpose, values and culture

Our purpose is to serve today's needs for domestic energy through operating sustainably. Our purpose is underpinned by our four core values, below, which guide how we work resiliently, collaboratively, openly and considerately. These values align with the organisational goals that create a differential advantage and emphasise excellence throughout the business. Our vision is to be a leading independent oil and gas company with scale, stability and strength focused on responsibly serving energy needs, while growing value sustainably and efficiently. More information can be found on page 2.

Bring strength

Express yourself

Deliver results

Be considered

How the Board monitors culture

The Board plays an important role in monitoring and assessing the culture of the Group and its alignment with the Company's purpose, values and strategy. During the year, the Board considered a number of areas that helped it to assess the development of the Group's culture. These areas included:

- reviewing the results and feedback from periodic employee engagement surveys and monitoring how the areas of employees' focus are being addressed;
- formally reviewing the Group's workforce policies and practices to ensure they remain consistent with the Company's purpose and values;
- monitoring any reports that may arise from the Group's Whistleblowing Policy;
- monitoring culture on gender and ethnicity pay through the review, assessment and approval of the Gender and Ethnicity Pay Gay Report;
- monitoring diversity and inclusion through regular updates at the Nomination and Governance Committee; and
- monitoring regular updates on health and safety initiatives and updates on the Group's efforts to reduce lost-time injuries.

The Remuneration Committee receives regular updates on feedback from shareholder consultations and engagement, which helps both it and the Board to monitor the culture on wider workforce pay and executive and CEO remuneration. In addition, the Committee reviews and approves the wider workforce reward framework and relevant policies and ensures that rewards and incentives align with the culture.

A key focus for the Board, following the Business Combination, will be to embed a strong sense of culture in the organisation through the Employee Consultation Forum led by the Employee Engagement Director, Lynne Clow, and the Culture Ambassador Team who are members of the workforce, empowered to provide insight to the workforce on the adoption of our vision, values and behaviours.

Governance framework

The governance framework for the Board is clearly documented in the Ithaca Energy plc Articles of Association, Division of Responsibilities, Schedule of Matter Reserved to the Board and Terms of Reference for each Committee which are all available on our website.

B Board of Directors

The overall role of the Board is to ensure the long-term sustainable success of the Group, making considered decisions for the enduring benefit of its shareholders and relevant stakeholders. The Board is chaired by the Executive Chairman and makes decisions in relation to the Group's business in accordance with its schedule of matters reserved to the Board.

Board activities – see pages 121 to 122.
Principal decisions of the Board – see pages 50 to 51.
Director biographies – see pages 113 to 115.

Board Committees

The terms of reference for each Committee are reviewed annually and agreed by the Board. They can be found on the Company's website at www.ithacaenergy.com/about-us/governance

A Audit and Risk Committee

See more on pages 126 to 129.

Assists the Board with the discharge of its responsibilities in relation to the integrity of our financial and narrative reporting and advises the Board on the Group's overall risk appetite, effectiveness of internal controls, risk management and audit.

N Nomination and Governance Committee

See more on pages 130 to 133.

Assists the Board in reviewing the structure, size and composition of the Board and is responsible for reviewing succession plans for the Directors and ELT.

R Remuneration Committee

See more on pages 136 to 161.

Recommends the Group's policy and framework on Executive remuneration and ensures reward is aligned with the Group's strategy and reflects the values of the Company.

H Health, Safety, Environment and Security Committee

See more on pages 134 to 135

Evaluates the effectiveness of the Group's policies and systems for identifying and managing environmental, health and safety risks within the Group's operations.

D Disclosure Committee

Responsible for ensuring the timely and accurate disclosure of all information that is required to be disclosed to the market to meet its legal and regulatory obligations.

E Executive Leadership Team (ELT)

Chaired by the CEO and meets on a weekly basis. Responsible for the operational management of the Group and for defining and driving the business priorities that will achieve delivery of the Group's strategy. The ELT discharges its responsibilities through a number of management committees, including the Investment Committee and the Enterprise Risk Management Committee.

Division of responsibilities

The roles of the Executive Chairman and Chief Executive Officer are held separately, and their responsibilities are well defined, set out in writing and are regularly reviewed by the Board. In addition, there is a clear division of responsibilities, which ensures accountability and oversight, between the Executive Directors and the Non-Executive Directors, both independent and nominated.

Executive Chairman

The Executive Chairman is accountable for the leadership of the Board and has responsibility for ensuring the Board's overall effectiveness and governance while promoting a strong culture of openness and debate. The Executive Chairman is primarily focused on setting and developing the Company's strategy, setting and sustaining the culture and purpose of the Company and ensures there is effective communication and messaging between the Board, the Executive Leadership Team, shareholders and the Company's wider stakeholders. The Executive Chairman works collaboratively with the Chief Executive Officer in setting the Board agenda and ensuring that any actions agreed by the Board are effectively implemented.

Chief Executive Officer

The Chief Executive Officer leads the Executive Leadership Team and is accountable to the Board. His role is to develop, in conjunction with the Executive Chairman, implement and deliver the agreed strategy. The Chief Executive Officer oversees the operational and strategic management of the Company and contributes to the succession planning and implementation of the organisational structure of the Group.

Chief Financial Officer

The Chief Financial Officer provides financial leadership to the Group and is responsible for providing accurate and detailed financial information to the Board on the performance and developments across the business. Additionally, he supports the Executive Chairman and the Chief Executive Officer in providing executive leadership to the Group and implementing the Group strategy.

Senior Independent Director

The Senior Independent Director provides a sounding board for the Executive Chairman and provides a communication conduit between the Executive Chairman and the Non-Executive Directors as well as serving as an intermediary between the other Directors and the shareholders as and when necessary. The Senior Independent Director has an important role on the Board in leading on corporate governance issues and being available as an additional point of contact for shareholders and other stakeholders if they have concerns that are not satisfactorily resolved by the Executive Chairman. The Senior Independent Director further ensures an annual performance evaluation of the Executive Chairman, with the support of the Non-Executive Directors.

Non-Executive Directors

The Non-Executive Directors, both independent and nominated, come with their wealth of business and commercial expertise from many industry sectors with objective judgement which allows them to constructively challenge the actions of the Group's management and leadership teams. They provide a crucial role in providing assurance that the Executive Directors are exercising good judgement when it comes to decision-making and their delivery of the Group's strategy. The Non-Executive Directors receive regular updates from the Group's management and Executive Leadership Team to allow them to monitor both the performance of the Group and the culture within the organisation. See more on the independence of the Directors on page 123.

General Counsel and Company Secretary

The General Counsel and Company Secretary supports the Board in ensuing all policies, processes, information and resources are in order to ensure the Board can operate effectively and efficiently. She supports the Executive Chairman in the provision of accurate and timely information to the Board, its Committees and between senior management and the Non-Executive Directors. The General Counsel and Company Secretary is responsible for advising the Board on all governance matters. She assists with the ongoing training and development of the Board and is instrumental in facilitating the induction of new Directors. The appointment and removal of the Company Secretary is a Board matter. Each Director has access to the advice and services of the General Counsel and Company Secretary.

Effective board

The Board plays a critical role in shaping business performance while creating and delivering long-term, sustainable returns for shareholders.

It is responsible for determining business strategy and the Company's appetite for risk, for monitoring management's performance in delivering against that strategy and ensuring the risk management frameworks and internal controls in place are appropriate and operating effectively. The culture of the business is considered an important aspect by the Board, as well as how the business is aligned with Ithaca Energy's vision and values.

The Board is cognisant of the Company's obligations to its shareholders and other stakeholders, responding to their needs with transparent reporting and active engagement.

Our Board is collectively responsible for corporate governance, determining the Group's strategic direction, reviewing management performance, approving financials, major acquisitions, disposals and capital expenditure and for providing entrepreneurial leadership to Ithaca Energy within a framework of prudent and effective controls that enable risk to be assessed and managed. It is also responsible for setting the Company's values and ethical standards.

The Board is accountable to shareholders for the efficient and effective management of the Company's operations and for the adherence to corporate governance standards in accordance with the strategy. Furthermore, the Board is held to account in regard to the maximisation of shareholder value over the long-term, within a framework of sound business ethics and while taking into account all stakeholder groups.

The Board will meet at such times as are necessary, but not less than six times a year, including a full day dedicated to strategy. A significantly higher number of Board meetings were held during 2024 due to the Business Combination Agreement. Details of the Board's attendance at meetings can be found on page 110.

Board agendas are drawn up by the Company Secretary in conjunction with the Executive Chairman and Chief Executive Officer. All Board papers are published via an online Board portal system which offers a fast, secure and reliable method of distribution.

When a Director is unable to attend a Board or Committee meeting, they receive the papers for consideration at that meeting and have the opportunity to discuss any issues or make any comments in advance and thereafter follow up with the Chair of the relevant meeting.

Stakeholder engagement

Active engagement with our stakeholders is at the heart of Ithaca Energy's values and the Board seeks to ensure there are numerous opportunities throughout the year to meet and/or speak with our shareholders, lenders, suppliers and our employees. Further information on our stakeholder engagement can be found on pages 52 to 55.

Workforce policies and practices

The Board is committed to ensuring that its policies and procedures remain in line with the Company's vision and values. For more information, please see page 49.

INFORM

The agenda for each meeting is discussed and agreed in advance with the Executive Chairman in conjunction with the Chief Executive Officer and General Counsel and Company Secretary, along with the matters arising from the previous meeting.

Performance reports and presentations on key areas of the business are prepared for the Board meetings, based on the annual calendar of business, to inform and make recommendations for the Board's consideration.

RECOMMEND AND CONSIDER

To facilitate decision-making, recommendations from senior leaders, as well as external advisors, are presented to the Board for consideration.

APPROVE AND ACTION

The Board will consider matters and agree and approve actions to take forward.

Skills, experience and knowledge

The Non-Executive Directors' mix of skills and wide-ranging business experience is a major contributing factor towards the proper functioning of the Board and its Committees, ensuring that matters are debated thoroughly and that no individual or group dominates the Board's decision-making processes. Information on the Board's skills and experience can be found on page 131. Non-Executive Directors have a particular responsibility for ensuring that the business strategies proposed are fully discussed and critically reviewed and their collective experience and broad range of skills gained from across a variety of sectors means they can constructively challenge management in relation to the development of strategy and performance against the goals set by the Board. For more information on the Director's biographies see pages 113 to 115.

Relationship agreements

The Company has two significant controlling shareholders, Delek Group Limited (Delek) and Eni S.p.A (Eni): Delek, through its wholly-owned subsidiary DKL Energy Limited, has a 52.2% shareholding in the Company and Eni through its wholly-owned subsidiary Eni UK Limited, has a 37.17% shareholding in the Company.

Both companies are deemed to be controlling shareholders for the purposes of the Listing Rules.

The relationships between the Company and each of these controlling shareholders are governed by separate Relationship Agreements. The purpose of the Relationship Agreements is to ensure that the Company can carry on its business independently of Delek, Eni and their associates and for the benefit of shareholders as a whole.

Each Relationship Agreement provides that the significant shareholder group is entitled to nominate Director(s) to the Board.

Further information on each of the Relationship Agreements, along with the details of the nominated Directors and observers to the Board are set out in the Directors' Report on pages 163 to 164.

PEOPLE SHAREHOLDERS LENDERS JV PARTNERS SUPPLIERS & CUSTOMERS GOVERNMENTS & REGULATORS

Key Board activities

The key activities that were carried out by the Board during the year, together with an indication of the stakeholders affected and whose interests the Board considered in its discussions and decision-making, are set out below.

Activity	Outcome	Stakeholders considered
Strategic		
Business Combination with Eni UK: Approved the Business Combination Agreement for the UK assets of Eni SpA	Following the Business Combination, Ithaca Energy has a diversified portfolio of production and development opportunities, with the ability to underpin material long-term organic growth while supporting the UK's energy security and decarbonisation targets.	
Business Plan 2025: Approved the 2025 Business Plan	The Executive Team is focused on the Company's strategies for achieving its goals and maximising sustainable shareholder value.	
Strategy Day: Held Board Strategy Day to look at where to focus for the next stage of growth	Key considerations were discussed and organic and inorganic growth opportunities considered.	
Operational		
Production deep dive Looked at production threats and opportunities in terms of the 2024 business plan	Detailed discussion on the production work program, assurance, reliability and forecasts, allowing the Board to question and debate issues, while providing it with a deeper understanding of the Group's operated assets.	
Late life assets and decommissioning Discussed strategies for late life assets and decommissioning	Ithaca Energy is committed to maximising economic recovery and late life operations of all our assets, searching for cost optimisation opportunities by embracing new technologies and collaborative working. Decommissioning will be planned in a safe, environmentally friendly and efficient manner, working closely with the Regulator, adhering to legislation and following best industry practices.	
Operating asset reviews incl. safety Analysis of each operating asset and operational safety	The Board continually reviews the management and running of the assets particularly in light of health, safety and the environmental impact of operations.	
Financial		
2023 Annual Report and Accounts and AGM Reviewed and authorised the 2023 Annual Report and Accounts and the resolutions to be put to shareholders at the AGM	Report approved by shareholders at the AGM and all resolutions were passed.	
Special Dividend Approved payment of a Special Dividend	Special Dividend declared for 2024 of $200 million and paid on 20 December 2024.	
Refinancing The refinancing terms for the debt facilities were approved	The successful refinancing was announced on 11 October 2024.	
Appointment of brokers Appointed Peel Hunt as the Company's brokers	Peel Hunt were appointed in December 2024.	

PEOPLE · SHAREHOLDERS · LENDERS · JV PARTNERS · SUPPLIERS & CUSTOMERS · GOVERNMENTS & REGULATORS

Activity	Outcome	Stakeholders considered
Environmental		
TCFD disclosures and emissions discussions Approved the disclosures for the 2023 Annual Report and Accounts	Demonstration of our commitment to long-term sustainable growth.	People, JV Partners, Shareholders, Governments & Regulators
Captain electrification Deep dive on this project that aims to substantially reduce emissions intensity	Ithaca Energy is progressing well towards meeting its target of a 50% reduction in Scope 1 and 2 emissions by 2030. The Captain electrification project is potentially a further significant emission reduction contributor for Ithaca Energy. However, delivery is subject to accessing a suitable grid connection or alternative power source in a timely manner and an appropriately supportive fiscal regime in place to mitigate the high risk and high abatement cost of the project.	People, Shareholders, JV Partners, Suppliers & Customers, Governments & Regulators
Net Zero plan Reviewed the plan to ensure Net Zero could be achieved by 2040	Delivery of our Net Zero plans will help achieve a more sustainable future for all.	People, Shareholders, Lenders, JV Partners, Suppliers & Customers, Governments & Regulators
Risk		
Going concern and long-term viability reviews Assessed the viability statement and going concern for the purposes of the 2023 accounts	Ensuring the viability and going concern disclosures are high quality and accurate are vital for investors to help them make informed decisions about a company's liquidity, solvency and longer-term viability.	Shareholders, Lenders
Principal Risks and risk matrix At each Board meeting, two Principal Risks were reviewed in depth with all discussed during the year together with the risk matrix and risk appetite	The Board is aware of the relevance, areas of exposure and materiality of the Principal Risks facing the Company together with the key mitigations in place.	People, Shareholders, Lenders, JV Partners, Suppliers & Customers, Governments & Regulators
Delegation of Authority policy Reviewed and updated the DoA	A crucial aspect of the Company's financial risk management which outlines the specific responsibilities and levels of approval required for financial transactions.	People, Shareholders, Lenders, JV Partners, Suppliers & Customers
Governance		
Code of Conduct and various governance policies: Approved an updated and detailed Company Code of Conduct and other policies	The Code of Conduct and the workplace policies adopted are important in aligning the workforce with the Company's purpose, values and principles, creating a positive workplace culture and ensuring smooth operations and legal compliance.	People
Board updates and training: Regular updates on Corporate Governance and key legal developments are provided at each Board meeting, often by external advisors	Strong compliance and 'best' governance practices improve business performance and stability, reduce risk and support value creation and responsible stewardship.	People, Shareholders
Board Evaluation and composition: Carried out the annual Board and Committee evaluation exercise, reviewing the results and considering composition.	The rigorous and detailed Board evaluation provided a powerful and valuable feedback mechanism for improving effectiveness, maximising strengths and highlighting areas for further development.	People, Shareholders

Board composition, succession and evaluation

Independence of the Board

The Board has identified which Directors are considered to be independent on page 131 of the Nomination and Governance Committee report. As at 31 December 2024, 42% of the Board (excluding the Chair) are Independent Non-Executive Directors. The Independent Non-Executive Directors play an important role in ensuring that no individual or group dominates the Board's decision making. The Board has reconfirmed that the Independent Non-Executive Directors remain independent from executive management and free from any business or other relationship which could materially interfere with the exercise of their judgement.

While not considered to be independent, the Nomination and Governance Committee and the Board consider that the role of an Executive Chairman is in the best interests of the Group in order to utilise proven leadership qualities and Yaniv Friedman's significant experience. The Executive Chairman works closely with the Senior Independent Director, Zvika Zivlin, who brings a depth of experience and calibre and serves as an intermediary for the Non-Executive Directors and the Executive Chairman. For more information, please see page 118 .

The Board has five nominated Non-Executive Directors and whilst they are not considered to be independent, in accordance with the Code, they bring a wealth of experience, skills and knowledge to the Board. The Directors are collectively responsible for the success of Ithaca Energy. Further information on the Company's Relationship Agreements with its major shareholders can be found on page 120.

Non-Executive Directors' role and time commitment

The Non-Executives provide a pivotal role for the Board in exercising objective judgement in respect of Board decisions, holding the Executive Leadership Team to account by providing scrutiny and challenge.

The Non-Executive Directors have all committed sufficient time to Ithaca Energy to meet their duties in relation to formal meetings of the Board and the relevant Committees, in addition to committing their time through the year to meet and discuss issues with the Executive Leadership Team. For more information on the Directors attendance at Board and Committee meetings, please see page 110.

Appointment and succession planning

The Nomination and Governance Committee, and where appropriate the full Board, regularly reviews the size, structure and composition of the Board. Moreover, this Committee is responsible for reviewing the succession plans for Directors, including the Executive Chairman and Executive Directors and other senior executives, and ensuring the development of a diverse pipeline for succession. In accordance with the Code, all Directors will retire at the AGM and may offer themselves for re-election.

Board composition, succession and evaluation continued

Board evaluation 2024

The effective functioning of the Board and its Committees is key to the success of the Company and Ithaca Energy recognises that performance evaluation is extremely valuable in contributing to the effectiveness of the Board.

Given the significant changes to the Board composition's during the year, including a new Executive Chairman, Chief Executive Officer, Senior Independent Director and three Nominated Non-Executive Directors, the Board took the decision that an internal Board evaluation would be carried out in 2024 and, in accordance with the Code, that an externally facilitated review of the Board's performance would be undertaken in 2025.

The evaluation has been designed to encourage Directors to optimise their contribution to the success of the Group and add value, beyond their statutory requirements, by building on existing strengths, agreeing on the challenges ahead and preparing for the future. It further provides an opportunity for the Non-Executive Directors, through their exposure on other company boards, to draw on their experience and suggest where improvements can be made.

The 2024 Board evaluation was an internally facilitated review conducted using a detailed questionnaire focused on the seven areas set out below, as well as the Board's interactions with each of the Audit and Risk, Nomination and Governance, Remuneration, and Health, Safety, Environment and Security Committees:

Questionnaire Areas of Focus

- Strategy
- Board discussions during 2024
- Risk and internal controls
- Board composition and succession
- Stakeholders
- Board process
- Leadership

Feedback was further obtained on the Chairman's performance which was then discussed with the Senior Independent Director.

The Directors completed the questionnaire and returned it to the Company Secretary who collated and anonymised the results before providing a detailed report to the Chairman and Senior Independent Director. The report covered comments and suggestions made, together with the rating allocated to each question by Directors.

The conclusions of the evaluation were very positive, concluding that following the Business Combination, even though there had been a large number of changes to the Board during the year, the Board continues to be highly effective and there is alignment between the views of the Non-Executive Directors, independent and nominated, and Executive Directors. All Committees had performed effectively, especially in response to the number of matters which had arisen during the year, and duties had been discharged well.

A number of key focus areas for the Board and Committees were highlighted and these are set out below, which will be used to inform and build upon the Board and Committee agendas and discussions for 2025.

Key focus areas for the Board and Committees for 2025

Risks and internal controls	Board composition	Stakeholders	Board process	Nomination and Governance Committee
Increase Board focus on management of cyber risk.	Ensuring the Board has the right mix of skills and expertise.	Improve workforce engagement mechanisms following the Business Combination, with a focus on Company values and culture.	Following the Business Combination, review the timing and number of Board meetings.	Increased focus on succession planning.
	Greater focus on implementation of the DE&I strategy.		Improve Board inductions and development.	

Board evaluation 2023

The Board evaluation process in 2023 highlighted a number of areas of focus for the Board and an update on the progress made during the year in these areas is set out below.

Board evaluation 2023 area of focus	Progress made in 2024
Processes and procedures were in place, several required to be tightened up in order to improve upon the quality of information presented.	A new Code of Conduct was introduced in 2024 along with a Board Diversity, Equity and Inclusion Policy. **Further detail can be found on pages 89 to 90.**
Greater detail would be provided in papers on risk, health and safety and cyber with key issues focused upon, plans agreed and regular progress updates given.	The monthly business performance report provides the Board with regular updates on HSE, risk, operations and production, financial performance and key focus issues for the month ahead.
Some Directors felt that a greater number of meetings, and more efficient chairing, was required to ensure a consistent flow of information and that there should be a more formalised structure.	Additional meetings were added to the Board and Committee schedule and a revised Board agenda was agreed, setting out precisely what areas would be addressed at each meeting. The Group's strategy was revisited in 2024 and regular reports on progress against the strategy have been established.
Diversity on the Board was agreed to be an issue and was a critical consideration in the recruitment of a new CEO and additional Non-Executive Directors.	A new Board Diversity, Equity and Inclusion Policy was established and approved by the Board in May 2024. **Further detail can be found on page 132.**
It was felt that succession planning for the Executive Leadership Team was opaque so this would be reviewed by the Nomination Committee with a proposal prepared for the Board's approval in due course.	Following the Business Combination and the number of changes made to the Board and the ELT during the year, succession planning will be a key focus area of the Nomination and Governance Committee for 2025.
Workforce engagement at a Board level was still at a very early stage, partly impacted by a change in HR Director.	During 2024, the Employee Engagement Director met with office-based staff to gather their views on a number of occasions as part of the Employee Consultation Forum. Further work on workforce engagement will be carried out in 2025. **Further details on workforce engagement can be found on page 131.**

Membership and meeting attendance in 2024

Name	Meetings attended
Deborah Gudgeon (Chair)	▲▲▲▲▲▲▲▲▲
Zvika Zivlin (SID)[2]	▲▲▲▲
Assaf Ginzburg[3]	▲▲▲▲▲▲▲△△
Dave Blackwood[4]	▲▲
Lynne Clow[5]	▲▲▲▲▲▲△
John Mogford (SID)[1]	▲▲▲△△

1 John Mogford, Senior Independent Director, ceased to be a member of the Board with effect from 16 May 2024 and was unable to attend two meetings due to a prior engagement that the Committee was notified of in advance.
2 Zvika Zivlin joined the Board as Senior Independent Director with effect from 16 May 2024.
3 Assaf Ginzburgh missed two meetings due to a prior engagement that the Committee was notified of in advance.
4 Dave Blackwood became a member of the Audit and Risk Committee with effect from 13 August 2024.
5 Lynne Clow stepped down as a member of the Audit and Risk Committee with effect from 13 August 2024.

"This report sets out the Committee's work to ensure the interests of the Group's stakeholders are protected through comprehensive systems supporting both financial reporting and risk management."

Deborah Gudgeon
Audit and Risk Committee Chair

Dear shareholder, I am pleased to present the Audit and Risk Committee (the Committee) report for the year ended 31 December 2024.

This report provides an overview of the Committee's principal activities and key areas of focus.

The Committee members are considered to possess the appropriate skills and experience required to monitor and ensure the integrity of the Group's financial reporting, internal audit, internal financial control and risk management systems and to support the Group's governance. I am a qualified accountant with extensive experience of acting as Audit Committee Chair, including in extractive industries. Mr Zivlin has extensive Executive experience, Mr Blackwood has significant Executive experience within the oil and gas industry and Mr Ginzburg is the Chief Financial Officer of a global operator and developer of renewable energy projects.

In addition to the Committee members, the Executive Chairman, the Chief Executive Officer, the Chief Financial Officer, the Company Secretary, the Deputy Company Secretary, the Head of Accounting and Financial Reporting, the Technical Accounting and Reporting Manager, the Financial Reporting Manager, the Head of Internal Audit, Risk and Insurance, the External Audit Partner and observers from Delek Group Ltd and Eni S.p.A. routinely attend meetings of the Committee.

Other senior managers of the business are invited to attend meetings as required to provide the Committee with a deeper level of insight on relevant business matters. Other members of the Board have an open invitation to attend Committee meetings to facilitate a deeper understanding of the business and support their role as Directors of the Company. The Committee meets periodically without management present and private meetings are held with internal audit and external audit without management present.

Role of the Committee

The Committee's role is to assist the Board with the discharge of its responsibilities in relation to financial reporting, including reviewing the Group's annual, half-yearly and quarterly financial statements and accounting policies, internal and external audits and the extent of the non-audit work undertaken by external auditors. In addition, it advises on the appointment of external auditors and reviews the effectiveness of both external and internal audit, internal controls, whistleblowing and fraud systems in place within the Group. The Committee further oversees and advises the Board on the Group's overall risk appetite, tolerance and strategy and reviews the overall risk assessment process that informs the Board's decision-making. The Committee, additionally, considers annually how the Group's internal audit requirements will be satisfied and makes recommendations to the Board accordingly as well as on any areas that need improvement or action.

Terms of reference

The terms of reference of the Committee, setting out the key responsibilities of the Committee were reviewed during the year and recommended to the Board for approval.

Activities during the year

During the year, the following financial reporting risks were identified as being significant, based on feedback from management and external auditors, and were considered by the Committee in respect of the FY 2024 Annual Report and Accounts:

- Oil and gas reserves;
- Carrying value of oil and gas assets;
- Deferred tax recognition and recoverability;
- Business Combination accounting;
- Adequacy of decommissioning provisions; and
- Going concern.

Further details of these significant risks are set out on page 128.

The work of the Committee to the date of this report broadly fell into three main areas and which are summarised on the next page:

Financial reporting

- Reviewed and approved the prior period adjustments in Q1 of 2024 to deferred taxation and retained earnings, as detailed in note 2;
- Reviewed and approved the quarterly and half-yearly financial statements and associated trading update statements;
- Reviewed and approved the Group's Annual Report and Accounts and considered the material accounting policies, principal estimates and accounting judgements used in their preparation, the transparency and clarity of the disclosures within them, and compliance with international financial reporting standards;
- Reviewed the basis for preparing the Group full-year financial statements on a going concern basis. The related disclosures in the Annual Report and Accounts were, additionally, reviewed;
- Considered and approved management's assessment of the Group's prospects and longer-term viability contained in the Annual Report and Accounts;
- Considered and approved disclosures on climate-related matters;
- Received reports from management and external auditors on accounting, financial reporting and taxation matters;
- Reviewed and assessed whether the Annual Report and Accounts, taken as a whole, were fair, balanced and understandable;
- Reviewed and approved the assumptions such as oil and gas reserves, future commodity prices, growth rates, resultant cash flows and discount rates used in the impairment reviews and related disclosures and sensitivities, including considerations around climate change;
- Reviewed and approved the assumptions underpinning decommissioning liabilities such as inflation and discount rates and related disclosures and sensitivities;
- Reviewed and challenged the key assumptions underpinning the Business Combination accounting;
- Considered the potential impact of the Judicial review in respect of the Rosebank field: and
- Considered the response to a Financial Reporting Council enquiry into certain matters relating to the 2023 Annual Report and Accounts.

Internal control, risk management and internal audit

- Reviewed the structure and effectiveness of the Group's system of risk management and internal control and the related disclosures in the Annual Report and Accounts;
- Reviewed the risk management activities undertaken by the Group in order to identify, measure and assess the Group's principal and emerging risks and review the velocity and scale of these;
- Reviewed reports from the internal audit department relating to control matters and monitored progress against the internal audit plan;
- Reviewed status and progress of the ongoing work to mature and develop internal controls for the forthcoming changes in reporting requirements; and
- Assessed the effectiveness of internal audit by considering the inputs and outputs of the activities described above.

External audit

- Considered and approved the scope, audit plan, terms of engagement and fees for external audit work to be undertaken in respect of the FY 2024 audit;
- Received reports from the external auditor on their findings regarding half-year financial statements;
- Received reports from the external auditor on their findings in relation to the full-year audit;
- Considered the objectivity and independence of the external auditor and the effectiveness of the external audit process, taking into account their policies to safeguard independence, non-audit work undertaken by the external auditor and compliance with the Company's policy on the provision of non-audit services and applicable regulations;
- Considered and recommended to the Board the re-appointment of the external auditor; and
- Considered and approved letters of representation to the external auditor in respect of the half-yearly and full year financial statements.

The matters the Committee considers to be the most significant for the FY 2024 Annual Report and Accounts can be found on page 128.

Internal control, risk management and internal audit

The Board is responsible for establishing a framework of prudent and effective controls, which enable risk to be assessed and managed. The Committee is responsible for reviewing the effectiveness of the Group's risk management and internal control systems, that include:

- Delegation of Authority that sets out clear authority for specific matters requiring senior management and Board approval;
- Annual financial budget and operational targets that are monitored by management and the Board;
- Financial reporting processes and preparation of financial statements that comply with relevant regulatory reporting requirements;
- Risk management process to identify principal and emerging risks and management's response; and
- Risk-based internal audit programme.

Principal and emerging risks are discussed more fully on pages 103 to 108 in the risk management section.

There are specific internal controls surrounding the financial reporting process and the preparation of financial statements, including clear guidance and procedures to ensure that the Group's financial reporting processes and the preparation of consolidated financial statements comply with all applicable regulatory and financial reporting requirements. These policies are applied consistently by the financial reporting team and by other areas involved in the preparation of financial information.

Monthly performance reports and quarterly detailed management accounts are prepared and are subject to thorough review by management. These reports detail the performance of the business and support the preparation and processes for external financial reporting.

The Committee receives regular updates on the Group's system of internal control, including details of the design and effectiveness of key controls mitigating financial, operational and compliance risk. Management intends to continue to focus on further standardisation, documentation and strengthening of internal controls to give the Committee greater comfort around the effectiveness of the control environment.

As a result of the prior period adjustment for deferred tax in Q1 of 2024, controls surrounding the preparation of quarterly tax computations have been strengthened, including having these reviewed by third-party experts.

Overall, the Committee is satisfied that the Group's internal control framework was operating satisfactorily during the year. The Committee will continue to work with management to identify opportunities to further enhance the internal control framework.

Corporate Governance changes

During the year, the Audit and Risk Committee received regular updates on the changes to the Corporate Governance Code published in January 2024. From 1 January 2026, the Code requirements in respect of the internal controls framework are being expanded and enhanced and include the need for a declaration of effectiveness. An area of focus in 2024 has been planning for the implementation of these changes. Ithaca Energy has a comprehensive system of internal controls over financial reporting and work is ongoing to identify additional material controls to support the new requirements. Any new controls identified will be fully integrated into the internal controls processes ahead of the 2026 deadline.

Financial Reporting Council (FRC)

During the year, the FRC made enquiries into certain aspects of the 2023 Annual Report and Accounts. Although conducted by staff of the FRC who have an understanding of the relevant legal and accounting framework, the FRC's review is based on the annual report and accounts and does not benefit from detailed knowledge of the business or an understanding of the underlying transactions entered into. Accordingly, the FRC's review provides no assurance that the annual report and accounts are correct in all material respects, and the FRC (which includes its officers, employees and agents) accepts no liability for reliance on the review by the company or any third party, including but not limited to investors and shareholders. The enquiries were satisfactorily concluded with the Group undertaking to make a limited number of additional disclosures in the 2024 Annual Report and Accounts.

Significant risks and judgements	How the Committee addressed these risks and judgements
Oil and gas reserves	
The estimation of oil and gas reserves from existing and yet to be commissioned fields is inherently judgemental. The Group estimates its reserves using standard recognised evaluation techniques. This estimate is reviewed internally at least annually and is further reviewed at least annually by independent consultants.	The Committee reviewed the process applied by management to estimate oil and gas reserves, whether they were in line with general industry practice and were consistent with the methodology applied in prior years. The Committee reviewed differences between management's view of reserves and those of a third-party expert, obtained satisfactory explanations of such differences and noted that management's estimates of proven and probable oil and gas reserves were materially in line with those prepared by independent consultants. The Committee concluded that the methodology adopted for estimating oil and gas reserves, which is used, amongst other things, in impairment testing, deferred tax recognition calculations and the going concern and viability assessments, was fair and reasonable.
Carrying value of oil and gas assets	
Significant judgement is required in determining whether there are indications of impairment, and conducting an impairment review involving the selection of suitable assumptions for future commodity prices and discount rate, applying the EPL and considering the impact of climate change on long-term commodity prices.	In assessing the impairment reviews the Committee: • Reviewed and challenged management's key assumptions for the discount rate; • Reviewed and challenged management's key assumptions for future commodity prices; and • Based on available market data, approved management's long-term assumptions of \$75/bbl in 2025, \$74/bbl in 2026 and \$77/bbl to \$83/bbl thereafter for crude oil and 98p/therm in 2025, 84p/therm in 2026 and 81p/therm to 87p/therm thereafter for UK NBP gas. The Committee also considered the disclosures on impairment, including sensitivities, and concluded that they were appropriate. The Committee also considered the critical judgements in respect of the Rosebank and Cambo fields as set out in note 3. Details of impairment reviews are set out in note 19 to the consolidated financial statements.
Deferred tax recognition and recovery	
The calculation of deferred tax is typically complicated in the oil and gas industry requiring significant estimation on future performance and profitability of assets. This is further complicated by changes made to the EPL during the year.	The Committee reviewed and challenged management's projections of UK taxable profits, which were consistent with those utilised in impairment reviews, and which support the recognition of the net deferred tax asset at 31 December 2024. The Committee was satisfied that these projections were reasonable. The Committee, additionally, reviewed and challenged management's assumptions with respect to accessibility of UK corporate tax history for decommissioning expenditure relief which further supports the recognition of a net deferred tax asset of \$1,224.1 million at 31 December 2024. The Committee was satisfied that these assumptions were reasonable. Further details of the net deferred tax asset are set out in note 28 to the consolidated financial statements.
Business Combination accounting	
During the year, the Group made a material Business Combination comprising the former subsidiaries of Eni in the UK. The accounting for this Business Combination involves a significant degree of judgement in arriving at the fair values of the assets and liabilities, including material deferred tax assets and liabilities.	In assessing the accounting for the Business Combination, the Committee reviewed and challenged: • Management's key assumptions for valuing the assets, including future crude oil prices and UK NBP gas prices; • Valuations of exploration and evaluation assets; • Management's key assumptions related to the valuation of decommissioning liabilities; and • The taxation treatment of these items, together with the recognition of tax loss position acquired. The Committee concluded that these assumptions and valuation techniques were reasonable. Details of the Business Combination are set out in note 17 to the consolidated financial statements.
Adequacy of decommissioning provisions	
Decommissioning cost estimates and assumptions are inherently judgemental with the key assumptions, including the decommissioning methodology (e.g. type of vessel or type of work programme), day rates, durations and discount rate.	In assessing the adequacy of decommissioning liabilities, the Committee: • Reviewed and challenged management's key assumptions; and • Questioned and obtained satisfactory answers to significant changes for particular assets from FY 2023. The Committee concluded that the methodology used was reasonable and the assumptions of supply chain rates and discount rates were appropriate and supported decommissioning liabilities of \$2,655.1 million at 31 December 2024. Further details of decommissioning liabilities are set out in note 23 to the consolidated financial statements.
Going concern	
In preparing the consolidated financial statements, the Directors are required to consider the appropriateness of the going concern basis of accounting	The Committee reviewed management's projections and resultant liquidity position. In addition, the Committee challenged the sensitivities modelled and agreed that they were appropriate. Overall, the Committee concluded that the projections were reasonable and supported a going concern basis of accounting. The going concern statement is set out on page 100 of the Annual Report and Accounts.

Internal audit

Internal audit provides independent, objective and timely assurance to senior management and the Board through the Committee, over the design and operational effectiveness of key processes and controls that manage the risks across the organisation.

The Head of Internal Audit, Risk and Insurance reports functionally to the Chair of the Committee and administratively to the Chief Financial Officer regarding internal audit matters. Our internal audit department operates on a co-sourced model, utilising external subject matter expertise to supplement the in-house team. The Head of Internal Audit, Risk and Insurance, additionally, provides oversight of internal controls compliance and the enterprise risk management process.

Eight internal audits were carried out during 2024:

- Disaster Recovery and Backup;
- Fraud Risk Assessment;
- HES Functional Assurance Review;
- Inventory Management;
- NOJV Organisation – Governance and Operator Oversight;
- Succession Planning, Development and DE&I;
- Supply Chain Management; and
- Treasury management.

In addition, the department oversees the annual audit programme for non-operated joint ventures and conducts ad hoc audits and investigations on behalf of the Board and sub-Committees.

During the year, the Committee:

- Reviewed and approved the 2025 internal audit plan, ensuring it aligned to the Group's principal risks; and
- Received regular reports from internal audit on its activities and progress against the Group 2024 internal audit plan, allowing the Committee to monitor delivery against the plan.

External auditor independence and objectivity

Deloitte were appointed as the Company's external auditor during 2021 as a result of Delek Group Limited, selecting Deloitte as auditor of the Group. The current external audit partner is David Paterson with the 2024 audit being his third year acting in this capacity. The independence of the external auditor is essential to the provision of an objective opinion of a true and fair view presented in the financial statements. Deloitte's independence is safeguarded through a number of control measures including:

- Limiting the nature of non-audit services performed by the external auditor;
- The external auditor's own internal processes to vet and approve any requests for any non-audit work to be performed by the external auditor;
- Monitoring changes in legislation related to auditor independence and objectivity to assist the Company to remain compliant;
- The rotation of the lead audit partner after five years;
- Independent reporting lines from the external auditor to the Committee; and
- An annual review by the Committee of the policy in place to ensure the objectivity and independence of the external auditor is maintained.

Assessing the effectiveness of the external audit process

The Committee, other Board members, senior management and finance team members evaluated Deloitte's performance and the effectiveness of the external audit process for FY 2024 financial reporting.

The Committee considered the following factors:

- The quality of the interactions between the audit team and the Committee, other Board members, management and those involved in the preparation of the accounts;
- Whether the scope of the audit and the planning process were appropriate for the delivery of an effective audit;
- The external auditor's progress achieved against the agreed audit plan and communication of any changes to the plan, including changes in perceived audit risks;
- The robustness and perceptiveness with which the external auditor handled the key accounting and audit judgements and communication of the same with management and the Committee;
- The expertise and resources of the external audit team conducting the audit; and
- The quality of the auditor's recommendations for the financial reporting process and control improvements.

Taking the above factors into account and the feedback from the finance team, management, members of the Committee and the Board, the Committee concluded that the external audit process and services provided by Deloitte were satisfactory. The feedback will be shared with Deloitte and any opportunities for improvement will be considered and agreed.

A formal recommendation to reappoint Deloitte as external auditor will be made at the Annual General Meeting.

Policy on the provision of non-audit services

The Committee's policy on the use of the external auditor for non-audit services includes the identification of non-audit services that may be provided and those that are prohibited. The policy requires that the external auditor will only be used for non-audit services where regulation permits, the Group benefits in a cost-effective manner and the external auditor maintains the necessary degree of independence and objectivity.

The policy provides for a cap on fees for non-audit work of 70% of the average of fees paid to the audit firm over the previous three years for audit services. It should be noted that the three-year period commenced on 9 November 2022 concurrent with the IPO.

The Committee receives regular reports on all non-audit assignments awarded to the external auditor and a breakdown of non-audit fees incurred. The principal non-audit fees incurred during the year were in respect of the half-year review, the external auditor acting as Reporting Accountants for the Offering Memorandum in respect of the refinancing and in relation to certain other refinancing options. In 2023, non-audit fees principally reflected the review of the half-yearly financial statements. Given these are audit-related services, the committee considered the external auditor the most appropriate firm to perform them. Details of amounts paid to the external auditor for audit and non-audit services are set out in note 7 to the consolidated financial statements.

The Committee is satisfied that the Company complies with CMA Order 2014 regarding statutory audit services.

Whistleblowing policy

The Group has a formal Whistleblowing policy (see page 91 for further details) whereby all employees, contractors, consultants and officers are able to raise concerns regarding potentially dangerous, unlawful or unethical activities which may be going on at work or could be affecting (or risks affecting) them or other colleagues. Any such reports are thoroughly investigated by suitably qualified personnel and where necessary appropriate action is taken.

Effectiveness of risk management and internal control systems

The Committee has completed its annual review of the effectiveness of the Group's risk management and internal control systems on behalf of the Board in order to approve the statements on risk management set out in the Strategic Report on pages 103 to 108.

Fair, balanced and understandable

The Committee has completed its annual review of the processes in place to prepare the 2024 Annual Report and Accounts and to ensure that they are fair, balanced and understandable in order to support the Statement of Directors' responsibilities on page 165.

Tax strategy

The Committee believes that we have a responsibility to manage our tax affairs in a way that sustainably benefits the customers and communities that we serve. We further have a responsibility to shareholders to ensure that we pay the right amount of tax and ensure compliance with UK tax rules.

Committee evaluation

The Committee's annual performance evaluation exercise was carried out in December 2024 and no concerns were highlighted.

Finally, I would like to express my thanks to both management and the external auditor.

On behalf of the Audit and Risk Committee:

Deborah Gudgeon
Committee Chair

Membership and meeting attendance in 2024

Name	Meetings attended
Gilad Myerson (Chair)[1]	▲ ▲ ▲
Yaniv Friedman (Chair)[2]	▲ ▲
Idan Wallace	▲ ▲ ▲ ▲ ▲
Guido Brusco[3]	△
John Mogford (SID)[4]	▲ ▲ △
Zvika Zivlin (SID)[5]	▲ ▲
Assaf Ginzburg[6]	▲ ▲ ▲ ▲ △
Lynne Clow	▲ ▲ ▲ ▲ ▲

1 Gilad Myerson, Executive Chairman, ceased to be a member of the Board with effect from 28 May 2024.
2 Yaniv Friedman was appointed to the Board as Executive Chairman with effect from 28 June 2024.
3 Guido Brusco was appointed to the Nomination Committee with effect from 3 October 2024 and was unable to attend a meeting due to a prior engagement that the Committee was notified of in advance.
4 John Mogford, Senior Independent Director, ceased to be a member of the Board with effect from 16 May 2024 and was unable to attend a meeting due to a prior engagement that the Committee was notified of in advance.
5 Zvika Zivlin joined the Board as Senior Independent Director with effect from 16 May 2024.
6 Assaf Ginzburgh missed a meeting due to a prior engagement that the Committee was notified of in advance.

Dear shareholder,
I am pleased to present the Nomination and Governance Committee (the Committee) Report for the year ended 31 December 2024.

This report provides an overview of the Committee's principal activities and key areas of focus during the year.

