Companhia Moçambicana de Hidrocarbonetos, SA

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

Financial Statements

For the year ended 30 June 2025

Companhia Moçambicana de Hidrocarbonetos, SA

CONTENTS

I. CORPORATE INFORMATION

Company Name: Companhia Moçambicana de Hidrocarbonetos, SA (CMH, SA)
Registered Commercial Number: 13 259

Tax Registration Number (NUIT): 400102961

Board of Directors:
- Arsénio Mabote (Chairman)
- Eliseu Machava (Board Director)
- Lovemore Chibaya (Board Director)

Fiscal Council:
- Miquelina Julien (President)
- Bruno Munguambe (First Voter)
- Filipe Masquil (Second Voter)

General Assembly:
- Manuel Mazuze (President)
- Maria Uache (Secretary)
- Iolanda Matsinhe (Secretary)

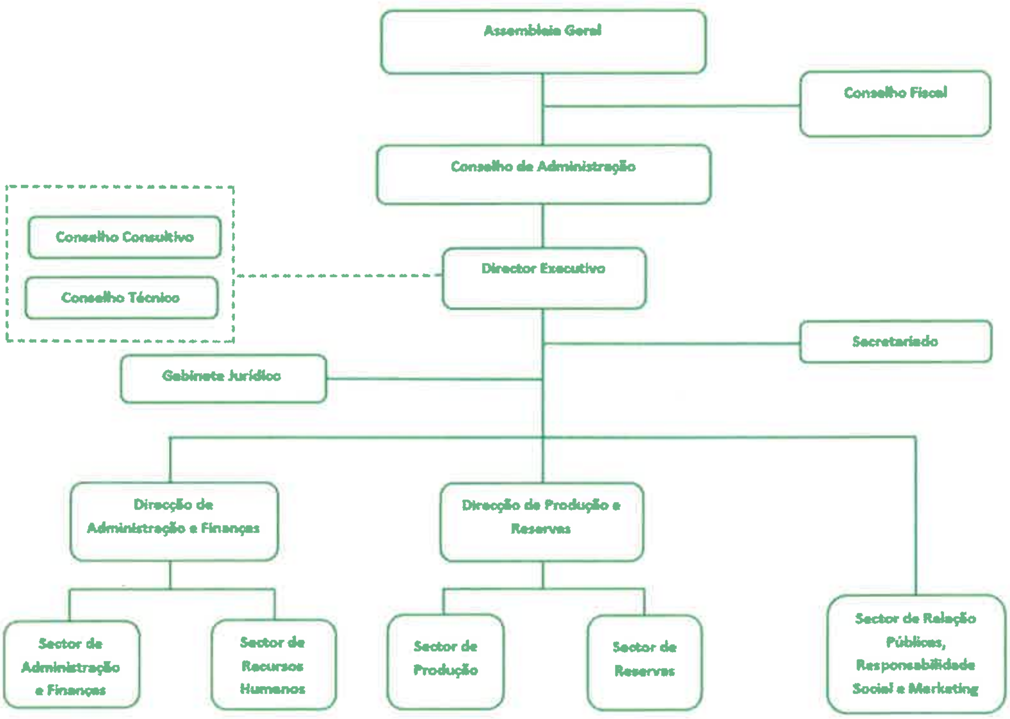
Chief Executive Officer: Joaquim Veríssimo
Shareholding Structure:
- Empresa Nacional de Hidrocarbonetos, E.P. (70%)
- Government of Mozambique (20%)
- National Private Investors (10%)

Share Capital: MT 593 411 500 (USD25 286 649)
Number of Shares: 5 934 115 (593 411 are listed on the Mozambique Stock Exchange)
Auditors: KPMG Auditores e Consultores, S.A.
Banks: Standard Bank South Africa, Standard Bank Moçambique, ABSA Moçambique, FNB Moçambique, Millennium BIM, BCI, MOZA, Nedbank, Letshego and Bayport.
Address: Av. Julius Nyerere, n° 4003, Bairro da Polana Caniço "A"
Maputo – Moçambique
Country of Incorporation: CMH, SA was established in accordance with the Laws of Mozambique.

CMH Vision: Secure optimal utilization of CMH´s present and future gas resources and infrastructure, by optimal operation and securing/providing access to additional Mozambican gas.

CMH Mission: To maximize the shareholder-value from investments in the production. Company, for Pande and Temane Upstream Joint Operations is, in full compliance with contractual rights and obligations.

CMH Structure:



II. MESSAGE OF THE CHAIRMAN

With the end of the 2024/2025 fiscal year activities, we are once again representing the Board of Directors of the Mozambican Company of Hydrocarbons, SA, present and share with you the results achieved, as well as the financial statements for the financial year ended 30 June of this year.

The last year was quite challenging, as production operations remained conditioned to various endogenous and exogenous factors, in an environment influenced by the current international geopolitical situation, which affected the demand for natural gas, condensates and their respective prices.

Notwithstanding the aforementioned factors, we are proud of everything we have achieved, but we will continue to position CMH, SA for sustained growth and improved efficiency, and we therefore expect to continue providing dividends to shareholders in the coming years.

Our strategic priorities for 2025/2026 remain clear: i) support production levels optimized by implementing additional drilling projects (*PEDOP-infill*) and low -pressure compression project under the plateau extension program and production optimization (*Plateau Extension and Decline Optimization Program -PEDOP*); ii) reduce our operating costs, maintaining the Processing Center (*CPF*) and minimizing production losses in various production equipment.

The materialization of this desiderate will obviously influence our revenues, however, we remain committed to developing and implementing investment actions to support long-term natural gas production and supply under commercial commitments under current contracts. All of these investments will not be in vain, as we believe that natural gas will continue to play an important role in the context of energy transition and can play as a bridge to other sources of alternative energies.

During the financial year ended, we achieve significant progress in our search for excellence in safety, health and environment in production operations.

In terms of investment costs to maintain production, we need to we need to disburse about 185 million (USD 97 million for Opex and USD 88 million for Capex) by 2030, and in this context that we contract a medium -term credit line of USD 50 million, which was fully disbursed. The corresponding debt service is being performed in accordance with the amortization plan, pursuant to the financing agreement.

We continue to develop community support and solidarity strategies that impact society. We support vulnerable communities, including those devastated by cyclones and terrorist attacks in the north of the country. We maintain investment in corporate and social projects, aiming to contribute to the sustainable development of local communities and other regions of the country.

Regarding our human resources, we continue to pay close attention to training and development to ensure their continuous development in the face of the current challenges in the oil and gas industry. We remain committed to transparency, integrity, best practices, and the fight against negligence, fraud, and corruption in our business.

Even in an uncertain and volatile business environment, we continue to exercise prudent and judicious financial management, preparing our portfolio for the future and preserving our ability to deliver sustainable growth.

Despite turbulence and inconvenience, our business model and capital allocation deserved prominence. We achieved a profit after taxes of USD 48 263 575, supported by revenues of USD 111 383 825. EBITDA was USD 84 465 284.

With the achievement of positive results and cash flows, which have demonstrably increased the economic value of CMH, SA, our shareholders have benefited from the impact of these returns on the share price, as the securities market recorded an average price of 3,500 meticais per share, as the result of permanent interaction with stakeholders in the process in order to avoiding speculation.

Finally, one of the major challenges we face will be to respond to the sharp decline in production at our Pande and Temane reservoirs in the coming years, in order to maintain current performance levels. We also need to continue to identify new opportunities that add value to our business, counting on the collaboration of our shareholders, with whom we have been discussing the most appropriate strategies for our long-term business continuity.

We remain deeply grateful to everyone who believes in us and who has supported us directly and indirectly. In this regard, we would like to express our appreciation to the Government, our shareholders, partners, and employees, who have always given us their support and encouragement to continue building CMH as the vehicle for Mozambicans to participate in the Pande & Temane natural gas venture.

Maputo, on 28 August 2025

Arsénio Mabote

Chairman of the Board of Directors

III. DIRECTORS' REPORT

The Board of Directors of CMH has pleasure in submitting the Financial Statements and the Directors' Report for the financial year ended 30 June 2025.

1. Nature of the business and main activities

Companhia Moçambicana de Hidrocarbonetos, SA (CMH) is the Mozambican Partner in the Natural Gas Pande and Temane Project (NGP), a Joint Operations (JO). Sasol Petroleum Temane (SPT) is the operator in the Temane and Pande gas fields and is a Mozambican subsidiary of Sasol Exploration and Production International (SEPI), with a 70% interest in the joint operation. The non-operators are Companhia Moçambicana de Hidrocarbonetos (CMH) which is a subsidiary of the state-owned company Empresa Nacional de Hidrocarbonetos, EP, (ENH) with a 25% interest: and International Finance Corporation (IFC), a member of the World Bank Group, with a 5% interest in the joint operation.

The Joint Operations (JO) is managing and developing the Pande and Temane gas fields in Mozambique's Inhambane Province and a Central Processing Facility (CPF). Natural gas and condensate have been produced from the Temane field since February 2004 and Pande field since June 2009. From the CPF, the gas is transported along the 865 Km route through an underground cross-border transmission pipeline to Sasol Gas at Secunda, South Africa and to five off-take points, along the Mozambican portion of the pipeline route, for supply of gas to the domestic market.