Role of the Committee

The primary objective of the Committee is to ensure that Ithaca Energy's Board and Executive Leadership Team are diverse and qualified, with the skills, experience and ability to deliver the long-term success of the Company.

The Committee is further charged with evaluating the performance of the Directors each year, measuring how they are performing their roles against the objectives and the goals they have set for themselves. This is a critical tool for assessing Board effectiveness and efficiency.

Terms of reference

The terms of reference of the Committee, setting out the key responsibilities of the Committee were reviewed during the year and recommended to the Board for approval. They are available on the Company website.

Activities during the year

The Committee has specific responsibilities on behalf of the Board and these are detailed below:

Board changes

This year, the Committee has overseen a number of changes to the Board, including my appointment as Executive Chairman and the appointment of Zvika Zivlin as Senior Independent Director, replacing John Mogford. In both cases, consultants Russell Reynolds, which does not have any connection with the Company or its Directors, were engaged by the Committee to lead these searches.

In January 2024, Alan Bruce stepped down from his role as Chief Executive Officer. Iain Lewis was appointed to fulfil a dual role of Interim Chief Executive Officer and Chief Financial Officer, working alongside the Executive Chairman. In May 2024, the Company reported that Gilad Myerson, Executive Chairman, would be stepping down from this role and that Dave Blackwood would serve as Non-Executive Chairman until his successor, Yaniv Friedman was formally appointed.

"The Committee's key objective is to ensure that the Board and the Executive Leadership Team is comprised of individuals with the requisite levels of skills, knowledge, experience and diversity to deliver the long-term success of the Group."

Yaniv Friedman
Committee Chair

In addition, following the Business Combination announcement and under the terms of the Relationship Agreement, Luciano Vasques was appointed Chief Executive Officer in October 2024. In all cases, the consultants were asked to ensure that candidates aligned with the Company's values and principles and in conjunction with the Committee in depth skill assessments were conducted with each potential candidate to ensure their experiences, skills and qualifications would contribute significantly to the long-term well-being of Ithaca Energy.

Following the completion of the transformational Business Combination with Eni UK, Francesco Gattei and Guido Brusco were appointed Non-Executive Directors on 3 October 2024, as nominees of Eni UK Limited and on 7 October 2024, Tamir Polikar became a nominated Non-Executive Director as a nominee of Delek Group Limited, previously serving as an Observer on the Board. Further information on the Board changes can be found in the Directors' Report on page 163.

Induction and training

All Directors who join the Board receive a comprehensive induction programme, which includes an induction pack, covering a range of topics including recent operational performance and strategic direction, key areas of the business and Directors' duties and responsibilities. The induction will also involve meetings with the members of the Board, together with the members of the Executive Leadership Team, focusing on matters within their areas of responsibility. They will also be offered the opportunity to meet with advisors.

The induction pack provided also includes information about Board processes and administration including meeting dates, key Company policies and governance documentation as well as Ithaca's share dealing policy. Directors are also given access to the Board portal containing Board and Committee papers, minutes and resource materials.

The training needs of Directors are reviewed as part of the Board's annual performance review with training and development being an ongoing process. Training can include external courses or webinars organised by professional advisors and internal presentations from the Executive Leadership Team to ensure that Directors' knowledge, skills, and familiarity with the Company's business is maintained. They are regularly updated, both at Board meetings and through information provided between meetings, on the Company's operations and any significant factors affecting it.

During the year, updates were provided to the Board and Committees via the General Counsel and Company Secretary on mandatory reporting and legal/governance changes as well as by the Company's external advisors. With regard to the latter, teach-ins were provided by Pinsent Masons and Jefferies prior to the Business Combination and specifically covered Directors' Duties and the UK Market Abuse Regulations.

Workforce engagement

The Board has a variety of means to engage directly with employees throughout the year, including the Employee Consultation Forum (ECF) and through the work of the Company's Employee Engagement Director. The Committee recognises the benefits of engaging openly with people through various forums.

Lynne Clow is Ithaca Energy's Employee Engagement Director and Chairs the Employee Engagement Group, meeting with the ECF for their insights, incorporating their feedback into the Board's decision-making and providing guidance across the Company's workforce engagement programme.

Board independence, skills and experience

	Independence	Oil and Gas Sector	Finance and Accounting	Operational	Health, Safety and Environment	Mergers and Acquisitions	Strategy	People and Reward	Governance and Regulatory
Executive Chairman									
Yaniv Friedman		✓	✓	✓	✓	✓	✓	✓	✓
Gilad Myerson		✓	✓	✓	✓	✓	✓	✓	✓
Executive Directors									
Luciano Vasques		✓		✓	✓	✓	✓	✓	✓
Iain Lewis		✓	✓	✓	✓	✓	✓	✓	✓
Non-Executive Directors									
Itshak Tshuva		✓		✓		✓	✓	✓	✓
Idan Wallace		✓		✓	✓	✓	✓	✓	✓
Tamir Polikar		✓	✓	✓		✓	✓	✓	✓
Francesco Gattei		✓	✓	✓	✓	✓	✓	✓	✓
Guido Brusco		✓		✓	✓	✓	✓	✓	✓
Deborah Gudgeon	✓		✓			✓	✓	✓	✓
Dave Blackwood	✓	✓		✓	✓	✓	✓	✓	✓
Lynne Clow	✓	✓		✓	✓	✓	✓	✓	✓
Assaf Ginzburg	✓	✓	✓	✓	✓	✓	✓	✓	✓
Zvika Zivlin	✓		✓			✓	✓	✓	✓
John Mogford	✓	✓		✓	✓	✓	✓	✓	✓

This process is at a relatively early stage due to there being a change of HR Director during the year, but the Employee Engagement Director has met with office based staff several times and will ensure there is more formal engagement with offshore crews going forward.

The ECF plays an integral role in improving communication, involving employees in the business of the Company through information sharing, communication and engagement. It is a forum through which management can communicate and discuss issues which have widespread application, either to all employees or certain groups of them, providing the opportunity to consult over business-related issues and gain commitment to implementing new ideas and new ways of working to improve the organisation. Employees can contact the ECF either through the ECF mailbox or by speaking with a member of the ECF. All questions submitted are done so in confidence and names are not passed to management or HR.

The forum met four times during 2024 discussing both onshore and offshore issues including politics, pay, working conditions, healthcare as well as the integration with Eni UK.

The Board discussed the outputs of the ECF with the Executive Leadership Team throughout the year, to support the evolution of the Company's culture by building on feedback received from employees. Lynne Clow leads the Board's efforts to engage with the ECF to increase engagement levels and build a strong culture within the organisation.

Diversity, Equity and Inclusion

The Committee understands the strategic importance of DE&I, both in the boardroom and across the whole business and more information on how Ithaca Energy's DE&I policy helps create an open, diverse and inclusive organisation where everyone feels engaged and supported can be found on page 90. Inclusivity remains a core value and our aim is for everyone to feel comfortable to be themselves, feel listened to and be able to express themselves. We are committed to an ongoing programme of equity and inclusion for all.

The Board supports the principles of gender and ethnic diversity and pays close attention to the international nature of its makeup. Members of the Board and the Executive Leadership Team collectively possess diversity of gender, national birthplace, social backgrounds, cognitive and personal strengths, along with a combination of skills, experience and knowledge – all of which are vital for the effective operation of the Board and oversight of the Group. We believe that Board diversity makes us a better and more sustainable business, contributing to high performance and enhanced commercial results. As well as a diverse Board, we promote an open and inclusive culture in Board and Committee meetings, where all Directors are encouraged to share their views and all views are taken into account without bias or discrimination.

In May 2024, a Board Diversity, Equity and Inclusion Policy was approved and adopted by the Board, which sits alongside the Company's core values as supported by a set of behaviours, the Company's general Diversity, Equity and Inclusion Policy, the Code of Conduct and associated policies.

The Board Diversity, Equity and Inclusion Policy objectives are:

- Encourage a diverse and inclusive working environment in the boardroom where everyone is accepted, valued and receives fair treatment without discrimination or prejudice;
- Make all appointments to the Board on merit against objective criteria which takes into account skills, knowledge and experience alongside all aspects of diversity, including but not limited to those described above;
- Consider candidates for appointment to the Board from as diverse a pool of applicants as possible and ensure that the recruitment and selection process has been reviewed to mitigate bias; and
- As a minimum, set a target of at least 40% of Board members who are women, at least one senior board position (Chair, CEO, CFO or SID) held by a woman, and at least one member of the Board is from a minority ethnic background.

While the Board is supportive of the FCA's UK Listing Rule on diversity and inclusion, requiring that: (i) at least 40% of the Board are women; (ii) at least one senior Board position (Chair, CEO, CFO or SID) is a woman; and (iii) at least one Board member is from a minority ethnic background, it acknowledges that as at 31 December 2024, targets (i) and (ii) have not yet been met.

The position at the year-end is, unfortunately, reflective of the wider gender imbalance seen throughout the energy sector which has historically had fewer women in senior management roles. Whilst we have yet to reach the 40% target, the Board continues to put these targets to the front of mind when searching for new Board appointments. New Directors with technical and professional skills to complement the existing mix of skills and experience on the Board will be sought.

The Committee continues to progress its search for an additional Independent Non-Executive Director and recognises the requirements of Principle J of the Code in relation to appointments promoting the diversity of gender, social and ethnic backgrounds. A recruitment process, including the appointment of external advisers to assist, is well advanced to find a suitable female candidate to enhance not only the independence of the Board, but to bring complementary skills and experience to the Company.

All appointments to the Board are based on merit. Candidates will be considered against appropriate criteria, including diversity of social and ethnic backgrounds, as well as of cognitive and personal strengths, in addition to gender diversity since the primary consideration is to maintain and enhance the Board's overall effectiveness to deliver strong performance and growth, in line with the Company's ongoing strategic objectives.

Committee performance evaluation

The Committee's annual performance evaluation exercise was carried out in December 2024 and a key area for the Committee for 2025 will be an increased focus on succession planning. See page 124.

FCA Diversity Disclosure Table

In accordance with UK Listing Rule 6.6.6R (10), the Company's diversity data, as at the reference date of 31 December 2024 is set out opposite. The figures were calculated based on the data provided by the Board and Executive management upon appointment.

Focus areas for 2025

For 2025, the Nomination and Governance Committee will be focused on:

- Succession planning for the Directors and senior management.
- Company strategy: The Nomination and Governance Committee will continue to monitor that the Company's strategy is aligned with its vision and values.

Yaniv Friedman
Committee Chair

Reporting on gender identity at year-end 2024

(Relevant persons were provided with a copy of UKLR9 Annex 2 which each completed)

	Number of Board members	% of the Board	No. of senior Board positions	No. in executive management	% of executive management
Men	11	85%	4	8	80%
Women	2	15%	0	2	20%

Reporting on ethnic background at year-end 2024

(Relevant persons were provided with a copy of UKLR9 Annex 2 which each completed)

	Number of Board members	% of the Board	No. of senior Board positions	No. in executive management	% of executive management
White British or other White (including minority-white groups)	4	31%	1	5	50%
Mixed/Multiple Ethnic groups	1	7%	1	–	–
Asian/Asian British	–	–	–	–	
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic Group	8	62%	2	5	50%
Not specified/prefer not to say	–	–	–	–	–

Health, Safety, Environment and Security Committee report

Membership and meeting attendance in 2024

Name	Meetings attended
Dave Blackwood (Chair)	▲ ▲ ▲ ▲
John Mogford (SID) [1]	▲ △
Zvika Zivlin (SID) [2]	▲ ▲
Assaf Ginzburg [3]	▲ △ △ △

1 John Mogford, Senior Independent Director, ceased to be a member of the Board with effect from 16 May 2024 and was unable to attend a meeting due to a prior engagementthat the Committee was notified of in advance.
2 Zvika Zivlin joined the Board as Senior Independent Director with effect from 16 May 2024.
3 Assaf Ginzburgh missed several meetings due to prior engagements that the Committee were notified of in advance.

"The Health, Safety, Environment and Security (HSE) Committee is a key part of our business and as Committee Chair, I am pleased to report on the activities of the Board HSE Committee in 2024."

Dave Blackwood
Committee Chair

Dear fellow shareholder, I am pleased to present the Health, Safety, Environment and Security Committee (the Committee) Report for the year ended 31 December 2024.

This report provides an overview of the Committee's principal activities and key areas of focus during the year.

Role of the Committee

The Committee's role is to assist the Board with the discharge of its responsibilities in relation to the Group's HSE commitments. This includes reviewing and monitoring the Group's HSE strategy, assessing the scope and effectiveness of the HSE management system framework and investigating, on behalf of the Board, reports from management concerning all serious incidents and high potential incidents within the Group.

The Committee will further review principal findings from Line of Defence 2 and 3 HSE internal audits, which may be discussed at the Audit and Risk Committee. The Audit and Risk Committee retains overall responsibility for monitoring and reviewing the effectiveness of the Group's risk management and internal control systems. Where a detailed review of HSE risks or audit findings is undertaken, this will be reviewed by the HSE Committee. Similarly, if the HSE Committee determines that specific HSE incidents have broader implications, for risk management or internal control, across the Group these will be referred to the Audit and Risk Committee. See Figure 1 below.

Terms of reference

The terms of reference of the Committee, setting out the key responsibilities of the Committee were reviewed during the year and recommended to the Board for approval. They are available on the Company's website.

Activities during the year

In 2024, the Committee reviewed:

- 2023 HSE performance, including operation safety performance, environmental compliance, High Potential Incident and Process Safety event learning.
- Safe operations, including well integrity status, maintenance management activities, HSE management system arrangements, competency and training, and various control of work improvements.
- GHG emission targets, including, emission reduction projects at various stages of maturity, our approach to Scope 3 emissions, reporting of net equity emissions and methane management.
- 2024 OPRED consultation on assessing the effects of Scope 3 emissions on climate from oil and gas projects.
- 2024 HSE improvement plan progress.
- Management system improvements.
- The status of HSE and Technical Assurance Line of Defence (LOD) Level 2 and 3 plans and principal audit insights.
- The status of process safety risks and progress with implementing improvements regarding management of process safety, including leadership training, process safety key performance indicators (KPIs), Process Safe Barrier Model Tool (Figure 2) and continued roll-out of the Process Safety Fundamentals to frontline teams (PSFs, Figure 3).
- Regulatory activity, learning from regulatory inspections and themes progressed in conjunction with OEUK HSE forum.
- Occupational health improvements.

Figure 1: Relationship between the HSE Committee and the Audit and Risk Committee

Audit and Risk Committee
Refers HSE risks, audit findings or other HSE matters to the Board and HSE Committee for review

HSE Committee
Highlights HSE incidents and other HSE matters which have risk implications

Looking ahead to 2025

For 2025, the Committee has proposed the following standing agenda items and specific topics of focus:

- HSE performance and status scorecard targets;
- HSE performance leading metrics, including Process Safety Key Performance Indicators;
- Serious Incidents (significant permanent impairment) or Fatalities, Process Safety Events (Tier 1 and Tier 2 events) and High Potential Incidents, reviewing any reports of events, root causes and any actions being taken;
- Principal findings from LOD and LOD3 regulatory audits and plan status; and
- Regulatory inspection feedback.

In 2025, the Committee will focus on the following areas:

- Organisational integration, following the Business Combination with Eni UK in 2024, which will see harmonisation of many HSE systems and processes in order to further enhance and improve the management of HSE across the organisation.
- Improvements to process safety, including progressing a detailed Process Safety Leadership Plan, developed in early Q1 to drive performance improvements, further embedding of the barrier model tool, Operational Risk Assessment enhancements and further embedding of the PSFs.
- Safe operations, including improvements regarding Control of Work, safe deck management, human factors, drops prevention and contractor engagement.
- Environmental compliance improvements, with regard to permit compliance, environmental 'Must Wins' and opportunities through the Business Combination to harmonise our ISO 14001 certification, and to give consideration towards expansion of ISO 50001 certification currently in place on our Cygnus assets.
- Emissions, covering status of Oil and Gas Methane Partnership (OGP roadmap), progress towards delivering Zero Routine Flaring commitments, Emissions Reduction Action Plan status and overall progress regarding our Group GHG targets and North Sea Transition Deal commitments.

Dave Blackwood
Committee Chair

Figure 2: Process Safety Barrier Model Tool

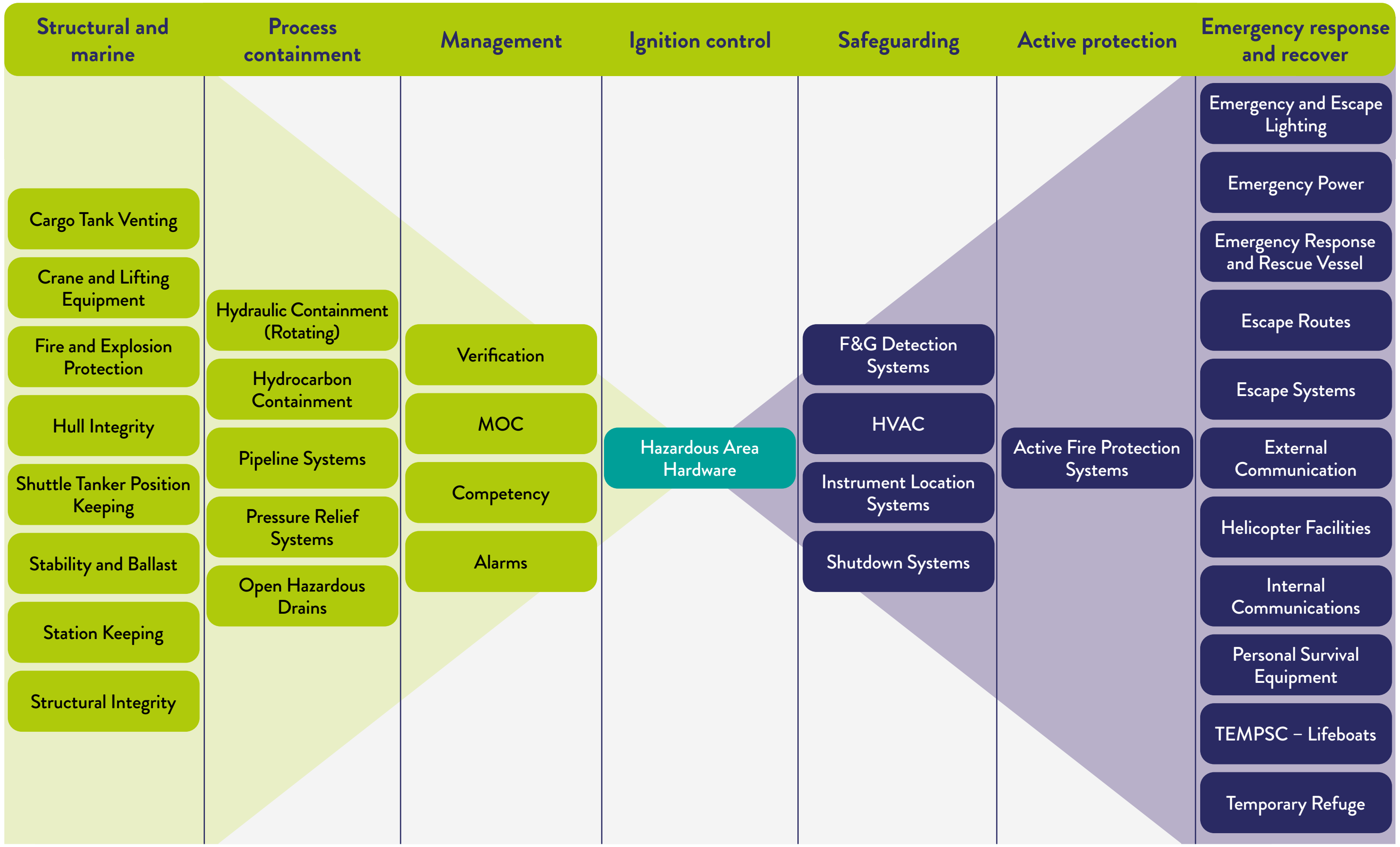


Figure 3: IOGP Process Safety Fundamentals

Maintain safe isolation | Walk the line | Apply procedures | Sustain barriers | Control ignition sources | Recognise change | Respect hazards | Stay within operating limits | Stop if the unexpected occurs | Watch for weak signals

Meeting attendance in 2024

Name	Meetings attended
Lynne Clow (Chair)	13/13
John Mogford (SID)[1,3]	5/6
Zvika Zivlin (SID)[2,3]	6/6
Assaf Ginzburg[3,3]	9/13
Dave Blackwood	13/13
Deborah Gudgeon	13/13

1 John Mogford, Senior Independent Director, ceased to be a member of the Board with effect from 16 May 2024 and was unable to attend a meeting due to a prior engagement that the Committee was notified of in advance.
2 Zvika Zivlin joined the Board as Senior Independent Director with effect from 16 May 2024.
3 Assaf Ginzburg missed several meetings due to prior engagements that the Committee was notified of in advance.

"The Committee believes that the remuneration outcomes for 2024 fairly reflect performance, and our focus remains on ensuring reward programmes incentivise employees to achieve Ithaca's strategy and performance goals."

Lynne Clow
Chair of the Remuneration Committee

Dear shareholders, On behalf of the Remuneration Committee (the 'Committee'), I am pleased to present the Company's Directors' Remuneration report (the 'report') for the year ended 31 December 2024.

Committee composition

The Committee works hard to ensure alignment with shareholder interests and that our approach to remuneration fully supports the Company's strategy and growth ambitions. The Committee is comprised of five Non-Executive Directors ('NEDs'), with Zvika Zivlin joining the Board as the Senior Independent Director and the Committee in May 2024. He replaced John Mogford who stepped down from the Board at the Company's Annual General Meeting ('AGM') in May 2024.

Company performance

In 2024, the Group has made significant progress across its strategic objectives. The most notable of which was the announcement in April of the Group's transformational Business Combination with Eni UK, that subsequently completed on 3 October 2024. This transformational Business Combination along with significant $2.25 billion refinancing completed in Q4 2024, creates a dynamic growth player with significant potential for organic and inorganic growth and material financial firepower to deliver its ambitions. In recognition of the significant change in the business delivered by the Business Combination, we adjusted our corporate scorecard targets in 2024 to reflect the increased production capability and larger scale of our operations.

We have reported a robust financial performance in 2024, with adjusted EBITDAX of $1.4 billion and net cash flow from operating activities of $0.9 billion (reflecting contributions from the Eni UK assets from the legal completion date of 3 October 2024). With over $1 billion of available liquidity, we have significant financial capacity to deliver on our growth plans as we look to the future. We measure our success not only by our financial performance and delivery for shareholders, but in our safety and operating performance. In this, we have maximised the production and value of our assets in a safe and responsible manner. In summary:

- The impact of lower realised gas commodity prices, and reduced production in the 1H 2024, which resulted in a fall in adjusted EBITDAX of 19% from 2023;
- Our enlarged portfolio delivered a strong final quarter of production in 2024, supporting an average for 2024 of 80.2 kboe/d, which was at the upper end of our guidance of 76 to 81 kboe/d;
- Our team demonstrated an improved safety culture and ensured safe operations during the year. During 2024, our Serious Injury and Fatality Frequency remained at zero and there were no Tier 1 or Tier 2 process safety events; this is an improvement from 2023 (2023: recorded one Tier-1 event) and serves as a continual reminder that we must remain dedicated to operating a robust and transparent safety culture;
- Across our portfolio, we have continued to make material progress with emissions reductions projects on FPF-1, Alba, Captain and Cygnus;
- Applying a culture of cost management has ensured the operating expense was lower than our maximum expectation for the year, despite large project expenses and the impact of high inflation impacting spend on materials; and
- Strategically, the Company delivered strong performance, including completion of the Business Combination with Eni UK and its successful $2.25 billion refinancing comprising $750 million Senior Notes and $1.5 billion amended and restated floating rate Reserve Based Lending ('RBL'), including $0.5 billion of letters of credit. In addition, more than $400 million of letters of credit were secured in Q4 of 2024.

2024 has further enhanced the Group's position as a dynamic, leading UKCS production and growth company focused on accelerating growth opportunities and future value creation. The Group is now positioned as one of the largest resource holders in the UK North Sea with a diversified portfolio of production and development opportunities, that has the ability to underpin material long-term organic growth, delivering the oil and gas essential for energy security while supporting the UK's decarbonisation targets.

Remuneration outcomes for 2024

Annual bonus

The scorecard targets covered a range of objectives that the Committee regarded as critical. The announcement on 23 April 2024 of the successful completion of the transformational Business Combination with substantially all of Eni UK's upstream oil and gas assets did not change the performance metrics for the 2024 annual bonus or weighting published in our 2023 report as appropriate for challenging management to drive stretch performance while operating in a safe and sustainable way. It did, however, require the Committee to undertake an assessment of targets and apply an appropriate adjustment to reflect the impact of the Business Combination. The adjustment was effective from the date of the economic combination of assets on 1 July 2024.

2024 performance resulted in an annual bonus for the Executive Directors ('EDs') of 60.0% of their maximum opportunity, with half deferred into shares, which will vest after three years conditional upon continued employment.

The Committee considered the bonus outcome in terms of overall business performance, shareholder and workforce experience. When assessing emission performance, the Committee considered the feedback from the HSE Committee and applied downward adjustment in consideration of operational status and impact on emissions. The Committee concluded that there were no grounds for exercising its discretion to other areas of the scorecard, and that the outcome reflected the overall position of the business at the year end. Further details on the bonus outcomes are on page 140.

Long-Term Incentive Plan (LTIP)

Following the Company's first LTIP award grant in December 2022, with a performance period ending on 31 December 2025, there was a further grant issued in 2024 (with a performance period ending 31 December 2026). There were no LTIP vesting based on performance during 2024.

Executive Director appointments in 2024

Over the past year, the Committee has continued to ensure the appropriateness of the Company's overall reward package available for Executive Directors in the context of the Directors Remuneration Policy (the 'Policy'), the UK Corporate Governance Code and market best practice. These core principles were at the forefront when the Committee set the remuneration on the appointment of the Executive Chairman, Yaniv Friedman, and Chief Executive Officer, Luciano Vasques, during 2024. The structure and quantum of the remuneration packages set are consistent with our Director's Remuneration Policy and fall below the maximum permitted under those rules.

Change of Executive Chairman

Gilad Myerson stepped down from his role as Executive Chairman on 28 May 2024. He was succeeded with the appointment of Yaniv Friedman on 28 June 2024. Yaniv brings significant global executive experience working in the energy and infrastructure sectors and brings considerable strategic, commercial and M&A experience to the executive leadership team. As detailed in the appointment announcement, Yaniv Friedman's remuneration package comprises:

- Base salary £450,000
- Pension of 15% of salary
- Annual bonus opportunity of up to 150%, subject to performance and applicable deferrals (pro-rated in 2024 to reflect his joining the Company part way through the performance year).
- Long-Term Incentive Plan award of share to the value of 200% of salary. The award for the period 2024 to 2026 was granted on 4 July 2024 as reported on page 144. The award will vest (subject to meeting applicable performance conditions) at the end of the period and is required to be held for an additional two years.
- In addition, the Committee agreed that appropriate relocation support would be provided for the first two years of employment, in line with the terms of the Director's Remuneration Policy. Details of support provided to 31 December 2024 are set out on page 142.

The Remuneration Committee considered Gilad Myerson's contribution in guiding the Company through its acquisition-led growth strategy since 2019 and determined that it would be appropriate to treat him as a good leaver under the plan rules for the purpose of bonus awards and all outstanding long-term incentive awards. In line with the terms of his executive service agreement, he was entitled to six months' payment in lieu of notice, he further received a termination payment of £119,315. In addition, Gilad was available as an advisor to the Company to provide assistance as required in accordance with the terms of a Consultancy Agreement that ended on 10 December 2024. He was paid a retainer of £375,000 under this agreement. Full details are set out on page 145.

Change of Chief Executive Officer

Following the announcement on 4 January 2024 that Alan Bruce would step down from his role of Chief Executive Officer, it was announced that Iain Lewis, our Chief Financial Officer, would fulfil the role of interim Chief Executive Officer. On 28 May 2024, the Company announced that Luciano Vasques was proposed as the Group's Chief Executive Officer, with his appointment taking effect on the completion of the Business Combination with Eni UK. Luciano joined the Company on 3 October 2024, having joined the Group from Eni UK where he held the role of Managing Director. During Luciano's upstream career he has demonstrated a track record of successfully overseeing and delivering multi-billion dollar developments and operations across Eni S.p.A.'s global business that will prove invaluable as the Company embarks on the development of its high-value greenfield portfolio. Luciano sits on the steering committee of the North Sea Transition Deal, led by NSTA. As detailed in the appointment announcement, Luciano Vasques' remuneration package comprises:

- Base salary £600,000
- Pension of 15% of salary
- Annual bonus opportunity of up to 150%, subject to performance and applicable deferrals (pro-rated in 2024 to reflect his joining the Company part way through the performance year).
- Long-Term Incentive Plan award of share to the value of 200% of salary. The award for the period 2024 to 2026 was granted on 11 October 2024 as reported on page 144. The award was reduced pro-rata to reflect his joining in the last quarter of the first year of the performance period. The award will vest (subject to meeting applicable performance conditions) at the end of the period and is required to be held for an additional two years.
- In addition, the Committee agreed that appropriate relocation support would be provided for the first two years of employment, in line with the Director's Remuneration Policy. Details of support provided to 31 December 2024 are set out on page 142.

Full details of Alan Bruce's remuneration on his departure from the Company were detailed in our 2023 report.

Directors' Remuneration Policy

Our current Directors' Remuneration Policy ('Policy') was approved by shareholders at the 2023 AGM with over 99% support. Our current Policy was designed around four key principles set out on page 152 and a traditional plc remuneration structure of base salary, pension and benefits, annual bonus and LTIP. The Committee keeps these under regular review and believe that these remain the right principles to drive delivery of our strategy and that the structure remains aligned to these principles, our strategy and market practice.
The period since the 2024 AGM has been one of significant change for the Directors of the Company including:

- The transformational Business Combination with Eni UK;
- The change in the Executive Chairman role, with Gilad Myerson stepping down from his position and the appointment of Yaniv Friedman;
- The change in the Chief Executive Officer role, with Alan Bruce stepping down from the role at the beginning of 2024 and Iain Lewis, Chief Financial Officer, taking on the role on a temporary basis, and Luciano Vasques been appointed in the role from 3 October 2024.

Our existing Policy has appropriately facilitated delivery of remuneration through this period of significant change, and the Remuneration Committee determined that no further revisions are required for 2025.

We will continue to closely monitor developments in market practice and shareholder guidance over the life of the Policy.

Executive Director remuneration for 2025

Base salary

In early 2025, the Company entered into a period of significant reorganisation following the Business Combination and as such has decided to defer decisions on annual salary increases until May 2025. The Committee agreed that any salary increase for Executive Directors should be deferred in line with the policy adopted for the wider workforce. Therefore, no salary increases have yet been awarded.

	Salary
Executive Chair[1]	£450,000
Chief Executive Officer[2]	£600,000
CFO[3]	£400,000

1 Yaniv Friedman was appointed in June 2024. His salary is shown as at appointment.
2. Luciano Vasques' salary is shown as effective on his appointment from 3 October 2024.
3. Iain Lewis' salary was increased to £500,000 in January 2024 to reflect his responsibilities and working on a full-time basis. In November 2024, he returned to 80% of normal business hours under the terms of his Executive Service agreement. His 2024 salary of £500,000 was prorated to reflect the return to his contracted working arrangements to £400,000.

2025 Annual bonus and LTIP opportunities

	Annual Bonus[1]		
	Target opportunity	Maximum opportunity	LTIP opportunity[2]
Executive Chair	75%	150%	200%
CEO	75%	150%	200%
CFO	75%	150%	200%

1 50% of any bonus earned will be deferred into shares for three years. The bonus will be assessed against financial, strategic and HSE targets aligned with the business plan. The metrics and weightings are set out on page 141.
2. The shareholding requirement for each ED will align with their LTIP award size.

Our desire for sustainable growth has driven decisions on the metrics for the 2025 annual bonus and the Committee considers ongoing inclusion of safety, emissions, production and operating expenditure metrics directly support these goals. Performance against the financial and strategic metrics will be a measure of the value we deliver for our shareholders. The Committee remains satisfied that the current Executive remuneration framework is aligned with delivery of the Group's ambitious growth plan and targets and the creation of long-term shareholder value. Further details on the 2025 scorecard can be found on page 141.

As disclosed in the 2024 report, a single metric of Relative TSR metrics adopted for the 2024 LTIP award. In line with the Policy, the Committee has decided to delay the grant of the 2025 LTIP award. The award is likely to be made after the publication of this report. Further details are set out on page 141.

Conclusion

The Committee looks forward to engaging with shareholders and stakeholders on an ongoing basis and welcomes any feedback or comments on this report.
I look forward to seeing shareholders at the upcoming AGM.

Lynne Clow
Chair of the Remuneration Committee

Key highlights – 2024 remuneration outcomes under the remuneration policy

Outcome of performance measures ending in the financial year

This section summarises performance against targets for the annual bonus. Full details on the assessment of the performance conditions can be found on page 143.

Category	Metric	Scorecards (Threshold (25%) / Target (50%) / Stretch (100%))
HSE (25%)	Tier 1 and Tier 2 safety events (15%)	100%
	Emissions Performance ($ktCO_2e$) (5%)[2]	50%
	Progress against emissions reduction plan (5%)	100%
Operations (35%)	Production (kboe/d) (17.5%)[1]	28.8%
	Operating expense ($m) (17.5%)	95%
Growth (5%)	Reserves maturation (Mmboe) (5%)	25%
Financial (20%)	Free cash flow ($m) (20%)[1]	33.2%
Strategy (15%)	Performance against strategic plan (15%)	92%

1 Production and free cash flow outturns are shown for H2 2024 only, full results are shown in the table on page 143 as consolidated 2024 performance . Targets adjusted by the Remuneration Committee for H2 to factor in impact of Business Combination and maintain appropriate stretch in the targets.
2 Emissions performance is shown after discretion applied. Further details are shown on page 143.

2024 annual bonus scorecard outcome

The following table sets out the final outcome for the 2024 annual bonus. A detailed breakdown of performance can be found on pages 143 and 144.

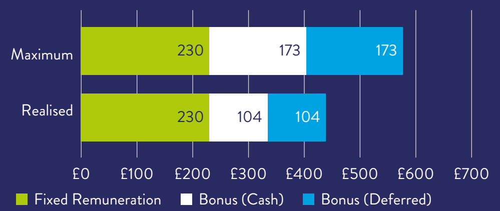
	Annual Salary £000	Maximum bonus % of salary	Scorecard Board approved outcome %	Outcome % of salary	Annual bonus value[5] £000
Yaniv Friedman[1]	450	150%	60.0%	90.0%	207
Luciano Vasques[2]	600	150%	60.0%	90.0%	133
Iain Lewis[3]	500	150%	60.0%	90.0%	435
Gilad Myerson[4]	750	150%	60.0%	90.0%	275

1 The bonus award for Yaniv Friedman includes a pro-rata reduction to reflect the fact that he joined the Company on 28 June 2024.
2 The bonus award for Luciano Vasques includes a pro-rata reduction to reflect the fact that he joined the Company on 3 October 2024.
3 The bonus award for Iain Lewis reflects an increase from his contracted hours from 80% of normal business hours to 100% for the period from 1 January 2024 to 31 October 2024. This bonusable salary for 2024 was £483,000.
4 The bonus award for Gilad Myerson includes a pro-rata reduction to reflect the fact that he left the Company on 28 May 2024.
5 Of the total bonus 50% will be deferred into shares for Yaniv Friedman, Luciano Vasques and Iain Lewis, vesting after three years, in accordance with the rules of the deferred bonus plan.

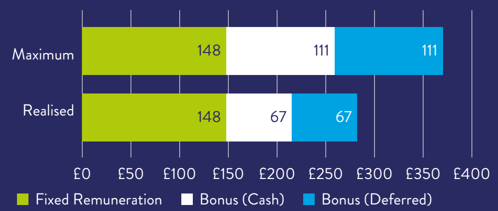
Total remuneration outcomes in 2024

The charts below show the remuneration outcomes for ED in 2024 delivered based on performance compared to the maximum opportunity[1].

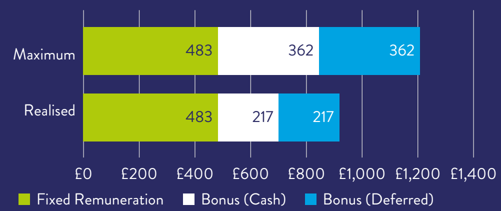
Executive Chair (£'000)



Chief Executive Officer (£'000)



Chief Financial Officer (£'000)



1 Maximum opportunity excludes the LTIP as the first LTIP awards under the Director's Remuneration Policy has a performance period ending 31 December 2025. Realised remuneration excludes legacy arrangements.

Key highlights – current remuneration policy

This section summarises our current remuneration policy. The full remuneration policy can be found on pages 152 to 160.

The policy for Non-Executive Directors remains unchanged and is set out on pages 160 and 161, and is the Implementation Policy for 2025. The NED fees are set out on page 150.

Element of remuneration	Key features	2025 position
Base salary Competitive fixed level of remuneration to attract and retain Executive Directors of the necessary calibre to execute strategy and deliver shareholder value	• Normally reviewed annually, taking into account a range of factors. Increases are guided by the general increase for the broader employee population but on occasion may need to recognise, for example, an increase in the scale, scope or responsibility of the role, as well as market rates.	Executive Chair – £450,000 Chief Executive Officer – £600,000 CFO – £400,000
Benefits Provides a suitable but reasonable package of benefits as part of a competitive remuneration package	• Provided where appropriate in a market-related basis, including but not limited to health insurance, life insurance/death in service. Appropriate business travel (including the tax cost where appropriate), car allowance and relocation expenses.	No change to quantum
Pension Provides competitive retirement benefits	• Pension set in line with the contribution for the wider workforce (15% of salary)	Executive Chair – 15% Chief Executive Officer – 15% CFO – 15%
Annual bonus Rewards the delivery and achievement of financial targets and key performance indicators which form part of strategy	• Maximum award opportunity 150% of salary. • Awards based on targets set annually against a combination of financial, strategic and operational KPIs. • Up to 25% of the maximum bonus is delivered for threshold levels of performance and the full bonus is paid for stretch performance. • At least 50% is deferred into Ordinary Shares for three years. • Awards subject to malus and clawback provisions for up to three years post payment and vesting.	Executive Chair – 150% Chief Executive Officer – 150% CFO – 150%
LTIP Aligns the Executive Directors interests with shareholders and rewards for achievement of long-term objectives	• Maximum award opportunity 200%. • Awards are subject to a three-year performance period with a two-year holding-period on the net of tax vested shares. • Dividend equivalents accrue over the period from grant to the earlier of the end of the holding period and exercise. • Awards are subject to financial and strategic KPIs. Financial metrics (including TSR) comprise at least half of the LTIP awards. • Up to 25% of the maximum award vests for threshold levels of performance and the full award vests for stretch performance. • Awards subject to malus and clawback for six years (from the date of grant).	Executive Chair – 200% Chief Executive Officer – 200% CFO – 200%
Shareholding requirements Aligns the Executive Directors interests with shareholders	• Executive Directors are required to build up the required shareholding over five years. • A shareholding requirement post-cessation of employment applies of 100% of shareholding requirement (or actual holding if lower) for one year and 50% for the second year.	Executive Chair – 200% Chief Executive Officer – 200% CFO – 200%

Performance metrics for the 2025 annual bonus

Category	Weighting	Metric
Health, safety and environment	25%	Safety events (15%), Emissions reduction (10%)
Operations	35%	Production (17.5%), Operating expense (17.5%)
Financial	20%	Free cash flow (20%)
Strategy	20%	Strategic plan (20%)

Due to commercial sensitivity, actual targets and ranges will be disclosed at the end of the performance period. The Remuneration Committee retains an appropriate level of flexibility to apply discretion to ensure that remuneration outcomes reflect overall performance and values.

Performance metrics for the 2025 long-term incentive plan

The Company expects to make awards under the 2025 long-term incentive plan after the publication of this report. Performance conditions for the 2025 LTIP award will be published on grant.

Annual report on remuneration

This section of the report sets out how Ithaca Energy has implemented its Policy and legacy arrangements for EDs in 2024. This is in accordance with the requirements of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended).

Single total figures of remuneration (audited)

Executive Directors[1]	Base Salary[2] £'000	Benefits[3] £'000	Annual bonus[5] £'000	LTIP £'000	Pension[4] £'000	Other[6] £'000	Total £'000	Total Fixed Pay £'000	Total Variable Pay £'000
Current Executive Directors:									
Yaniv Friedman	**227**	**142**	**207**	**–**	**30**	**1**	**607**	**399**	**208**
Yaniv Friedman (2023)	–	–	–	–	–	–	–	–	–
Luciano Vasques	**148**	**154**	**133**	**–**	**17**	**–**	**452**	**319**	**133**
Luciano Vasques (2023)	–	–	–	–	–	–	–	–	–
Iain Lewis	**483**	**11**	**435**	**–**	**65**	**5**	**999**	**559**	**440**
Iain Lewis (2023)	300	9	269	–	40	1	619	349	270
Former Executive Directors:									
Gilad Myerson[7]	**308**	**27**	**275**	**–**	**41**	**159**	**810**	**376**	**434**
Gilad Myerson (2023)	500	78	449	–	68	7,268	8,363	646	7,717
Alan Bruce (2024)	–	–	–	–	–	–	–	–	–
Alan Bruce (2023)	400	11	359	–	52	147	969	463	506

1 Figures for 2024 reflect remuneration earned since appointment as a Director of the Company: Yaniv Friedman was appointed on 28 June 2024, Luciano Vasques was appointed on 3 October 2024, and Iain Lewis was a Director for the whole year. Gilad Myerson was appointed from 1 January 2024 to 28 May 2024. Figures for 2023 show remuneration for Gilad Myerson and Iain Lewis, both of whom were Directors for the whole year.

2 Base salary for 2024 reflects the salaries earned from date of appointment for Yaniv Friedman and Luciano Vasques, and 2024 salary increases reported in the 2023 report for Gilad Myerson and Iain Lewis. Iain Lewis' salary in 2024 reflects an increase from his contracted hours from 80% normal business hours in 2023 to 100% for the period from 1 January 2024 to 31 October 2024.

3 Benefits includes the cost, where relevant, of private medical insurance, accommodation, travel, relocation support and car allowance. 2024 benefits with a value over £5,000 are shown in the table below:

Executive Directors	Car allowance £'000	Relocation assistance[1] £'000	Taxable travel[2] £'000
Current Executive Directors			
Yaniv Friedman	5	136	–
Luciano Vasques	–	150	–
Iain Lewis	9	–	–
Former Executive Directors			
Gilad Myerson	–	–	23

1 This represents the gross taxable value of expenses relating to relocation support provided in accordance with the Terms of the Director's Remuneration Policy.

2 This represents the gross taxable value of expenses relating to accommodation, travel and subsistence incurred whilst travelling on Company business.

4 Pension provision is up to 15% of salary as a payment into a defined contribution pension scheme and/or a cash amount in lieu of a pension contribution. Any cash allowance paid is reduced to take into account additional employer costs.

5 Bonus payable for the financial year; Executive Directors are required to defer half of any bonus award into Ithaca Energy shares.

6 Other comprises the following legacy arrangements:
Yaniv Friedman (2024): the amount of £1,312 representing the value at grant of shares under the Company Share Incentive Plan.
Iain Lewis (2024): the amount of £4,921 representing the value at grant of shares under the Company Share Incentive Plan; (2023): the amount of £1,498 representing the value at grant of shares under the Company share incentive plan.
Gilad Myerson (2024): a cash dividend payment of £136,523 relating to vested but unexercised shares, the amount of £2,424 representing the value at grant of shares under the Company Share Incentive Plan, the amount of £20,192 in lieu of seven days accrued but untaken holidays; (2023): payment in lieu of all MEP shares transferred back to the Company for nil payment of $8,000,000 (GBP equivalent using an exchange rate at date of payment of GBP 1 = USD 1.2536), success based compensation linked to a successful outcome of a historical claim relating to an acquisition of $831,600 (GBP equivalent using an exchange rate at date of payment of GBP 1: USD 1.20998), a cash dividend payment of $197,307 relating to vested but unexercised shares, the amount of £2,102 representing the value at grant of shares under the Company share incentive plan.

7 The figures for Gilad Myerson in 2024 exclude payments made for loss of office and payments received after stepping down from the Board. Details of these payments are on page 145.

Directors remuneration in 2024

2024 Annual bonus outcomes

The maximum bonus opportunity for Executive Directors in 2024 was 150% of salary and subject to an assessment of performance against a scorecard of measures.

Half of any bonus earned is payable in cash following the year-end and the other half is deferred into Ithaca Energy shares, which vest after three years.

The following section contains details on the targets and the Remuneration Committee's assessment of outcomes for the period 1 January 2024–31 December 2024 against each of the metrics in the scorecard.

Performance against scorecard (audited)

				Targets			Outturn		
				Threshold	Target	Maximum			
Category	Metric	Weighting		25%	50%	100%	Actual	Result % Outturn	Result % Weighted Total
HSE	Tier 1 and Tier 2 safety events	15.0%		2	Improve on 2023	0	**0**	100.0%	15.0%
	Progress against emissions reduction plan[1&2]	5.0%	H1	239	227	215	**204**	100.0% (50%)	2.5%
			H2	302	287	272	**242**	100.0% (50%)	
	Captain Electrification ready for decision on Sanction (FID) by end Q2 2024 (target) 50% full-year scorecard outcome	5.0%			Assessment against plan		–	100.0%	5.0%
Operations	Production (kboed)[2&3]	17.5%	H1	58	60	62	**53**	0.0%	2.5%
			H2	105	109	113	**106**	14.4%	
	Operating expense (inc. net G&A) ($m)[2]	17.5%	H1	327	310	293	**293**	50.0%	16.6%
			H2	479	452	427	**432**	45.0%	
Growth	Reserves maturation (Mmboe) 50% full-year scorecard outcome	5.0%		2	3	5	**2**	25.0%	1.3%
Financial	Free cash flow ($m)[2&4]	20.0%	H1	251	501	1,002	**240**	0.0%	3.3%
			H2	(54)	77	208	**(11)**	16.6%	
Strategy	Performance against strategic plan 50% full-year scorecard outcome	15.0%			Assessment against plan		–	92.0%	13.8%
Total		**100.0%**							**60.0%**

1 Discretion applied to the % outturn by the Remuneration Committee in consideration of operational status and impact on emissions.
2 Targets adjusted by the Remuneration Committee for H2 to factor in impact of Business Combination and maintain appropriate stretch in the targets.
3 Production performance outturn in H1 2024 was 0.0% and in H2 2024 28.8%. Resulting in weighted total for 2024 of 14.4%.
4 Free cash flow performance outturn in H1 2024 was 0.0% and in H2 2024 33.2%. Resulting in weighted total for 2024 of 16.6%.

Performance against qualitative metrics

Category	Metric	Highlights from assessment	Result (% of overall outcome)
HSE	Progress against emissions reduction plan	A target to achieve our objective of minimising the environmental impact of our operations was set for the electrification of the Captain asset in 2024. This focused on progressing this project to be ready for Financial Investment Decision (FID). This was deemed achieved and the FID is set for 2025.	5.0%
Strategy	Performance against strategic plan	In a year of transformational change, strategic targets have performed strongly against targets in 2024 in consideration of the following: • Complete a transformational deal in 2024 with shareholder, FCA, LSE and regular approvals. With the transformational Business Combination with Eni UK businesses this was achieved in Q3 2024. • Complete refinancing of the Company during 2024 • Delivering a comprehensive integration plan, including completion of asset transfers and Board approval for major organisational realignment during 2025.	13.8%

Discretion

The Committee is conscious of the provisions of the 2018 Code, with Remuneration Committees being encouraged to review incentive outcomes against individual and Company performance, together with any wider circumstances, and to exercise independent judgement and discretion in relation to remuneration outcomes. Taking into account overall business performance, individual performance and shareholder and workforce context, the Committee was of the view that the bonus outcome was appropriate and there were no grounds for exercising its discretion to amend the scorecard outcome.

LTIP vesting in respect of a performance period ending in 2024

Not applicable.

Awards granted during 2024 (audited)

Awards granted in 2024 under the LTIP are subject to the terms of the Director's Remuneration Policy and the LTIP rules approved at the 2023 AGM. Awards were:

	Date of award	Award type[1]	Basis of award	Face value of award[2]	Vesting for threshold performance	Vesting for maximum performance	End of performance period	End of holding period
Yaniv Friedman	04/07/2024	LTIP	200% Salary	£900,000	25%	100%	31-Dec-26	31-Dec-28
Luciano Vasques	11/10/2024	LTIP	200% Salary	£900,000	25%	100%	31-Dec-26	31-Dec-28
Iain Lewis	04/07/2024	LTIP	200% Salary	£1,000,000	25%	100%	31-Dec-26	31-Dec-28

1 LTIP awards granted as nil-cost options, which will vest and become exercisable when the Committee determines whether the performance conditions have been met. The shares from any options exercised cannot be sold until after five years from the grant date, except to meet any tax liability.

2 Face value of the awards for Yaniv Friedman and Iain Lewis have been calculated using a share price of £1.2372. This was the share price used to calculate shares awarded and is the average share price for the five trading days preceding date of grant. Face value of the award for Luciano Vasques has been calculated using a share price of £1.0976. The face-value of the award for Luciano Vasques was reduced pro-rata to reflect his joining in the last quarter of the first year of the performance period. This was the share price used to calculate shares awarded and is the average share price for the five trading days preceding date of grant. The closing share price on 31 December 2024 was £1.1040.

Performance metrics for the 2024 LTIP

Targets for these metrics are for the performance period 1 January 2024 to 31 December 2026.

Category	Weighting	Metric	Threshold[1] (25% vesting)	Maximum (100% vesting)
TSR	100%	TSR versus comparator group[2]	Median	Upper quartile or above

1 Nil vesting below threshold performance, performance between threshold and maximum ranges between 25% and 100% on a straight-line basis.

2 Ithaca Energy's TSR performance will be assessed against that of: Africa Oil, Capricorn Energy, Diversified Energy, DNO ASA, Energean, EnQuest, Genel Energy, Harbour Energy, Kosmos Energy, Maurel & Prom, Okea ASA, Seplat Energy, Serica, Tullow Oil, Vermillion Energy. The peer group will be subject to re-evaluation throughout the performance period to adjust for the effects of corporate events such as mergers and acquisitions, with substitutes introduced where necessary to maintain the approximate size and comparability of the Group. Relative TSR will be calculated incorporating a 3-month average of return index prior to start and at the end of the performance period. The calculation will be on a local currency basis. There is no change to the comparator Group from the 2022 Long-term incentive plan. The comparator Group for awards granted in 2022 published in our 2023 Directors' Remuneration report incorrectly included Aker BP, Apache Corp, Hibiscus, Marathon Oil, Murphy Oil, Orron Energy & Santos.

Payments to past Directors and payments for loss of office (audited)

Payments made to former Directors that have not been previously reported elsewhere are reported if in excess of £5,000. The Board announced on 28 May 2024 that Gilad Myerson had stepped down as Executive Chairman. The Company's policy for payment for loss of office is set out on pages 159 and 160.

All payments to Gilad Myerson in respect of 2024 up to the date his employment ceased on 28 May 2024 are reported in the single figure of remuneration. Until this point he continued to receive his base salary of £750,000 per annum and all benefits in line with the terms of his Executive service agreement. The Remuneration Committee determined it would be appropriate to treat Gilad Myerson as a 'Good Leaver' and as such he remained eligible to receive a pro-rated bonus for 2024, based on his service until his end date. Full details are reported on pages 142 and 143.

When his employment ceased on 28 May 2024, Gilad was entitled to the following payments:

- £375,000 in lieu of his notice period (six months), paid in instalments and subject to mitigation.
- £119,315 as compensation for termination of employment.
- £20,192 as payment in lieu of seven days' holiday accrued but not taken.
- £224,250 as payment of the remaining 2023 bonus paid as cash instead of being deferred into shares. This was approved by the Remuneration Committee as part of their determination that he should be granted 'Good Leaver' status and the application of the leaver provisions of the Director's Remuneration Policy. It remains subject to the provisions and requirements of the Company's annual plan rules, including provisions relating to malus and clawback.
- £30,000 + VAT towards legal fees in connection with his departure.
- A retainer of £375,000 in total for services under a Consultancy Agreement, paid in six equal instalments monthly in arrears. For a period of six months and terminating on 10 December 2024, Gilad was available as an advisor to the Company to provide assistance as required in accordance with the terms of the Agreement.
- In the 2023 report, Gilad Myerson was reported as being entitled to receive a LTIP grant in 2024. However, as he stepped left the Company prior to the grant and this award was not made.

Treatment of outstanding incentive awards:

The Remuneration Committee considered Gilad Myerson's contribution in positioning the Company for Admission and the first year after Admission and determined that it would be appropriate to treat him as a good leaver under the plan rules for the following outstanding long-term incentive awards:

Option awards

As disclosed in the 2022 report, Gilad Myerson was granted one-off options on 21 July 2021. The full value was reported in 2022 as performance conditions fell away on Admission. As a good leaver, Gilad is entitled to retain the unexercised balance of the option, being 40% of the option shares. Malus and clawback provisions will apply as detailed in the rules.

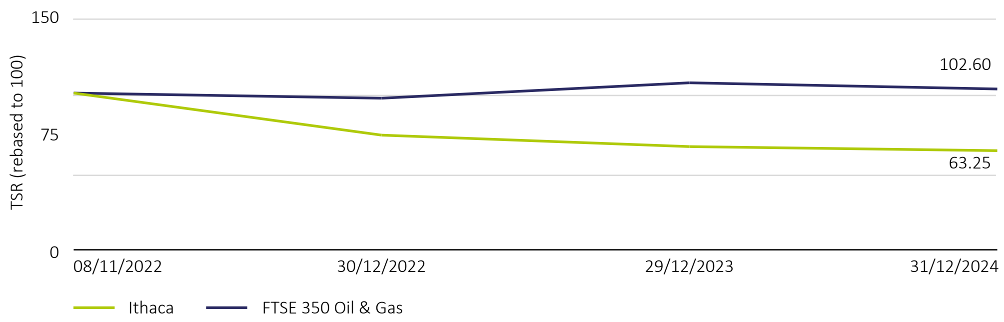
Shareholding requirement:

In accordance with the Company's policy on shareholding requirements, Gilad Myerson is required to hold shares equal to the lesser of his shareholding on cessation of employment and the in-employment requirement for the first year and half this amount for the second year post-cessation.

Executive remuneration in context

Historical TSR performance

The table below compares the TSR performance of the Company since Admission against the TSR of the FTSE350 Oil and Gas sector. This index was chosen as it is a recognised equity market index of which Ithaca Energy is a member:



Historical CEO remuneration outcomes

The table below outlines the Group CEO's single figure for total remuneration, and annual bonus and LTIP outcomes as a percentage of maximum opportunity and will be built up over a period of ten years:

	2024	2023	2022
Annual bonus payout (as a % of maximum opportunity)	60%	60%	78%
LTIP vesting (as a % of maximum opportunity)	–	–	–
Group CEO single figure of remuneration (£000)[1]	452	969	6,036

1 Remuneration earned since appointment on 3 October 2024.

Percentage change in remuneration of the Directors

The change in salary, bonus and benefits of each of the Directors and that of the wider workforce is set out below.

	2023-24			2022-23		
	Salary[2,6]	Benefits[3]	Bonus[4]	Salary	Benefits	Bonus
Executive Directors						
Yaniv Friedman (Executive Chair)	–	–	–	n/a	n/a	n/a
Luciano Vasques (CEO)	–	–	–	n/a	n/a	n/a
Iain Lewis (CFO)	61.1%	20.4%	61.6%	0%	1.3%	61.1%
Non-Executive Directors[5]						
David Blackwood	9.5%	–	–	0%	–	–
Guido Brusco	n/a	n/a	n/a	n/a	n/a	n/a
Lynne Clow	9.5%	–	–	0%	–	–
Francesco Gattei	n/a	n/a	n/a	n/a	n/a	n/a
Assaf Ginzburg	5.3%	–	–	0%	–	–
Deborah Gudgeon	9.5%	–	–	0%	–	–
John Mogford	(54.8%)	–	–	0%	–	–
Tamir Polikar	–	–	–	–	–	–
Itshak Sharon Tshuva	n/a	n/a	n/a	n/a	n/a	n/a
Idan Wallace	–	–	–	n/a	n/a	n/a
Zvika Zivlin	–	–	–	–	–	–
Former Executive Directors						
Gilad Myerson (former Executive Chair)	(38.5%)	(65.5%)	(38.7%)	0%	(0.5%)	(47.8%)
All UK-based employees[1]	5.8%	5.6%	6.4%	5.2%	7.0%	(0.6%)

1 UK-based employees are shown as this comprises Ithaca Energy's entire workforce. The same population as at 31 December 2023 and 31 December 2024 has been used to calculate the change in remuneration which is calculated on a full-time equivalent basis.
2 Change in salary for Iain Lewis reflects both the increase in his salary reported in the 2023 report and an increase in his contracted hours from 80% of normal business hours in 2023 to 100% for the period from 1 January 2024 to 31 October 2024. Change in salary for Gilad Myerson reflects a part-year for 2024, up to the date he stepped down from the Board on 28 May 2024.
3 The change in benefits for Iain Lewis is due to the variation in his working hours between 2023 and 2024 as outlined in note 2. The change in benefits for Gilad Myerson reflects a part-year for 2024, up to the date he stepped down from the Board on 28 May 2024. For this purpose, Benefits does not include pension contributions.
4 The percentage change in bonus for Iain Lewis reflects the change to his salary in 2024 as well as the increase in his contracted hours for the period. The percentage change in bonus for Gilad Myerson reflects the fact that he received a pro-rata bonus in 2024 up until his date of departure on 28 May 2024.
5 Remuneration for the NEDs in 2024 is disclosed on page 149. Fee increases for 2024 were reported in the 2023 report and include a change to NED fees and an increase to the Senior Independent Director and Committee Chair fees to reflect roles and responsibilities since Admission.
6 The percentage change in fees for NEDs reflects a full-year position for David Blackwood, Lynne Clow and Deborah Gudgeon. The percentage change in fees for John Mogford reflects the fact that he stepped down from the Board on 16 May 2024. Idan Wallace and Itshak Sharon Tshuva did not receive a fee in 2023. Guido Brusco, Francesco Gattei, Tamir Polikar and Zvika Zivlin were appointed to the Board during 2024.

How pay was set across the wider workforce in 2024

Our approach for setting pay across the wider workforce aligns with our executives. Base salaries are targeted at an appropriate level to reflect an individual's role and responsibilities against the relevant market for which the Company competes for talent. In 2024, all employees were eligible to be considered for a bonus award which rewards for performance at a suitable level for the employee's role. The Company engages with its employee associations on remuneration matters. Additionally, the Board has established a programme to connect with and gather feedback from employees, details of which are set out on page 52. This provides opportunities to have direct communication between employees and NEDs on a range of topics, including remuneration.

CEO Pay ratio reporting

The table below shows the ratio at median, 25th and 75th percentile of the total remuneration received by the Group CEO compared to the total remuneration received by UK employees. Total remuneration reflects all remuneration received by an individual, and includes salary, benefits, bonus, pension and value from incentive plans. Details on total remuneration for each quartile employee, and the salary component within are shown.

Year	Method	P25 (lower quartile)	P50 (median)	P75 (upper quartile)
2024	Option B	13:1	12:1	9:1
2023	Option B	11:1	9:1	6:1
2022	Option B	65:1	57:1	44:1

- The Company has reviewed the methodology to calculate the CEO pay ratio and has used Option B, whereby we have identified employees for comparison using our gender pay gap data set (snapshot data from 5 April 2024) as it uses a data set which has already been processed and reviewed by the Remuneration Committee and enables timely reporting for disclosure purposes. Employees at P25, P50 and P75 were identified. The total remuneration was calculated on a full-time basis for these three employees, and for others either side of the quartiles to check for anomalies.
- The single figure for the CEO used to calculate the ratio is based on the earnings for Luciano Vasques from the date of his appointment on 3 October 2024 and Iain Lewis for the period from 1 January 2024 to 2 October 2024 during which time he was the interim CEO. This represents remuneration for a full year; however, it does not include any LTIP vesting outcomes.

The table below shows the total remuneration figure for each quartile employee and the salary component within this.

Year		P25 (lower quartile)	P50 (median)	P75 (upper quartile)
2024	Salary[1]	£70,750	£81,239	£95,076
	Total remuneration	£98,017	£103,451	£133,008

1 Given the different fixed pay structures for offshore and onshore employees, applicable offshore allowances have been included in the salary figures.

- In reviewing the employee pay data, the Committee is comfortable that the P25, P50 and P75 individuals identified appropriately reflect the employee pay profile at those quartiles, and that the overall picture presented by the ratios is consistent with our pay, reward and progression policies for employees.

Relative importance of spend on pay

The table below outlines the Group's adjusted net income, dividends paid to shareholders and share buybacks, compared to overall spend on pay in total. Adjusted net income is shown, as this is one of the Group's key measures of performance.

	2024 $m	2023 $m	% change between 2023-2024
Adjusted net income	323.6	446.5	(27.5)%
Ordinary dividends paid to shareholders	432.7	266.0	62.7%
Share buybacks	–	–	–
Total staff costs	132.8	130.1	2.1%

Statement of Directors' shareholding and share interests

ED share ownership requirements

Under the Policy, EDs are required to build a shareholding in the Company of:

Role	% of base salary
All Executive Directors	200%

- EDs are required to retain 50% of the net shares released from Deferred Share Bonus Plan and LTIP awards until the shareholding requirement is met
- The shareholding requirement should normally be built up over a period not exceeding five years
- Unvested share awards that are subject to performance conditions are not taken into account in applying this test
- A post-cessation holding period of two years applies. This is at the same level as the current (within employment) guideline for the first year, reducing to half in the second year. The Committee retains the discretion to waive part or all of the guideline where considered appropriate, for example in exceptional or compassionate circumstances

ED share ownership requirements (audited)

	Shares held	Options held					
Executive Directors (% of salary)	Owned outright[1]	Vested but not exercised[2]	Unvested and subj. to continued employment[3]	Unvested and subj. to perf. conditions[4]	Shareholding requirement (% of salary)	Shareholding at 31 December 2024[5]	Requirement met
Current Executive Directors							
Yaniv Friedman	540	–	–	727,449	200%	0%	No
Luciano Vasques	–	–	–	819,970	200%	0%	No
Iain Lewis	1,478	114,274	142,553	240,000	200%	36%	No
Former Executive Directors							
Gilad Myerson[6]	1,404,256	1,447,220	0	0	225%	320%	Yes

1 Yaniv Friedman and Iain Lewis: amount includes purchased shares under the SIP.
2 Iain Lewis: Two-thirds (80,000) nil cost options of a one-off grant of 120,000 nil cost options in December 2022 vested on 9 November 2023 and 9 November 2024. The amount includes dividend equivalent shares of 34,274.
3 Iain Lewis: One-third (40,000) nil cost options of a one-off grant of 120,000 nil cost options in December 2022 and shares awarded under the Deferred Bonus Share Plan in respect of the 2024 Annual Bonus Award.
4 2022 LTIP awards granted to Iain Lewis in December 2022, and 2024 LTIP Awards granted to Yaniv Friedman, Luciano Vasques and Iain Lewis.
5 Current shareholding calculated using shares held (beneficially or in trust), and options (on a net of tax basis) that are vested or unvested subject to continued employment, using a share price of £1.1040, the closing price on 31 December 2024.
Former Directors:
Gilad Myerson: 1 – amount relates to 1,402,759 shares from vested and exercised one-off options granted on 21 July 2021 and 1,497 purchased shares under the SIP; 2 – Options granted in 2021 which vested on Admission, but have not yet been exercised. The Options are denominated in US$ and amount to $2,002,755 (shares are calculated using an exchange rate GBP 1 = USD 1.2535 and share price of £1.104, the closing price on 31 December 2024).
6 Shareholding requirements represented as the position until stepping down from the Board on 28 May 2024.

The only changes to EDs interests in Ithaca Energy Shares during the period 1 January 2025 to 23 March 2025 relate to 1,047 shares acquired by Yaniv Friedman and 1,047 shares acquired by Iain Lewis under the Company's Share Incentive Plan, in which all employees are eligible to participate.

Dilution

Awards granted under Ithaca Energy employee share plans are primarily satisfied through shares purchased in the market.

The Company monitors the number of shares issued under the Ithaca Energy employee share plans and their impact on dilution limits. The Company's usage of shares compared to the relevant dilution limits set by the Investment Association in respect of all share plans (10% in any rolling ten-year period, starting from the date of Admission) and Executive share plans (5% in any rolling ten-year period, starting from the date of Admission) was 0% of the Company's total issued share capital on 31 December 2023[1].

1 The 2022 annual report and accounts reported the Company's usage of shares compared to the relevant dilution limits was 0.94% of the Company's total issued share capital on 31 December 2022. This should also have been 0%in respect of both all share plans and Executive share plans.

Promoting all-employee share ownership

We believe that share ownership by our employees helps them to understand the interests of the Company's shareholders. On 31 December 2024 86.1% of our employees were shareholders through participation in the Ithaca Energy plc Share Incentive Plan. This allows employees to buy Ithaca Energy plc shares directly from their earnings. As at 31 December 2024 a total of 543 employees were making a monthly average contribution of £146.

Remuneration for Non-Executive Directors

Single total figure for remuneration for Non-Executive Directors (audited)

The table below sets out the total remuneration earned by each NED who served during 2024:

Non-Executive Directors	Fees 2024 £'000	Benefits 2024 £'000	Other 2024 £'000	**Total 2024 £'000**	Fees 2023 £'000	Benefits 2023 £'000	Other 2023 £'000	**Total 2023 £'000**
David Blackwood	104	–	–	**104**	95	–	–	**95**
Guido Brusco[1]	–	–	–	**–**	n/a	n/a	n/a	**n/a**
Lynne Clow	104	–	–	**104**	95	–	–	**95**
Francesco Gattei[1]	–	–	–	**–**	n/a	n/a	n/a	**n/a**
Assaf Ginzburg	79	–	–	**79**	75	–	–	**75**
Deborah Gudgeon	104	–	–	**104**	95	–	–	**95**
John Mogford[2]	48	–	–	**48**	105	–	–	**105**
Itshak Sharon Tshuva[3]	–	–	–	**–**	–	–	–	**–**
Tamir Polikar[4]								
Idan Wallace[5]	78	–	–	**78**	–	–	–382	**382**
Zvika Zivlin[6]	72	5	–	**77**	n/a	n/a	n/a	**n/a**

1 Francesco Gattei and Guido Brusco were appointed to the Board from 3 October 2024, they receive no additional fee from Eni S.p.A for their Directorship of the Company.
2 John Mogford stepped down from the Board with effect from 16 May 2024; fees and benefits received before this date are shown.
3 Itshak Sharon Tshuva, a Director of Delek, was appointed on 30 March 2023. He receives no additional fee from Delek for his Directorship of the Company.
4 Tamir Polikar was appointed to the Board on 3 October 2024. He was entitled to receive a fee from his date of appointment, however fees for the period 3 October 2024 to 31 December 2024 were not paid until January 2025. In January he received a payment of £10,533 for this period.
5 Idan Wallace received a fee from 2024.
6 Zvika Zivlin was appointed to the Board from 16 May 2024; fees and benefits received since this date are shown.
(All other NEDs were appointed to the Board on 31 October 2022)

Approach to NED fees for 2024

NED fees were originally set prior to Admission and are reviewed annually.

Role	Fee from 1 January 2025[2]	Fee from 1 January 2024
Board membership fee	£85,000	£79,000
Additional fees paid:		
Senior Independent Director	£45,000	£35,000
Committee Chair		
Audit and Risk, Remuneration, HSE[1]	£30,000	£25,000
Committee Members:		
Additional Committee member fee where a member of three or more Committees[3]	£8,000	n/a

1 Yaniv Friedman's base salary is deemed to include any other fees as a Director of the Company or Group; as such a fee for his role as the Chair of the Nomination Committee has not been set.
2 NED fees will increase to reflect change in scope and increase in responsibilities since Admission and the Business Combination.
3 Where a NED is a member of three or more Committees, but not where they are the Committee Chair, and attend more than 75% of meetings, an additional fee is paid.

NED shareholdings (audited)

NEDs	Shares held at 31 Dec 2024	Shareholding requirement (% of fees)	Current shareholding[1] (% of fees)	Requirement met
David Blackwood	20,000	100%	28%	No
Lynne Clow	24,932	100%	35%	No
Assaf Ginsburg	110,000	100%	154%	Yes
Deborah Gudgeon	20,000	100%	28%	No
John Mogford[2]	70,000	100%	98%	No
Tamir Polikar	0	100%	0%	No
Idan Wallace	0	100%	0%	No
Zvika Zivlin	0	100%	0%	No

1 Current shareholding has been calculated using shares held (beneficially or in trust) using a share price of £1.1040, the closing share price on 31 December 2024.
2 Represents the position for John Mogford at the date of stepping down from the Board on 16 May 2024.

There were no changes to NEDs interests in Ithaca Energy Shares during the period 1 January 2025 to 21 March 2025.

The Remuneration Committee

The full terms of reference for the Committee can be found on the Company's website at https://www.ithacaenergy.com/about-us/governance and are further available from the Company's General Counsel and Company Secretary.

Committee membership

The members of the Committee are shown below.

	Member since	Meetings in 2024
Lynne Clow (Chair)[1]	31 October 2022	13/13
David Blackwood	20 September 2023	13/13
Assaf Ginzburg	31 October 2022	9/13
Deborah Gudgeon	31 October 2022	13/13
John Mogford[2]	31 October 2022	5/6
Zvika Zivlin[3]	16 May 2024	6/6

1 Committee Chair from 31 October 2022.
2 John Mogford stepped down from the Board effective from the AGM on 24 June 2024.
3 Zvika Zivlin joined the Board and the Committee from 16 May 2024.

The Committee met 13 times during 2024; five meetings were scheduled and seven were additional meetings to consider specific matters.

The Company's Executive Chair is invited to all Committee meetings and the Group General Counsel and Company Secretary acts as secretary to the Committee. The Chair of the Committee reports to subsequent meetings of the Board on the Committee's work and the Board receives a copy of the agenda and the minutes of each Committee meeting.

During the year, the Committee received assistance in considering Executive remuneration from a number of senior managers, who attended certain meetings (or parts thereof) by invitation during the year, including the CEO, the CFO and the Executive Vice President, People and Culture.

In accordance with the relationship agreement with Delek Group Limited and Eni S.p.A, appointed observers have attended.

No person was present during any discussion relating to their own remuneration.

PricewaterhouseCoopers LLP ('PwC') were approved by the Committee and appointed as its advisers in January 2023. A representative from our external adviser attends, by invitation, all Remuneration Committee meetings to provide information and updates on external developments affecting remuneration as well as specific matters raised by the Remuneration Committee. Outside the meetings, the Remuneration Committee's Chair seeks advice on remuneration matters on an ongoing basis. The advice that the Committee receives is independent and objective. PwC have confirmed that there are no conflicts of interest. There are no other connections with the Company or individual Directors. The Committee notes that PwC is a member of the Remuneration Consultants Group and voluntarily adheres to its Code of Conduct in relation to Executive remuneration consulting in the UK. Pinsent Masons LLP ('Pinsents'), appointed by the Company, provided advice on share incentive plan-related matters, including on senior Executive remuneration issues.

Total fees or other charges (based on hourly rate) for the provision of remuneration advice to the Committee in 2024 (save in respect for legal advice) were £155,550 to PwC. Pinsents provided legal advice on specific compliance matters and share plan related matters to the Committee and total fees in 2024 were £12,471 to Pinsents. Other services provided to the Company by Pinsents include corporate and employment law advice.

The Committee reflects on the quality of the advice provided and whether it properly addresses the issues under consideration as part of its normal deliberations. The Committee is satisfied that the advice received during the year was objective and independent.

The role of the Remuneration Committee

To consider and make recommendations to the Board in respect of the remuneration policy across the Company including:

- Rewards for the Executive Chair, EDs and senior managers
- The design and targets for the annual bonus plan throughout the Company
- The design and targets for any employee share plans
- Changes to employee benefit structures (including pension)

The Remuneration Committee's work in 2024

The key matters discussed/approved were:

January–March	• Preparation of the Directors' remuneration policy and consultation with shareholders • 2023 Director's remuneration report • Approve performance for the 2023 bonus targets • Set 2024 annual bonus scorecard targets • Review remuneration outcomes for Executive Directors and senior employees
April–June	• Review Director's remuneration and market best practice
July–September	• Mid-year review of targets and performance against target for annual bonus for the EDs • Review Company-wide remuneration policy updates
October–December	• Review forecast year-end outcomes for allocation of bonus • Update the Remuneration Committee Terms of Reference

At various points throughout the year, the Committee made remuneration decisions for senior employees within the Remuneration Committee's remit.

Remuneration Committee effectiveness

The Committee reviews its remit and effectiveness each year.

Statement of voting at AGM

The results of the shareholder vote at the Company's 2024 AGM on 24 June 2024 in respect of the 2024 Directors' Remuneration report is set out below.

	Percentage of votes cast		Number of votes cast		
	For	Against	For	Against	Withheld
Directors' Remuneration report	96.93%	3.07%	907,173,358	28,693,659	2,768,302
Directors' Remuneration Policy (result from the Company's AGM on 24 May 2023 in respect of the Policy presented in the 2022 report)	99.64%	0.36%	957,531,800	3,493,618	925

Directors' Remuneration Policy

This Policy governs Ithaca Energy's future remuneration for Executive Directors ('EDs') and Non-Executive Directors ('NEDs'), and is intended to apply for up to three years from the date of the AGM, approved on 24 May 2023. During 2025, the Committee intends to review the Policy for implementation in 2026. The Committee will ensure a review of the Policy upholds the following key considerations:

- Forward-looking remuneration arrangements should be simple; facilitating greater transparency and alignment with shareholders' interests over the longer term;
- Alignment with standard market practice and compliance with the UK Corporate Governance Code (the Code);
- The ability to attract, retain and motivate EDs of the right calibre to ensure the continued success of the Company, within a highly competitive environment, whilst ensuring the level and form of remuneration is appropriate; and
- Remuneration should be aligned with the key corporate metrics that drive growth and increase shareholder value with significant emphasis on variable pay.

The role of the Committee and the formulation of the Policy is undertaken in a way that ensures remuneration decisions are undertaken in a manner that prevents and manages any potential conflicts of interest. Should any conflicts arise these will be alerted to the Committee who will determine appropriate decisions in the best interests of Ithaca Energy's stakeholders. The Committee is of the view that the Policy is well aligned to the Code's six principles:

- Clarity: the Policy supports the financial and strategic objectives of the Group and aligns Directors interests with those of shareholders. There is clear disclosure of metrics, weightings and assessment of variable outcomes;
- Risk: The Policy ensures risk is reflected in outcomes through: the Committee's discretion to adjust formulaic outcomes to properly reflect any risk events; deferral of annual bonus and LTIP (over three and five years respectively), subject to malus and clawback provisions mitigates against future risk; and the within- and post-employment shareholding requirements align to the successful delivery of the Group's long-term strategy;
- Simplicity: there is a simple remuneration framework, comprising fixed pay elements, along with short- and long-term variable elements using well understood market standard elements. This provides clear line of sight for both EDs and shareholders;
- Proportionality: Incentive elements are closely aligned to strategic goals and robustly assessed, with the Committee having full discretion to adjust outcomes to ensure they align with overall Group performance; and
- Predictability: The Policy sets out the possible future value of remuneration which EDs could receive, including the impact of share price appreciation of 50% (the application of the Policy is illustrated on page 158).

The full Policy is detailed on pages 152 to 160.

Remuneration Policy – Executive Directors

The following table sets out each element of remuneration for EDs and how it supports Ithaca Energy's short and long-term strategic objectives:

Element and how it supports our short and long-term strategic objectives	Operation	Maximum opportunity	Performance conditions and assessment
Base salary Provides a competitive fixed level of remuneration to attract and retain EDs of the necessary calibre to execute Ithaca Energy's strategy and deliver shareholder value.	Base salaries for the EDs will normally be reviewed annually by the Committee. The following factors are taken into account when determining base salary levels on appointment: • Remuneration levels at comparable oil and gas companies; • The need for salaries to be competitive; • Experience and responsibilities of the individual ED; and • The total remuneration available to EDs and the components thereof and the cost to Ithaca Energy. Base salaries will normally be reviewed annually, but the Committee reserves the right to review fees on a discretionary basis if it believes an adjustment is required to reflect market rates or scope of responsibilities.	There is no prescribed maximum annual increase. The Committee is guided by the general increase for the broader employee population but on occasion may need to recognise, for example, an increase in the scale, scope or responsibility of the role, as well as market rates.	Any movement in base salary takes account of the performance of the individual and the Group.
Benefits Provides EDs with a suitable but reasonable package of benefits as part of a competitive remuneration package.	In line with the wider workforce, benefits may be provided where appropriate and on a market-related basis, including but not limited to health insurance, life insurance/death in service, reasonable travel (including the tax cost where appropriate), car allowance and relocation expenses. EDs will be able to participate in the Company's all-employee share plans on the same basis as other eligible employees.	The Committee determines the appropriate level taking into account market practice and individual circumstances. There is no prescribed maximum. Maximum contributions under 'all employee' share plans will be set in line with the wider workforce and within any other relevant operating limits.	None.
Pensions Provides market-competitive retirement benefits for EDs.	Pension provision is a payment into a defined contribution pension scheme and/or a cash amount in lieu of a pension contribution. Pension payments do not form part of salary for the purposes of determining the extent of participation in the Company's incentive arrangements.	The maximum pension provision is 15% of salary, in line with the wider workforce. Any cash amount paid may be reduced to take into account additional employer costs.	None.

Element and how it supports our short and long-term strategic objectives	Operation	Maximum opportunity	Performance conditions and assessment
Annual Bonus Rewards EDs for the delivery and achievement of financial targets and key performance indicators which form part of the business strategy. Deferral provides alignment with shareholders interests and aids retention of key personnel.	Awards are based on performance in the year against targets set by the Committee. Any bonus is paid annually in cash and shares with at least 50% of any bonus earned deferred into Ordinary Shares for three years. The deferred shares are not subject to any further conditions, save for continued employment. Deferred share awards may include additional shares (or, at the discretion of the Committee, cash) equivalent to the value of the dividend roll-up, and may assume dividend reinvestment. Malus and clawback provisions apply as detailed within the Policy.	The maximum bonus opportunity is 150%	Targets are set by the Committee each year that are appropriately stretching in the context of the business plan. They are based on a corporate scorecard that consists of a combination of financial, strategic and operational KPIs. The Committee may change the KPIs within the scorecard, and their weighting, from year to year to ensure they remain aligned to Company strategy. The Committee has the ability to include an element of bonus based on personal performance, or to adjust the outcomes of the corporate scorecard based on personal performance. Up to 25% of the maximum bonus is paid for achieving a threshold level of performance and the full bonus is paid for delivering stretching levels of performance. For performance below threshold, no bonus is paid.
Long-Term Incentive Plan (LTIP) Rewards EDs for achievement of the Group's longer term objectives. Aligns the EDs' interests with those of shareholders. Aids retention of key personnel and encourages focus on sustaining and improving the long-term financial performance of the Group.	Awards granted annually under the LTIP will be subject to a three-year performance period and will be settled in shares. The Committee sets targets each year so that they are stretching and facilitate growth for shareholders, while remaining motivational for management. EDs must retain the net of tax number of vested LTIP awards for a two-year holding period. LTIP awards may include additional shares (or, at the discretion of the Committee, cash) equivalent to the value of the dividend roll-up, and may assume dividend reinvestment over the period from grant to the earlier of the end of the holding period and the date of exercise. Malus and clawback provisions apply as detailed within the Policy.	Maximum award is 225% of base salary.	The initial LTIP award will vest based on financial and strategic performance conditions which are aligned to KPIs. Financial metrics (including TSR) will comprise at least half of LTIP awards. Up to 25% of the award vests for threshold levels of performance.

Element and how it supports our short and long-term strategic objectives	Operation	Maximum opportunity	Performance conditions and assessment
Shareholding requirement To ensure that EDs' interests are aligned with those of shareholders.	EDs are required to build the a shareholding in line with the on-going LTIP award size. The requirements are: • Executive Chair: 200% of base salary • CEO and CFO: 200% of base salary. The requirement should normally be achieved over a five-year period. At least half of LTIP and deferred bonus awards should be retained on vesting if the shareholding requirement is not met. For two years following cessation of employment, EDs are subject to a post-employment shareholding requirement. The requirement is equal to the lesser of the shareholding on cessation and the in-employment requirement for the first year and half of this amount for the second year post-cessation.	N/A	None.

Notes to the Policy table

Explanation of chosen performance measures and target setting

Performance measures will be selected to reflect the key performance indicators which are critical to the realisation of our business strategy and delivery of shareholder returns, which includes Total Shareholder Return (TSR).
The performance targets are reviewed each year to ensure that they are sufficiently challenging. When setting these targets the Committee will take into account a number of different reference points including, for financial targets, the Group's business plan and consensus analyst forecasts of Group performance. Full vesting will only occur for what the Committee considers to be excellent performance.

Malus and Clawback

The following table illustrates the time periods during which malus and clawback provisions may apply for each element of variable remuneration:

Remuneration element	Malus	Clawback
Annual bonus (cash)	Up to the date of the cash payment.	Up to three years post the date of any cash payment.
Annual bonus (deferred shares)	To the end of the three-year vesting period.	Up to three years post-vesting.
LTIP	To the end of the three-year vesting period.	Up to three years post-vesting.

Conditions under which malus and clawback may apply include:

- If it is discovered that there has been a material misstatement of the Group's financial results for any period;
- If it is discovered that an error of calculation has occurred when assessing the performance conditions or size of award;
- If the participant has committed fraud or misconduct;
- If circumstances where the participant has, by an act or omission, contributed to injury to the reputation of the Group;
- If the behaviour of the participant materially fails to reflect the governance or values of Ithaca Energy or has caused injury to the reputation of the Group; and/or
- If the Company has suffered an instance of material corporate failure.

Discretions

In exceptional circumstances such that the Committee believes the original measures and/or targets are no longer appropriate e.g. corporate activity, the Committee has discretion to amend performance measures and targets during the year.

The Committee may also, in exceptional circumstances, amend the formulaic annual bonus pay-out and/or amend the LTIP vesting upwards or downwards should the formulaic outcome not, in the view of the Committee, reflect the overall business performance or individual contribution.

Any such changes would be explained in the subsequent report and, if appropriate, be the subject of consultation with the Company's major shareholders. Consistent with best practice, the LTIP rules further provide that any such amendment must not make, in the view of the Committee, the amended condition materially less difficult to satisfy than the original condition was intended to be before such event occurred.
In line with market practice, the Committee retains discretion relating to operating and administering the Annual Bonus and LTIP. This discretion includes:

- Timing of awards and payments;
- Size of awards, within the overall limits disclosed in the Policy table;
- Determination of vesting;
- Ability to override formulaic outcomes;
- Treatment of awards in the case of change of control or restructuring;
- Treatment of leavers within the rules of the plan, and the policy on payments for loss of office; and
- Adjustments needed in certain circumstances, for example, a rights issue, corporate restructuring or special interim dividend.

Approach to recruitment remuneration

In the event that a new ED or NED was to be appointed, remuneration would be determined consistent with the Policy table, paying no more than is considered necessary. The table below sets out the additional elements of remuneration that would be considered for the appointment of a new ED.

Remuneration element	Policy and operation
Buy-out awards	• If it were necessary to attract the right candidate, due consideration would be given to making awards necessary to compensate for forfeited awards in a previous employment. • In making any such award, the Committee will take into account any performance conditions attached to the forfeited awards, the form in which they were granted and the timeframe of the forfeited awards. • The value of any such award will be no higher, on recruitment, than the forfeited awards and will not be pensionable nor count for the purposes of calculating bonus and LTIP awards. • Any such award would be in addition to the normal bonus and LTIP awards set out in the Policy table.
Relocation costs	• Where appropriate, the Company will offer reasonable relocation benefits to assist them, and their dependents in moving home and settling into the new location and to help support with the costs of a relocation or a residence outside a home country. • Benefits would normally be market-related and time-bound.
One-off recruitment award	• The Remuneration Committee retains the ability to grant a one-off share award that ordinarily would be subject to performance conditions of up to 200% of salary in addition to a normal LTIP award in exceptional recruitment circumstances, where absolutely necessary and in the best interests of shareholders.

Alignment of the Policy with the wider employee population

The Group aims to provide a remuneration package for all employees that is market-competitive and operates the same reward and performance philosophy throughout the business. The table below sets out details on the remuneration approach for employees, including EDs:

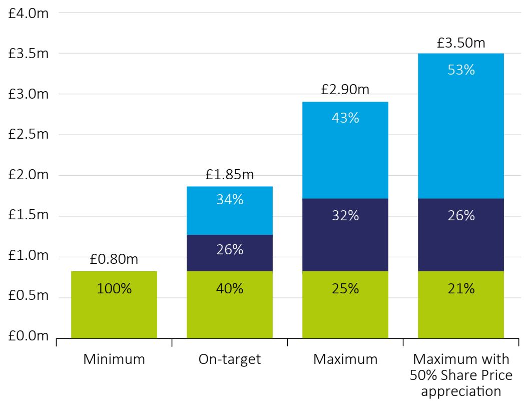
Element of reward	Approach
Base salary	• Salaries for employees are set in line with market levels, in order to attract and retain employees. • Employees' salaries are reviewed annually, with increases for EDs normally being set with reference to increases for employees.
Benefits	• All employees, including EDs, are eligible to participate in the Company's benefits, which include 3.5 times salary death-in-service cover, private medical benefit, dental plan and income protection. Employees can increase and/or extend cover if they so choose. • The Company will operate a Share Incentive Plan, which will offer a 2:1 match on shares purchased by employees up to statutory limits. All employees will be eligible to participate in this plan.
Pension	• All employees are eligible to participate in a defined contribution pension scheme with a 15% employer contribution. The approach is the same for EDs.
Annual bonus	• All employees are eligible to participate in Annual Bonus arrangements, with payouts being based on a combination of corporate and personal performance. The same corporate scorecard is used for EDs as the employee population. • Different bonus opportunities reflect the levels of employee seniority, determined by grade, with more senior employees receiving higher bonus opportunities to increase the proportion of their pay that is performance-based and at risk.
Long-term incentives	• Long-term incentive awards are available to senior management with the same performance conditions as those for the EDs. • In addition, a number of more junior individuals participate in the Restricted Share Plan, under which share awards are granted without performance conditions.
Shareholding requirements	• Only EDs have a shareholding requirement.