Initially the CPF project was designed to produce 120 MGJ/annum of gas to sale to the anchor customer Sasol Gas through the Gas Sales Agreement 1 (GSA 1). In March 2007, the partners agreed to an expansion of the Pande and Temane gas fields and the CPF in Temane to deliver a 50% increase to existing gas production capacity and sales increasing the production capacity of the facilities from 120 MGJ/annum to 183 MGJ/annum. Out of additional capacity of 63 MGJ/annum, 27 MGJ/annum was allocated to Sasol Gas through the Gas Sales Agreement 2 (GSA 2), while the other 27 MGJ/annum was allocated to eligible projects in the Mozambican market detailed as follows: ENH KOGAS 6 MGJ/annum, Central Térmica de Ressano Garcia (CTRG) 11 MGJ/annum, Matola Gas Company (MGC) 8 MGJ/annum and additional 2 MGJ/annum was

allocated to ENH in the year 2015, a total of 9 MGJ/annum was reserved for royalty to be paid to the Mozambican Government in kind.
The condensate production is sold to Petromoc at the CPF, and it is transported to Matola port.

To meet the contractual gas supply obligations, there was a need to increase the CPF processing capacity from 183 to 197 MGJ/annum through additional minimal capital expenditure for minor modifications to the plant to implement a debottlenecking project at the CPF.

Low Pressure Compression (LPC) phase 1 has achieved project close-out during FY17 as part of the sustainment projects. RFC (ready for commissioning), beneficial operation (BO) for LP compression phase 2 were achieved at the end of September 2018 and the RFC and BO for the LP phase 3 have been achieved during FY19 and the project has been closed out.

In FY19, the first PPA horizontal well (Pande-27) was successful drilled in Pande field as an infill well to sustain a plateau of 197 MGJ/year.

In FY20, has started MERIC (Mozambique Exploration Remediation & Infill Campaign) with aim to restore wells production that have been experiencing integrity issues and drill new infill wells. The well Integrity Restoration project is to repair certain production wells via workover and to permanently abandon (P&A) other production wells that cannot be worked over and safely restored to production. The infill wells project aims to improve recovery of existing reserves to assist in meeting the PPA Contractual obligations in the GSA's.

In FY21, after rig campaign suspension due to covid 19, the MERIC operations resumed in FY22, whereby one well, T9 were plugged & abandoned and the second PPA horizontal well (Pande-28) has been drilled and tested successfully, with beneficial Operation (BO) already achieved.

In FY23, under MERIC campaign, one well T-15 were plugged & abandoned and four new horizontal wells (P-29, P-30, and P-31) under tranche 2 have been drilled and successfully tested, with beneficial Operation (BO) achieved in December 2022.

In FY24, under MERIC campaign, two new wells (T-31 and T-32) of tranche 3 have been drilled and successfully tested, with the Beneficial of the wells T-31 and T-32 being achieved in November and December 2024, respectively.

In FY25, under the referred the MERIC campaign, also three new wells (P-34, P-35 and P-36) under Pande infill wells, have been drilled and successful tested with beneficial operations expected to be achieved at end of FY26.

2. Results and Activities under the Joint Operation (JO) Scope

2.1 Results

Companhia Moçambicana de Hidrocarbonetos, S.A., earned operating profits, amounting to USD 95 008 111 for the Financial year ended 30 June 2025, for its 25% participation in Pande and Temane Joint Operations:

Income Statement - CMH 25%	FY25	FY24
	01 July to 30 June	01 July to 30 June
Turnover	108 332 091	120 488 355
Sales: Natural Gas	105 628 534	117 163 327
Sales: Condensate	2 703 557	3 325 028
Royalties (Natural Gas and Condensate)	(137 081)	(1 587 333)
Net revenue after royalties	108 195 010	118 901 022
Operating expenditures relating to JO	(13 186 899)	(17 578 072)
Results from JO prior to CMH expenses	**95 008 111**	**101 322 950**