Illustrations of the application of the Policy

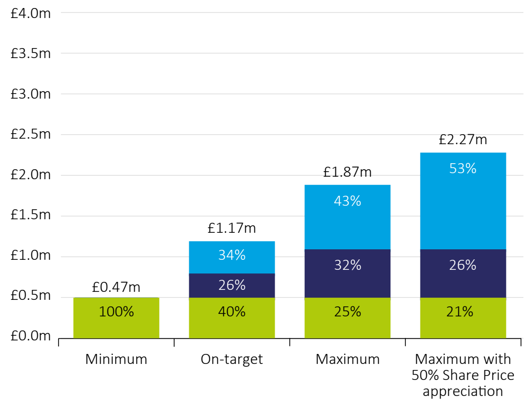
The charts below illustrate the remuneration that would be paid to the Executive Chair, CEO and CFO assuming four different performance scenarios in the first year of the Policy's operation and excluding any legacy arrangements. Each of the bars is broken down to show how the total under each scenario is made up of fixed elements of remuneration and variable remuneration.

The scenarios in the graphs are as follows:

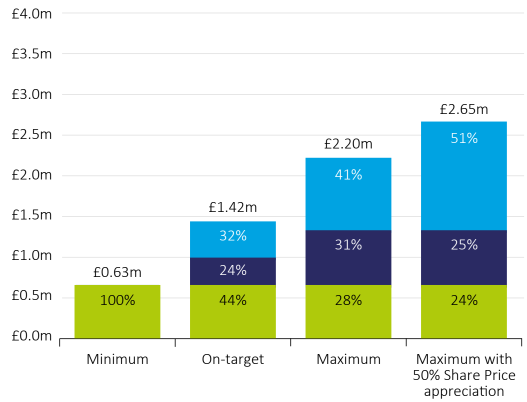
CEO



CFO



Executive Chair



Key	Element	Minimum performance	On-target performance	Maximum performance	Maximum performance with 50% share price growth
	Fixed remuneration	2025 base salary, benefits and pension	2025 base salary, benefits and pension	2025 base salary, benefits and pension	2025 base salary, benefits and pension
	Annual bonus[1,2]	None	50% of maximum opportunity	100% of maximum opportunity	100% of maximum opportunity
	Long-Term Incentive Plan[2,3]	None	50% of maximum opportunity	100% of maximum opportunity	100% of maximum opportunity plus 50% share price growth

1 Maximum bonus opportunity is 150% of base salary.
2 Dividend accrual on deferred remuneration has been excluded from all four scenarios; share price movement has been excluded from the minimum, target and maximum scenarios.
3 Maximum LTIP opportunity is 200% of base salary.

Service contracts for Executive Directors

The period of notice required in the service contracts is six months by the ED and the Company. The service contracts and letters of appointment are available for inspection by shareholders in advance of and at the forthcoming AGM, and during normal business hours at Ithaca Energy's registered office address. There are no further obligations which could give rise to a remuneration or loss of office payment other than those set out in the Policy table, the policy on payments for loss of office and change of control.

Payments for loss of office

When assessing whether payments will be made in respect of loss of office, the Committee will take into account individual circumstances, including the reason for the loss of office, Ithaca Energy and individual performance up to the loss of office and any contractual obligations of both parties.

Contractual payments

In the event of early termination, the Company may make a payment in lieu of notice up to a maximum of six months' salary. Any payment is subject to phasing and mitigation requirements.

In the event of gross misconduct, the Company may terminate the service contract of an ED immediately and with no liability to make further payments other than in respect of amounts accrued at the date of termination.

The current ED service contracts permit the Company to put an ED on garden leave for some or all of the duration of the notice period.

Annual bonus and LTIP

The treatment of awards under the Annual bonus and LTIP for leavers will depend on whether or not they are classified as a Good Leaver. This would typically be where an ED left for reasons, including retirement, redundancy, death, ill-health, injury or disability, the sale of a business outside of the Group or the employing Company ceases to be a member of the Group, or any other circumstances as determined by the Committee.

For 'other' leavers, account will be taken of individual circumstances, contractual terms, circumstances of the termination and the commercial interests of the Company to determine whether or not to treat an ED as a Good Leaver.

The table below sets out the leaver treatment for awards under the Annual Bonus and LTIP.

Remuneration element	Treatment for Good Leaver	Treatment for Other Leaver	Remuneration Committee Discretion
Annual bonus	• Eligible for a bonus paid, taking into account performance. • Any bonus paid would normally be subject to pro-rating for time served as an ED during the year. • Bonus payments would ordinarily be made at the normal time following the year end. • Normally, a portion of any bonus earned would be deferred into shares for three years, consistent with the treatment in the Policy table.	• No eligibility for bonus.	• It is at the discretion of the Committee as to whether departing EDs would be paid a bonus. In exercising its discretion on determining the amount payable, and the form and timing of payment, to an ED on termination of employment, the Board would consider each instance on an individual basis, taking account of factors such as performance and circumstances of the termination. • When determining whether a bonus or any other payment should be made to a departing ED, the Committee will ensure that no 'reward for failure' is made.
LTIP	• LTIP awards continue to vest at their original vesting date, subject to satisfaction of the relevant performance conditions. • In the event of death, LTIP awards will normally vest immediately. The number of awards vesting will be determined by the Committee taking into account performance as at the date of cessation. • The number of awards vesting will normally be reduced to reflect the proportion of the vesting period that has elapsed at the date of cessation of employment. • Any vested but unexercised awards can be exercised in the six-month period (or 12-month period in the case of death) following cessation or vesting.	• Unvested LTIP awards lapse on the date of cessation of employment.	• The Committee may allow LTIP awards to vest as soon as reasonably practicable on cessation of employment in exceptional circumstances, such as ill-health. • The Committee may decide, acting fairly and reasonably, that a lesser reduction for time may be made.

Deferred bonus awards

In the event that an ED leaves due to dismissal for cause or resignation, unless the Committee determines otherwise, unvested deferred bonus awards will lapse. Any vested but unexercised awards will cease to be exercisable with effect from the beginning of the notice period, unless the Committee determines otherwise.

In the event that an ED leaves for any other reason, unvested deferred bonus awards continue to vest at their normal vesting date, unless the Committee determines otherwise. Any vested but unexercised awards can be exercised in the six-month period (or 12-month period in the case of death) following cessation or vesting.

Payments in the event of a change of control

The treatment of each element of remuneration under a change of control is set out in the table below.

Remuneration element	Remuneration Policy and operation
Annual bonus (cash)	• An annual bonus may be paid subject to time pro-rating (unless the Committee determines otherwise) and performance to the date of the change of control. • Any annual bonus awarded would be paid fully in cash.
Annual bonus (deferred shares)	• Unless the Committee agrees to exchange outstanding deferred bonus awards into awards in the acquiring Company, any outstanding deferred shares will ordinarily vest in full at the date of change of control (other than in respect of an internal reorganisation).
LTIP	• Unless the Committee agrees to exchange outstanding LTIP awards into awards in the acquiring Company, LTIP awards will vest subject to time pro-rating and performance at the date of change of control (other than in respect of an internal reorganisation). • The Committee has discretion to reduce the extent of or disapply time pro-rating.

Remuneration Policy – Non-Executive Directors

The majority of the NEDs entered into letters of appointment with Ithaca Energy dated October 2022 and last for an initial period of three years and are subject to annual re-election. As at 31 December 2024, the unexpired term for these NEDs is 10 months. Itshak Sharon Tshuva entered into a letter of appointment in March 2023 and is subject to annual re-election. As at 31 December 2024, the unexpired term of his letter of appointment is one year and three months. Zvika Zivlin entered into a letter of appointment in May 2024, the unexpired term of his letter of appointment is two years five months. Guido Brusco, Francesco Gattei and Tamir Polikar all entered into letters of appointment in October 2024, as at 31 December 2024 their unexpired term is two years nine months. The letters of appointment are available for viewing at Ithaca Energy's registered office during normal business hours, and prior to and at the AGM.

The appointment of any non-independent NED is terminable in accordance with the relevant Relationship Agreement. The NEDs will only receive payment until the date their appointment ends and no compensation is payable on termination.

The table below sets out the key elements of the Policy for NEDs:

Element and how it supports our short and long-term strategic objectives	Operation	Maximum opportunity	Performance conditions and assessment
NED fees Provides a market competitive level of fees to reflect the time commitment and contributions that are expected from the NEDs.	The Board as a whole is responsible for setting the remuneration of the NEDs, other than the Chair whose remuneration is determined by the Committee. NEDs are paid a base fee in cash. Additional fees may be paid for additional responsibilities such as acting as Senior Independent Director or for membership or Chairing sub-Committees of the Board. The NEDs do not participate in Ithaca Energy's incentive arrangements and no pension contributions are made in respect of them. Reasonable travel and subsistence expenses (including the tax cost where appropriate and within the Company's travel and expenses policy) may be paid or reimbursed by Ithaca Energy.	The fees paid to NEDs will normally be reviewed annually, but the Committee reserves the right to review fees on a discretionary basis if it believes an adjustment is required to reflect market rates, scope of responsibilities or performance. There is no prescribed maximum increase, but in general the level of fee increase for the NEDs will be set taking account of any change in responsibility or time commitment required, and the general rise in salaries across the UK workforce.	None

Shareholding requirement To ensure that NEDs' interests are aligned with those of shareholders.	NEDs are expected to build and maintain a holding in the Company's shares of 100% of their base fee. NEDs have three years from the date of their appointment to the Board to build and maintain this holding. The Committee may waive this requirement for certain exceptional personal circumstances.

Statement of employment conditions elsewhere in Ithaca Energy

Remuneration arrangements are determined throughout Ithaca Energy based on the same principle that reward should be achieved for delivery of Ithaca Energy's business strategy and should be competitive within the market to attract and retain high calibre talent, without paying more than is necessary.

Senior managers below Board level with a significant ability to influence Ithaca Energy's results may participate in an annual bonus plan and a long-term incentive which reward both performance and loyalty and are designed to retain and motivate.

While the Committee has not formally consulted with employees in forming this Policy, the Committee considers pay and employment conditions across Ithaca Energy when reviewing the remuneration of the EDs and other senior employees and is comfortable that the proposed Policy is appropriate and consistent with the approach to remuneration across the Group. The Committee considered the range of base salary increases across Ithaca Energy when determining increases to award to the EDs. Other considerations include: changes in benefits and bonus, in addition to salary, of UK employees compared with that of Directors; the ratio of CEO pay to that of employees; spend on pay compared with, for example net income and dividends; and gender pay gaps. The Committee also receives advice on Executive remuneration matters from its appointed advisors, which includes benchmarking of ED remuneration.

Consideration of shareholder views

The Committee takes the views of shareholders seriously and these views are taken into account in shaping remuneration policy and practice. Shareholder views are considered when evaluating and setting remuneration strategy and the majority shareholder was consulted regarding the proposed remuneration packages for EDs. The Committee welcomes an open dialogue with its shareholders on all aspects of remuneration.

Lynne Clow
Remuneration Committee Chair

The Directors present their Annual Report with the audited Group and Company Accounts for the year ended 31 December 2024.

The Directors' report comprises pages 110 to 161 and the sections of the Annual Report incorporated by reference, as set out below:

Disclosure	Page reference
Corporate Governance statement	see page 111
Directors' share interests, including LTIPs	see pages 144 and 148
Employee diversity and inclusion	see pages 84 and 90
Employee involvement and engagement	see pages 84 and 131
Financial Risk management	see pages 101 to 108
Future developments and research and development	see page 57
Greenhouse gas emissions	see pages 59 to 79
Interest capitalisation	see Note 3
Internal control and risk management	see page 127
Principal risks and uncertainties	see pages 103 to 108
Streamlined Energy and Carbon Reporting (SECR)	see page 62
Stakeholder engagement including suppliers, customers and others	see pages 48 to 55
TCFD reporting	see pages 64 to 79

This Annual Report has been prepared for, and only for, the members of the Company, as a body, and for no other persons. The Company, its Directors, employees, agents and advisors, do not accept or assume responsibility to any other person to whom this document is shown or into whose hands it may come, and any such responsibility or liability is expressly disclaimed.

This report sets out the information the Company and the Group are required to disclose in the Directors' report in compliance with the Companies Act 2006 (the Act), the Financial Conduct Authority's Listing Rules (Listing Rules), the Disclosure Guidance and Transparency Rules (DTRs), and the UK Corporate Governance Code 2018 (the Code). This report should be read in conjunction with the Strategic Report on pages 1 to 109 and the Corporate Governance Report on pages 110 to 161. In accordance with Section 414C(11) of the Act, the Company has decided to include certain matters in its Strategic Report that would otherwise be required to be disclosed in this Directors' Report. Together, the Strategic Report, this Directors' Report, and other sections of the Corporate Governance Report incorporated by reference, when taken as a whole, form the Management Report as required under Rule 4.1.5R of the DTRs.

Articles of Association

The Company's Articles of Association may only be amended by special resolution at a General Meeting of shareholders. The Company's Articles of Association contain provisions regarding the appointment, retirement and removal of Directors along with their powers and duties. A Director may be appointed by an ordinary resolution of shareholders in a general meeting following nomination by the Board or a member (or members) entitled to vote at such a meeting.

Annual General Meeting

The Annual General Meeting 2025 will be held at P&J Live. East Burn Road, Aberdeen AB21 9FX, Scotland on Wednesday 14 May 2025 at 9am. Details of how to participate at the AGM are set out in the Notice of AGM and on our website.

Company number
Ithaca Energy plc is registered in England with the Company number 12263719.

Directors
The Directors' of the Company during the year were:

Director	Appointed	Resigned
Dave Blackwood		
Alan Bruce		4 January 2024
Guido Brusco	3 October 2024	
Lynne Clow		
Yaniv Friedman	28 June 2024	
Francesco Gattei	3 October 2024	
Assaf Ginzburg		
Deborah Gudgeon		
Iain Lewis		
John Mogford		16 May 2024
Gilad Myerson		28 May 2024
Tamir Polikar	7 October 2024	
Itshak Tshuva		
Luciano Vasques	3 October 2024	
Idan Wallace		
Zvika Zivlin	16 May 2024	

The Directors' biographies are detailed on pages 113 to 115. In accordance with the UK Code, all Directors will retire at the AGM being held on 14 May 2025 and may offer themselves for re-election.

Director indemnities
During the financial year, the Company had in place an indemnity to each of its Directors under which the Directors of the Company may be indemnified out of the assets of the Company against certain costs, charges, expenses, losses or liabilities which may be sustained or incurred in or about the execution of their duties. The indemnity was in force for all Directors who served during the year.

Directors' interests
The interests of the Directors in the Ordinary Shares of the Company as at 31 December 2024 are set out on pages 148 to 150.

Dividends
On 22 August 2024, the Company declared an interim dividend of $100 million. The interim dividend was paid on 27 September 2024 to shareholders on the register on 6 September 2024. In addition, on 21 November 2024, the Company declared the payment of a special dividend of $200 million. The special dividend was paid on 20 December 2024 to shareholders who were on the register on 29 November 2024. A third interim dividend for the year of $200 million will be paid to shareholders on 25 April 2025, following the publication of the full-year results, delivering a total dividend of $500 million for 2024.

Employment of people with disabilities
The Company is committed on building a diverse organisation, this includes ensuring that people with disabilities are treated fairly, supported and encouraged to apply for employment and to process and receive training once employed. Every reasonable effort is made for people with disabilities to be retained in the employment of the Company by investigating reasonable adjustments to the role, workplace or equipment.

Fair, balanced and understandable assessment
The Board confirms that, in its view, the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy. For more information, please see the Audit and Risk Committee Report on page 129 and the Directors' Report and statement of Directors' responsibilities on page 165.

Political donations
No political donations were made during the financial year.

Share capital
The issued share capital of the Company comprises of 1,653,732,455 Ordinary Shares of £0.01 each, all of which are fully-paid and freely transferable. The liability of each shareholder is limited to the amount, if any, unpaid on the shares held by that shareholder. Since incorporation, the Company's share capital has been issued in conformity with the laws of England and Wales. Details of the Company's issued share capital, together with details of any movement in the issued share capital during the year, are shown in Note 27 to the Company financial statements.

The Company did not purchase any of its own shares during 2024 or up to and including 25 March 2025, being the date of this Directors' Report.

Significant shareholders
Following the Business Combination, the significant controlling shareholders of the Company's are as follows:
- Delek Group Limited (52.2%)
- Eni S.p.A (37.2%)

Significant contracts
Relationship Agreements
The Company has two relationship agreements with our controlling shareholders, Delek Group and Eni.

Delek Group Limited (Delek), through its wholly-owned subsidiary DKL Energy Limited, owns a 52.22% shareholding in the Company and so is deemed a controlling shareholder for the purposes of the Listing Rules. A formal relationship agreement between the Company and Delek (the Delek Relationship Agreement) is in place which governs relations between the two companies, to ensure that the Company is capable at all times of carrying on its business independently of Delek and its associates.

The Delek Relationship Agreement came into effect upon the listing of the Company on the Main Market of the London Stock Exchange (as subsequently amended and restated on 23 April 2024 and 21 August 2024) and will continue in force unless and until (i) the shares of the Company cease to be listed on the premium listing segment of the Official List and traded on the London Stock Exchange main market or (ii) Delek cease to own 10% or more of the Ordinary Shares of the Company. The Relationship Agreement complies with the independence provisions set out in Listing Rules 6/5/4R and 9.2.2ADR.

An amendment to the Delek Relationship Agreement came into effect upon the completion of the Business Combination with effect from 3 October 2024 and will continue in force unless and until (i) the shares of the Company cease to be listed on the premium listing segment of the Official List and traded on the London Stock Exchange main market or (ii) Delek cease to own 10% or more of the Ordinary Shares of the Company.

Under the Delek Relationship Agreement:
For so long as Delek hold not less than 30% of the shares of the Company, and until the latest to occur of either:
- Luciano Vasques, CEO, ceases to hold the position of Chief Executive Officer on the Board, or
- three years from the date of Completion (i.e 3 October 2024),

Delek will be entitled to appoint a maximum of three Non-Executive Directors to the Board.

For so long as Delek holds not less than 25% of the shares of the Company, it is entitled to appoint:
- one observer to attend and observe the committee meetings of each of the Remuneration Committee and the Audit and Risk Committee; and are entitled to appoint one Director, or failing which an observer, to the Nomination and Governance Committee.

Whilst Delek holds not less than 20% of the shares of the Company, it is entitled to nominate a maximum of two Non-Executive Directors to the Board of the Company.

Whilst Delek holds greater than 10% (but not more than 20%) of the shares of the Company, it is entitled to nominate a maximum of one Non-Executive Director to the Board of the Company.

Whilst Delek holds greater than 10% (but not more than 20%) of the shares of the Company, it is entitled to appoint one observer to the Board of the Company.

Itshak Tshuva, Idan Wallace and Tamir Polikar are the Delek-appointed Non-Executive Directors.
Idan Wallace is the appointed Director for the Nomination and Governance Committee. Leora Pratt-Levin and Yair Noiman are the appointed observers for the Board. Leora is also the appointed observer for the Remuneration Committee and Udi Erez is the appointed observer for the Audit and Risk Committee.

Under the Delek Relationship Agreement, Delek undertakes that it shall:

- not take any action that would have the effect of preventing the Company from complying with the Listing Rules;
- not propose or procure the proposal of a shareholder resolution of the Company which is intended or appears to be intended to circumvent the proper application of the Listing Rules;
- comply with the Listing Rules, the Disclosure Guidance and Transparency Rules, the requirements of the London Stock Exchange, the FSMA, the Financial Services Act, UK MAR or the City Code that apply to it in connection with the Company or take any action that would prevent the Company with complying with the same regulations;
- not exercise any of its voting rights in the Company in a way that would be inconsistent with, or breach any of the provisions of the Relationship Agreement; and
- not, unless approved by the Board, take any action or omit to take any action which would be likely to result in the cancellation of admission to the main market of the London Stock Exchange.

In accordance with the Listing Rules, the Board confirms that, since the date of listing of the Company:

- The Company has complied with the undertakings in the Relationship Agreement;
- So far as the Company is aware, Delek and its associates have complied with the undertakings in the Relationship Agreement; and
- So far as the Company is aware, Delek has complied with the obligation included in the Relationship Agreement to procure the compliance of its associates with the undertakings in the Relationship Agreement.

Eni S.p.A (Eni), through its wholly-owned subsidiary Eni UK Limited, owns a 37.17% shareholding in the Company and so is deemed a controlling shareholder for the purposes of the Listing Rules. A formal relationship agreement between the Company and Eni (the Eni Relationship Agreement) is in place which governs relations between the two companies, to ensure that the Company is capable at all times of carrying on its business independently of Eni and its associates.

The Eni Relationship Agreement came into effect upon the completion of the Business Combination with effect from 3 October 2024 and will continue in force unless and until (i) the shares of the Company cease to be listed on the premium listing segment of the Official List and traded on the London Stock Exchange main market or (ii) Eni cease to own at least 10% or more of the Ordinary Shares of the Company. The Relationship Agreement complies with the independence provisions set out in Listing Rules 6/5/4R and 9.2.2ADR.

As part of the Business Combination, Eni proposed the appointment of Luciano Vasques as Chief Executive Officer of the Company. His appointment took effect from 3 October 2024.

Under the Eni Relationship Agreement:

- For so long as Eni holds greater than 20% of the shares of the Company, it is entitled to appoint a maximum of two Non-Executive Directors to the Board of the Company.
- For so long as Eni holds not less than 25% of the shares of the Company, it is entitled to appoint one observer to the Remuneration Committee, one observer to the Audit and Risk Committee and one Non-Executive Director or failing which an observer to the Nomination and Governance Committee.
- For so long as Eni holds not less than 10% (but not more than 20%) it is entitled to appoint a maximum of one Non-Executive Director to the Board of the Company.
- For so long as Eni holds greater than 10% it is entitled to appoint one observer to the Board of the Company.

Francesco Gattei and Guido Brusco are the Eni-appointed Nominated Non-Executive Directors.

Guido Brusco is the appointed Director to the Nomination and Governance Committee. Filippo Ricchetti is the appointed observer for the Board and the Audit and Risk Committee and Fabio Castiglioni is the appointed observer for the Board and the Remuneration Committee.

Under the Eni Relationship Agreement, Eni undertakes that it shall:

- not take any action that would have the effect of preventing the Company from complying with the Listing Rules;
- not propose or procure the proposal of a shareholder resolution of the Company which is intended or appears to be intended to circumvent the proper application of the Listing Rules;
- comply with the Listing Rules, the Disclosure Guidance and Transparency Rules, the requirements of the London Stock Exchange, the FSMA, the Financial Services Act, UK MAR or the City Code that apply to it in connection with the Company or take any action that would prevent the Company with complying with the same regulations;
- not exercise any of its voting rights in the Company in a way that would be inconsistent with, or breach any of the provisions of the Relationship Agreement; and
- not, unless approved by the Board, take any action or omit to take any action which would be likely to result in the cancellation of admission to the main market of the London Stock Exchange.

In accordance with the Listing Rules, the Board confirms that:

- The Company has complied with the undertakings in the Relationship Agreement;
- So far as the Company is aware, Eni and its associates have complied with the undertakings in the Relationship Agreement; and
- So far as the Company is aware, Eni have complied with the obligations included in the Relationship Agreement to procure the compliance of its associates with the undertakings in the Relationship Agreement.

Significant agreements which would be affected by a change of control

The following agreements will, in the event of a change of control of the Company, be affected as follows:

- Under the RBL facility agreement between Ithaca Energy (UK) Limited, certain affiliate entities and a syndicate of financial institutions, upon a change of control (save for certain exceptions), the RBL and letters of credit facility will be cancelled and all outstanding loans, accrued interest and certain other amounts accrued and cash cover under the letters of credit will be immediately due and payable.
- Upon the occurrence of a 'Change of Control', IENS plc will be required to offer to repurchase the 2029 Notes at a purchase price equal to 101% of their aggregate principal amount, plus accrued and unpaid interest (if any) to the date of the purchase.
- The Deeds of Indemnity all provide that, in the event of a change of control, the surety will be entitled to make demand for the payment of cash to cover a deposit in an amount equal to an amount the relevant surety determines is the amount of the maximum aggregate liability of the surety in connection with any outstanding bond or bonds.

Auditor information

Each person who is a Director at the date of approval of this Annual Report and Accounts confirm that:

- So far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- Each Director has taken all steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006. Approved by the Board of Directors and signed on behalf of the Board.

Julie McAteer
Company Secretary
25 March 2025

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and Accounts in accordance with applicable United Kingdom laws and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with UK-adopted International Accounting Standards and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (including United Kingdom Accounting Standard FRS 101 'Reduced Disclosure Framework') and applicable laws.

Under Company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing the Group and Company financial statements, the Directors are required to:

- Select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Provide additional disclosures when compliance with specific requirements in International Accounting Standards (and in respect of the Company financial statements, FRS 101) is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and Company financial position and financial performance;
- State whether applicable United Kingdom-adopted International Accounting Standards have been followed for the Group financial statements and United Kingdom Accounting Standards, including FRS 101 have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business;
- The Directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities; and
- The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors are also responsible for preparing the Strategic Report, the Directors' Report, the Directors' Remuneration Report and the Corporate Governance Report in accordance with the Companies Act 2006 and applicable regulations, including the requirements of the Listing Rules and the Disclosure and Transparency Rules.

In accordance with the principles of the UK Corporate Governance Code, the Directors are responsible for establishing arrangements to evaluate whether the information presented in the Annual Report and Accounts is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy, and making a statement to that effect.

Each of the Directors, whose names and functions are set out in Board of Directors on page 163 confirm that to the best of their knowledge:

- The Group financial statements, which have been prepared in accordance with United Kingdom-adopted International Accounting Standards, give a true and fair view of the assets, liabilities, financial position and profit of the Group;
- The Company's financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, including FRS 101, give a true and fair view of the assets, liabilities and financial position of the Company; and
- The Strategic Report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that it faces.

This responsibility statement was approved by the Board of Directors on 25 March 2025 and is signed on its behalf by:

Iain C S Lewis
Chief Financial Officer

Independent auditor's report to the members of Ithaca Energy plc

Report on the audit of the financial statements

1. Opinion

In our opinion:
the financial statements of Ithaca Energy Plc (the 'Company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2024 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:
- the consolidated statement of profit or loss;
- the consolidated statement of comprehensive income;
- the consolidated statement of financial position;
- the consolidated statement of changes in equity;
- the consolidated statement of cash flows;
- the related notes 1 to 35 to the consolidated financial statements;
- the Company statement of financial position;
- the Company statement of changes in equity; and
- the related notes 1 to 7 to the Company financial statements.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and United Kingdom adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

2. Basis for opinion

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

We are independent of the Group and the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the Group for the year are disclosed in note 7 to the financial statements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the Group or the Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: • Acquisition accounting • Carrying value of goodwill and oil and gas assets • Decommissioning provision • Current and deferred tax Within this report, key audit matters are identified as follows: (!) Newly identified (^) Increased level of risk (<>) Similar level of risk (v) Decreased level of risk
Materiality	The materiality that we used for the Group financial statements was $45 million (2023: $50 million) which represents 3.3% (2023: 2.9%) of Adjusted Earnings Before Interest, Tax, Depreciation, Amortisation and Exploration (EBITDAX)[1] and 1.5% (2023: 2%) of net assets.
Scoping	Our scope covered two components of the Group. These components contribute 100% of revenue, 100% of adjusted EBITDAX and 100% of net assets Our audit covered the entire financial information of the two components.
Significant changes in our approach	A new key audit matter has been identified in the current year in respect of the acquisition accounting for the Eni UK business combination. The carrying amount of the exploration and evaluation ('E&E') asset relating to the Cambo oil field ('Cambo') was identified as a key audit matter in the prior year as the licence was due to expire shortly after year end. However, in the current year following the licence extension received to 31 March 2026, we consider the level of judgment to be lower than in the prior year, therefore this is no longer presented as a standalone key audit matter and has instead been included in the key audit matter for carrying value of goodwill and oil and gas assets. Following the Eni UK business combination, there were two components identified within the Group, being the legacy Ithaca Group (including the non-operated assets acquired from Eni UK) and the former Neptune subsidiaries of Eni UK (which held the operated asset acquired from Eni UK). All audit procedures were performed by the Group engagement team.

1 Adjusted EBITDAX is a non-GAAP measure comprising earnings before interest, tax, put premiums on oil and gas derivative instruments, revaluation of derivative contracts, depletion, depreciation and amortisation, impairment charges, exploration and evaluation expenditure, remeasurements of decommissioning reimbursement receivables, fair value gains or losses on contingent consideration, business combination costs and historic claims relating to acquisitions.

4. Conclusions relating to going concern

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

Our evaluation of the directors' assessment of the Group's and Company's ability to continue to adopt the going concern basis of accounting included:

- assessing the Group's financing facilities including the nature of facilities, repayment terms and covenants;
- considering the linkage of the going concern assessment to the Group's business model and short and medium term risks;
- challenging the assumptions used in the forecasts, in particular commodity prices, production levels, capital expenditure (including consideration of any discretionary capital expenditure) and debt facilities;
- assessing the amount of headroom in the forecasts (both liquidity and covenants);
- considering the impact of the acquisition announced on 25 March 2025, as disclosed in note 35 for further details, on the going concern basis;
- challenging management's sensitivity analysis and mitigating actions, with sensitivities run in relation to production, commodity prices, operating and capital expenditure, and consideration of reverse stress tests on commodity prices;
- assessing the sophistication of the model used to prepare the forecasts, testing of clerical accuracy of those forecasts and our assessment of the historical accuracy of forecasts prepared by management; and
- assessing the Group's going concern related financial statement disclosures.

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

In relation to the reporting on how the Group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

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

5. Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Acquisition accounting

Key audit matter description

The Group recorded goodwill of $346 million during the year as a result of the Eni UK business combination, which completed on 3 October 2024. The fair value of the identifiable assets and liabilities acquired are disclosed as provisional.

As a result of the size and scale of the business combination, a key audit matter in respect of accounting for the acquisition was identified with specific focus on:

- Valuation of acquired development and production oil and gas assets totalling $1,017 million, with focus on:
  - commodity price forecasts adopted in the fair valuation of the assets acquired which are subject to management estimation;
  - judgements and estimates made on reserves and resources, which were based on estimates made by management with a risking adjustment then applied, these are compared to the results of a third-party reserves consultant to understand any differences arising;
  - appropriateness of the discount rate utilised in the fair value model; and
  - appropriateness of the deferred tax assets and liabilities recognised;
- Valuation of the $651 million decommissioning provision recognised for operated and non-operated assets, with focus on third-party information available and the consistency of assumptions applied to the newly acquired operated assets with those applied to the Group's existing operated assets, and the appropriateness of the discount and inflation rates applied thereon;
- Valuation of the $48 million exploration and evaluation assets acquired, with focus on the risking of contingent resources, which require consideration of the likelihood of Final Investment Decisions (FIDs) and execution of complex development plans to progress the assets to development stage; and
- Valuation of associated deferred tax balances totalling $297 million and other identifiable assets and liabilities, totalling $9 million.

Further details of this matter have been disclosed in the Audit and Risk Committee report on page 128, in the 'Other areas of estimation' disclosure in note 3 of the financial statements and in note 17 of the financial statements.

How the scope of our audit responded to the key audit matter	Our procedures comprised the following: **Internal control over valuation of acquired oil and gas assets** • Obtaining an understanding of relevant controls over accounting for acquisitions; • Evaluating the competence, capabilities and objectivity of management's third-party reserves consultant; • Assessing the appropriateness of management's forecast commodity prices, with input from our valuations specialists, through benchmarking against forward curves, peer information and market data; • Obtaining input from our valuations specialists to assess management's discount rate by comparison to an independent range; • Comparing management's production profiles against those of their third-party reserves consultant and, with input from our internal reserves specialists, understanding the reasons for and evaluating the reasonableness of any significant differences; • Obtaining input from our reserves specialists to challenge and assess the appropriateness of management's risking levels applied to the reserves and resource estimates; • Challenging and evaluating the adequacy of the operating and capital cost assumptions within the model by reference to operator data and other third-party documentation; • Testing the integrity/mechanical accuracy of the fair value cashflow models; and • Obtaining input from our tax specialists to challenge the appropriateness of the deferred tax asset and liabilities recognised. **Decommissioning provision** • Reconciling cost assumptions for non-operated assets to operator estimates received in the year; • Assessing the appropriateness of the cost estimates prepared for operated assets, including consideration of available third-party estimates and consistency of assumptions with the legacy Ithaca Group assets; and • Comparing management's risk-free discount rate and inflation assumptions to relevant market data. **Valuation of exploration and evaluation assets** • Obtaining the most recent draft development plans and comparing the cost assumptions and estimates therein to management's valuation models; • Gaining an understanding of the status of discussions with the respective joint venture partners in respect of the expected timeline and risks to achieving FID; and • Obtaining input from our reserves specialists in respect of estimated reserves and resources and associated risking levels. **Procedures on overall acquisition accounting** • Challenging the completeness of the assets and liabilities identified by management through review of the due diligence reports obtained as part of the acquisition process; • Assessing the reasonableness of management's judgements and estimates made in the valuation of the share and cash-based consideration, including agreeing to third-party information where available; • Testing the working capital balances acquired at completion to supporting documentation; • Obtaining an understanding of how the risk of climate change has been considered in the valuation of the development and production oil and gas assets and exploration and evaluation assets recognised, including the risk to future commodity prices; • Performing a stand-back assessment of the appropriateness of the goodwill recognised, including consideration of the movements in share price, forecast commodity prices and announced tax rates between the date of the business combination agreement and the date of completion; and • Assessing the adequacy of disclosures included in the financial statement notes, including whether appropriate disclosures have been made regarding the key sources of estimation uncertainty.
Key observations	We are satisfied that the provisional fair values of assets and liabilities acquired in respect of the business combination, the associated goodwill and the financial statement disclosures are reasonable.

5.2. Carrying value of goodwill and oil and gas assets

Key audit matter description

The Group had property, plant and equipment (being primarily oil and gas assets) of $4,188 million (2023: $3,258 million), exploration and evaluation ('E&E') assets of $613 million (2023: $548 million) and goodwill of $1,129 million (2023: $784 million) as at 31 December 2024. A key audit matter was identified in respect of determining the recoverability of the Group's goodwill and oil and gas assets (including E&E) due to the significance of management's judgements and estimates relating to their estimated recoverable amounts. There is increased risk associated with the key audit matter in the year due to a reduction in headroom resulting from changes in commodity prices and an extension of the Energy Profits Levy from 2028 to 2030 and an uplift in the rate from 75% to 78%.

Management performed an impairment assessment for oil and gas assets and goodwill, by reference to IAS 36 *Impairment* ('IAS 36') and E&E assets, by reference to IFRS 6 – Exploration and Evaluation of Mineral Resources ('IFRS 6'). In conducting their impairment assessment at year end, management used their internal best estimate of reserves and resources and undertook a process to compare their estimate to those of a third-party firm of reserves consultants, assessing any differences arising.

The associated risk of impairment is higher in the current year due to lower commodity price assumptions and changes to the Energy Profits Levy (EPL) reducing headroom in significant Cash Generating Units ('CGUs'). Given the level of management judgment applied in determining the recoverable value of the Group's oil and gas assets and goodwill and the importance of a number of the oil and gas assets to the Group's continued growth, this has been identified as an area of potential management bias, and therefore gives rise to a potential fraud risk in the period.

Management concluded that a pre-tax impairment charge of $263 million (2023: $558 million) was required to oil and gas assets. The charge principally related to the Pierce ($32 million) and Greater Stella Area ('GSA') CGUs ($117 million) together with decommissioning cost estimate changes on fields which have been fully written off or have ceased production ($100 million). Management concluded that no impairment was required to goodwill (2023: $nil).

Oil and gas assets and goodwill

They key audit matter is focused on the following:

- Forecast commodity prices;
- Discount rate applied;
- Oil and gas reserve and resource estimates, and management's risking assumptions thereon, which are compared to the results of a third-party reserves consultant to understand any differences arising;

In respect of the Rosebank field, which has a carrying value at year-end of $617 million, it was subject to Judicial Review proceedings during the year. Following the Court of Session ruling on 30 January 2025 which found that the development consent for the field had been unlawfully given, as detailed in Note 3, management has concluded that it has no reason to believe that this further consent will not be forthcoming and therefore no impairment indicator has been identified.

Included within the carrying value of the oil and gas assets which are assessed for impairment are estimated costs relating to the decommissioning of each cash generating unit ('CGU'). See the decommissioning provision key audit matter 5.3 below for further details.

Exploration and evaluation assets

The extent to which there are impairment indicators under IFRS 6 in respect of Cambo which has a carrying value at year-end of $391 million. Although the licence for this field does not expire until 31 March 2026, management has submitted a request to the North Sea Transition Authority ('NSTA') to remove a milestone commitment that would otherwise require a joint venture partner to be secured by 31 March 2025, as well as to extend the licence to 30 September 2027.

In respect of Cambo, management believe that the request submitted to the NSTA outlined above will be approved and hence there is no indicator of impairment noting that, with respect to the 31 March 2025 milestone commitment, an additional joint venture partner is no longer considered a commercial pre-requisite for the project to proceed to development following completion of the Eni UK business combination.

Further details of this matter have been disclosed in the Audit and Risk Committee report on page 128, in the 'key sources of estimation uncertainty' and 'critical accounting judgements' disclosure in note 3 of the financial statements and in notes 15, 18 and 19 of the financial statements.

How the scope of our audit responded to the key audit matter	Our procedures comprised the following: **Internal controls and overall impairment review** • Obtaining an understanding of relevant controls over management's process for identifying indicators of impairment and for performing their impairment assessment and related valuations; • Evaluating the competence, capabilities and objectivity of management's third-party reserves consultant; • Assessing management's forecasting accuracy through a retrospective review of management's forecasts; • Assessing whether forecast cash flows were consistent with Board approved forecasts and budgets, and forecasts used elsewhere, including those prepared for going concern and viability purposes and those assessing the recoverability of the deferred tax asset recognised (see key audit matter 5.4. below); • Challenging and evaluating the adequacy of the operating and capital cost assumptions within the model by reference to operator data and other third-party documentation; • Considering the risking that a market participant would apply in the valuation of the Rosebank CGU at 31 December 2024 as it was subject to Judicial Review proceedings at that date; • Working with our modelling specialists to evaluate the arithmetical accuracy of the impairment and valuation models; • Assessing the appropriateness of management's estimate of the impact of tax, including the EPL, on the fair value model, with the assistance of our tax and valuation specialists; • Obtaining an understanding of how the risk of climate change has been considered in the impairment assessments, including the risk of reduced commodity prices (as discussed further below) and the extent of additional expenditure management believes is required to meet the Group's published CO_2 emissions reductions targets; and • Evaluating management's disclosures in relation to impairment, including related sensitivity analysis. **Forecast commodity prices** • Obtaining input from our valuations specialists to assess the appropriateness of management's forecast commodity prices and develop an independent reasonable range, through benchmarking against forward curves, peer information and market data; • Performing additional sensitivity analysis on the pricing assumptions to determine the impact on the impairment conclusion of reasonably possible changes, including in relation to goodwill; and • Considering the potential impact on headroom by using a range of third-party price curves described as being consistent with a pathway to keep global temperature rises below 1.5°C ('Paris consistent'). **Discount rate applied** • Obtaining input from our valuations specialists to assess management's discount rate by comparison to our assessment of a reasonable range. **Oil and gas reserves and resource estimates** • Comparing management's estimates of reserves and resources to those of their third-party reserves consultant and, with input from our internal reserves specialists, understanding the reasons for and evaluating the reasonableness of any significant differences; and • Obtaining input from our reserves specialists to challenge and assess the risking levels applied by management to their reserve and resource estimates. **Exploration and evaluation assets** • Obtaining the most recent draft field development plans (FDP) for Cambo and comparing the cost assumptions and estimates therein to management's valuation models; • Obtaining input from our reserves specialists in respect of estimated reserves and resources and associated risking levels; • Reading the request submitted to the NSTA outlined above, together with related correspondence, and assessing the basis for management's judgment that this request will be approved; and • Obtaining an understanding from management of the status of discussions with the NSTA up to the date of approval of the financial statements.

Key observations	We are satisfied with management's conclusions in respect of impairment charges required in the year on oil & gas assets of $263 million, and that the associated disclosures are reasonable. We are also satisfied that no impairment is required in respect of goodwill and that there is no indicator of impairment in respect of the Cambo field as at 31 December 2024. In reaching this conclusion we observed that: • Forecast oil and gas prices fall within the reasonable range for all periods; • The discount rate falls within the reasonable range; • Oil and gas reserve and resource estimates used in the impairment assessment are reasonable; • The sensitivity of impairment conclusions to a Paris consistent price curve is disclosed in the 'Impact of climate change on the financial statements and related notes' section of note 3 of the financial statements and the related disclosures in note 19 and indicate that the potential additional post-tax impairment is $63 million; and • Whilst management's impairment models in respect of the Group's oil and gas assets include their best estimate of expenditure required to meet the Group's CO_2 emissions reductions targets, the level of estimation uncertainty is heightened for some of the Group's longer term development projects, as well as Cambo, due to technology and/or infrastructure constraints, as outlined further in section 7.3 of this report and note 3 of the financial statements.

5.3. Decommissioning provision

Key audit matter description	The decommissioning provision at 31 December 2024 was $2,655 million (2023: $1,860 million). The provision represents the present value of decommissioning costs which are expected to be incurred over the next 40 years. The liability arises in respect of both the Group's operated and non-operated assets and includes a significant increase during the year as a result of the Eni UK business combination, as discussed in section 5.1 above. Decommissioning provisions are inherently judgmental areas, particularly in relation to cost estimates for operated assets and the assumptions that these are based on, including assumptions regarding day rates for vessels and rigs, and duration ('norms') of decommissioning activities. The key assumptions and judgements underpinning the provision include: • Rates and norms assumptions for operated assets; • Cost estimates for non-operated assets; • Cessation of production ('COP') dates; • Post COP operating costs ('PCOPO'); • Risk free discount rate; and • Long term Inflation rate. Further details of this matter have been disclosed in the Audit and Risk Committee report on page 128, in the 'Key sources of estimation uncertainty' disclosure in note 3 of the financial statements (which includes details on the sensitivity of the provision to changes in discount rates), and in note 23 of the financial statements.

How the scope of our audit responded to the key audit matter	Our procedures included the following: **Internal controls and decommissioning model** • Obtaining an understanding of the relevant controls relating to the decommissioning provision, including management's review controls over the decommissioning cost estimation process; • Obtaining an understanding of any key changes in underlying assumptions and methodology applied; this included performing inquiries with the Group's internal specialists responsible for determining the 2024 decommissioning estimates, scrutiny of the associated models, and assessing their technical competence, capability and objectivity; • Assessing decommissioning calculations for clerical accuracy and compliance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets; • Assessing the consistency of the cessation of production dates with those used in management's impairment models for oil and gas assets, as discussed in section 5.2; • Working with our modelling specialists to evaluate the arithmetical accuracy of the decommissioning cost estimate model; • Considering the impact of climate change in the estimation of the decommissioning provision, including the risk that cessation of production dates are brought forward if commodity prices were to fall within a range of third-party Paris consistent price curves; • Testing a sample of the actual decommissioning spend incurred during the period for accuracy and performing a retrospective review of management's forecasting accuracy, including an assessment of whether actual spend during the year gives rise to contradictory evidence of current forecast rates; and • Evaluating the appropriateness of management's disclosures, including the key sources of estimation uncertainty and associated sensitivity of decommissioning assumptions. **Rates, norms and PCOPO for operated assets** • Challenging the Group's rig and vessel rate assumptions ('rates') within the cost estimate by reference to available third-party data and benchmarking to peer and market rates; • Assessing the duration ('norms') assumptions for the plug and abandonment of wells, by comparison to available benchmarking data and potentially contradictory evidence from other duration assumptions available from active decommissioning projects or operator estimates and assessing the appropriateness of any outliers; • Assessing the consistency of the duration based assumptions applied in the cost estimate for certain key assets; • Assessing the appropriateness of the PCOPO for operated assets, by comparison to current actual operating costs and the final year of pre-COP operating costs in the business plan forecast; and • Assessing the driver(s) of changes in key assumptions on specific assets and differences between actual and forecast expenditure in recent years and considering whether these provide contradictory evidence of rates and norms assumptions in the year end provision. **Costs estimates for non-operated assets** • Reconciling cost assumptions to operator estimates received in the year; and • Understanding any differences arising and challenging the reasonableness of any adjustments made. **Other macro-economic assumptions** • Comparing management's risk-free discount rate to relevant market data, including US and UK government bond yields and peer data; and • Comparing management's inflation assumptions to market data, including the Bank of England long term inflation target.
Key observations	We are satisfied that the key assumptions outlined above fall within a reasonable range and that the overall provision is fairly stated. We also consider that the associated disclosures are reasonable, including the impact on the provision if the energy transition causes cessation of production dates to be brought forward.

5.4. Current and deferred tax

Key audit matter description	The Group has a $1,224 million (2023: $705 million restated) net deferred tax asset and $247 million (2023: $321 million) current tax liabilities. The increase in the year includes $297 million in respect of the Eni UK business combination, as discussed in section 5.1. A key audit matter was identified in respect of: • The recoverability of the deferred tax asset, including the recoverability of the deferred tax assets arising from tax losses which are dependent on the availability of future taxable profits and the feasibility of restructuring plans required to utilise the tax losses; • The mechanical accuracy of the deferred tax asset and liability models, including consistency with impairment and decommissioning models, following the prior year restatement in respect of EPL disclosed in note 2; and • The appropriateness of the 'true ups in respect of prior years' of $9.5 million, impacting both current and deferred tax, given there were a significant number of individual adjustments during the year. Further details of this matter have been disclosed in the Audit and Risk Committee report on page 128, in the 'Key sources of estimation uncertainty' disclosure in note 3 of the financial statements and in note 28 of the financial statements.
How the scope of our audit responded to the key audit matter	Our procedures included the following: • Obtaining an understanding of the relevant controls relating to the measurement of current and deferred tax, with a particular focus on control enhancements responsive to the prior year adjustment; • Evaluating, with input from our tax specialists, the methodology applied in calculating the Group's deferred tax assets and liabilities; • Assessing the mechanical accuracy of the deferred tax models, including deferred EPL, with input from our analytics and modelling specialists; • Assessing whether the forecasts that support the recoverability of the Group's deferred tax assets are consistent with the cash flow forecasts used for the purposes of impairment testing and going concern; • Evaluating the completeness and accuracy of 'true ups in respect of prior years', with input from our tax specialists, including whether any represent material errors in relation to the prior years; and • Assessing the adequacy of disclosures made in note 2 and note 28 of annual report, in line with IAS 12 *Income Taxes*.
Key observations	We are satisfied that the current and deferred tax balances recognised in the financial statements and the related disclosures are appropriate.

6. Our application of materiality

6.1. Materiality

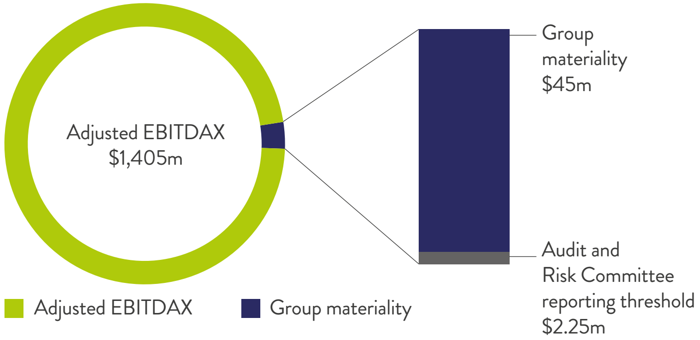
We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgment, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Company financial statements
Materiality	$45 million (2023: $50 million)	$30 million (2023: $18 million)
Basis for determining materiality	3.3% of adjusted EBITDAX (2023: 2.9%). Adjusted EBITDAX is an alternative performance measure and a key performance indicator. The selected materiality also represents 1.5% of net assets (2023: 2%).	1.5% of net assets (2023: 1.5%)
Rationale for the benchmark applied	Adjusted EBITDAX was considered to be the most relevant benchmark as it is a key performance measure used by the business and excludes a number of significant items that are non-recurring in nature or are adjustments made to normalise the Group's performance.	The Company acts principally as a holding company and therefore net assets is a key measure for this business.

6. Our application of materiality continued

6.1. Materiality continued



6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Company financial statements
Performance materiality	60% (2023: 60%) of Group materiality	60% (2023: 60%) of Company materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: a. The quality of the control environment and conclusions from our testing of Group-wide internal controls; b. The size, nature and volume of uncorrected and any corrected misstatements identified in our previous audits; c. The prior year restatement in respect of deferred tax disclosed in note 2; and d. Macro-economic factors such as commodity price volatility and geo-political instability.	

6.3. Error reporting threshold

We agreed with the Audit and Risk Committee that we would report to the Committee all audit differences in excess of $2.25 million (2023: $2.5 million), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit and Risk Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Identification and scoping of components

Our audit was scoped by obtaining an understanding of the Group and its environment, including Group wide controls, and assessment of the risks of material misstatement at the Group level. Following the Eni UK business combination, the Group acquired a number of entities only recently acquired by Eni UK from Neptune E&P UK Limited. In the period post-completion through to year-end, these former Neptune entities, which held a working interest in one significant operated asset, operated in a separate control environment to the rest of the Group. We identified two components in the current year, being the legacy Ithaca Group (including the non-operated assets acquired from Eni UK) and the former Neptune entities outlined above. An audit of the entire financial information was performed by the Group engagement team on both components.

The performance materiality applied for the Neptune component was $13.5 million. The performance materiality applied for the legacy Ithaca Group component was $25.7 million.

The legacy Ithaca Group and Neptune components accounted for 100% of the Group's revenue, 100% of the Group's adjusted EBITDAX and 100% of the Group's net assets.

7.2. Our consideration of the control environment

We obtained an understanding of the relevant controls in relation to key business processes as well as the IT systems that were relevant to the audit, being the financial reporting system. This included obtaining an understanding of relevant controls and IT systems within the Neptune component.

7.2. Our consideration of the control environment continued

As set out in the Audit & Risk Committee's report on page 126, progress has been made in addressing a number of the control observations that were identified in the prior year. However, the Group's control environment continues to mature and therefore is not yet at a stage that would enable us to place reliance on controls for the purposes of our audit testing. Observations raised in the current year included control recommendations in respect of impairment, tax, related parties and modelling and we amended the nature, timing and extent of our substantive procedures in these areas accordingly.

7.3. Our consideration of climate-related risks

We performed enquiries of management to understand the impact of climate-related risks and controls relevant to the Group. We evaluated the climate change risk assessment and related documentation prepared by management and considered the completeness and accuracy of the climate-related risks identified and summarised in the Task Force on Climate-related Financial Disclosures report on page 64. The Group identified in the 'Impact of climate change on the financial statements and related notes' section of note 3 to the financial statements a number of key judgements and estimates with elevated climate-change and energy transition related risks, relating to: impairment of goodwill and property, plant and equipment; depreciation and useful economic lives of property, plant and equipment, intangible assets (exploration and evaluation assets); and decommissioning provisions.

We considered whether the risks identified by management within their climate change risk assessment and related documentation are consistent with our own analysis and challenged the key climate related assumptions impacting the financial statements. The key market-related matter which could have a material impact on the carrying value of the items noted above is the future demand for, and pricing of, oil and gas as the energy mix evolves in response to climate change risk and other matters. In addition, management has set a number of goals to reduce Scope 1 and 2 CO_2 emissions compared to a 2018 baseline on a net equity basis, including a 10% reduction by 2025, a 25% reduction by 2027 and Net Zero by 2040. These have been reset following the Eni UK business combination. There is a risk that the forecast costs associated with these goals are understated or difficult to estimate reliably due to technology and/or infrastructure constraints. These constraints include, but are not limited to, the ability to fully electrify a number of the Group's longer life offshore assets, specifically the Rosebank and Cambo developments and the Captain field. We also assessed the disclosures within the Annual Report, with the involvement of our climate specialists, and considered whether these were materially consistent with the financial statement disclosures, complete and consistent with our understanding of the climate-related risks, assumptions and judgements during the year. All of our key audit matters, are considered to be impacted to at least some degree by the impact of the energy transition on future demand for, and the pricing of, oil and gas, resulting in an impact on both costs and revenues, and in turn a risk of future impairment. Our consideration and response to this is discussed in the key audit matters section above.

8. Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of directors

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

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

10. Auditor's responsibilities for the audit of the financial statements

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

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

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

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

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- the Group's own assessment of the risks that irregularities may occur either as a result of fraud or error that was considered by the Audit and Risk Committee on 4 March 2025;
- results of our enquiries of management both in and out of finance, internal audit, the directors and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's sector;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists, including tax, valuations, financial instruments, impairment, analytics and modelling, climate, IT, forensic, and reserves specialists, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the key audit matter in relation to the carrying value of goodwill and oil and gas assets.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, the Listing Rules of the UK Listing Authority and relevant tax compliance legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. These included the Market Abuse Regulation, licence terms for the Group's oil and gas assets and environmental regulations.

11.2. Audit response to risks identified

As a result of performing the above, we identified management's assessment of the carrying value of goodwill and oil and gas assets as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains this matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

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

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reading correspondence with HMRC and the North Sea Transition Authority ('NSTA'); and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:
- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

13. Corporate Governance Statement

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:
- the directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 100;
- the directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 109;
- the directors' statement on fair, balanced and understandable set out on page 163;
- the Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 102
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 101 to 108; and
- the section describing the work of the Audit and Risk Committee set out on pages 126 to 129.

14. Matters on which we are required to report by exception

14.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:
- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

14.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the directors' remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

15. Other matters which we are required to address

15.1. Auditor tenure

We were appointed by the Board in November 2022 to audit the Group financial statements for the year ending 31 December 2022 and subsequent financial periods. Prior to the Group's initial public offering in November 2022, we were previously appointed in March 2022 to audit the Company financial statements for the year ended 31 December 2021. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 4 years, covering the years ending 31 December 2021 to 31 December 2024.

15.2. Consistency of the audit report with the additional report to the Audit and Risk Committee

Our audit opinion is consistent with the additional report to the Audit and Risk Committee we are required to provide in accordance with ISAs (UK).

16. Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.15R – DTR 4.1.18R, these financial statements will form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.

David Paterson ACA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
25 March 2025

Consolidated statement of profit or loss

For the year ended 31 December

	Note	2024 $'000	2023 Restated[1] $'000
Revenue	5	**1,981,859**	2,319,811
Cost of sales	6	**(1,139,645)**	(1,317,010)
Gross profit		**842,214**	1,002,801
Impairment charges on development and production assets	19	**(262,984)**	(557,936)
Exploration and evaluation expenses	14	**(24,557)**	(13,634)
Administrative expenses	7	**(57,280)**	(34,259)
Other gains	8	**26,360**	89,091
Profit from operations before tax, finance income and finance costs		**523,753**	486,063
Finance income	9	**11,164**	5,688
Finance costs	9	**(200,578)**	(189,724)
Profit before tax		**334,339**	302,027
Income tax	28	**(181,186)**	(9,473)
Profit for the year		**153,153**	292,554

Earnings per share (EPS)	Note	2024 Cents	2023 Restated[1] Cents
Basic	10	**13.2**	29.1
Diluted	10	**13.0**	28.7

1 The income tax charge, the profit for the year and EPS for the year ended 31 December 2023 have been restated. Further details are set out in note 2.

The results above are entirely derived from continuing operations.

The year to 31 December 2024 includes the results of the Eni UK Business Combination from 3 October 2024 (see note 17 for further details).

The accompanying notes on pages 187 to 243 are an integral part of the financial statements.

Consolidated statement of comprehensive income
For the year ended 31 December

	Note	2024 $'000	2023 Restated[1] $'000
Profit for the year		**153,153**	292,554
Items that may be reclassified to profit and loss			
Fair value (losses)/gains on cash flow hedges	30	**(213,637)**	92,484
Fair value (losses)/gains on cost of hedging	30	**(50,807)**	3,116
Deferred tax credit/(charge) on cash flow hedges and cost of hedging	28	**195,642**	(71,700)
Other comprehensive (expense)/income		**(68,802)**	23,901
Total comprehensive income for the year		**84,351**	316,455

1 The profit for the year and the total comprehensive income for the year to 31 December 2023 has been restated. Further details are set out in note 2.

The accompanying notes on pages 187 to 243 are an integral part of the financial statements.

Consolidated statement of financial position
As at 31 December

	Note	2024 $'000	2023 Restated[1] $'000
Assets			
Current assets			
Cash and cash equivalents		**165,123**	153,215
Other financial assets		**11,317**	–
Trade and other receivables	11	**417,614**	334,290
Decommissioning reimbursements	11	**23,175**	30,417
Prepayments	12	**42,210**	37,678
Inventories	13	**283,839**	150,496
Derivative financial instruments	31	**32,962**	139,497
		976,240	845,593
Non-current assets			
Decommissioning reimbursements	11	**144,185**	165,064
Exploration and evaluation assets	14	**612,514**	548,354
Property, plant and equipment	15	**4,188,435**	3,258,206
Deferred tax assets	28	**1,224,136**	704,657
Derivative financial instruments	31	**–**	17,810
Goodwill	18	**1,129,476**	783,848
		7,298,746	5,477,939
Total assets		**8,274,986**	6,323,532
Liabilities and equity			
Current liabilities			
Borrowings	20	**(13,025)**	(29,913)
Trade and other payables	22	**(566,471)**	(478,607)
Current tax payable	28	**(247,048)**	(321,116)
Decommissioning liabilities	23	**(152,709)**	(107,026)
Lease liability	25	**(19,447)**	(19,898)
Contingent and deferred consideration	26	**(303,486)**	(101,669)
Derivative financial instruments	31	**(130,476)**	(13,708)
		(1,432,662)	(1,071,937)

1 Deferred tax assets and retained earnings have been restated at 31 December 2023. Further details are set out in note 2.

Consolidated statement of financial position continued
As at 31 December

	Note	2024 $'000	2023 Restated[1] $'000
Non-current liabilities			
Borrowings	20	**(1,011,923)**	(718,238)
Decommissioning liabilities	23	**(2,502,372)**	(1,752,652)
Lease liability	25	**(20,712)**	(660)
Other provisions	24	**(36,190)**	–
Contingent and deferred consideration	26	**(209,763)**	(258,700)
Derivative financial instruments	31	**(20,987)**	–
		(3,801,947)	(2,730,250)
Total liabilities		**(5,234,609)**	(3,802,187)
Net assets		**3,040,377**	2,521,345
Shareholders' equity			
Share capital	27	**20,029**	11,540
Share premium	27	**1,161,615**	308,845
Capital contribution reserve	27	**181,945**	181,945
Own shares	27	**(9,592)**	(12,412)
Share-based payment reserve	27	**18,788**	15,494
Cash flow hedge reserve	30	**(15,784)**	39,818
Cost of hedging reserve	30	**(9,132)**	4,068
Retained earnings		**1,692,508**	1,972,047
Total equity		**3,040,377**	2,521,345

1 Deferred tax assets and retained earnings have been restated at 31 December 2023. Further details are set out in note 2.

The accompanying notes on pages 187 to 243 are an integral part of the financial statements.

Approved on behalf of the Board on 25 March 2025:

Iain C S Lewis
Director

Consolidated statement of changes in equity
For the year ended 31 December

	Note	Share capital $'000	Share premium $'000	Capital contribution reserve $'000	Own shares $'000	Share-based payment reserve $'000	Cash flow hedge reserve $'000	Cost of hedging reserve $'000	Retained earnings $'000	Total $'000
Balance at 1 January 2023		11,445	293,712	181,945	–	4,920	16,710	3,275	1,945,465	2,457,472
Dividends paid	34	–	–	–	–	–	–	–	(265,972)	(265,972)
Issuance of shares	27	95	15,133	–	(15,228)	–	–	–	–	–
Share-based payments	27	–	–	–	2,816	10,574	–	–	–	13,390
Comprehensive income for the year:										
Profit for the year as previously stated (note 2)		–	–	–	–	–	–	–	215,635	215,635
Prior period adjustment (note 2)		–	–	–	–	–	–	–	76,919	76,919
Profit for the year as restated (note 2)		–	–	–	–	–	–	–	292,554	292,554
Other comprehensive income		–	–	–	–	–	23,108	793	–	23,901
Total comprehensive income for the year		–	–	–	–	–	23,108	793	292,554	316,455
Balance at 31 December 2023 and 1 January 2024 as restated		11,540	308,845	181,945	(12,412)	15,494	39,818	4,068	1,972,047	2,521,345
Dividends paid	34	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(432,692)**	**(432,692)**
Issuance of shares	27	**8,489**	**852,770**	**–**	**–**	**–**	**–**	**–**	**–**	**861,259**
Share-based payments	27	**–**	**–**	**–**	**2,820**	**3,294**	**–**	**–**	**–**	**6,114**
Comprehensive income for the year:										
Profit for the year		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**153,153**	**153,153**
Other comprehensive expense		**–**	**–**	**–**	**–**	**–**	**(55,602)**	**(13,200)**	**–**	**(68,802)**
Total comprehensive income/(expense) for the year		**–**	**–**	**–**	**–**	**–**	**(55,602)**	**(13,200)**	**153,153**	**84,351**
Balance at 31 December 2024		**20,029**	**1,161,615**	**181,945**	**(9,592)**	**18,788**	**(15,784)**	**(9,132)**	**1,692,508**	**3,040,377**

Consolidated statement of cash flows
For the year ended 31 December

	Note	2024 $'000	2023 $'000
Cash provided by/(used in):			
Operating activities			
Profit before tax		**334,339**	302,027
Adjustments for:			
Depletion, depreciation and amortisation	15	**600,216**	740,300
Exploration and evaluation expenses	14	**24,557**	13,634
Impairment charges on development and production assets	19	**262,984**	557,936
(Decrease)/increase in contingent consideration		**(27,317)**	8,008
Loan fee amortisation	9	**13,222**	4,508
Fair value gains on derivatives	30	**(344)**	(43,059)
Accretion on decommissioning liabilities	9	**82,908**	76,162
Other finance costs	9	**104,451**	109,054
Interest income	9	**(11,164)**	(5,688)
Unrealised foreign exchange on cash and cash equivalents		**986**	(1,725)
Share-based payment expenses	33	**6,114**	13,390
Decommissioning expenditure	23	**(94,098)**	(95,552)
Operating cash flows before movements in working capital		**1,296,854**	1,678,995
(Increase)/decrease in inventories		**(84,212)**	26,386
Decrease in trade and other receivables		**113,969**	12,540
Decrease in trade and other payables		**(131,424)**	(249,760)
Operating cash flows		**1,195,187**	1,468,161
Taxation paid		**(351,267)**	(176,305)
Settlement of foreign exchange and commodity derivative financial instruments		**(1,801)**	(6,739)
Interest received	9	**11,164**	5,688
Net cash from operating activities		**853,283**	1,290,805

Consolidated statement of cash flows continued
For the year ended 31 December

	Note	2024 $'000	2023 $'000
Investing activities			
Capital expenditure		**(464,078)**	(478,838)
Business combinations cash acquired	17	**107,475**	–
Increase in other financial assets		**(11,317)**	–
Deferred consideration payments	26	–	(6,367)
Contingent consideration payments	26	**(22,994)**	(7,200)
Net cash used in investing activities		**(390,914)**	(492,405)
Financing activities			
Dividends paid	34	**(432,692)**	(265,972)
Payments for lease liabilities (principal)	25	**(27,870)**	(41,902)
Drawdown/(repayment) of RBL loan		**150,000**	(600,000)
Fees paid on RBL refinancing	20	**(31,671)**	–
Proceeds of Senior Notes 2029 net of repayment of Senior Notes 2026 and fees[1]	20	**86,781**	–
(Repayment)/drawdown of bp loan	20	**(100,000)**	100,000
Interest and charges paid		**(94,664)**	(99,825)
Interest rate swaps	30	**638**	6,967
Net cash used in financing activities		**(449,477)**	(900,732)
Currency translation differences relating to cash		**(986)**	1,725
Increase/(decrease) in cash and cash equivalents		**11,908**	(100,607)
Cash and cash equivalents at 1 January		**153,215**	253,822
Cash and cash equivalents at 31 December		**165,123**	153,215

1 A net receipt of $86.8 million reflects Senior Notes 2029 proceeds of $750.0 million less repayment of Senior Notes 2026 of $625.0 million less fees and interest of $38.2 million comprising $14.1 million of early repayment charges and $15.1 million interest on the Senior Notes due 2026 and $9.0 million of fees in relation to the Senior Notes due 2029.

The accompanying notes on pages 187 to 243 are an integral part of the financial statements.

Notes to the consolidated financial statements

1. General information

Ithaca Energy plc (the Group or Ithaca Energy), is a public Company limited by shares incorporated and domiciled in the UK and is a Group involved in the development and production of oil and gas in the North Sea. The Group's registered office is 33 Cavendish Square, London, W1G 0PP, United Kingdom.

2. Basis of preparation

The consolidated financial statements are prepared in accordance with United Kingdom adopted International Accounting Standards (IAS) and in conformity with the requirements of the Companies Act 2006.

The consolidated financial statements are presented in US Dollars as this is the functional currency of the business. All values are rounded to the nearest thousand ($'000), except when otherwise indicated.

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the periods presented.

Prior period adjustments

During the preparation of the Q1 2024 condensed consolidated financial statements, management identified an incorrect calculation in the 2023 deferred EPL tax charge related to the impairment charge of $229.5 million recorded in Q4 of 2023. As a result of this incorrect calculation, the tax charge and the profit for the year to 31 December 2023 were overstated and understated, respectively by $76.9 million, and the net deferred tax asset and retained earnings were both understated by $76.9 million at 31 December 2023.

Details of amounts as previously stated, prior period adjustments and amounts as restated were:

Statement of financial position as at 31 December 2023:	As previously stated	Prior period adjustment	As restated
Deferred tax assets ($'000)	627,738	76,919	**704,657**
Retained earnings ($'000)	1,895,128	76,919	**1,972,047**
Net assets ($'000)	2,444,426	76,919	**2,521,345**

Statement of profit or loss for the year to 31 December 2023:	As previously stated	Prior period adjustment	As restated
Income tax charge ($'000)	(86,392)	76,919	**(9,473)**
Profit for the year ($'000)	215,635	76,919	**292,554**
Basic EPS (cents)	21.4	7.7	**29.1**
Diluted EPS (cents)	21.2	7.5	**28.7**

3. Material accounting policies, judgements and estimation uncertainty

Basis of measurement

The consolidated financial statements have been prepared on a going concern basis using the historical cost convention, except for the revaluation of certain financial assets and financial liabilities, under International Financial Reporting Standards (IFRS), to fair value, including derivative instruments. Historical cost is generally based on the fair value consideration given in exchange for the assets and liabilities.

Going concern

Management closely monitor the funding position of the Group, including monitoring compliance with covenants and available facilities to ensure sufficient headroom is maintained to fund operations. Management have considered a number of risks applicable to the Group that may have an impact on the Group's ability to continue as a going concern. Short-term and long-term cash forecasts are prepared on a weekly and quarterly basis respectively, along with any related sensitivity analysis. This allows proactive management of any business risk including, liquidity risk.

3. Material accounting policies, judgements and estimation uncertainty continued

The Directors consider the preparation of the financial statements on a going concern basis to be appropriate. This is due to the following key factors:

- Continuing robust commodity price backdrop and a well-hedged portfolio over the next 12 months;
- Reserves Based Lending (RBL) liquidity headroom of $850 million ($150 million drawn versus $1,000 million available), plus $383 million of cash as at 14 March 2025; and
- Robust operational performance and a well-diversified portfolio.

Cash flow forecast – base case assumptions:		2025	H1 2026
Average oil price	$/bbl	71	68
Average gas price	p/th	107	96
Average hedged oil price (including floor price for zero cost collars)	$/bbl	75	70
Average hedged gas price (including floor price for zero cost collars)	p/th	91	89

The oil and gas price assumptions used in the going concern and viability assessments represent management's current best estimates at the date of approval of the Annual Report and Accounts, as supported by data from third-party analysis, of future commodity prices whereas the commodity prices used in impairment testing (see note 19) are based on market conditions at 31 December 2024.

Owing to the ongoing fluctuations in commodity demand and price volatility, management prepared sensitivity analyses to the forecasts and applied a number of plausible downside scenarios, including decreases in production of 10%, reduced sales prices of 20% and increases in operating and capital expenditures of 10%. Management aggregated these scenarios to create a reasonable combined worst-case scenario. The sensitivity analysis showed that, without any consideration of the mitigation strategies within management's control, there was no reasonably possible scenario that would result in the business being unable to meet its liabilities as they fell due. In addition, reverse stress tests have been performed reflecting further reductions in commodity prices, prior to any mitigating actions, to determine at what levels prices would have to reach such that there is no liquidity headroom left. The stress tests demonstrated that the likelihood of the fall in prices required to cause a liquidity issue is considered sufficiently remote in the context of the mitigation strategies available to management. The mitigation strategies within the control of management include a reduction in uncommitted capital expenditure and variable opex savings in the low production scenario. The analysis demonstrated that the Group would still continue to comply with financial covenants and have sufficient liquidity throughout the period to 30 June 2026 to continue trading.

Based on their assessment of the Group's financial position in the period to 30 June 2026, the Directors believe that the Group will be able to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Basis of consolidation

The consolidated financial statements of the Group includes the financial information of Ithaca Energy plc and all wholly-owned subsidiaries as listed per note 32. All intergroup transactions and balances have been eliminated on consolidation.

Subsidiaries are all entities over which the Group has control. The plc controls an entity when the Group is exposed to or has rights to variable returns from its investments with the entity and has the ability to affect those returns through its power over the investee. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated on the date that control ceases.

Impact of climate change on the financial statements and related notes

Judgements 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 consolidated financial statements. These may have the potential for significant impacts on the carrying values of the Group's assets and liabilities discussed below as well as on assets and liabilities that may be reflected in the future. There is also the potential for significant impact on future cash flows. There is generally a high level of uncertainty about the speed and magnitude of impacts of climate change which, together with limited historical data, provides significant challenges in the preparation of forecasts and financial plans with a wide range of potential future outcomes.

The Group's ambition is to have one of the lowest carbon emission portfolios in the UK North Sea and to achieve Net Zero (whereby the amount of CO_2 added by the Group's activities is no greater than the amount taken away), on a net equity basis (by applying the Group's working interest in each respective asset to the total emissions of that asset), and in respect of Scope 1 and 2 emissions, by 2040, ten years ahead of the North Sea Transition Deal commitment. This will be achieved by optimising the Group's current portfolio in the short term and fundamentally transitioning the Group's portfolio over the medium to long term whilst maintaining forecast levels of production. Initiatives include, but are not limited to, operational improvements, offshore electrification, acquisition and investment into lower carbon intensity assets and the eventual cessation of production of mature fields which have higher carbon intensity. In addition, the Eni UK Business Combination has given the Group a portfolio with a relatively lower carbon footprint. Where the Group cannot reduce Scope 1 and Scope 2 emissions, Ithaca Energy will invest in carbon offsets to achieve the Group's goal of Net Zero. All new economic investment decisions include estimated costs of the energy transition based on existing technology and estimated costs of carbon and these opportunities are assessed on their climate impact potential and alignment with Ithaca Energy's Net Zero target, taking into account both greenhouse gas volumes and emissions intensity.

3. Material accounting policies, judgements and estimation uncertainty continued

Specific considerations of the potential impacts of climate change on significant judgements and estimates used in the consolidated financial statements are considered below. The items outlined below are likely to manifest themselves over a number of years and are, therefore, not generally considered to represent 'key sources of estimation uncertainty' as required by IAS 1 (being those which could have a material impact on the Group's results in the 12 months following the date of the consolidated statement of financial position) which are separately disclosed later in this note.

Impairment of goodwill and property, plant and equipment

The energy transition has the potential to significantly impact future commodity and carbon prices in that as the UK and global energy system decarbonises, reduced demand for oil and gas products in favour of low carbon alternatives could cause oil and gas prices to fall which would, in turn, affect the recoverable amount of goodwill and property, plant and equipment. In the current period management's estimate of the long-term commodity price assumptions are, in nominal terms from 2031, $83/bbl for Brent Crude and 87p/therm for UK NBP gas. Further details of climate change, including a sensitivity in this area are provided in note 19.

Recoverable values used for impairment testing for all cash-generating units (CGUs) include the estimated cost of UK carbon emissions allowances in real terms for CO_2e of £50/tonne, £70/tonne and £80/tonne for 2025,2026 and 2027 respectively. The recoverable value of CGU's may be impacted by future carbon pricing legislation changes, which could increase operating costs through higher emissions allowances or the introduction of other carbon pricing mechanisms. Electrification of offshore operations for specific assets is planned in line with the Group's 2040 Net Zero ambitions and where feasible based on existing technology, estimated electrification costs of a market participant are included within the assessment of the recoverable value of the relevant CGU.

Property, plant and equipment – depreciation and useful economic lives

The energy transition has the potential to reduce the expected useful economic lives of assets and hence accelerate depreciation charges. Although no changes have been identified or recognised to date, as noted in the Strategic Report on page 60, it is anticipated that certain higher emission-intensity assets such as FPF-1 and Alba will cease production in the medium term and will be replaced by new lower-emission intensity assets. Management does not currently expect the useful economic lives of the Group's reported property, plant and equipment to significantly change solely as a result of the energy transition. However, significant capital expenditure is still required for ongoing projects and therefore, the useful lives of future capital expenditure may be different.

Intangible assets – exploration and evaluation assets

The impacts of climate change and the energy transition may affect the viability of exploration prospects, for example due to the impact on future commodity and carbon prices (as explained above) or due to the increased risk of regulatory challenge as prospects progress through to development. The recoverability of the existing intangibles was considered during 2024, however, no significant write-offs were identified as a result of climate change considerations. Viability of these assets will continue to be assessed on a regular basis.

Decommissioning provisions

Most of the Group's existing decommissioning obligations are estimated to be completed over the course of the next 20 years. The impacts of climate change and the energy transition may bring forward the expected timing of decommissioning activity, increasing the present value of the associated decommissioning provisions. The potential impact of a reasonably possible acceleration of estimated decommissioning dates, which considers the potential impact of the energy transition, is considered to be two years. The impact of such an acceleration of cessation of production across the Group's entire producing portfolio would result in an increase in the decommissioning provision of approximately $93 million (2023: $69 million). The risk in this area may increase if key assets within the Group's existing exploration, appraisal and development portfolio proceed to the production stage, as this is likely to significantly extend the life of the Group's portfolio, in some cases to 2050 or beyond.

While the pace of the transition to a lower-carbon economy is uncertain, oil and gas demand is expected to remain a key element of the energy mix for many years based on stated policies, commitments and announced pledges to reduce emissions. Therefore, given the estimated useful lives of the Group's oil and gas portfolio, a material adverse change is not anticipated to the carrying value of the Group's assets and liabilities in the short-term as a result of climate change and the transition to a lower-carbon economy.

Business combinations

Business combinations are accounted for using the acquisition method. The cost of a business combination is measured as the fair value of the consideration given for the assets acquired, equity instruments issued and liabilities incurred or assumed at the date of completion of the business combination. Transaction costs incurred are expensed and included in administrative expenses. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the date of the business combination. The excess of the cost of the business combination over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of the business combination is less than the Group's share of the net assets acquired, the difference is recognised directly in the consolidated statement of profit or loss as a gain on bargain purchase.

3. Material accounting policies, judgements and estimation uncertainty continued

Goodwill

Capitalisation

Goodwill is initially recognised and measured as set out above. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Impairment

Goodwill is tested annually for impairment and also when circumstances indicate that the carrying value may be at risk of being impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU or Group of CGUs to which the goodwill relates. If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss is recognised in the consolidated statement of profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods. The CGU for the purposes of the goodwill test is the North Sea, i.e. the entire Group portfolio of oil and gas assets which is consistent with the operating segment view of the business.

Interest in joint ventures

Under IFRS 11, joint arrangements are those that convey joint control which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor.

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

Revenue

The sale of crude oil, gas or condensate represents a single performance obligation, being the sale of barrels equivalent on collection of a cargo or on delivery of commodity into an infrastructure. Revenue is accordingly recognised for this performance obligation when control over the corresponding commodity is transferred to the customer. Revenue is recognised at a point in time and is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected for third parties. Details of hedging gains and losses presented in revenue are discussed in the hedging accounting policy set out below.

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

Foreign currency translation

Items included in these consolidated financial statements are measured using the currency of the primary economic environment in which the Group and its subsidiaries operate (the functional currency). The consolidated financial statements are presented in US Dollars, which is the Group's presentation currency as well as the functional currency of the Parent Company and each of its subsidiaries. In preparing the financial statements of the parent and its subsidiaries, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- Exchange differences on transactions entered into to hedge certain foreign currency risks (see below under financial instruments/hedge accounting).

Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders. Details of dividends paid and declared are set out in note 34.

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. Measurement in subsequent periods is dependent on the classification of the respective financial instrument.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the carrying amount of the financial asset derecognised and the consideration received/receivable is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The Group considers whether refinancing arrangements represent settlement of the existing debt and issuance of a new debt or an exchange or modification of the previous debt. In making this assessment, the Group considers, amongst other factors, pre-existing early redemption options in the original agreement, the group of lenders to which the new debt is offered and any preferential terms or rights given to the original lenders. Where the new debt is considered to represent an arms-length market offering, the issuance of the new debt is viewed as separate from the extinguishment of the old debt and is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid/payable (excluding consideration payable for fees incurred on the new liability or accrued interest) is recognised in profit or loss.

IFRS 9 classifications

Cash and cash equivalents are classified at amortised cost which equates to its fair value. Accounts receivable and long-term receivables are classified and carried at amortised cost less expected credit losses. These items have a business model of held to collect and the terms of the financial instrument meet the classification of solely payments of interest on principle outstanding. Accounts payable, accrued liabilities, certain other long-term liabilities, and borrowings are classified as other financial liabilities and carried at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, discount or premium. Contingent consideration is measured at fair value though profit or loss. Although the Group does not intend to trade its derivative financial instruments, they are required to be carried at fair value with the treatment of fair value movements explained further below.

Transaction costs, presentation and cash flows

Transaction costs that are directly attributable to the acquisition or issue of a financial asset or liability (excluding the costs directly attributable to the new loan commitment facilities) have been included in the carrying value of the related financial asset or liability and are amortised to consolidated net earnings over the life of the financial instrument using the effective interest method.

Directly attributable fees paid on the establishment of new loan commitment facilities are capitalised to the extent that it is probable that some or all of the facility will be drawn down. These costs are recognised on a systematic basis over the period the Group is able to draw down. Fees that are calculated based on the usage of the facility (including letter of credit fees) are expensed as incurred.

Borrowings are presented as non-current when they are not due to be settled within twelve months after the reporting period or where the Group has the right at the end of the reporting period to defer settlement for at least twelve months after the reporting period.

Cash flows relating to refinancing are presented in the Statement of Cash Flows on a net basis where that reflects the actual cash flows received by the Group. The refinancing proceeds in the Statement of Cash Flows are stated after deduction of fees which were deducted from the amount paid to the Group. Other fees paid on refinancing are presented as a separate line item within financing activities or within Interest and charges paid in the Statement of Cash Flows.

Impairment of financial assets

For trade receivables and accrued income, the Group applies a simplified approach in calculating expected credit losses (ECLs). Therefore, the Group does not track changes in credit risk, but instead, recognises any material loss allowance based on lifetime ECLs at each reporting date. For all other financial assets, the Group measures the loss allowance using 12-month expected credit losses unless there was a significant increase in credit risk since initial recognition in which case the loss allowance is measured using lifetime expected credit losses.

In making this assessment whether the credit risk increased significantly since initial recognition, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. The Group considers that the credit risk increased significantly since initial recognition when the credit rating changes, the debtor has significant financial difficulty or if there was a breach of contract. For balances that are beyond 30 days overdue it is presumed to be an indicator of a significant increase in credit risk.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

3. Material accounting policies, judgements and estimation uncertainty continued

Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to commodity risks, interest rate and foreign exchange rate risks. These instruments include: commodity swaps, collars and options; foreign exchange forward contracts and collars; and interest rate swaps. Further details of derivative financial instruments are disclosed in notes 30 and 31.

Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss on remeasurement of derivatives is recognised in profit or loss immediately unless the derivative is designated in a hedge relationship and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Group has both a legally enforceable right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives maturing in less than 12 months and expected to be realised or settled in less than 12 months are presented as current assets or current liabilities.

Hedge accounting

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

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio, but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

The Group designates only the intrinsic value of option contracts as a hedging instrument, i.e. excluding the time value of the option. The changes in the fair value of the aligned time value of the option are recognised in other comprehensive income and accumulated in the cost of hedging reserve. If the hedged item is transaction-related, the time value is reclassified to profit or loss when the hedged item affects profit or loss. If the hedged item is time-period related, then the amount accumulated in the cost of hedging reserve is reclassified to profit or loss on a rational basis – the Group applies straight-line amortisation. Those reclassified amounts are recognised in profit or loss in the same line as the hedged item. If the Group expects that some or all of the loss accumulated in the cost of hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedge reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'other gains and losses' line item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same revenue line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect other comprehensive income. Furthermore, if the Group expects that some or all of the loss accumulated in the cash flow hedge reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in other comprehensive income and accumulated in cash flow hedge reserve at that time remains in equity and is reclassified to profit or loss when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in the cash flow hedge reserve is reclassified immediately to profit or loss.

If a hedge of a transaction-related item is discontinued part way through the life of the hedge (e.g. due to early termination of the swap, hedging resets), but the hedged item is still expected to occur, the amounts deferred in equity would remain in equity until the earlier of: (i) the hedged transaction occurring; or (ii) expectation that the amount deferred in equity will not be recovered in the future periods.

Note 30 and note 31 set out details of the fair values of the derivative instruments used for hedging purposes, and movements in the cash flow hedge reserve and cost of hedging reserve in equity are detailed in note 30.

3. Material accounting policies, judgements and estimation uncertainty continued

Contingent and deferred consideration

Contingent consideration in relation to a business combination or asset acquisition is accounted for as a financial liability and measured at fair value at the date of acquisition with any subsequent remeasurements recognised in profit or loss in accordance with IFRS 9. These fair values are generally based on risk-adjusted future cash flows discounted using appropriate discount rates. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the date of the business combination) about facts and circumstances that existed at the date of the business combination.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

Deferred consideration is measured at amortised cost because the amount payable in the future is fixed.

Settlement of contingent consideration is recorded as investing outflows in the cash flow statement to the extent that cumulative amounts paid do not exceed the amount recognised at the date of acquisition, with any excess recorded as an operating cash outflow. Settlement of deferred consideration is recorded as either an investing or financing outflow in the cash flow statement, depending on the substance of the arrangement at inception. Key considerations in forming this judgement will include the extent of inferred financing costs included in the overall consideration arrangements at acquisition, the period of time over which the payments are made, the rationale for agreeing to defer elements of the consideration and the general level of funding resources available to the Group at the time of acquisition.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include investments with an original maturity of three months or less. In the statement of financial position, cash and bank balances comprise cash (i.e. cash on hand and demand deposits) and cash equivalents. Cash equivalents are short-term (generally with original maturity of three months or less), highly-liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Inventories – hydrocarbon and materials

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

Lifting or offtake arrangements

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

Exploration and evaluation assets

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

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

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

3. Material accounting policies, judgements and estimation uncertainty continued

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.

Property, plant and equipment

Oil and gas expenditure – D&P assets

Capitalisation

Costs of bringing a field into production, including the cost of facilities, wells and subsea equipment, direct costs including staff costs together with E&E assets reclassified in accordance with the above policy, are capitalised as a D&P asset. Normally each individual field development will form an individual D&P asset but there may be cases, such as phased developments, or multiple fields around a single production facility when fields are grouped together to form a single D&P asset.

Depreciation

All costs relating to a development are accumulated and not depreciated until the commencement of production. Depreciation is calculated on a unit of production basis based on the proved and probable reserves of the asset generally on a field-by-field basis. Any re-assessment of reserves affects the depreciation rate prospectively. Significant items of plant and equipment will normally be fully depreciated over the life of the field. However, these items are assessed to consider if their useful lives differ from the expected life of the D&P asset.

Non-oil and natural gas operations

Non-oil and gas assets are initially recorded at cost and depreciated over their estimated useful lives on a straight-line basis as follows:

Buildings	10 years
Computer and office equipment	3 years
Furniture and fittings	5 years

Impairment

For impairment review purposes the Group's oil and gas assets are aggregated into CGUs typically on a field-by-field basis for development and production assets in accordance with IAS 36, and on a North Sea segment basis for exploration and evaluation assets in accordance with IFRS 6. A review is carried out at each reporting date for any indicators that the carrying value of the Group's assets may be impaired. Such reviews are carried out on a field-by-field basis for both development and production assets and exploration and evaluation assets. For assets where there are such indicators, an impairment test is carried out on the CGU. The impairment test involves comparing the carrying value with the recoverable value of an asset. The recoverable amount of an asset is determined as the higher of its fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to the recoverable amount. The resulting impairment losses are written off to the consolidated statement of profit or loss. Previously impaired assets (excluding goodwill) are reviewed for possible reversal of previous impairment at each reporting date. The maximum possible reversal is capped at the net book value
had the asset not been impaired in the past. Where an exploration and evaluation licence is relinquished, amounts capitalised in respect of the licence are written off to profit or loss in the period in which the licence is relinquished.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed as incurred. Borrowing costs directly attributable to E&E assets are not capitalised and are expensed directly to profit or loss when incurred.

3. Material accounting policies, judgements and estimation uncertainty continued

Decommissioning liabilities

The Group records the present value of legal obligations associated with the retirement of long-term tangible assets, such as producing well sites and processing plants, in the period in which they are incurred with a corresponding increase in the carrying amount of the related long-term asset. Liabilities for decommissioning are recognised when the Group has an obligation to plug and abandon a well, dismantle and remove a facility or an item of plant and restore the site on which it is located, and when a reliable estimate can be made. Where the obligation exists for a new facility or well, such as oil and gas production or transportation facilities, the obligation generally arises when the asset is installed or the ground/environment is disturbed at the field location. In subsequent periods, the asset is adjusted for any changes in the estimated amount or timing of the settlement of the obligations. The amount recognised is the present value of the estimated future expenditure determined in accordance with local conditions and requirements. Changes in decommissioning cost estimates for assets that have either been fully written off or have ceased production are expensed as impairment charges in the period the change occurs. The carrying amounts of the associated decommissioning assets are depleted using the unit of production method in accordance with the depreciation policy for development and production assets. Actual costs to retire tangible assets are deducted from the liability as incurred. The unwinding of discount in the net present value of the total expected cost is treated as an interest expense. Changes in the estimates are reflected prospectively over the remaining life of the field.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a reimbursement asset is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The amount recognised for the reimbursement may not exceed the amount of the provision.

Taxation

Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted by the reporting date. Taxable profit differs from net profit, as reported in the consolidated statement of profit or loss, because it excludes items of income or expense that are taxable or deductible in other accounting periods and it further excludes items of income or expenses that are never taxable or deductible.

Deferred tax

Deferred tax is recognised using the liability method, providing for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they are forecast to reverse, based on the laws that have been enacted or substantively enacted at each balance sheet date. Details of changes in EPL and other tax matters are set out in note 28. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill and deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and all available evidence is considered in evaluating the recoverability of these deferred tax assets. Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities relating to taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred Petroleum Revenue Tax (PRT) assets are recognised where PRT relief on future decommissioning costs is probable.

Leases

The Group assesses at contract inception all arrangements to determine whether it is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group is not a lessor in any transactions, it is only a lessee. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee. The Group has elected to apply Paragraph 6 of IFRS 16 to short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets (such as tablets and personal computers, small items of office furniture and telephones). Lease payments associated with these leases are expensed over the relevant lease term.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The right-of-use asset is depreciated over the useful life of the asset.

The Group's right-of-use assets are included in property, plant and equipment (note 15).

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is generally not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

3. Material accounting policies, judgements and estimation uncertainty continued

The Group has elected to apply the practical expedient under IFRS 16.15 to account for lease and associated non-lease components as a single lease component on a class-of-asset basis.

Maintenance expenditure

Expenditure on major maintenance refits or repairs is capitalised where it enhances the life or performance of an asset above its originally assessed standard of performance, replaces an asset or part of an asset which was separately depreciated and which is then written off, or restores the economic benefits of an asset which has been fully depreciated. All other maintenance expenditure is charged to the statement of profit or loss as incurred.

Share-based payments

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value is expensed over the vesting term either on a straight-line basis or as specified in the vesting terms, based on the Group's estimate of shares that will eventually vest and is adjusted for the effects of non-market-based vesting conditions.

Fair value is measured by using a Black-Scholes or other appropriate valuation model. The expected life used in the model is adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations.

Retirement benefit costs

The Group operates a defined contribution pension scheme and payments into this plan are charged as an expense as they fall due. There is no further obligation to pay contributions into the plan once the contributions specified in the plan rules have been paid.

Short-term employee benefits

A charge or liability is recognised for benefits accruing to employees in respect of salaries, bonuses, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid for that service. Charges or liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Non-GAAP measures

In measuring the Group's adjusted operating performance, additional financial measures derived from the reported results have been used by management in order to eliminate factors which distort year-on-year comparisons. The Group's adjusted performance is used to explain year-on-year changes when the effect of certain items is significant, including impairment charges or reversals, business combination costs, one-off finance charges related to refinancing, the tax effect of these items where applicable and non-cash deferred tax charges on the increase in rate of EPL.

Adjusted EBITDAX, adjusted net income, adjusted EPS, unit operating expenditure, leverage ratio, adjusted net debt and certain other reported metrics are non-GAAP measures that are not specifically defined under IFRS or other generally accepted accounting principles. Further details are set out on pages 249 to 252.

Changes in accounting pronouncements

The Group has adopted all new and amended IFRS Standards effective in the consolidated financial statements for the period 1 January 2023 to 31 December 2024. There was no material impact from these or from any of the amendments to existing standards and interpretations which were effective from 1 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

3. Material accounting policies, judgements and estimation uncertainty continued

New and revised IFRS Standards in issue but not yet effective

As at 31 December 2024 , the Group had not applied the following new Standards or revisions to existing IFRS Standards, that have been issued but are not yet effective.

IFRS S1	*General requirements for disclosure of sustainability related financial information*
IFRS S2	*Climate related disclosures*
Amendments to SASB standards	*Amendments to the SASB standards to enhance their international applicability*
Amendments to IAS 21	*Lack of exchangeability*
Amendments to IFRS 9 and IFRS 7	*Amendments to the classification and measurement of financial instruments*
Amendments to IFRS 9 and IFRS 7	*Contracts referencing nature-dependent electricity*
Annual improvements to IFRS	*Annual improvements to IFRS Accounting Standards – volume 11*
IFRS 18	*Presentation and disclosures in financial statements*
IFRS 19	*Subsidiaries without public accountability: disclosures*

With the exception of IFRS S1, IFRS S2 and IFRS 18, the Group does not expect that the adoption of the new Standards or amendments to existing Standards, listed above, will have a material impact on the consolidated financial statements of the Group in future periods. The Group is currently assessing the impact of the sustainability and climate Standards which will apply from 1 January 2026 and the Group is also considering the impact of the adoption of IFRS 18 which will apply from 1 January 2027 onwards.

Critical judgements and key sources of estimation uncertainties

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Estimates in oil and gas reserves and contingent resources

The Group's estimates of oil and gas reserves and contingent resources, and the associated production forecasts, are used in the impairment testing of property plant and equipment and goodwill, in the measurement of depletion and decommissioning provisions, the measurement of certain elements of contingent consideration, the going concern assessment, the viability assessment and in the determination of whether deferred tax assets are recoverable. The business of the Group is to enhance hydrocarbon recovery and extend the useful lives of mature and underdeveloped assets and associated infrastructure in a profitable and responsible manner. Estimates of oil and gas reserves and contingent resources require significant judgement. Factors such as the availability of geological and engineering data, reservoir performance data, drilling of new wells and estimates of future oil and gas prices all impact on the determination of the Group's estimates of its oil and gas reserves, which could result in different future production profiles affecting prospectively the discounted cash flows used in impairment testing.

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

For the purposes of depletion and decommissioning estimates, the Group uses proved and probable reserves; and for the purposes of the impairment tests performed and deferred tax asset recoverability, the Group considers the same proved and probable reserves as well as risked resource volumes. These risking adjustments are reflective of management's assessment of technical and commercial factors that reflect the value considerations of a market participant. Changes in estimates of oil and gas reserves and resources resulting in different future production profiles will affect the discounted cash flows used in impairment testing, the anticipated date of decommissioning, the depletion charges in accordance with the unit of production method and the recoverability of deferred tax assets. The sensitivity of the Group's impairment tests and deferred tax recoverability assessments to key sources of estimation uncertainty, including reserves and resources, is discussed below.

3. Material accounting policies, judgements and estimation uncertainty continued

Estimates in impairment of oil and gas assets and goodwill

Determination of whether the Group's oil and gas assets (note 15) or goodwill (note 18) have suffered any impairment requires an estimation of the recoverable amount of the CGU to which oil and gas assets and goodwill have been allocated. Projected future cash flows are used to determine a fair value less cost to sell to establish the recoverable amount. Key assumptions and estimates in the impairment models relate to: commodity prices that are based on an external view of forward curve prices that are considered to be a best estimate of what a market participant would use; discount rates which reflect management's estimate of a market participant post-tax weighted average cost of capital; and oil and gas reserves and resources on a risked basis as described above. Management's estimates of a market participant's view of pricing and discount rates are supplied by an independent consultant.

The sensitivity of the Group's carrying amounts to these assumptions is illustrated by the impairments and reversals disclosed in note 19, and by the sensitivity disclosures in note 19. Sensitivity disclosures include, in particular, the impact of a 20% reduction in forecast revenues.

Contingent consideration

Liabilities for contingent consideration have been recognised on certain business combinations, which are measured at fair value at acquisition and remeasured at fair value through profit and loss at each reporting date. The amounts of contingent consideration ultimately payable depend on several factors, including the progress of certain of the oil and gas properties acquired and the achievement of certain production and commodity price thresholds. Management has estimated the fair value as the aggregate value of each element of the contingent consideration in each case using an appropriate valuation technique, taking into account the likelihood of occurrence of each contingent event and the net present value of the amount potentially payable. Where applicable, risking assumptions applied in the measurement of contingent consideration were consistent with those applied in the fair valuation of the related oil and gas properties.

A 20% decrease in the probability of a trigger event occurring and hence a payment being due, with all other assumptions held constant, would result in a decrease in contingent consideration of $84.2 million (2023: $97.1 million). Whereas a 20% increase in probability of a trigger event occurring, with all other assumptions held constant, would result in an increase in contingent consideration of $80.4 million (2023: $84.1 million).

Decommissioning provision estimates

Amounts used in recording a provision for decommissioning are estimates based on current legal and constructive requirements and current technology and price levels for the removal of facilities and plugging and abandoning of wells. Due to changes in relation to these items, the future actual cash outflows in relation to decommissioning are likely to differ in practice. To reflect the effects due to changes in legislation, requirements, technology and price levels, the carrying amounts of decommissioning provisions are reviewed on a regular basis. The effects of changes in estimates do not give rise to prior year adjustments and are dealt with prospectively. For operated assets, cost estimates are based on management's assessment of work programmes (including durations) and supply chain conditions including, amongst other factors, applicable vessel and rig rates and durations. For non-operated assets, cost estimates are arrived at by management's review of the basis of estimates as provided by the respective operators.

While the Group uses its best estimates and judgement, actual results could differ from these estimates. Expected timing of expenditure can also change, for example in response to changes in laws and regulations or their interpretation, and/or due to changes in commodity prices. The payment dates are uncertain and depend on the production lives of the respective fields. Management does not expect any reasonable change in the expected timing of decommissioning to have a material effect on the decommissioning provisions, assuming cash flows remain unchanged. Decommissioning costs are expected to be incurred over the next 40 years. Whereas previously the Group used a uniform nominal discount rate over all future years, it has now revised its methodology to use a short-to-medium-term nominal discount rate and a long-term nominal discount rate. The Group uses a nominal discount rate of 4.38% for the first five years and 4.86% thereafter (31 December 2023: 4.60% for all years), based on the average risk-free rate over the second half of 2024, to discount the estimated costs. The inflation rate applied to estimated costs is 2.0% (2023: 2.0%). Given the long-term nature of the Group's decommissioning liabilities and the historic compounded inflation rates in the industry, management do not believe that the current short-term inflationary pressures will have a material impact on the decommissioning liabilities of the Group. A reduction or an increase in this discount rate of 1% would increase or reduce the decommissioning liabilities by approximately $288 million or $247 million, respectively (2023: $223 million or $188 million, respectively), and is not expected to have a material impact on the corresponding decommissioning reimbursement asset. For further details regarding the estimated value, inputs and assumptions refer to note 23. Given the large number of variables involved, management consider that it is not practical to provide sensitivities for the various other individual assumptions but the aggregated impact of related changes in the next 12 months could be material.

3. Material accounting policies, judgements and estimation uncertainty continued

Taxation estimates

The Group's operations are subject to a number of specific tax rules which apply to exploration, development and production companies such as the Energy Profits Levy at 35% to 31 October 2024 and 38% thereafter, ring-fenced Corporation Tax at 30%, the Supplementary Charge of 10% and the application of investment allowances. In addition, the tax provision is prepared before the relevant companies have filed their tax returns with the relevant tax authorities and, significantly, before these have been agreed. As a result of these factors, the tax provision process necessarily involves the use of a number of judgements and estimates, including those required in calculating the effective tax rate. The Group recognises deferred tax assets on unused tax losses where it is probable that future taxable profits will be available for utilisation. This requires management to make judgements and assumptions regarding the likelihood of future taxable profits and the amount of deferred tax that can be recognised. Further details regarding the estimated value and related inputs are set out in note 28.

The Group's deferred tax assets are recognised to the extent that taxable profits are expected to arise in the future against which tax losses and allowances in the UK can be utilised, including as a result of Group re-organisations and asset transfers. In accordance with IAS 12 Income Taxes, the Group assesses the recoverability of its deferred tax assets at each period end. Consistent with the impairment sensitivity described above, as at 31 December 2024, a 20% reduction in future revenues, with all other assumptions held constant, would eliminate current headroom and result in a deferred tax asset derecognition of $284 million (2023: $304 million). It should be noted that mitigating actions are considered to be available to materially offset this impact. The $284 million (2023: $304 million) derecognition assumes that cash flows are equivalent to taxable profits and that any reorganisation required to utilise certain deferred tax assets does not result in a displacement of other balances. As disclosed in note 28, there are unrecognised allowances of up to circa $150 million that have no expiry date and could be recognised in future periods if future revenue from oil and gas activities increases and/or further actions are undertaken.

Other areas of estimation

The key assumptions concerning the future, and other sources of estimation uncertainty at the reporting period, that are not expected to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

Business combinations

In 2024, the Group has made a material business combination – see note 17 for further details of the provisional purchase price allocation, including the assets and liabilities acquired and the goodwill arising on the transaction. This has been accounted for as a business combination under IFRS 3. The assets and liabilities identified in the purchase price allocation include oil and gas assets, decommissioning liabilities, deferred tax assets and liabilities, and working capital.

The total consideration payable includes both the market value of new ordinary shares issued at the date of completion and a monetary settlement based on working capital movements, and certain other transactions such as dividend payments, between the economic effective date of 1 July 2024 and date of completion. The amount payable under this monetary settlement is discussed further in note 17.

The calculation of the fair value of the oil and gas assets acquired requires the Group to estimate the future cash flows expected to arise from the assets of the acquired business using discounted cash flow models. Key assumptions and estimates include: commodity prices, discount rates and oil and gas reserves estimates. See above estimates in the impairment of oil and gas assets and goodwill section and estimates in oil and gas reserves and contingent resources section for further details regarding these assumptions. In addition, the Group has considered the value that a market participant would prescribe to prospective resources in determining the fair value of the oil and gas assets acquired.

In determining the value of the deferred tax asset recognised on the Business Combination, the Group has also made assumptions in respect of the amount of tax losses brought forward, which will be available to offset against future taxable profits of the Group.

3. Material accounting policies, judgements and estimation uncertainty continued

Critical accounting judgements

The following are the critical judgements, apart from those involving estimation (which are presented separately above), that the Directors have made in applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Cambo and Rosebank carrying values

Management has reviewed the pre-tax carrying value of the Cambo field of $391 million or post tax $234 million (2023: pre-tax $391 million or post-tax $234 million) and has concluded that due to the licence extension to 31 March 2026 and the detailed plans in place for final investment decision (FID), there are currently no indicators of impairment. The Group is actively engaging with potential farm-in partners to secure an aligned joint venture partnership that would help progress the project towards FID and assist in obtaining additional funding for the project. Management has submitted a request for a further 18 month extension of the licence to 30 September 2027 and to remove a milestone commitment that would otherwise require a joint venture partner to be secured by 31 March 2025, with the latter no longer considered by management as a commercial pre-requisite for the project to proceed to development following completion of the Eni UK Business Combination and the consequential increase in the scale and funding capability of the Group. A decision in respect of this request is expected by the North Sea Transition Authority (NSTA) by the end of the second quarter of 2025. Details of contingent consideration in respect of Cambo are set out in note 26.

Similarly, management has reviewed the pre-tax carrying value of the Rosebank field of $617 million or post-tax $304 million (31 December 2023: pre-tax $413 million or post-tax $237 million). Although the first phase of the Rosebank development had been sanctioned by the NSTA, it was subject to Judicial Review proceedings. On 30 January 2025, the Court of Session ruled that this consent had been unlawfully given in relation to the sanctioning of the Rosebank field development and that a new consent application would be required, which included Scope 3 emissions. It did, however, permit the project to progress as planned whilst this new consent is sought from the Regulators but that no oil could be extracted without this new consent. Whilst the outcome of the Judicial Review could be construed as an indicator of impairment, management has no reason to believe that this further consent will not be forthcoming, and further management believe that the most likely outcome will be that the further consent will be granted and that the project will continue progressing as planned with first oil anticipated in 2026/27. As a result no impairment charge is required.

4. Segmental reporting

The Group operates a single class of business being oil and gas exploration, development and production and related activities in a single geographical area, presently being the North Sea. The Group's segmental reporting structure remained in place for all periods presented and is consistent with the way in which the Group's activities are reported to the Board and Chief Decision Making Officer. The Group's activities are considered to be an individual operating segment due to the nature of the Group's operations being consistent, and such operations existing in a single geographical region that is covered by the same regulations.

5. Revenue

	2024 $'000	2023 $'000
Oil sales	**1,176,274**	1,329,751
Gas sales	**598,962**	658,659
Condensate sales	**46,437**	48,789
Other income	**30,000**	32,341
Realised gains/(losses) on oil derivative contracts	**2,572**	(31,676)
Put premiums on oil derivative instruments	**(1,696)**	(11,850)
Realised gains on gas derivative contracts	**132,550**	297,387
Put premiums on gas derivative instruments	**(3,240)**	(3,590)
	1,981,859	2,319,811

The majority of payment terms are on a specified monthly date, as detailed in the initial contract. Otherwise, payment is due within 30 days of the invoice date. No significant judgements have been made in determining the timing of satisfaction of performance obligations, the transaction prices and the amounts allocated to performance obligations. Other income relates to tariff income receivable in the year.

Revenue from two customers exceeded 10% of the Group's consolidated revenue arising from hydrocarbon sales for the year ended 31 December 2024, representing $1,284 million and $420 million of revenue, respectively (2023: two customers representing $1,296 million and $436 million of revenue, respectively). It should be noted that the second largest customer in both 2024 and 2023 is now a related party and further details of related party transactions are set out in note 32.

Revenue from contracts with customers derives largely from customers within a single geographical region, being the United Kingdom. Revenue from contracts with customers outside of the United Kingdom is immaterial and is, therefore, not disclosed separately.

6. Cost of sales

	2024 $'000	2023 $'000
Movement in oil and gas inventory	**84,193**	20,582
Operating costs of hydrocarbon activities	**(617,919)**	(576,660)
Materials inventory provision	**(3,568)**	(16,268)
Royalties	**(2,135)**	(4,364)
Depreciation on right-of-use assets (note 15)	**(26,819)**	(42,648)
Depletion, depreciation and amortisation (note 15)	**(573,397)**	(697,652)
	(1,139,645)	(1,317,010)

Royalty costs represent 3.34% of Stella and Harrier field revenue paid to the original licence holders. Ithaca holds a 100% interest in the Stella and Harrier fields.

7. Administrative expenses

	2024 $'000	2023 $'000
Administrative expenses, excluding transaction costs	**(40,977)**	(34,259)
Transaction costs	**(16,303)**	–
	(57,280)	(34,259)

Transactions costs in 2024 relate to the Eni UK Business Combination. Further details of the Business Combination can be found in note 17.

The total employee benefit expenses which are either capitalised or included in cost of sales, pre-licence exploration and evaluation expenses and administrative expenses are noted below.

Employee benefit expenses	2024 $'000	2023 Restated $'000
Wages and salaries	**(103,156)**	(93,009)
Share-based payment charges (note 33)	**(6,114)**	(16,369)
Social security costs	**(11,561)**	(10,770)
Pension costs	**(11,936)**	(9,997)
	(132,767)	(130,145)

Wages and salaries costs of $104.0 million and social security costs of $12.3 million disclosed in the 2023 Annual Report and Accounts incorrectly included one-off transactions in respect of the MEP (see note 33) and certain other Executive share options, which had already been included in the share-based payments charge line. Comparatives for 2023 have been restated to exclude these.

Disclosures on Directors' remuneration, share options, long-term incentive schemes and pension entitlements required by the Companies Act 2006 are contained in the tables and notes within the Remuneration Committee report on pages 136 to 161. Directors' emoluments in aggregate were $4.4 million (2023: $13.4 million).

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

	2024	2023
Onshore and administrative	**374**	316
Offshore	**327**	283
	701	599

7. Administrative expenses continued

Audit fees

	2024 $'000	2023 $'000
Fees payable to the Company's auditor for audit of the Company's financial statements	**2,464**	1,286
Audit of the Company's subsidiaries pursuant to legislation	**407**	326
Non-audit services provided by the auditors	**637**	205
	3,508	1,817

Non-audit services provided by the auditors for the year ended 31 December 2024 comprise audit-related assurance services of $175k (2023: $205k), other assurance services of $462k (2023: $nil) relating to work on the Offering Memorandum in respect of the refinancing and in relation to certain other refinancing options. In addition to the above figures, additional audit fees of $228k were charged during 2024 relating to the finalisation of prior period group and subsidiary audits.

8. Other gains and losses

	2024 $'000	2023 $'000
Gain on financial instruments (note 30)	**5,167**	43,059
Fair value gains/(losses) on contingent consideration and accretion on deferred consideration (note 26)	**27,317**	(8,008)
Remeasurements of decommissioning reimbursement receivables	**–**	5,645
Net foreign exchange	**(6,124)**	(1,673)
Settlement of historic claim relating to an acquisition	**–**	50,068
	26,360	89,091

On 12 February 2023, the Group reached agreement on the settlement of a historic claim relating to an acquisition. Under the terms of the agreement the Group received $50.1 million.

9. Finance costs and finance income

	2024 $'000	2023 $'000
Loan interest and charges	**(48,036)**	(47,494)
Senior notes interest	**(54,904)**	(58,377)
Loan fee amortisation	**(13,222)**	(4,508)
Interest on lease liabilities (note 25)	**(1,508)**	(3,183)
Accretion on decommissioning liabilities less accretion on decommissioning reimbursements	**(82,908)**	(76,162)
Total finance costs	**(200,578)**	(189,724)
Finance income	**11,164**	5,688

Loan interest and charges includes a charge of $14.1 million in respect of the early repayment of the Senior Notes due 2026 and loan fee amortisation contains a charge of $7.9 million in relation to unamortised fees on the refinancing of the RBL and Senior Notes. See note 20 for further details.

During the year to 31 December 2024, $5.8 million of interest was capitalised into qualifying assets (2023: $nil) at an interest rate of SOFR (subject to a minimum rate of 5%) plus a commercially agreed margin on the entirety of the borrowings under the project capital expenditure facility (see note 20 for further details).

10. Earnings per share

The calculation of basic earnings per share is based on the profit after tax and the weighted average number of ordinary shares in issue during the year. Basic and diluted earnings per share are calculated as follows:

	2024 $'000	2023 Restated[1] $'000
Earnings for the year:		
Earnings for the purpose of basic and diluted earnings per share	**153,153**	292,554
Number of shares (million)		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,164.3**	1,006.7
Dilutive potential ordinary shares	**10.5**	12.7
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,174.8**	1,019.4
Earnings per share (cents)		
Basic	**13.2**	29.1
Diluted	**13.0**	28.7

1 See note 2.

11. Trade and other receivables and decommissioning reimbursements

Current	2024 $'000	2023 $'000
Trade receivables	**18,962**	19,968
Other receivables	**23,042**	24,369
Joint operations receivables	**105,999**	91,960
Accrued income	**269,611**	197,993
	417,614	334,290

Materially all trade and other receivables, including receivables from joint operations are not overdue by more than 90 days. The credit risk associated with trade receivables, accrued income and other receivables is considered to be insignificant. No ECL has been recognised in the current or prior year.

Accrued income mainly comprises amounts due, but not yet invoiced, for the sale of oil and gas.

11. Trade and other receivables and decommissioning reimbursements continued

Non-current	2024 $'000	2023 $'000
Decommissioning reimbursements	**144,185**	165,064

Current	2024 $'000	2023 $'000
Decommissioning reimbursements	**23,175**	30,417

Movements on decommissioning reimbursements were as follows:

	2024 $'000	2023 $'000
At 1 January	**195,481**	200,825
Accretion net of tax at 30%	**7,370**	7,536
Reimbursements received	**(22,450)**	(22,101)
Change in reimbursement estimates	**(13,041)**	9,221
At 31 December	**167,360**	195,481

The decommissioning reimbursements represent the equal and opposite of decommissioning liabilities (note 23), net of tax, associated with the Heather and Strathspey fields and relates to a contractual agreement as part of the CNSL acquisition. As part of the terms of the acquisition of what is now Ithaca Oil and Gas Limited (IOGL), Chevron have the obligation to provide the security and remain financially responsible for the decommissioning obligations of IOGL in relation to these interests. The Group pays the liabilities in respect of Heather and Strathspey and then receives full reimbursement from Chevron.

As these payments are virtually certain, they have been accounted for under IAS 37 as a reimbursement asset.

12. Prepayments

Current	2024 $'000	2023 $'000
Prepayments	**40,572**	34,355
Decommissioning securities	**1,638**	3,323
	42,210	37,678

13. Inventories

Current	2024 $'000	2023 $'000
Hydrocarbon underlift	**171,795**	60,427
Materials inventories	**175,514**	125,674
Provision for obsolete materials inventory	**(63,470)**	(35,605)
	283,839	150,496

14. Exploration and evaluation assets

	$'000
At 1 January 2023	775,773
Additions	165,516
Transfers to right-of-use operating assets and development and production assets (note 15)	(379,301)
Write-offs/relinquishments	(13,634)
At 31 December 2023 and 1 January 2024	548,354
Additions	**36,327**
Change in decommissioning estimates (note 23)	**4,390**
Business combinations (note 17)	**48,000**
Write-offs/relinquishments	**(24,557)**
At 31 December 2024	**612,514**

Following completion of geotechnical evaluation activity, certain North Sea licences were declared unsuccessful and certain prospects were declared non-commercial. This resulted in the carrying value of these licences being fully written-off to $nil with $24.6 million being expensed in the year to 31 December 2024 (2023: $13.6 million).

The transfers from exploration and evaluation assets to right-of-use assets and development and production assets in 2023 relates to the Rosebank field.

The principal component of exploration and evaluation assets at 31 December 2024 is the Cambo field with a pre-tax carrying value of $391 million (2023: $391 million).

15. Property, plant and equipment

	Right-of-use operating assets $'000	Development and production assets $'000	Other fixed assets $'000	Total $'000
Cost				
At 1 January 2023	98,927	7,112,652	45,912	7,257,491
Additions	26,468	358,361	1,728	386,557
Transfers from exploration and evaluation assets (note 14)	30,774	348,527	–	379,301
Change in decommissioning estimates (note 23)	–	157,224	–	157,224
At 31 December 2023 and 1 January 2024	156,169	7,976,764	47,640	8,180,573
Additions	**136,264**	**483,511**	**545**	**620,320**
Business combinations (note 17)	**18,673**	**997,937**	–	**1,016,610**
Change in decommissioning estimates (note 23)	–	**54,581**	–	**54,581**
At 31 December 2024	**311,106**	**9,512,793**	**48,185**	**9,872,084**
Depletion, depreciation, amortisation and impairment				
At 1 January 2023	(42,867)	(3,555,656)	(24,072)	(3,622,595)
Depletion, depreciation and amortisation charge for the year	(42,648)	(693,573)	(4,079)	(740,300)
Impairment charge (note 19)	–	(559,472)	–	(559,472)
At 31 December 2023 and 1 January 2024	(85,515)	(4,808,701)	(28,151)	(4,922,367)
Depletion, depreciation and amortisation charge for the year	**(26,819)**	**(568,139)**	**(5,258)**	**(600,216)**
Impairment charge (note 19)	–	**(161,066)**	–	**(161,066)**
At 31 December 2024	**(112,334)**	**(5,537,906)**	**(33,409)**	**(5,683,649)**
Net book value at 31 December 2023	70,654	3,168,063	19,489	3,258,206
Net book value at 31 December 2024	**198,772**	**3,974,887**	**14,776**	**4,188,435**

The transfers from exploration and evaluation assets to right-of-use operating assets and development and production assets in 2023 relates to the Rosebank development following consent being granted for the development by the North Sea Transition Authority (NSTA) on 27 September 2023. Subsequently, this decision was the subject of a Judicial Review and on 30 January 2025, the Court of Session ruled that consent had been unlawfully given in relation to the sanctioning of the Rosebank field development and that a new consent application would be required which included Scope 3 emissions. It did, however, permit the project to progress as planned whilst this new approval is sought (see note 3 for further details). At the point of transfer in 2023, the Rosebank assets were tested for impairment and the recoverable amount exceeded the carrying value of the field.

Additions to right-of-use assets in the year to 31 December 2024 and the year to 31 December 2023 principally relate to modifications to the Rosebank FPSO and will begin to be depreciated on commencement of production. The related lease will commence on delivery of the FPSO to the joint venture partners at first oil, which is currently anticipated to be 2026/27.

Other fixed assets include buildings, computer equipment, office equipment and furniture and fittings.

16. Interests in joint operations

The contractual agreement for the licence interests in which the Group has an investment do not typically convey control of the underlying joint arrangement to any one party, even where one party has a greater than 50% equity ownership of the area of interest.

The Group's material joint operations as at 31 December are as follows:

				Group net % interest	
Block	Licence	Field/discovery name	Operator	**2024**	2023
9/11c	P.979	Mariner	Equinor UK Limited	**8.89%**	8.89%
9/11b	P.726	Mariner	Equinor UK Limited	**8.89%**	8.89%
30/2c	P.672	Jade	Chrysaor Petroleum Company U.K. Limited	**32.50%**	25.50%
22/30c and 29/5c	P.666	Elgin-Franklin	TotalEnergies E&P UK Limited	**27.95%**	6.09%
15/29b	P.590	Callanish	Chrysaor Production (U.K.) Limited	**20.00%**	20.00%
204/25a	P.559	Schiehallion	BP Exploration Operating Company Limited	**35.30%**	35.30%
204/19b and 204/20b	P.556	Suilven	Ithaca SP E&P Limited	**50.00%**	50.00%
29/5b	P.362	Elgin-Franklin	TotalEnergies E&P UK Limited	**27.95%**	6.09%
21/4a	P.347	Callanish	Chrysaor Production (U.K.) Limited	**13.70%**	13.70%
16/27b	P.345	Britannia	Ithaca MA Limited	**35.75%**	35.75%
9/11a	P.335	Mariner	Equinor UK Limited	**8.89%**	8.89%
13/22a	P.324	Captain	Ithaca SP E&P Limited	**85.00%**	85.00%
22/18a	P.292	Arbroath, Arkwright, Carnoustie, Wood	Repsol Resources UK Limited	**41.03%**	41.03%
22/17s, 22/22a and 22/23a	P.291	Arbroath, Arkwright, Brechin, Carnoustie, Cayley, Shaw	Repsol Resources UK Limited	**41.03%**	41.03%
23/26b	P.264	Erskine	Ithaca Energy (UK) Limited	**50.00%**	50.00%
9/11d and 9/12b	P.2508	Mariner	Equinor UK Limited	**8.89%**	8.89%
9/11g	P.2151	Mariner	Equinor UK Limited	**8.89%**	8.89%
16/26a A-ALB	P.213	Alba	Ithaca Oil and Gas Limited	**36.67%**	36.67%
16/26a B-BRI	P.213	Britannia	Ithaca MA Limited	**33.17%**	33.17%
16/26a	P.213	N/A	Ithaca Oil and Gas Limited	**34.50%**	34.50%
3/7a	P.203	Columba E	CNR International (U.K.) Limited	**20.00%**	20.00%
3/8a and 3/8a	P.199	Columba B/D	CNR International (U.K.) Limited	**5.60%**	5.60%
22/30b	P.188	Elgin-Franklin	TotalEnergies E&P UK Limited	**27.95%**	6.09%

16. Interests in joint operations continued

Block	Licence	Field/discovery name	Operator	Group net % interest 2024	2023
15/18b	P.2158	Marigold[1]	Ithaca Oil and Gas Limited	**100.00%**	100.00%
21/20a	P.185	Cook	Ithaca SP E&P Limited	**61.35%**	61.35%
8/15a	P.1758	Mariner	Equinor UK Limited	**8.89%**	8.89%
30/7b	P.1589	Jade	Chrysaor Petroleum U.K. Limited	**32.50%**	25.50%
30/1f	P.1588	Vorlich[2]	Ithaca MA Limited	**100.00%**	100.00%
30/1c	P.363	Vorlich	Ithaca MA Limited	**34.00%**	34.00%
205/2a	P.1272	Rosebank	Equinor UK Limited	**20.00%**	20.00%
205/1a	P.1191	Rosebank	Equinor UK Limited	**20.00%**	20.00%
15/29a	P.119	Alder	Ithaca Energy (UK) Limited	**73.68%**	73.68%
15/29a	P.119	Britannia	Ithaca MA Limited	**75.00%**	75.00%
21/3a	P.118	Brodgar	Chrysaor Production (U.K.) Limited	**25.00%**	25.00%
23/22a	P.111	Pierce	Enterprise Oil Limited	**34.01%**	34.01%
15/30a	P.103	Britannia	Chrysaor Production (U.K.) Limited	**33.03%**	33.03%
21/5a	P.103	Enochdhu	Chrysaor Production (U.K.) Limited	**50.00%**	50.00%
213/26b and 213/27a	P.1026	Rosebank	Equinor UK Limited	**20.00%**	20.00%
23/26a	P.057	Erskine	Ithaca Energy (UK) Limited	**50.00%**	50.00%
22/18n	P.020	Montrose	Repsol Resources UK Limited	**41.03%**	41.03%
22/17n, 22/17s, 22/22a and 22/23a	P.019	Godwin, Montrose	Repsol Resources UK Limited	**41.03%**	41.03%
30/11a and 30/12d	P.1820	Isabella	Total Energies E&P North Sea UK Limited	**72.50%**	10.00%
204/8, 204/9c, 204/10c, 204/13, 204/14d and 204/15	P.2403	Tornado	Ithaca SP E&P Limited	**50.00%**	50.00%
30/7a and 30/12a	P.032	Judy/Joanne	Chrysaor Petroleum Company U.K. Limited	**33.00%**	–
30/7c	P.2221	Judy	Chrysaor Petroleum Company U.K. Limited	**33.00%**	–
30/13d A	P.079	Judy	Chrysaor Petroleum Company U.K. Limited	**15.00%**	–
30/6a	P.11	Jasmine	Chrysaor Petroleum Company U.K. Limited	**33.00%**	–
29/4d	P.752	Glenelg	TotalEnergies E&P UK Limited	**8.00%**	–
22/29b	P.2613	Glenelg Protection	TotalEnergies E&P UK Limited	**32.14%**	–
30/20a	P.2220	Tommeliten	ConocoPhillips (U.K.) Holdings Limited	**0.07%**	–
30/13e	P.2456	Talbot	Harbour Energy Limited	**33.00%**	–

16. Interests in joint operations continued

Block	Licence	Field/discovery name	Operator	Group net % interest 2024	2023
30/7d and 30/8a	P.2399	Judy East	Chrysaor Petroleum Company U.K. Limited	**33.00%**	–
N/A	Pipeline	GAEL	INEOS FPS Limited	**10.23%**	–
N/A	Pipeline	SEAL	TotalEnergies E&P UK Limited	**21.87%**	–
44/11a and 44/12a	P.1055	Cygnus	Ithaca (NE) E&P Limited	**38.75%**	–
22/29c	P.1622	Seagull	BP Exploration Operating Company Limited	**35.00%**	–
47/14b	P.614	Juliet	Ithaca (NE) E&P Limited	**81.00%**	–
44/24a	P.611	Minke	Ithaca (NE) E&P Limited	**15.56%**	–
44/29b	P.454/P.611	Orca UK	Ithaca (NE) E&P Limited	**15.56%**	–
44/19b	P.1139	Cameron	Tullow Limited	**27.50%**	–
N/A	Pipeline	ETS	Kellas North Sea 2 Limited	**25.00%**	–
36/30a, 42/3a, 42/4 and 42/5a	P.2133	Ossian	Spirit Energy Limited	**30.00%**	–
42/2b, 42/3b, 42/7a, 42/8b and 42/9b	P.2126	Aurora	Spirit Energy Limited	**30.00%**	–
44/11b	P.1731	Cepheus	Ithaca (NE) E&P Limited	**34.48%**	–
43/14a	P.2430	Cavendish North	Spirit Energy Limited	**40.00%**	–
43/15a, 44/11d and 44/12e	P.2429	Bennett	Ithaca (NE) E&P Limited	**40.00%**	–

1 Marigold is a joint operation through a Unitisation and Unit Operating Agreement (UUOA) between Ithaca Oil and Gas Limited which owns licence P.2158, and Anasuria Hibiscus UK Limited and Caldera Petroleum (UK) Limited, which jointly own a licence for an adjacent block. Under the terms of the UUOA, key decisions over the operations require the unanimous consent of Ithaca and certain other parties, such that joint control is present.

2 Vorlich is a joint operation through a UUOA between Ithaca MA Limited and bp, which extends across both Vorlich licences. Under the terms of the UUOA, key decisions effectively require unanimous approval by both parties.

In addition, the Group has the following wholly-owned licences and fields or discoveries which, although not currently joint operations, are presented for completeness:

Block	Licence	Field/discovery name	Operator	Group net % interest 2024	2023
22/1b	P.2373	F Block (Fotla and Fortriu)	Ithaca Oil and Gas Limited	**100.00%**	100.00%
29/10b	P.1665	Abigail	Ithaca SP E&P Limited	**100.00%**	100.00%
204/4a and 204/5a	P.1189	Cambo	Ithaca SP E&P Limited	**100.00%**	100.00%
204/9a and 204/10a	P.1028	Cambo	Ithaca SP E&P Limited	**100.00%**	100.00%
30/6a and 29/10a	P.011	Stella/Harrier	Ithaca Energy (UK) Limited	**100.00%**	100.00%
29/15, 30/11c, 30/16i and 30/6d	P.2622	J-Area West	Chrysaor Petroleum Company U.K. Limited	**100.00%**	–
16/22b	P.2638	Quad 16	N/A	**100.00%**	–

17. Business combinations

The Business Combination comprising 100% of each of Eni Elgin/Franklin Limited, Eni UKCS Limited, Eni Energy E&P Limited and Eni Energy E&P UKCS Limited, which established the Group with the largest resource base in the UKCS, completed on 3 October 2024 with the Group issuing 639,360,174 new ordinary shares of £0.01 each, representing at that time 38.7% of the enlarged Group. On that date, the opening market share price was £1.0146 per share and the US Dollar exchange rate was $1.32768:£1.00. The resulting share issuance consideration of $861 million will be augmented by a transaction cash amount primarily reflecting settlement for working capital balances, including cash, at the date of completion together with certain other transactions between the economic effective date of 1 July 2024 and completion on 3 October 2024. The acquisition date of 3 October 2024 is the date the group obtained control for accounting purposes. The amount payable under this mechanism has been agreed at $215.0 million of which $164.0 million is payable within 12 months and $51.0 million is payable in more than 12 months. These amounts have been discounted at 4.33%. The discounted amount payable is $204.5 million (see note 26) and this is the amount of the cash consideration below.

The provisional fair values of the identifiable assets and liabilities as at the date of completion of the Business Combination were:

	Total 2024 $'000
Property, plant and equipment (note 15)	1,016,610
Exploration and evaluation assets (note 14)	48,000
Cash	107,475
Inventory	62,221
Trade and other receivables	178,037
Total assets excluding deferred tax	**1,412,343**
Trade and other payables	(281,680)
Decommissioning provisions (note 23)	(650,999)
Other provisions (note 24)	(34,865)
Lease liabilities (note 25)	(22,049)
Total liabilities excluding deferred tax	**(989,593)**
Deferred tax asset (note 28)	846,408
Deferred tax liability (note 28)	(549,062)
Total identifiable net assets at fair value	**720,096**
Consideration satisfied by the issue of new shares	861,259
Deferred consideration (note 26)	204,465
Total consideration	**1,065,724**
Goodwill arising on the Business Combination (note 18)	**345,628**
Net cash flows relating to the Business Combination during 2024, being cash acquired	**107,475**

From the date of the Business Combination, the Eni UK businesses contributed $290.1 million of revenue and $195.0 million of profit before tax in the year to 31 December 2024. Had the Business Combination completed on 1 January 2024, the Eni UK businesses would have contributed $1,014.0 million of revenue and $598.4 million of profit before tax for the 2024 financial year.

17. Business combinations continued

Business Combination related costs of $16.3 million (2023: $nil), comprising principally professional fees and other direct costs, were incurred in the year to 31 December 2024 and are included within 'administrative expenses' in note 7.

The fair values of the oil and gas assets and the intangible assets of the Eni UK businesses have been determined using valuation techniques based on discounted cash flows using forward curve commodity prices and estimates of long-term commodity prices reflective of market conditions at the completion date, a discount rate based on observable market data and cost and production profiles generally consistent with the proved and probable reserves acquired with each asset. The decommissioning liabilities recognised have been estimated based on internal engineering estimates for operated assets and operator cost estimates for non-operated assets, with reference to observable market data.

The goodwill generated on the Business Combination is largely the result of the IFRS requirement to recognise a deferred tax liability of $549.1 million on the fair value of the property, plant and equipment and exploration and evaluation assets acquired through the Business Combination, despite these assets being recognised on a post tax basis.

18. Goodwill

	2024 $'000	2023 $'000
Balance at 1 January	**783,848**	783,848
Additions (note 17)	**345,628**	–
Balance at 31 December	**1,129,476**	783,848

The opening goodwill of $784 million relates to historic business combinations comprising principally Chevron in 2019 and Summit in 2022.

The goodwill on business combinations in the year to 31 December 2024 relates to the Eni UK businesses, as detailed in note 17.

The goodwill is not tax deductible on the Eni UK Business Combination.

Goodwill is monitored, and tested for impairment, at the operating segment level, being the North Sea (the entire Group portfolio of oil and gas assets). This is consistent with the operating segment view of the business, which is presented to the Board and the Chief Decision Maker. The Group's activities are considered to be an individual operating segment due to the uniform nature of the Group's operations within a single geographical area, overseen by the same management and subject to the same regulations. The fair value estimate is categorised as level 3 in the fair value hierarchy.

Annual impairment tests were performed at both 31 December 2024 and 31 December 2023. These reviews were carried out on a fair value less cost of disposal basis using risk-adjusted cash flow projections from the approved business plans, including the same commodity prices, life of field cost profiles and production volumes used for impairment of oil and gas assets (see note 19), discounted at a post-tax discount rate of 10.0% (2023: 10.3%). Assumptions and estimates in the Group impairment models are detailed in note 3. The recoverable amount of the North Sea CGU at 31 December 2024 was $418.8 million higher than its carrying amount, including goodwill, and hence no impairment was recorded (2023 : $nil). An increase of 1% in the discount rate assumption would not result in a post-tax impairment of goodwill. Details of further sensitivities are provided in note 19.

19. Impairment charges on oil and gas assets

	2024 $'000	2023 $'000
D&P assets (note 15)	**(148,815)**	(559,472)
Decommissioning cost estimate changes on assets which have either been fully written off or have ceased production (note 23)	**(99,672)**	–
Fixed asset additions on assets that have been fully written off (note 15)	**(12,251)**	–
Other movements	**(2,246)**	1,536
Total impairment charges on D&P assets	**(262,984)**	(557,936)

The impairment charge on D&P assets of $148.8 million (2023: $559.5 million) principally reflects a charge for the Greater Stella Area (GSA) of $117 million due to a downward revision of reserves, lower gas prices than previously forecast and EPL changes together with a charge of $32 million in respect of Pierce due to lower oil prices than previously forecast and EPL changes. The charge in 2023 primarily related to Alba of $141 million and GSA of $373 million. In addition, decommissioning cost estimate changes on fields which have been fully written off or have ceased production amounted to $99.7 million and fixed asset additions on fields which have been fully written off amounted to $12.3 million.

Estimated production volumes, supported by third-party analysis, and cash flows used in impairment reviews are considered up to the date of cessation of production on a field-by-field basis, including operating and capital expenditure and are derived from management approved business plans.

An impairment review was carried out at the end of 2024 on the Group's producing assets with the main triggers being lower forward oil and gas prices and changes in EPL legislation. The review was carried out on a fair value less cost of disposal basis using risk adjusted cash flow projections discounted at a post-tax discount rate of 10.0%, and represents level 3 in the fair value hierarchy. The post-tax recoverable amount for GSA and Pierce was $2 million and $25 million, respectively.

The following assumptions were used at Q4 2024 in developing the cash flow model and applied over the expected life of the respective fields:

	Post-tax discount rate assumption	Price assumptions (nominal)						
		2025	2026	2027	2028	2029	2030	2031[1]
Oil	**10.0%**	**$75/bbl**	**$74/bbl**	**$77/bbl**	**$79/bbl**	**$80/bbl**	**$82/bbl**	**$83/bbl**
Gas	**10.0%**	**98p/therm**	**84p/therm**	**81p/therm**	**82p/therm**	**83p/therm**	**85p/therm**	**87p/therm**

1 Post-2031, an annual 2% increase is applied to the price assumptions.

With all other assumptions held constant, a 20% decrease in the forecast revenues, illustrating a 20% decrease in commodity prices, would result in an additional post-tax impairment of PP&E of $303 million (2023: $22 million) at 31 December 2024. In addition, under this scenario there would be a goodwill impairment of $929 million. This sensitivity is considered to be consistent with those applied to the going concern and viability assessments in that it assumes that the 10% reduction in production and the 10% increases in operating and capital expenditures are offset by the mitigation strategies within the control of management as described in note 3.

A 20% increase in forecast revenues would reduce the reported post-tax impairment by $24 million (2023: $26 million). An increase or decrease of 1% in the discount rate assumption would not result in a material additional post-tax impairment or reversal of impairment of PP&E.

19. Impairment charge on oil and gas assets continued

The Group has also conducted a sensitivity scenario on the climate-related risk of a reduction in demand for oil and gas commodity prices due to changing consumer preferences and/or government regulations. Utilising the Climate Scenario average oil price while maintaining all other parameters in line with the base case, would result in an additional post-tax impairment of PP&E of $63 million (2023: nil). To calculate the Climate Scenario average oil and gas prices, the Group used data from the International Energy Agency (IEA) climate scenarios (NZ, STEPS, APS) price assumptions.

An impairment review was carried out at the end of 2023 on the Group's producing assets with the main triggers being a reduction in future reserves on Alba, a decrease in short-term forward oil prices against all oil producing CGUs and a decrease in short-term gas prices for GSA and other predominantly gas-producing CGUs with relatively short remaining useful economic lives. The review was carried out on a fair value less cost of disposal basis using risk adjusted cash flow projections discounted at a post-tax discount rate of 10.3%, and represents level 3 in the fair value hierarchy. The recoverable amount (post tax) for Alba and GSA was $nil and $29.7 million, respectively.

The following assumptions were used at Q4 2023 in developing the cash flow model and applied over the expected life of the respective fields:

	Post-tax discount rate assumption	Price assumptions (nominal)						
		2024	2025	2026	2027	2028	2029	2030[1]
Oil	10.3%	$85/bbl	$83/bbl	$87/bbl	$90/bbl	$93/bbl	$96/bbl	$99/bbl
Gas	10.3%	101p/therm	96p/therm	83p/therm	85p/therm	87p/therm	89p/therm	90p/therm

1 Post 2030, an annual 2% is applied to the price assumptions.

20. Borrowings

	2024 $'000	2023 $'000
Current		
Accrued interest costs on borrowings	**(23,196)**	(34,420)
Unamortised short-term bank fees	**6,603**	3,036
Unamortised short-term senior notes fees	**3,568**	1,471
Total current borrowings	**(13,025)**	(29,913)
Non-current		
RBL facility	**(150,000)**	–
Senior unsecured notes	**(750,000)**	(625,000)
bp unsecured loan	–	(100,000)
Project capital expenditure facility	**(150,000)**	–
Unamortised long-term bank fees	**24,546**	4,555
Unamortised long-term senior notes fees	**13,531**	2,207
Total non-current borrowings	**(1,011,923)**	(718,238)

Adjusted net debt, which does not include accrued interest on borrowings, lease liabilities or unamortised fees, is set out in non-GAAP measures on pages 249 to 252.

Reserves Based Lending (RBL) facility

During 2024, the Group completed a refinancing of the RBL facility. The refinancing represented an early exit from and extinguishment of the original RBL facility and replacement with a new RBL facility based on market terms at the date of the refinancing. There was no net cash receipt or payment for the $150 million principal amount of the RBL on refinancing as the drawdown was re-distributed between syndicate banks to the RBL by the facility agent. The new RBL facility amount at 31 December 2024 was $1.5 billion, consisting of a loan facility of $1,000 million and a letter of credit facility of $500 million, with a maturity to 2029, and subject to interest at a reference rate of SOFR plus 4.0% in years one to four and SOFR plus 4.25% thereafter. At 31 December 2024, the total loan availability was $1,000 million (2023: $725 million), of which $150 million (2023: none) was drawn down, leaving an amount of $850 million (2023: $725 million) being available for drawdown. In addition, under the new RBL facility, there is an accordion facility of up to $1,000 million, of which $265 million was committed at 31 December 2024.

Loan fees of $32.4 million relating to the refinancing of the RBL facility were capitalised and are being amortised over the term of the loan. Of this amount, $31.7 million (2023: $nil) was paid in the year to 31 December 2024 and $0.7 million (2023: $nil) was accrued at 31 December 2024. As at 31 December 2024, $31.1 million (2023: $6.0 million) remains to be amortised. Unamortised fees of $5.3 million were written off to finance costs on the refinancing which extinguished the previous RBL facility.

The obligations of the borrower under the RBL facility are secured by the assets of the guarantor members of the Group, such as security including share pledges, floating charges and/or debentures. Total assets pledged as security at 31 December 2024 was $8,275 million (2023: $6,324 million).

Covenants under the RBL are detailed below.

20. Borrowings continued

Senior notes

In 2024, the Group completed the refinancing of its senior unsecured notes with the issuance of $750 million 8.125% senior unsecured notes due October 2029 and repayment in full of the $625 million 9.0% 2026 notes issued during 2021. The refinancing of the senior notes represented an early exit from and extinguishment of the original 2026 senior notes and replacement with new senior notes based on market terms at the date of the refinancing. Loan fees of $17.8 million relating to the new senior notes were capitalised and are being amortised over the life of the loan, $17.1 million (2023: $3.7 million) remains to be amortised as at 31 December 2024.Unamortised fees of $2.6 million relating to the 2026 notes, together with an associated $14.1 million early repayment fee, were written off to finance costs on the refinancing.

The Group received a net cash inflow of $86.8 million from the refinancing of the Senior Notes, reflecting Senior Notes 2029 proceeds of $750.0 million less repayment of Senior Notes 2026 of $625.0 million less fees and interest of $38.2 million comprising $14.1 million of early repayment charges and $15.1 million interest on the Senior Notes due 2026 and $9.0 million of fees in relation to the Senior Notes due 2029. Fees of $7.8 million in relation to the new senior notes were paid separately and $1.0 million was accrued at 31 December 2024.

bp facility

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

Project capital expenditure facility

The project capital expenditure facility of up to $150 million relates to a field development. The full amount of this facility was drawn at 31 December 2024 (2023: $nil) and it is repayable by instalment expected to be from 2027. Under the terms of the arrangement, interest is payable at a rate of SOFR (subject to a minimum of 5%) plus a commercially agreed margin.

Covenants

The Group is subject to covenants related to the RBL facility. Failure to meet the terms of one or more of these covenants may constitute an event of default as defined in the facility agreements, potentially resulting in accelerated repayment of the debt obligations. The Group was in compliance with all its relevant quarterly financial and operating covenants during all periods shown for the RBL facility. There are no ongoing maintenance or financial covenant tests associated with the $750 million unsecured notes.

In addition to the below financial covenants, the Group is subject to restrictive covenants under the RBL facility and 2029 notes. These restrictive covenants include restrictions on: making certain payments (including,subject to certain exceptions, dividends and other distributions); certain activities with respect to outstanding share capital; repaying or redeeming subordinated debt or share capital; creating or incurring certain liens; making certain acquisitions and investments or loans; selling, leasing or transferring certain assets including shares of any of the Group’s restricted subsidiaries; incurring expenditure on exploration and appraisal activities in excess of approved levels; guaranteeing certain types of the Group’s other indebtedness; expanding into unrelated businesses; merging or consolidating with other entities; or entering into certain transactions with affiliates.

The key financial covenant and other conditions in the RBL which, if not met, could trigger repayment within 12 months of the reporting date include:

- As at the end of each 12 month period ending 30 June and 31 December, the ratio of adjusted net debt to adjusted EBITDAX shall be less than 3.5:1. 'Adjusted net debt' referred to is not an IFRS measure. The Group uses adjusted net debt as a measure to assess its financial position. Adjusted net debt comprises amounts outstanding under the Group’s RBL facility, project capital expenditure facility and senior notes, less cash and cash equivalents; and
- On submission of Corporate Cashflow Projections, total projected sources of funds must exceed the total projected uses of funds for the following 12-month period, or if tested prior to first oil from Rosebank, a period of up to 24 months. Corporate Cashflow Projections must be submitted in June and December each year and on the occurrence of certain events (including on refinancing, when an interest in a petroleum asset is acquired or when certain distributions are made).
- The ratio of the net present value of cash flows secured under the RBL for the economic life of the fields to the amount drawn under the facility must not fall below 1.15:1; and
- The ratio of the net present value of cash flows secured under the RBL for the life of the debt facility to the amount drawn under the facility must not fall below 1.05:1.

21. Changes in liabilities arising from financing activities

	1 January 2024 $'000	Financing cash flows[i] $'000	Non-cash changes: Additions[iii] $'000	Non-cash changes: Business combinations $'000	Non-cash changes: Fair value movements $'000	Non-cash changes: Amortisation $'000	Non-cash changes: Other movements[ii] $'000	31 December 2024 $'000
Borrowings (note 20)	748,150	**11,955**	**150,000**	**–**	**–**	**13,226**	**101,617**	**1,024,948**
Lease liabilities	20,559	**(29,378)**	**25,422**	**22,049**	**–**	**–**	**1,507**	**40,159**
Interest rate derivatives (note 30)	(637)	**637**	**–**	**–**	**–**	**–**	**–**	**–**
Total liabilities from financing activities	768,072	**(16,786)**	**175,422**	**22,049**	**–**	**13,226**	**103,124**	**1,065,107**

	1 January 2023 $'000	Financing cash flows[i] $'000	Non-cash changes: Additions $'000	Non-cash changes: Business combinations $'000	Non-cash changes: Fair value movements $'000	Non-cash changes: Amortisation $'000	Non-cash changes: Other movements[ii] $'000	31 December 2023 $'000
Borrowings (note 20)	1,213,731	(596,642)	–	–	–	4,507	126,554	748,150
Lease liabilities	58,858	(45,085)	3,603	–	–	–	3,183	20,559
Interest rate derivatives (note 30)	(7,125)	6,967	–	–	(479)	–	–	(637)
Total liabilities from financing activities	1,265,464	(634,760)	3,603	–	(479)	4,507	129,737	768,072

(i) The cash flows from borrowings, lease liabilities and interest rate derivatives make up the net amount of proceeds from borrowings and repayments of borrowings in the cash flow statement.
(ii) Other movements include interest accruals and new liabilities in the year.
(iii) Additions to borrowings in 2024 reflects the project capital expenditure facility (see note 20 for further details).

22. Trade and other payables

	2024 $'000	2023 $'000
Trade payables	**(21,910)**	(34,559)
Hydrocarbon amounts owed to joint operations/overlift	**(102,061)**	(72,486)
Other payables	**(38,069)**	(68,034)
Accruals	**(394,602)**	(254,781)
Deferred income	**(9,829)**	(48,747)
	(566,471)	(478,607)

The Directors consider the carrying values of trade and other payables to approximate the fair value. Other payables mainly comprise amounts owed due to production adjustments and amounts owed to joint operations partners. Deferred income represents receipts in advance of deliveries to customers. The prior year deferred income was recognised in revenue in the current year.

23. Decommissioning liabilities

	2024 $'000	2023 $'000
Balance at 1 January	**(1,859,678)**	(1,720,540)
Business combination additions (note 17)	**(650,999)**	–
Accretion	**(93,436)**	(74,621)
Additions and revisions to estimates	**(145,066)**	(160,069)
Decommissioning provision utilised	**94,098**	95,552
Balance at 31 December	**(2,655,081)**	(1,859,678)
Current		
Balance at 1 January	**(107,026)**	(146,829)
Balance at 31 December	**(152,709)**	(107,026)
Non-current		
Balance at 1 January	**(1,752,652)**	(1,573,711)
Balance at 31 December	**(2,502,372)**	(1,752,652)

The total future decommissioning liability represents the estimated cost to decommission, in situ or by removal, the Group's net ownership interest in all wells, infrastructure and facilities, based upon forecast timing in future periods. Whereas previously the Group used a uniform nominal discount rate over all future years, it has now revised its methodology to use a short-to-medium-term nominal discount rate and a long-term nominal discount rate. The Group uses a nominal discount rate of 4.38% for the first five years and 4.86% thereafter (31 December 2023: 4.60% for all years) and an inflation rate of 2.0% (31 December 2023: 2.0%) over the varying lives of the assets to calculate the present value of the decommissioning liabilities. The impact of a change in discount rate is considered in note 3. Revisions to estimates in the years ended 31 December 2024 and 2023 were due to changes in both cost estimates and discount rate assumptions.

The estimated 2025 decommissioning spend of $153 million (2023: estimated 2024 decommissioning spend of $107 million) has been treated as a current liability as at 31 December 2024. Although the Group currently expects to incur decommissioning costs over the next 40 years, it is estimated that approximately 40% of the decommissioning liability relates to assets which are expected to cease production in the next five years and includes spend for assets that will be reimbursed (see note 11 for further details).

The principal assets where decommissioning activity was ongoing at 31 December 2024 were Alba, Anglia, Causeway, CMS 111, Elgin Franklin, Heather, Hunter, Juliet, Stathspey and Topaz.

24. Other provisions

	2024 $'000	2023 $'000
At 1 January	–	–
Business combination additions (note 17)	**(34,865)**	–
Cost of gas sales during the year	**(1,325)**	–
At 31 December	**(36,190)**	–

Other provisions reflect principally estimated liabilities taken on through the Business Combination in respect of certain historic gas sales agreements along with the ongoing cost of such gas sales agreements. It is not anticipated that any part of this liability will be settled within 12 months of the balance sheet date and, therefore, it has been classified in its entirety as a non-current liability. The Group expects to start settling these liabilities between one and five years.

25. Lease liabilities

Current	2024 $'000	2023 $'000
Lease liabilities	**(19,447)**	(19,898)

Non-current	2024 $'000	2023 $'000
Lease liabilities	**(20,712)**	(660)

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be paid after the reporting date. All lease liabilities are fully payable within five years from 31 December 2024.

	2024 $'000	2023 $'000
Less than one year	**(21,046)**	(20,152)
One to five years	**(21,876)**	(669)
Total undiscounted lease payments	**(42,922)**	(20,821)
Future finance charges	**2,763**	263
Lease liabilities in the financial statements	**(40,159)**	(20,558)

	2024 $'000	2023 $'000
At 1 January	**(20,558)**	(58,858)
Additions	**(25,422)**	(3,603)
Business combination additions (note 17)	**(22,049)**	–
Interest	**(1,508)**	(3,183)
Payments	**29,378**	45,086
At 31 December	**(40,159)**	(20,558)
Current	**(19,447)**	(19,898)
Non-current	**(20,712)**	(660)
	(40,159)	(20,558)

The additions in the year to 31 December 2024 relate to the Skandi Gamma supply vessel.

The additions in the year to 31 December 2023 relate to modifications of the Captain Emergency Response and Rescue Vessel (ERRV) lease.

The leased assets added through the Business Combination comprised principally office accommodation, an ERRV lease and a helicopter lease for Cygnus.

Amounts recognised in profit and loss related to leases are detailed in notes 6 and 9.

26. Contingent and deferred consideration

Current	2024 $'000	2023 $'000
Contingent consideration	**(74,990)**	(101,669)
Deferred consideration payable to related party for business combination (note 17)	**(160,203)**	–
Marubeni deferred consideration	**(68,293)**	–
	(303,486)	(101,669)

Non-current	2024 $'000	2023 $'000
Contingent consideration	**(165,501)**	(194,721)
Deferred consideration payable to related party for business combination (note 17)	**(44,262)**	–
Marubeni deferred consideration	**–**	(63,979)
	(209,763)	(258,700)

	2024 $'000	2023 $'000
Cash flows relating to contingent and deferred considerations	**(22,994)**	(13,567)

Movement in contingent consideration is as follows:

	2024 $'000	2023 $'000
At 1 January	**(296,390)**	(258,896)
Additions	**–**	(26,872)
Payments made	**22,994**	7,200
Changes in fair value	**32,905**	(17,822)
At 31 December	**(240,491)**	(296,390)

Movement in deferred consideration is as follows:

	2024 $'000	2023 $'000
At 1 January	**(63,979)**	(67,904)
Additions	**(204,465)**	–
Payments made	**–**	6,367
Accretion	**(4,314)**	(2,442)
At 31 December	**(272,758)**	(63,979)

26. Contingent and deferred consideration continued

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

Marubeni

The contingent consideration arrangement relating to the 2022 acquisition of MOGL depends on whether various milestones in the Sale and Purchase Agreement (SPA) are met as follows: set gross export production volume from Montrose Infill Project Phase 1, set cumulative gross export production volume following Arbroath well reinstatements, set gross export production volume from next new well in the Shaw Field and, an amount payable during the Value Sharing Period (1 January 2022 to 31 December 2024) in relation to sales in excess of a set oil trigger price. The amount payable in relation to sales in excess of a set oil trigger price is capped under the terms of the SPA.

The carrying amount at 31 December 2024, discounted at 6.33%, was $78 million (2023: $111 million using a discount rate of 4.6%). The total undiscounted potential consideration as at 31 December 2024 is $228 million (2023: $230 million).

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

Siccar

During the year ended 31 December 2022, the Group acquired Siccar Point Energy, which included elements of consideration that are payable depending on whether various milestones of the SPA are met as follows: Final Investment Decision and the associated reserves in respect of the Cambo and Rosebank fields and, an amount paid in relation to sales in excess of a set floor oil price. The amount payable in relation to sales in excess of a set oil trigger price is capped under the terms of the SPA. The carrying amount at 31 December 2024, discounted at 6.33% was $118 million (2023: $130 million using a discount rate of 4.6%). The total undiscounted potential consideration as at 31 December 2024 is $343 million (2023: $362 million).

Others

During the year ended 31 December 2023, the Group acquired a further 30% equity in the Cambo field from Shell. The acquisition included elements of consideration that are payable upon certain events occurring and contingent consideration has been recognised to reflect this. The consideration value equates to $1.50 per barrel of oil equivalent of the P50 resource volumes of the field, and is payable on the earlier of receipt of proceeds of any subsequent sale of a working interest in Cambo by the Group, or first oil. The carrying amount at 31 December 2024, discounted at 6.33%, was $11.7 million (2023: $12.7 million undiscounted).

During the year ended 31 December 2023, the Group acquired 40% equity in the Fotla field from Spirit. The acquisition included elements of consideration that are payable upon certain events occurring and contingent consideration has been recognised to reflect this. The consideration comprises two capped amounts with approximately two-thirds payable on final investment decision and one-third on first production. The carrying amount at 31 December 2024, discounted at 6.33%, was $9.0 million (2023: $14.2 million undiscounted).

A further $nil (2023: $3.0 million) relates to Yeoman/Marigold which has been fully risked. The unrisked amount is $11.0 million (2023: $11.0 million) which is contingent on achieving Field Development Plan along with a further $6.0 million (2023: $6.0 million) unrisked on certain production criteria being met.

During the year ended 31 December 2024, the contingent consideration liability in relation to Strathspey, in accordance with the Sale and Purchase Agreement with Chevron, has reduced by $1.9 million to $23.7 million as a result of changes in variables in the calculation of the liability.

Revaluation of contingent consideration in the year to 31 December 2024 resulted in a decrease of $32.9 million (2023: increase of $17.8 million).

27. Share capital and reserves

(a) Issued share capital

The issued share capital is as follows:

	Number of common shares	Amount $'000
At 31 December 2023	1,014,372,281	11,540
Shares issued during the year	**639,360,174**	**8,489**
At 31 December 2024	**1,653,732,455**	**20,029**

On 3 October 2024, 639,360,174 ordinary shares of £0.01 each were issued to Eni UK Limited, an indirect wholly-owned subsidiary of Eni S.p.A., as consideration for the Eni UK business combination (see note 17 for further details).

On 5 October 2023, 7,807,305 ordinary shares of £0.01 each were issued to the Ithaca Energy plc Employee Benefit Trust (EBT) to satisfy the exercise of share options during the year and in future years.

(b) Share premium

	2024 $'000	2023 $'000
At 1 January	**308,845**	293,712
Additions	**852,770**	15,133
At 31 December	**1,161,615**	308,845

The share premium account represents the cumulative difference between the market share price and the nominal share value on the issuance of new ordinary shares multiplied by the number of shares issued.

Additions during 2024 represent the difference between the nominal value per share of £0.01 and the opening share price on the day of the completion of the Eni business combination multiplied by the number of shares issued.

Additions during 2023 represent the difference between the nominal value per share of £0.01 and the closing share price on the day before the shares were issued to the EBT multiplied by the number of shares issued.

(c) Capital contribution reserve

	2024 $'000	2023 $'000
At 1 January and 31 December	**181,945**	181,945

(d) Own shares

	2024 $'000	2023 $'000
At 31 December	**(9,592)**	(12,412)

Own shares comprise shares held in the Ithaca Energy plc EBT, which are being used to satisfy the exercise of employee share options. During the year to 31 December 2024, 1,860,112 (2023: 1,443,561) ordinary shares were used to satisfy the exercise of share options. At 31 December 2024, the EBT held 6,325,918 (2023: 8,186,030) ordinary shares of £0.01 each.

(e) Share-based payment reserve (note 33)

	2024 $'000	2023 $'000
At 31 December	**18,788**	15,494

The share-based payment reserve represents the cumulative charge for share options, as described in note 33, less the cumulative cost of share option exercises.

28. Taxation

	2024 $'000	2023 Restated[1] $'000
Current tax		
Current corporation tax charge	**(17,746)**	(39,308)
Current EPL tax charge	**(221,420)**	(333,425)
True-up in respect of prior years	**30,573**	(17,426)
Total current tax charge	**(208,593)**	(390,159)
Deferred tax		
True-up in respect of prior years	**(21,068)**	6,370
Group tax (charge)/credit in consolidated statement of profit or loss	**(1,905)**	304,279
Group tax credit/(charge) in consolidated statement of other comprehensive income	**195,642**	(71,700)
Total deferred tax credit	**172,669**	238,949
Deferred Petroleum Revenue Tax		
Deferred PRT credit in statement of profit or loss	**50,381**	70,037
Total tax charge through consolidated statement of profit or loss	**(181,186)**	(9,473)

1 See note 2.

28. Taxation continued

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the 40% statutory rate of tax applicable for UK ring fence oil and gas activities as follows:

	2024 $'000	2023 Restated[1] $'000
Accounting profit before tax	**334,339**	302,027
At tax rate of 40% (2023: 40%)	**(133,735)**	(120,811)
Non-deductible expense	**8,700**	(34,578)
Financing costs not allowed for SCT	**(13,581)**	(704)
Ring Fence Expenditure Supplement	**14,340**	102,866
Deferred tax effect of investment allowance	**33,219**	56,930
True-up in respect of prior years	**9,504**	(11,673)
Deferred PRT net of corporation tax	**30,229**	42,022
Deferred tax on EPL	**119,102**	292,829
Current tax on EPL	**(221,420)**	(333,425)
Income taxed at different rates	**(27,956)**	–
Share-based payments	**412**	1,945
Unrecognised tax losses	**–**	(4,874)
Total tax charge recorded in the consolidated statement of profit or loss	**(181,186)**	(9,473)

1 See note 2.

The Company is UK tax resident. The effective rate of tax applicable for UK ring fence oil and gas activities in both 2024 and 2023 was 40% (excluding the Energy Profits Levy), consisting of a Ring Fence Corporation Tax rate of 30% and the supplementary charge of 10%. Items affecting the tax charge include interest income taxed at non-oil and gas tax rate of 25%, true-ups in respect of prior years resulting from filing of prior year tax returns, a 10% uplift on ring fence losses, Ring Fence Expenditure Supplement increasing the losses available to offset future profits subject to Ring Fence Corporation Tax and Supplementary Charge. In addition, investment allowance, a 62.5% uplift on capital expenditure, is available reducing the profits subject to the supplementary charge only. Petroleum Revenue Tax (PRT) is applied at 0% on certain oil and gas fields in the UK, however, adjustments to recognised deferred PRT assets are made to reflect updated expectations of reversal against profits subject to the 0% PRT rate. The Energy Profits Levy was enacted on 14 July 2022 with further changes announced on 17 November 2022 such that the Levy was increased to 35% from 1 January 2023 until 31 March 2028 increasing the effective UK ring fence oil and gas tax rate to 75%. On 6 March 2024, it was announced that EPL will be extended by one year to 31 March 2029 and on 29 July 2024, it was announced that there would be a further extension to March 2030 and that the rate would increase from 35% to 38% from 1 November 2024. The impact of this was a charge to the consolidated statement of profit or loss of $58.1 million (2023: $nil) in the year to 31 December 2024. The extensions to 31 March 2029 and 31 March 2030 had not been substantively enacted at 31 December 2024 and are, therefore, not reflected in the results for the year ended 31 December 2024.

28. Taxation continued

Deferred tax at 31 December relates to the following:

	2024 $'000	2023 Restated[1] $'000
Deferred corporation tax liability	**(2,197,590)**	(1,868,022)
Deferred corporation tax asset	**3,279,585**	2,480,921
Deferred PRT asset	**142,141**	91,758
Net deferred tax asset	**1,224,136**	704,657

Deferred tax assets primarily relate to decommissioning liabilities, brought forward tax losses and accumulated losses and profits related to derivative contracts. Deferred tax liabilities primarily relate to accelerated capital allowances on property, plant and equipment and accumulated losses and profits related to derivative contracts. Deferred tax balances are presented net as they arise in the same jurisdiction and the Group has a legally-enforceable right to offset as well as an intention to settle on a net basis. There are unrecognised allowances of up to circa $150 million that have no expiry date and could be recognised in future periods if future revenue from oil and gas activities increases and/or further actions are undertaken. Non-oil and gas losses of $217 million (2023: $251 million), of which there is no expiry date, have not been recognised for deferred tax purposes as it is not sufficiently certain that there will be future non-oil and gas profits to offset these losses.

The net movement on deferred tax in the statement of financial position, including deferred PRT, is as follows:

	2024 $'000	2023 Restated[1] $'000
At 1 January	**704,657**	392,457
Profit or loss credit	**27,408**	380,686
Other comprehensive income credit/(charge)	**195,643**	(71,700)
Deferred tax on decommissioning reimbursements (note 11)	**(916)**	3,214
Business combinations (note 17)	**297,344**	–
At 31 December	**1,224,136**	704,657

The net movement on deferred tax through the consolidated statement of profit or loss and consolidated statement of comprehensive income, excluding PRT, relates to the following:

	2024 $'000	2023 Restated[1] $'000
Accelerated capital allowances	**100,974**	515,277
Tax losses	**(203,307)**	(216,937)
Decommissioning provision	**61,685**	52,440
Deferred PRT	**(20,153)**	(28,015)
Hedging[2]	**201,534**	(101,744)
Share schemes	**963**	3,978
Investment allowances	**30,973**	13,950
	172,669	238,949

1 See note 2.
2 Hedging relates to deferred tax on derivatives designated in cash flow hedges and used for economic hedges.

28. Taxation continued

Gross deferred corporation tax liabilities	Hedges $'000	Deferred corporation tax on deferred PRT $'000	Accelerated tax depreciation $'000	Total $'000
At 1 January 2023	–	(8,688)	(2,250,125)	(2,258,813)
Reclassification from deferred corporation tax assets	(8,678)	–	–	(8,678)
True-up in respect of prior years	2,721	–	8,307	11,028
Origination and reversal of temporary differences	(101,744)	(28,015)	441,281	311,522
At 31 December 2023 as previously stated	(107,701)	(36,703)	(1,800,537)	(1,944,941)
Prior period adjustment (note 2)	–	–	76,919	76,919
At 31 December 2023 and 1 January 2024 as restated	(107,701)	(36,703)	(1,723,618)	(1,868,022)
Business combinations (note 17)	**–**	**–**	**(549,062)**	**(549,062)**
True-up in respect of prior years	**–**	**–**	**(16,027)**	**(16,027)**
Origination and reversal of temporary differences	**201,534**	**(20,153)**	**147,973**	**329,354**
Reclassification to deferred corporation tax assets	**(93,833)**	**–**	**–**	**(93,833)**
At 31 December 2024	**–**	**(56,856)**	**(2,140,734)**	**(2,197,590)**

Gross deferred corporation tax assets	Share schemes $'000	Decommissioning provision $'000	Other provisions $'000	Tax losses $'000	Hedges $'000	Total $'000
At 1 January 2023	–	666,052	–	1,972,174	(8,678)	2,629,548
True-up in respect of prior years	177	–	–	(4,989)	–	(4,812)
Reclassification to deferred corporation tax liabilities	–	–	–	–	8,678	8,678
Origination and reversal of temporary differences	3,802	55,654	–	(211,949)	–	(152,493)
At 31 December 2023 and 1 January 2024	3,979	721,706	–	1,755,236	–	2,480,921
Business combinations (note 17)	–	**257,392**	**21,350**	**567,666**	–	**846,408**
True-up in respect of prior years	–	**(8)**	–	**(5,033)**	–	**(5,041)**
Origination and reversal of temporary differences	**962**	**60,776**	–	**(198,274)**	–	**(136,536)**
Reclassification from deferred corporation tax liabilities	**–**	**–**	**–**	**–**	**93,833**	**93,833**
At 31 December 2024	**4,941**	**1,039,866**	**21,350**	**2,119,595**	**93,833**	**3,279,585**

28. Taxation continued

Deferred PRT asset	Total $'000
At 1 January 2023	21,721
Origination and reversal of temporary differences	70,037
At 31 December 2023 and 1 January 2024	91,758
Origination and reversal of temporary differences	**50,381**
At 31 December 2024	**142,141**

The carrying value of the net deferred tax asset (DTA) and the deferred PRT asset at 31 December 2024 of $1,082 million and $142 million, respectively (2023: $613 million and $92 million, respectively) are supported by estimates of the Group's future taxable income, based on the same price and cost assumptions as used for impairment testing. The Group has undertaken and will undertake further restructuring exercises to move certain assets between Group entities. Existing restructuring exercises have now been substantially completed. The recoverability of the deferred corporation tax asset is supported by this restructuring. The DTA relating to losses within the Group are expected to unwind against taxable profits before the end of 2029.

An EPL (or 'Levy') was enacted on 14 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 17 November 2022, the Levy was increased to 35% and extended to 31 March 2028 regardless of oil and gas prices. The Levy is charged on 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 9 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 currently no impact from this on tax carrying values. On 6 March 2024, an extension of the Levy until 31 March 2029 was announced and on 29 July 2024, it was announced that there would be a further extension to March 2030 and that the rate would increase from 35% to 38% from 1 November 2024, of which only the rate increase had been enacted at 31 December 2024. Had the two-year extension to 31 March 2030 been enacted at 31 December 2024, this would have reduced the net deferred tax asset by $318 million. This extension was substantively enacted on 3 March 2025 and will, therefore, be a charge to the consolidated statement of profit or loss in Q1 of 2025.

On 20 June 2023, Finance (No. 2) Act 2023 was substantially enacted in the UK, introducing a global minimum effective tax rate of 15%. The legislation implements a domestic top-up tax and a multinational top-up tax, effective for all accounting periods starting on or after 31 December 2023. The adoption of this has not had a material impact as the prevailing rate of tax in the United Kingdom is in excess of the 15% minimum rate. The Group has applied the exemption under IAS 12 to recognising and disclosing information about deferred tax assets and liabilities related to top-up income taxes and, therefore, there is no impact on the tax values reported.

29. Commitments and contingencies

	2024 $'000	2023 $'000
Capital commitments		
Capital commitments incurred jointly with other venturers (Group's share)	**399,613**	506,959

The Group's capital expenditure is driven largely by full-phase expenditure on existing producing fields, new development projects and appraisal and development activities. As of 31 December 2024, the Group had commitments for future capital expenditure amounting to $400 million (2023: $507 million). The key component of this relates to the Rosebank development at both dates. There are also commitments in relation to AFEs (authorisations for expenditure) signed for activities on Captain enhanced oil extraction at both dates.

Contingencies

The Group enters into letters of credit and surety bonds to provide security for the Group's obligations under certain field and bi-lateral decommissioning security agreements, or equivalent, Sullom Voe Terminal Tariff Agreements and deferred payment obligations. The instruments are either held by the Law Debenture Trust Corporation P.L.C. under a trust deed or EnQuest Heather Limited, as SVT Terminal Operator. At 31 December 2024, the Group had $822 million (31 December 2023: $450 million) in letters of credit and surety bonds outstanding relating to security obligations under certain decommissioning and security agreements.

30. Financial instruments

To estimate the fair value of financial instruments, the Group uses quoted market prices when available, or industry accepted third-party models and valuation methodologies that utilise observable market data. In addition to market information, the Group incorporates transaction specific details that market participants would utilise in a fair value measurement, including the impact of non-performance risk. The Group characterises inputs used in determining fair value using a hierarchy that prioritises inputs depending on the degree to which they are observable. However, these fair value estimates may not necessarily be indicative of the amounts that could be realised or settled in a current market transaction. The three levels of the fair value hierarchy are as follows:

- Level 1 – inputs represent quoted prices in active markets for identical assets or liabilities (for example, exchange-traded commodity derivatives). Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly, as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, market interest rates and volatility factors, which can be observed or corroborated in the marketplace. The Group obtains information from sources such as the New York Mercantile Exchange and independent price publications.
- Level 3 – inputs that are less observable, unavailable or where the observable data does not support the majority of the instrument's fair value.

In forming estimates, the Group utilises the most observable inputs available for valuation purposes. If a fair value measurement reflects inputs of different levels within the hierarchy, the measurement is categorised based upon the lowest level of input that is significant to the fair value measurement. The valuation of over-the-counter financial swaps and collars is based on similar transactions observable in active markets or industry standard models that primarily rely on market observable inputs. Substantially all of the assumptions for industry standard models are observable in active markets throughout the full term of the instrument. These are categorised as Level 2.

Gains or losses on financial instruments, that are not hedge accounted for, are recorded through the 'other gains' line in the consolidated statement of profit or loss. Credit valuation adjustments (CVA) and debit valuation adjustments (DVA) are calculated for each trade using two key inputs, being future exposures and credit spreads (incorporating both probability of default and loss given default). Future exposures have been estimated using an expected exposure-based approach over the lifetime of the trades. For the risk associated with counterparties, the credit spread is calculated using market observable credit default spreads. For the own credit risk, the credit spread is calculated using reference to a senior unsecured quoted publicly traded bond of the Group using appropriate tenor adjustments, except for out-of-the-money derivatives with counterparties which are in the Group's RBL. These derivatives rank higher than those with other counterparties as they are fully secured as part of the RBL agreement. Therefore, for the own risk credit risk adjustment (DVA) it has been estimated that the loss given default is zero and hence there is no DVA recognised for those derivatives which are with counterparties of the RBL.

All of the Group's assets are pledged as security against borrowings.

The accounting classification of each category of financial instruments and their carrying amounts as at 31 December 2024 are set out below:

	Measured at amortised cost $'000	Mandatorily measured at fair value through profit or loss $'000	Derivatives designated in hedge relationships $'000	Total carrying amount $'000
Financial assets				
Cash and cash equivalents	**165,123**	–	–	**165,123**
Other financial assets	**11,317**	–	–	**11,317**
Trade and other receivables – excluding VAT receivable	**411,056**	–	–	**411,056**
Derivative financial instruments	–	–	**32,962**	**32,962**
Financial liabilities				
Borrowings	**(1,024,948)**	–	–	**(1,024,948)**
Trade and other payables – excluding deferred income, inventory overlift and bonus/holiday pay accruals	**(439,674)**	–	–	**(439,674)**
Lease liability	**(40,159)**	–	–	**(40,159)**
Contingent and deferred consideration	**(272,758)**	**(240,491)**	–	**(513,249)**
Derivative financial instruments	–	**(7,484)**	**(143,979)**	**(151,463)**
				(1,549,035)

30. Financial instruments continued

The accounting classification of each category of financial instruments and their carrying amounts as at 31 December 2023 are set out below:

	Measured at amortised cost $'000	Mandatorily measured at fair value through profit or loss $'000	Derivatives designated in hedge relationships $'000	Total carrying amount $'000
Financial assets				
Cash and cash equivalents	153,215	–	–	153,215
Trade and other receivables – excluding VAT receivable	330,351	–	–	330,351
Derivative financial instruments	–	2,782	154,525	157,307
Financial liabilities				
Borrowings	(748,151)	–	–	(748,151)
Trade and other payables – excluding deferred income, inventory overlift and bonus/holiday pay accruals	(343,279)	–	–	(343,279)
Lease liability	(20,559)	–	–	(20,559)
Contingent and deferred consideration	(63,979)	(296,390)	–	(360,369)
Derivative financial instruments		(10,373)	(3,335)	(13,708)
				(845,193)

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

	Level 1 $'000	**Level 2 $'000**	**Level 3 $'000**	**Total Fair Value $'000**
Contingent consideration (note 26)	–	**(1,165)**	**(239,326)**	**(240,491)**
Derivative financial instrument asset	–	**32,962**	–	**32,962**
Derivative financial instrument liability	–	**(151,463)**	–	**(151,463)**

Movements in level 3 financial instruments in the 12 months to 31 December 2024 were as follows:

	$'000
At 1 January 2024	(272,351)
Cash settlements	**14,995**
Changes in fair value	**18,030**
At 31 December 2024	**(239,326)**

30. Financial instruments continued

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

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total Fair Value $'000
Contingent consideration (note 26)	–	(24,039)	(272,351)	(296,390)
Derivative financial instrument asset	–	157,307	–	157,307
Derivative financial instrument liability	–	(13,708)	–	(13,708)

Movements in level 3 financial instruments in the 12 months to 31 December 2023 were as follows:

	$'000
At 1 January 2023	(223,246)
Additions	(26,872)
Accretion	(8,799)
Changes in fair value	(13,434)
At 31 December 2023	(272,351)

Level 3 contingent consideration is valued on a discounted cash flow basis with the key inputs being commodity prices, the probability of certain future events occurring ('trigger events') and the discount rate.

The forecast cash flows are discounted at a rate of 6.33% (31 December 2023: 4.6%).

Management has considered alternative scenarios to assess the valuation of the contingent consideration including, but not limited to, the key accounting estimate relating to the oil price. A reduction or increase in the price assumptions of 20% are considered to be reasonably possible changes. A 20% reduction in the oil price would result in a decrease in contingent consideration of $nil million (31 December 2023: $23.3 million) as the forecast price is already at a level which is lower than the trigger price. A 20% increase in the oil price would lead to an increase in contingent consideration of $21.7 million (31 December 2023: $41.0 million).

The following table summarises the sensitivity of the Group's profit before tax due to changes in the carrying value of level 3 financial instruments at the reporting date resulting from a 20% change in the probability of a trigger event occurring, risking of project and conditions being met for payment of contingent consideration, with all other variables held constant. The impact on equity is the same as the impact on profit before tax.

Change in probability	**2024 $'000**	2023 $'000
20% decrease in probability	**84,245**	97,119
20% increase in probability	**(77,051)**	(84,086)

The following table summarises the sensitivity of the Group's profit before tax due to changes in the carrying value of level 3 financial instruments at the reporting date resulting from a 1% decrease in discount rate, with all other variables held constant. The impact on equity is the same as the impact on profit before tax.

Change in discount rate	**2024 $'000**	2023 $'000
1% decrease in discount rate	**(5,707)**	(5,284)

A 1% increase in discount rate would have the equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

30. Financial instruments continued

Financial instruments of the Group consist mainly of cash and cash equivalents, receivables, payables, loans and financial derivative contracts, all of which are included in the financial statements. At 31 December 2024 and 31 December 2023, financial instruments and the carrying amounts reported on the balance sheet approximates the fair values with the exception of borrowings. The carrying amount of borrowing is at amortised cost of $1,024.9 million (2023: $748.2 million) and the equivalent fair value is $1,025.5 million (2023: $781.4 million) that was categorised as level 3 in the fair value hierarchy level. Equivalent fair value was calculated using discounted cash flow method. The unobservable input is adjustment due to credit risk to risk free rates.

The table below presents the gain on financial instruments that has been recognised in the consolidated statement of profit or loss as disclosed in note 8.

	2024 $'000	2023 $'000
Revaluation of forex forward contracts	**(1,310)**	7,313
Revaluation of interest rate swaps	**(637)**	(6,488)
Revaluation of commodity hedges	**2,291**	42,006
Total revaluation gain on financial instruments	**344**	42,831
Realised gains/(losses) on forex forward contracts	**5,760**	(6,282)
Realised gains on interest rate swaps	**638**	6,967
Realised losses on commodity hedges	**(1,575)**	(457)
Total gain on financial instruments (note 8)	**5,167**	43,059

Cash flow hedge reserve

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

Cash flow hedge reserve	**2024 $'000**	2023 $'000
At 1 January	**39,818**	16,710
Change in fair value of derivative instruments	**(68,492)**	358,141
Amounts recycled to revenue	**(135,122)**	(265,711)
Amounts recycled to operating costs	**(8,738)**	–
Amounts recycled to dividends	**(1,285)**	–
Amount per consolidated statement of comprehensive income	**(213,637)**	92,430
Deferred tax on movement in year	**158,035**	(69,322)
Cash flow hedge reserve at 31 December	**(15,784)**	39,818

30. Financial instruments continued

Cost of hedging reserve

The table below presents the movement in financial instruments that has been disclosed through the statement of comprehensive income relating to the cost of hedging reserve:

Cost of hedging reserve	2024 $'000	2023 $'000
At 1 January	**4,068**	3,275
Change in fair value of the intrinsic value of derivative instruments	**(55,744)**	(12,269)
Amounts recycled to revenue – oil put premiums	**1,697**	11,850
Amounts recycled to revenue – gas put premiums	**3,240**	3,590
Amount per consolidated statement of comprehensive income	**(50,807)**	3,170
Deferred tax on movement in year	**37,607**	(2,378)
Cost of hedging reserve at 31 December	**(9,132)**	4,068

The Group has identified that it is exposed principally to these areas of market risk.

i) Commodity risk

Commodity price risk related to crude oil prices is the Group's most significant market risk exposure. Crude oil prices and quality differentials are influenced by worldwide factors such as OPEC actions, political events and supply and demand fundamentals. The Group is also exposed to natural gas price movements on uncontracted gas sales. Natural gas prices, in addition to the worldwide factors noted above, can also be influenced by local market conditions. The Group's expenditures are subject to the effects of inflation and prices received for the product sold are not readily adjustable to cover any increase in expenses from inflation. The Group may periodically use different types of derivative instruments to manage its exposure to price volatility, thus mitigating fluctuations in commodity-related cash flows.

In all periods presented, the Group has designated certain commodity options as a cash flow hedge of highly probable sales. Because the critical terms (i.e. the quantity, maturity and underlying price) of the commodity option and their corresponding hedged items are the same, the Group performs a qualitative assessment of effectiveness and it is expected that the intrinsic value of the commodity option and the value of the corresponding hedged items will systematically change in opposite direction in response to movements in the price of underlying commodity if the price of the commodity increases above the strike price of the derivative. The main source of hedge ineffectiveness in these hedge relationships is the effect of the counterparty and the Group's own credit risk on the fair value of the option contracts, which is not reflected in the fair value of the hedged item and if the forecast transaction will happen earlier or later than originally expected. There was no hedge ineffectiveness in the current or prior year.

The Group's target is to hedge oil and gas prices up to a maximum of 75% of the next 12 months' production on a rolling annual basis, up to 50% in the following 12-month period and 25% in the subsequent 12-month period. On a rolling basis, the Group has minimum and maximum hedging requirements under the RBL. The minimum requirements depend on levels of utilisation with reference to the latest borrowing base amount, as follows:

- If drawn amounts under the loan tranche of the RBL are below 10%, no hedging is required;
- If drawn amounts are above 10% but below 50%, the Group is required to hedge no less than 35% for the first 12 months and no less than 20% for the following 12 month period; and
- If drawn amounts are equal to or greater than 50%, the Group is required to hedge no less than 50% for the first 12 months and no less than 30% for the following 12 month period.

Maximum hedging volumes are set, on a rolling basis, at 85% for year one, 65% for year two, 50% for year three and 30% for year four, and 0% thereafter.

30. Financial instruments continued

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

Derivative	Term	Volume		Average price
Oil swaps	**Jan 25 - Dec 25**	**3,505,500**	**bbls**	**$78/bbl**
Oil collars	**Jan 25 - Dec 25**	**1,969,500**	**bbls**	**$74/bbl floor - $85/bbl ceiling**
Gas swaps	**Jan 25 - Dec 26**	**296,750,000**	**therms**	**98p/therm**
Gas puts	**Jan 25 - Dec 26**	**217,725,000**	**therms**	**81p/therm**
Gas collars	**Jan 25 - Dec 26**	**348,555,000**	**therms**	**83p/therm floor - 102p/therm ceiling**

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

Derivative	Term	Volume		Average price
Oil swaps	Jan 24 – Dec 24	1,931,500	bbls	$82/bbl
Oil collars	Jan 24 – Dec 24	2,744,000	bbls	$75/bbl floor – $87/bbl ceiling
Gas swaps	Jan 24 – Dec 24	53,175,000	therms	140p/therm
Gas swaps	Jan 25 – Sep 25	18,225,000	therms	120p/therm
Gas collars	Jan 24 – Dec 24	123,350,000	therms	135p/therm floor – 210p/therm ceiling
Gas collars	Jan 25 – Mar 25	9,000,000	therms	130/therm floor – 185p/therm ceiling

The following table summarises the sensitivity of a 20% decrease in realised commodity prices, with all other variables held constant, of the Group's profit before tax due to changes in the carrying value of commodity derivatives at the reporting date. The impact on equity is the same as the impact on profit before tax.

Change in realised commodity price	**2024 $'000**	2023 $'000
20% decrease in realised oil price	**(235,713)**	(177,151)
20% decrease in realised gas price	**(119,799)**	(146,794)

A 20% increase in realised commodity prices would have the equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

ii) Interest risk

The calculation of interest payments for the RBL facility and the optional project capital expenditure facility incorporate SOFR. The Group is, therefore, exposed to interest rate risk to the extent that SOFR may fluctuate. The Group mitigates the risk of SOFR fluctuations by entering into interest rate swaps on floating rates.

There were no interest rate financial instruments in place at either 31 December 2024 or 31 December 2023.

30. Financial instruments continued

The following table summarises the sensitivity of an increase of 250 basis points in SOFR, with all other variables held constant, of the Group's profit before tax due to changes in the carrying value of monetary liabilities at the reporting date.

Change in interest rate	2024 $'000	2023 $'000
Increase of 250 basis points	**(8,369)**	(22,370)

A decrease in 250 basis points in interest rates would have the equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

iii) Foreign exchange rate risk

The Group is exposed to foreign exchange risks to the extent it transacts in various currencies, while measuring and reporting its results in US Dollars. Since time passes between the recording of a receivable or payable transaction and its collection or payment, the Group is exposed to gains or losses on non-US Dollar amounts and on balance sheet translation of monetary accounts denominated in non-US Dollar amounts due to spot rate fluctuations from year-to-year.

As at 31 December 2024, the Group had an average of £21.3 million per quarter hedged at an average forward rate of $1.273:£1 for the period January to December 2025. As at 31 December 2024, the Group had an average of £49.5 million per quarter hedged at an average collar floor of $1.268:£1 and average collar ceiling of $1.298:£1 for the period January to December 2025.

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

The following table summarises the sensitivity to a reasonably possible change in the US Dollar to Sterling foreign exchange rate, with all other variables held constant, of the Group's profit before tax due to changes in the carrying value of monetary assets and liabilities at the reporting date. The impact on equity is the same as the impact on profit before tax. The Group's exposure to foreign currency changes for all other currencies is less significant.

Change in Sterling foreign exchange rate	2024 $'000	2023 $'000
10% weakening of Sterling against the US Dollar (2023 revised as explained below)	**(6,895)**	(6,855)

In the 2023 Annual Report and Accounts, the Group incorrectly included non-monetary items denominated in Sterling to calculate the above sensitivity analysis. The correct impact on profit before tax was a loss of $7 million and not a loss of $123 million as disclosed previously.

A 10% strengthening of Sterling against the US Dollar would have had the equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

The Group's Sterling denominated monetary net assets at 31 December 2024 were £55 million (2023: £53.8 million).

iv) Credit risk

The majority of the Group's trade and other receivables are with customers in the oil and gas industry and are subject to normal industry credit risks and are unsecured. Customers of the Group are mainly oil and gas majors with good credit ratings and low credit risk, including bp, Eni and Shell.

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

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

The Group may be exposed to certain losses in the event that counterparties to derivative financial instruments are unable to meet the terms of the contracts. The Group's exposure is limited to those counterparties holding derivative contracts with positive fair values at the reporting date and these counterparties represent a very low risk of default. As at 31 December 2024, the Group's exposure is $nil (31 December 2023: $nil).

30. Financial instruments continued

Credit valuation adjustments (CVA) and debit valuation adjustments (DVA) are calculated for each trade using two key inputs, being future exposures and credit spreads (incorporating both probability of default and loss-given default). Future exposures have been estimated using an expected exposure-based approach over the lifetime of the trades. For the risk associated with counterparties, the credit spread is calculated using market observable credit default spreads. For the own credit risk, the credit spread is calculated using reference to a senior unsecured quoted publicly traded bond of the Group using appropriate tenor adjustments, except for out-of-the-money derivatives with counterparties which are in the Group's RBL. These derivatives rank higher than those with other counterparties as they are fully secured as part of the RBL agreement. Therefore for the own risk credit risk adjustment (DVA) it has been estimated that the loss given default is zero and hence there is no DVA recognised for those derivatives which are with counterparties of the RBL.

The Group also has credit risk arising from cash and cash equivalents held with banks and financial institutions. The maximum credit exposure associated with financial assets is the carrying values.

v) Liquidity risk

Liquidity risk includes the risk that as a result of its operational liquidity requirements, the Group will not have sufficient funds to settle a transaction on the due date. The Group manages liquidity risk by maintaining adequate cash reserves, banking facilities, and by considering medium and future requirements by continuously monitoring forecast and actual cash flows. The Group considers the maturity profiles of its financial assets and liabilities. As at 31 December 2023 and 2024, substantially all accounts payable are current. As borrowings are linked to SOFR, a spot rate at 31 December 2024 was used to calculate future borrowings cash flows.

The following table shows the timing of cash outflows, including future interest, relating to financial liabilities, excluding derivatives, at 31 December 2024:

	Weighted average effective interest rate	**Within 1 year $'000**	**Within 2 to 5 years $'000**	**More than 5 years $'000**	**Total $'000**	**Carrying amount $'000**
Trade and other payables	–	**(439,674)**	–	–	**(439,674)**	**(439,674)**
Contingent and deferred consideration	–	**(310,132)**	**(212,908)**	**(44,536)**	**(567,576)**	**(513,249)**
Lease liabilities	**5.69%**	**(21,046)**	**(21,876)**	–	**(42,922)**	**(40,159)**
Borrowings	**8.14%**	**(85,462)**	**(1,356,881)**	–	**(1,442,343)**	**(1,024,948)**
		(856,314)	**(1,591,665)**	**(44,536)**	**(2,492,515)**	**(2,018,030)**

The following table shows the timing of cash outflows, including future interest, relating to financial liabilities, excluding derivatives, at 31 December 2023:

	Weighted average effective interest rate	Within 1 year $'000	Within 2 to 5 years $'000	More than 5 years $'000	Total $'000	Carrying amount $'000
Trade and other payables	–	(343,279)	–	–	(343,279)	(343,279)
Contingent and deferred consideration	–	(101,669)	(248,388)	(44,508)	(394,565)	(360,369)
Lease liabilities	6.07%	(20,152)	(669)	–	(20,821)	(20,559)
Borrowings	8.85%	(64,190)	(840,085)	–	(904,275)	(748,151)
		(529,290)	(1,089,142)	(44,508)	(1,662,940)	(1,472,358)

30. Financial instruments continued

The following tables set out the details of the Group's liquidity analysis for its derivative financial instruments based on contractual maturities. The tables have been drawn up based on the undiscounted net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the reporting date.

At 31 December 2024	Within 1 year $'000	Within 2 to 5 years $'000	Total $'000
Net-settled (derivative liabilities):			
Commodity options	**(74,252)**	**(10,293)**	**(84,545)**
Gross-settled:			
Foreign exchange forwards – gross outflows	**(191,464)**	–	**(191,464)**
Foreign exchange collars – gross outflows	**(191,074)**	–	**(191,074)**
	(456,790)	**(10,293)**	**(467,083)**

At 31 December 2023	Within 1 year $'000	Within 2 to 5 years $'000	Total $'000
Net-settled (derivative liabilities):			
Commodity options	(2,290)	–	(2,290)
Gross-settled:			
Foreign exchange forwards – gross outflows	(113,342)	–	(113,342)
Foreign exchange collars – gross outflows	(155,071)	–	(155,071)
	(270,703)	–	(270,703)

vi) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group regularly monitors the capital requirements of the business over the short, medium and long-term, in order to enable it to foresee when additional capital will be required.

The Group has approval from management to hedge external risks, commodity prices, interest rates and foreign exchange risk. This is designed to reduce the risk of adverse movements in market prices, interest rates and exchange rates eroding the Group's financial results.

31. Derivative financial instruments

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

	2024 $'000	2023 $'000
Oil swaps – cash flow hedge	**19,836**	9,913
Oil collars – cash flow hedge	**6,536**	7,434
Gas swaps – cash flow hedge	**(49,522)**	47,232
Gas swaps – non-cash flow hedge	–	(2,290)
Gas collars – cash flow hedge	**(81,185)**	89,944
Interest rate swaps – non-cash flow hedge	–	637
FX forwards – cash flow hedge	**214**	(3,961)
FX forwards – non-cash flow hedge	**(7,484)**	–
FX collars – cash flow hedge	**(6,896)**	(3,335)
FX collars – non-cash flow hedge	–	(1,975)
	(118,501)	143,599

Maturity analysis of derivative financial instruments	2024 $'000	2023 $'000
Non-current assets	–	17,810
Current assets	**32,962**	139,497
Non-current liabilities	**(20,987)**	–
Current liabilities	**(130,476)**	(13,708)
	(118,501)	143,599

The fair value of commodity derivatives is estimated using a net present value model (commodity swaps) or an appropriate option valuation model (options and collars). These contracts are valued using observable market pricing data including volatilities. A 20% reduction in future commodity prices, with all other assumptions held constant, would result in a decrease in the fair value of derivatives of $260 million (2023: $113 million). A 20% increase in future commodity prices, with all other assumptions held constant, would result in an increase in the intrinsic value of option derivative instruments at 31 December 2024 of $113 million (2023: $88 million).

Derivative financial instruments that are with counterparties included within the RBL are subject to Master Netting Agreements, this includes the majority of the Group's derivative financial instruments as at 31 December 2024 and 2023.

The terms of the Master Netting Arrangements create a legally enforceable right of offset that comes into effect only on the occurrence of a specified event of default or termination event or other events not expected to happen in the normal course of business. Although the Group has the ability to net settle certain transactions with certain counterparties where an election has been made, this is not considered to be significant at 31 December 2024. Accordingly, the Group has not offset any derivatives balances in the statement of financial position in any of the periods presented.

31. Derivative financial instruments continued

Financial instruments subject to enforceable master netting agreements and similar agreements at 31 December 2024 are detailed below:

	Amount recognised in the statement of financial position $000	Related amounts not set off in the statement of financial position $000	Net amount $000
Derivative assets	**32,962**	**(22,962)**	**10,000**
Derivative liabilities	**(151,463)**	**22,962**	**(128,501)**

Financial instruments subject to enforceable master netting agreements and similar agreements at 31 December 2023 are detailed below:

	Amount recognised in the statement of financial position $000	Related amounts not set off in the statement of financial position $000	Net amount $000
Derivative assets	157,306	(4,436)	152,870
Derivative liabilities	(13,708)	4,436	(9,272)

32. Related-party transactions

The immediate parent undertaking is DKL Energy Limited (incorporated in Jersey) which owns 52.2% of the issued share capital of Ithaca Energy plc. The registered office address of DKL Energy Limited is 47 Esplanade, St Helier, JE1 0BD, Jersey.

Following the Business Combination, as set out in note 17, Eni UK Limited, an indirect wholly owned subsidiary of Eni S.p.A., owns 37.2% of the issued share capital of Ithaca Energy plc.

Related party transactions with Eni S.p.A. group from 3 October 2024 were as follows:

	Sales to related parties $000	Purchases from related parties $000	Amounts owed by related parties at 31 December 2024 $000	Amounts owed to related parties at 31 December 2024[1] $000
2024	**305,634**	**2,037**	**111,639**	**210,910**

1 Includes $204.5 million of deferred consideration in respect of the Business Combination (see note 17 and note 26).

The ultimate parent of the Group is Delek Group Limited (incorporated in Israel), an independent E&P Company listed on the Tel Aviv Stock Exchange. The Group and Delek's ultimate controlling party is Mr Itshak Sharon Tshuva.

There were no related party transactions with Delek Group Limited or Mr Tshuva in either the year ended 31 December 2024 or the year ended 31 December 2023.

32. Related-party transactions continued

The consolidated financial statements include the financial information of the Group, which comprises the Company and the subsidiaries listed in the following table:

	Registered office	Country of incorporation	% equity interest at 31 December	
			2024	2023
Ithaca Energy (E&P) Limited	1	Jersey	**100%**	100%
Ithaca Energy (UK) Limited	2	Scotland	**100%**	100%
Ithaca Minerals (North Sea) Limited	2	Scotland	**100%**	100%
Ithaca Energy (Holdings) Limited	3	Bermuda	**100%**	100%
Ithaca Energy Holdings (UK) Limited	2	Scotland	**100%**	100%
Ithaca Energy (North Sea) PLC	2	Scotland	**100%**	100%
Ithaca Oil and Gas Limited	4	England and Wales	**100%**	100%
Ithaca Petroleum Ltd	4	England and Wales	**100%**	100%
Ithaca Causeway Limited	4	England and Wales	**100%**	100%
Ithaca Gamma Limited	4	England and Wales	**100%**	100%
Ithaca Alpha (NI) Limited	5	Northern Ireland	**100%**	100%
Ithaca Epsilon Limited	4	England and Wales	**100%**	100%
Ithaca Exploration Limited	4	England and Wales	**100%**	100%
Ithaca Petroleum EHF	6	Iceland	**100%**	100%
Ithaca Dorset Limited	4	England and Wales	**100%**	100%
Ithaca SP UK Limited	4	England and Wales	**100%**	100%
Ithaca GSA Holdings Limited	1	Jersey	**100%**	100%
Ithaca GSA Limited	1	Jersey	**100%**	100%
Ithaca Energy Developments UK Limited	4	England and Wales	**100%**	100%
FPF-1 Limited	7	Jersey	**100%**	100%
Ithaca MA Limited	4	England and Wales	**100%**	100%
Ithaca SP Bonds PLC	4	England and Wales	**100%**	100%
Ithaca SP Finance Limited	4	England and Wales	**100%**	100%
Ithaca SP (Holdings) Limited	4	England and Wales	**100%**	100%
Ithaca SP E&P Limited	4	England and Wales	**100%**	100%
Ithaca SP O&G Limited	4	England and Wales	**100%**	100%
Ithaca SPE Limited	4	England and Wales	**100%**	100%
Ithaca Zeta Limited	4	England and Wales	**100%**	100%
Ithaca EF Limited (formerly Eni Elgin/Franklin Limited)	4	England and Wales	**100%**	–
Ithaca UKCS (formerly Eni UKCS Limited)	4	England and Wales	**100%**	–
Ithaca (NE) E&P Limited (formerly Eni Energy E&P UK Limited)	4	England and Wales	**100%**	–
Ithaca (NE) UKCS Limited (formerly Eni Energy E&P UKCS Limited)	4	England and Wales	**100%**	–

32. Related party transactions continued

Transactions between subsidiaries are eliminated on consolidation.

Foot notes relating to table on preceding page:

1 47 Esplanade, St Helier, Jersey, JE1 0BD
2 13 Queen's Road, Aberdeen, Scotland AB15 4YL
3 Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda
4 Pinsent Masons LLP, 1 Park Row, Leeds, England, LS1 5AB
5 Pinsent Masons LLP, The Soloist, 1 Lanyon Place, Belfast, BT1 3LP
6 Borgartúni 26, 105 Reykjavík, Iceland
7 26 New Street, St Helier, Jersey, JE2 3RA
8 All of the above shares represent an ordinary class of shares.

Key management personnel

The following table provides remuneration to key management personnel, being the Executive Directors and members of the Executive Leadership Team, for the periods ended 31 December 2024 and 2023:

Key management personnel	**2024 $'000**	2023 $'000
Salaries and short-term employee benefits	**5,910**	5,741
Payments made in lieu of pension contributions	**288**	249
Company pension contributions	**148**	106
Compensation for loss of office	**153**	–
Share-based payment	**1,575**	5,863
	8,074	11,959

Further details regarding share-based payments received by key management personnel are set out below.

On 5 January 2024 Alan Bruce stepped down from his role as Chief Executive Officer and on 28 May 2024 Gilad Myerson stepped down from his role as Executive Chairman. Full details of the section 430 (2B) of the Companies Act 2006 disclosures in respect of Mr Myerson are included in the Remuneration Committee report and full details in respect of Mr Bruce were included in the Directors' remuneration report in the 2023 Annual Report and Accounts.

33. Share-based payments

The charge for share-based payment transactions in the year to 31 December 2024 was $6.1 million (2023: $16.4 million). Like other elements of compensation, this charge is processed through the time-writing system which allocates costs, based on time spent by individuals, to various activities within the Ithaca Energy plc Group. Part of this cost is, therefore, capitalised as directly attributable to capital projects and part is charged to the statement of profit or loss as operating costs of hydrocarbon activities, pre-licence exploration costs or administrative expenses.

33. Share-based payments continued

Long-Term Incentive Plans (LTIPs), Restricted Stock Units (RSUs) and Deferred Bonus Shares (DBSs)

Outstanding share options under LTIPs and DBS were as follows:

	Heritage awards	At-IPO awards	2022 LTIP awards	2024 LTIP awards	2024 RSU awards	2024 DBS awards	Total
Balance at 1 January 2023	1,687,296	4,908,903	2,836,660	–	–	–	9,432,859
Awarded during the year in lieu of dividend payments	191,401	190,426	–	–	–	–	381,827
Forfeited during the year	(127,880)	(296,966)	(276,123)	–	–	–	(700,969)
Exercised during the year	(921,882)	(521,679)	–	–	–	–	(1,443,561)
Balance at 31 December 2023	828,935	4,280,684	2,560,537	–	–	–	7,670,156
Granted during the year	–	–	–	**3,589,590**	**303,103**	**239,291**	**4,131,984**
Awarded during the year in lieu of dividend payments	**76,000**	**1,454,497**	–	**532,474**	**51,211**	**40,430**	**2,154,612**
Forfeited during the year	–	**(293,867)**	**(249,919)**	–	–	–	**(543,786)**
Exercised during the year	**(885,959)**	**(974,153)**	–	–	–	–	**(1,860,112)**
Balance at 31 December 2024	**18,976**	**4,467,161**	**2,310,618**	**4,122,064**	**354,314**	**279,721**	**11,552,854**
Exercisable at 31 December 2024	**18,976**	**2,478,094**	–	–	–	–	**2,497,070**
Share option exercise price	**£nil**	**£nil**	**£nil**	**£nil**	**£nil**	**£nil**	**N/A**
Weighted average share price on date of exercise	**£1.20**	**£1.15**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
Weighted average remaining life	**N/A**	**0.9 years**	**1.3 years**	**2.6 years**	**2.5 years**	**2.5 years**	**N/A**

All LTIP, DBS and RSU awards are nil-cost options. There are no performance conditions attaching to the Heritage, At-IPO, 2024 DBS or 2024 RSU awards. Details of the performance conditions of the 2022 LTIP and the 2024 LTIP are set out in the Remuneration Committee report. The fair values of all the LTIP awards were determined based on the share price on date of award. The Heritage awards vested over the period to 14 November 2023, the At-IPO awards vest in three equal tranches over the period to 14 November 2025, the 2022 LTIP awards vest over the period to 1 April 2026, the 2024 LTIP awards vest over the periods to 4 July 2027 and 11 October 2027, the 2024 DBS awards vest over the period to 5 July 2027 and the 2024 RSU awards vest in three equal tranches over the period to 4 July 2027. It is anticipated that future exercises of LTIP, DBS and RSU awards will be settled by equity.

The total charge for LTIP share options, DBS awards and RSU awards in the year to 31 December 2024 was $6.1 million (2023: $12.9 million).

IPO-related share options

Under the terms of their termination agreements, both Mr Myerson and Mr Bruce retained an entitlement to $2.0 million worth of share options each. The IPO-related share options were fully expensed in the period up to 31 December 2023 and the charge for the year to 31 December 2024 was $nil (2023: $0.5 million).

33. Share-based payments continued

Management Equity Plan (MEP)

During the year to 31 December 2023, Mr Myerson elected to receive the Aggregate Guaranteed Payment (AGP) and $8.0 million (AGP of $10.0 million less special bonuses of $2.0 million) was paid to him on 1 December 2023. As a result, the MEP share options, which would otherwise have vested over the period to 30 September 2026, were transferred back to the Company for nil payment.

There were no performance conditions attaching to either the MEP share options or the AGP.

The total share-based payment charge for MEP arrangements in the year to 31 December 2024 was $nil (2023: $3.0 million).

The share-based payment reserve of $18.8 million (2023: $15.5 million) reflects the opening balance of $15.5 million (2023: $4.9 million) plus the charge of $6.1 million (2023: $12.9 million) for LTIPs and DBSs plus the charge of $nil (2023: $0.5 million) for IPO-related share options less the cost of satisfying exercises during the year of $2.8 million (2023: $2.8 million).

34. Dividends

	2024 $m	2023 $m
First 2024 interim dividend of $0.0986 (2023: $0.132) per ordinary share announced 22 August 2024 and paid 27 September 2024	**99.4**	133.0
Second 2024 dividend of $0.1209 (2023: $0.132) per ordinary share announced 21 November 2024 and paid 20 December 2024	**199.7**	133.0
Total dividends paid relating to the year ended 31 December[1]	**299.1**	266.0
Third 2024 interim dividend of $0.1209 (2023: $0.132) per ordinary share announced 26 March 2025 and payable 25 April 2025 (not accrued in the 2024 results)[1]	**200.0**	133.6
Total dividends paid or payable relating to year ended 31 December	**499.1**	399.6

1. The third 2023 interim dividend of $133.6 million was paid on 17 April 2024. Total cash payments in the year to 31 December 2024 were $432.7 million.

35. Subsequent events

On 29 January 2025, the Group announced a reorganisation and streamlining of the organisational structure for onshore staff with a targeted completion of 1 July 2025. It is not anticipated that the cost of this reorganisation will be material.

On 30 January 2025, the Court of Session ruled that consent had been unlawfully given in relation to the sanctioning of the Rosebank field development and that a new consent application would be required which included scope 3 emissions. It did, however, permit the project to progress as planned whilst this new consent is sought but that no oil could be extracted until consent has been given. Further details are set out in note 3.

On 25 March 2025, the Group announced the signing of a sale and purchase agreement to acquire the entire issued share capital of JAPEX UK E&P Limited for an enterprise value of $193 million, based on an effective date of 1 January 2024. The acquisition, which is subject to certain conditions including regulatory approval, and is subject to customary purchase price adjustments, which, assuming an illustrative completion date of 30 June 2025, equates to an estimated payment at completion of approximately $140 million.

Company statement of financial position
As at 31 December

	Note	2024 $'000	2023 $'000
Assets			
Current assets			
Cash and cash equivalents		**288**	140
Prepayments		**966**	1,165
		1,254	1,305
Non-current assets			
Investments	3	**2,290,383**	1,224,659
Total assets		**2,291,637**	1,225,964
Liabilities and equity			
Current liabilities			
Deferred consideration	4	**(160,203)**	–
Trade and other payables	4	**(37,365)**	(16,365)
		(197,568)	(16,365)
Non-current liabilities			
Deferred consideration	4	**(44,262)**	–
Total liabilities		**(241,830)**	(16,365)
Net assets		**2,049,807**	1,209,599
Shareholders' equity			
Share capital	5	**20,029**	11,540
Share premium	5	**1,161,615**	308,845
Capital contribution reserve	5	**181,945**	181,945
Own shares	5	**(9,592)**	(12,412)
Share-based payment reserve	5	**18,788**	15,494
Retained earnings		**677,022**	704,187
Total equity		**2,049,807**	1,209,599

Approved on behalf of the Board on 25 March 2025:

Iain C S Lewis
Director

Company number 12263719

Company statement of changes in equity
Year ended 31 December

	Share capital $'000	Share premium $'000	Capital contribution reserve $'000	Own shares $'000	Share-based payment reserve $'000	Retained earnings $'000	Total $'000
Balance at 1 January 2023	11,445	293,712	181,945	–	4,920	715,808	1,207,830
Dividends paid	–	–	–	–	–	(265,972)	(265,972)
Issuance of shares	95	15,133	–	(15,228)	–	–	–
Profit for the year	–	–	–	–	–	254,351	254,351
Share-based payments	–	–	–	2,816	10,574	–	13,390
Balance at 31 December 2023 and 1 January 2024	11,540	308,845	181,945	(12,412)	15,494	704,187	1,209,599
Dividends paid	**–**	**–**	**–**	**–**	**–**	**(432,693)**	**(432,693)**
Issuance of shares	**8,489**	**852,770**	**–**	**–**	**–**	**–**	**861,259**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**405,528**	**405,528**
Share-based payments	**–**	**–**	**–**	**2,820**	**3,294**	**–**	**6,114**
Balance at 31 December 2024	**20,029**	**1,161,615**	**181,945**	**(9,592)**	**18,788**	**677,022**	**2,049,807**

Notes to the Company financial statements

1. Material accounting policies

Basis of preparation

The separate financial statements of the Company are presented as required by the Companies Act 2006. The financial statements have been prepared on a historical cost basis and on a going concern basis as described in the going concern statement within note 3 of the consolidated financial statements.

The Company meets the definition of a qualifying entity under Financial Reporting Standard 101 (FRS 101) 'Reduced Disclosure Framework' issued by the Financial Reporting Council. These financial statements have, therefore, been prepared in accordance with FRS 101.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under this standard in relation to share-based payments, financial instruments, capital management, presentation of a cash flow statement and certain related-party transactions.

Where relevant, equivalent disclosures have been given in the consolidated financial statements. Where applicable, the principal accounting policies adopted are the same as those set out in note 3 to the consolidated financial statements on pages 187 to 200, except as noted below.

Investments

Investments in subsidiaries are shown at cost less provision for impairment.

Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders. Dividends receivable from subsidiaries are recognised only when they are approved by shareholders. Details of dividends paid and declared are set out in note 34 of the consolidated financial statements.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of expenses during the reporting period. Although these estimates are based on management's best knowledge, actual results may ultimately differ from those estimates. The estimates and underlying assumptions are reviewed on a regular and ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. In the current and prior year there were no critical accounting judgements or key sources of estimation uncertainty.

2. Profit for the year

As permitted by section 408 of the Companies Act 2006, the Company has elected not to present its own statement of profit or loss for the year. The Company reported a profit of $405.5 million for the year ended 31 December 2024 (2023: Profit of $254.4 million).

Fees payable to the Company's auditors for the audit of the Company's annual financial statements are disclosed in note 7 to the consolidated financial statements. The Company had no employees in the current or preceding financial year.

3. Investments in subsidiary undertakings

	2024 $'000	2023 $'000
Balance at 1 January	**1,224,659**	1,224,659
Additions (see note 17 to the consolidated financial statements)	**1,065,724**	–
Balance at 31 December	**2,290,383**	1,224,659

The carrying value of investments in subsidiary undertakings is reviewed for indicators of impairment on an annual basis. The recoverable amount is the higher of fair value less cost of disposal or the net present value of future cash flows which are estimated based on the continued use of the assets in the business. The market capitalisation of the Group at 31 December 2024 was $2.29 billion which is in line with the carrying value of investments in subsidiary undertakings. Although a reduction in the market share price could represent a potential indicator of impairment, the Directors consider that the market share price is not representative of the full value of the Group due to the limited nature of the free float representing only circa 10% of the issued share capital. Details of impairment testing are set out in note 19 to the consolidated financial statements.

3. Investments in subsidiary undertakings continued

During the year ended 31 December 2024, the Company received $435 million of dividends from subsidiary undertakings (2023: $272 million).

The subsidiaries of Ithaca Energy plc are set out in note 32 of the consolidated financial statements.

4. Trade and other payables

	2024 $'000	2023 $'000
Amounts owed to subsidiary undertakings	**(34,398)**	(14,452)
Trade and other payables	**(321)**	–
Accruals	**(2,646)**	(1,913)
	(37,365)	(16,365)

Amounts owed to subsidiary are repayable on demand and do not bear interest.

Deferred consideration of $204.5 million is payable in relation to the Business Combination and further details are set out in note 17 and note 26 to the consolidated financial statements.

5. Share capital and reserves

(a) Issued share capital

The issued share capital is as follows:

	Number of common shares	Amount $'000
At 31 December 2023	1,014,372,281	11,540
Shares issued during the year	**639,360,174**	**8,489**
At 31 December 2024	**1,653,732,455**	**20,029**

On 5 October 2023, 7,807,305 ordinary shares of £0.01 each were issued to the Ithaca Energy plc Employee Benefit Trust (EBT) to satisfy the exercise of share options during the year and in future years.

On 3 October 2024, 639,360,174 ordinary shares of £0.01 each were issued to Eni UK Limited, an indirect wholly-owned subsidiary of Eni S.p.A., as consideration for the Eni UK Business Combination (see note 17 for further details).

(b) Share premium

	2024 $'000	2023 $'000
At 1 January	**308,846**	293,712
Additions	**852,769**	15,134
At 31 December	**1,161,615**	308,846

The share premium account represents the cumulative difference between the market share price and the nominal share value on the issuance of new ordinary shares multiplied by the number of shares issued.

Additions during 2024 represent the difference between the nominal value per share of £0.01 and the opening share price on the day of the completion of the Eni Business Combination multiplied by the number of shares issued.

Additions during 2023 represent the difference between the nominal value per share of £0.01 and the closing share price on the day before the shares were issued to the EBT multiplied by the number of shares.

5. Share capital and reserves continued

(c) Capital contribution reserve

	2024 $'000	2023 $'000
At 1 January and 31 December	**181,945**	181,945

(d) Own shares

	2024 $'000	2023 $'000
At 31 December	**(9,592)**	(12,412)

Own shares comprise shares held in the Ithaca Energy plc EBT which are being used to satisfy the exercise of employee share options. During the year to 31 December 2024, 1,860,112 (2023: 1,443,561) ordinary shares were used to satisfy the exercise of share options. At 31 December 2024, the EBT held 6,325,918 (2023: 8,186,030) ordinary shares of £0.01 each.

(e) Share-based payment reserve

	2024 $'000	2023 $'000
At 31 December	**18,788**	15,494

The share-based payment reserve represents the cumulative charge for share options, as described in note 33, less the cumulative cost of share option exercises.

Details of share-based payments are set out in note 33 of the consolidated financial statements.

The Company has taken advantage of the exemption given by Paragraph 8 of FRS 101, which allows exemption from disclosure of compensation for key management personnel.

6. Related-party transactions

Deferred consideration of $204.5 million per note 4 is a related party transaction with Eni S.p.A. group. Other than this there were no other related party transactions between the Company and Eni S.p.A. during the period 3 October 2024 to 31 December 2024. There were no related party transactions between the Company and Delek Group Limited or Mr Tshuva in either the year ended 31 December 2024 or the year ended 31 December 2023.

7. Ultimate Parent undertaking and controlling party

The immediate Parent undertaking is DKL Energy Limited (incorporated in Jersey) which owns 52.2% of the issued share capital of Ithaca Energy plc. The registered office address of DKL Energy Limited is 47 Esplanade, St Helier, Jersey, JE1 0BD.

The ultimate Parent Company is Delek Group Limited (incorporated in Israel), an independent E&P Company listed on the Tel Aviv Stock Exchange. The Company and Delek's ultimate controlling party is Mr Itshak Sharon Tshuva.

The smallest and largest group for which consolidated financial statements are prepared is that of Ithaca Energy plc and Delek Group Limited, respectively. A copy of the Delek Group Limited financial statements can be obtained from 19 Abba Edan Boulevard, POB 2054, Herzilia, 4612001, Israel.

Alternative Performance Measures

Non-GAAP measures

The Group uses certain performance metrics that are not specifically defined under United Kingdom adopted International Financial Reporting Standards or other generally accepted accounting principles. These measures are considered to be important as they track both operational and financial performance and are used to manage the business and to provide an objective comparison to Ithaca Energy's peer group. These non-GAAP measures which are presented in the Annual Report and Accounts are defined below:

Adjusted EBITDAX: earnings before finance income, finance costs, tax, put premiums on oil and gas derivative instruments, revaluation of derivative contracts, depletion depreciation and amortisation, impairment charges, exploration and evaluation expenditure, remeasurements of decommissioning reimbursement receivables, fair value gains or losses on contingent consideration, business combination costs and historic claims relating to acquisitions. The Group believes that adjusted EBITDAX is a useful measure for stakeholders because it is a measure closely tracked by management to evaluate the Group's operating performance and to make financial, strategic and operating decisions and because it may help stakeholders to better understand and evaluate, in the same manner as management, the underlying trends in the Group's operational performance on a comparable basis, period-on-period. Adjusted EBITDAX is reconciled to profit after tax as follows:

	2024 $m	2023 $m
Profit after tax	**153.2**	292.5
Taxation charge[1] (note 28)	**181.1**	9.5
Depletion, depreciation and amortisation (note 15)	**600.2**	740.3
Impairment charges on development and production assets (note 19)	**263.0**	557.9
Finance income (note 9)	**(11.2)**	(5.7)
Finance costs (note 9)	**200.6**	189.7
Oil and gas put premiums (note 5)	**4.9**	15.4
Revaluation of derivative contracts (note 30)	**(0.3)**	(42.8)
Business combination costs (note 7)	**16.3**	–
Exploration and evaluation expenses (note 14)	**24.5**	13.6
Historic claim relating to an acquisition (note 8)	–	(50.1)
Remeasurements of decommissioning reimbursement receivables (note 8)	–	(5.6)
Fair value (gains)/losses on contingent consideration (note 8)	**(27.3)**	8.0
Adjusted EBITDAX	**1,405.0**	1,722.7

1 The tax charge for the year rounds to $181.2 million, however, profit after tax plus the tax charge rounds to $334.3 million, so the tax charge has been rounded down in the above table to accurately reflect the profit before tax.

Alternative Performance Measures continued

Adjusted net income: profit after tax excluding impairment charges or reversals, business combination costs, one-off finance charges related to refinancing and the tax effects of these items where applicable and non-cash deferred tax charges on changes in EPL. Adjusted net income, which is presented as it eliminates items which distort year-on-year comparisons, is reconciled to profit after tax as follows:

	2024 $m	2023 $m
Profit after tax	**153.2**	292.5
Impairment charges[1]	**263.0**	557.9
Tax credit on impairment charges[1]	**(160.3)**	(403.9)
Business combination costs	**16.3**	–
One-off finance charges related to refinancing	**22.0**	–
Tax credit on business combination costs and one-off finance charges	**(28.7)**	–
EPL tax impact of increase in rate from 35% to 38%	**58.1**	–
Adjusted net income	**323.6**	446.5

1. Post-tax impairment charges of $102.7 million comprise of $38.5 million in relation to the Greater Stella Area and Pierce and $64.2 million principally in relation to decommissioning cost estimate changes on fields that have either been fully written off or have ceased production.

Adjusted earnings per share (EPS): Adjusted net income divided by average shares for the year of 1,164.3 million (2023: 1,006.7 million)

	2024	2023
Adjusted EPS (cents)	**27.8**	44.4

Adjusted net debt: consists of amounts outstanding under RBL facility, senior unsecured loan notes, bp unsecured loan and project capital expenditure facility less cash and cash equivalents and excludes intragroup debt arrangements or liabilities represented by letters of credit and surety bonds. Adjusted net debt, which excludes accrued interest on borrowings, lease liabilities and unamortised fees, comprises:

	2024 $m	2023 $m
RBL drawn facility	**(150.0)**	–
Senior unsecured notes	**(750.0)**	(625.0)
bp unsecured loan	**–**	(100.0)
Project capital expenditure facility	**(150.0)**	–
Cash and cash equivalents	**165.1**	153.2
Adjusted net debt	**(884.9)**	(571.8)

Pro forma leverage ratio: adjusted net debt at the end of the year divided by adjusted EBITDAX for the year then ended, including $580.3 million of adjusted EBITDAX generated by the Eni UK businesses from 1 January 2024 to 2 October 2024. The leverage ratio is considered to be an important measure as it is indicative of the borrowing potential of the Group. The calculations are as follows:

	2024	2023
Adjusted net debt ($m)	**884.9**	571.8
Pro forma adjusted EBITDAX ($m)	**1,985.3**	1,722.7
Pro forma leverage ratio	**0.45x**	0.33x

Available liquidity: the sum of cash and cash equivalents on the balance sheet and the undrawn amounts available to the Group using existing approved third-party facilities, excluding letters of credit. Available liquidity is regarded as a key measure as it is indicative of the financial capacity of the Group. Available liquidity comprises:

	2024 $m	2023 $m
Cash and cash equivalents	**165.1**	153.2
Undrawn borrowing facilities	**850.0**	725.0
Undrawn project capital expenditure facility	–	150.0
Available liquidity	**1,015.1**	1,028.2

Group free cash flow: net cash flow from operating activities less cash used in investing activities, adjusting for cash acquired through business combinations, less bank interest and charges and interest rate swaps. This measure is considered a useful indicator of the Group's ability to make strategic investments, repay the Group's debt and meet other payment obligations. Group free cash flow reconciles to net cash flow from operating activities as follows:

	2024 $m	2023 $m
Net cash flow from operating activities	**853.3**	1,290.8
Net cash used in investing activities, including cash acquired through business combinations	**(390.9)**	(492.4)
Cash acquired through business combination	**(107.5)**	–
Bank interest and charges	**(94.7)**	(99.8)
Interest rate swaps	**0.6**	7.0
Group free cash flow	**260.8**	705.6

Unit operating expenditure: operating costs (excluding over/underlift) including tariff expense but excluding tanker costs and net of tariff income, divided by net production for the year. This measure is considered a useful indicator of ongoing operating costs and is also used to compare performance between assets. Operating costs for this calculation reconcile to note 6 as follows:

	2024	2023
Operating costs of hydrocarbon activities per note 6 ($m)	**617.9**	576.7
Less tanker costs included within operating costs of hydrocarbon activities in note 6 ($m)	**(18.3)**	(20.7)
Less tariff income included within other income in note 5 ($m)	**(30.0)**	(31.6)
Operating costs used to calculate unit operating expenditure ($m)	**569.6**	524.4
Production (mmboe)	**25.42**	25.64
Unit operating expenditure ($/boe)	**22.4**	20.5

Adjusted operating costs and adjusted unit operating expenditure: operating costs less tanker costs, net of tariff income including those related to the Eni UK businesses from the effective economic date of the business combination of 1 July 2024 and adjusted unit operating expenditure being adjusted operating costs divided by total production from the effective economic date of 1 July 2024.

	2024	2023
Operating costs less tanker costs, net of tariff income as set out above ($m)	569.6	N/A
Eni UK businesses' operating costs less tanker costs, net of tariff income from 1 July 2024 to 2 October 2024 ($m)	79.4	N/A
Adjusted operating costs used to calculate unit operating expenditure ($m)	**649.0**	N/A
Production (mmboe)	29.34	N/A
Adjusted unit operating expenditure ($/boe)	**22.1**	N/A

Other key performance indicators

DD&A rate per barrel: depletion, depreciation and amortisation charge for the year divided by net production for the year. D,D&A per barrel was:

	2024	2023
Depletion, depreciation and amortisation per note 15 ($m)	600.2	740.3
Production (mmboe)	25.42	25.64
DD&A ($/boe)	**23.6**	28.8

Production: total hydrocarbons produced related to Ithaca Energy's equity in operated and non-operated fields divided by the number of days in the year. Production in 2024 was 80,177 boe/d (2023: 70,239 boe/d). This includes the volumes from the Eni UK businesses from the effective economic date of 1 July 2024. It should be noted that the volumes used in the per barrel calculations above, with the exception of the adjusted rate per barrel, include volumes from the Eni UK businesses from the date of completion of 3 October 2024 as the associated costs have been recorded from that date.

Tier 1 and 2 process safety events: process safety incidents as defined by API 465 Process Safety-Recommended Practice On Key Performance Indicators. There were no Tier 1 or 2 process safety events recorded in 2024 (2023: 1).

Serious injury and fatality frequency: the number of serious injuries resulting in permanent impairment, as defined by IOGP, per million hours worked. There were no such incidents in 2024 (2023: 0).

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