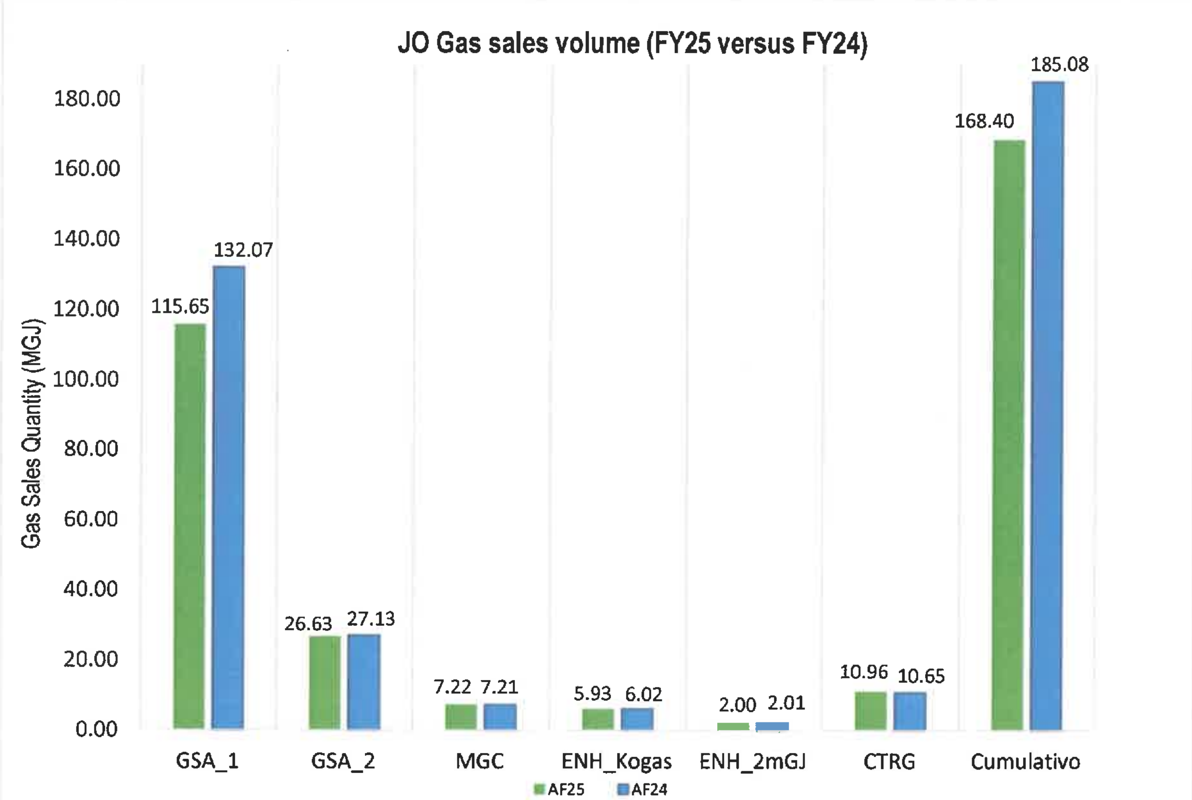
The results from the JO, decreased in 7% compared to the Financial Year 2024 (FY24). The decrease is due to lower oil prices in the international market and sales volume.

2.2 Natural Gas and Condensate Sales

Volumes of Natural Gas and Condensate sold in the Financial Year 2025 (FY25) ended 30 June 2025, are as follows:

UJV Sales Volumes (100%)	Unit	FY25 1 July to 30 June	FY24 1 July to 30 June	Variance (%)
Natural Gas - GSA 1	MGJ	115.65	132.07	-12.43
Natural Gas - GSA 2	MGJ	26.63	27.13	-1.84
ENH-kogas	MGJ	5.93	6.02	-1.50
MGC	MGJ	7.22	7.21	0.14
CTRG	MGJ	10.96	10.65	2.91
GSA ENH 2mGj	MGJ	2.00	2.01	-0.50
Cumulative gas sales volume	**MGJ**	**168.40**	**185.08**	**-9.01**
Condensate	Bbl	313 579.18	262 502.32	19.46
Royalty	**Unit**	**FY25 1 July to 30 June**	**FY24 1 July to 30 June**	**Variance (%)**
Gas Taken in Kind	MGJ	8.41	6.05	39.01
Average Selling Price	**Unit**	**FY25 1 July to 30 June**	**FY24 1 July to 30 June**	**Variance (%)**
Natural Gas - GSA 1	USD/GJ	2.39	2.69	-4.02
Natural Gas - GSA 2	USD/GJ	2.39	2.49	-4.02
ENH-kogas	USD/GJ	2.41	2.37	1.69
MGC	USD/GJ	2.39	2.49	-4.02
CTRG	USD/GJ	3.23	3.19	1.25
GSA ENH 2mGj	USD/GJ	2.97	2.93	1.37
Condensate	USD/Bbl	34.46	50.67	-31.99

The chart below visualizes the figures from the previous table in terms of sales volumes (FY25 versus FY24).



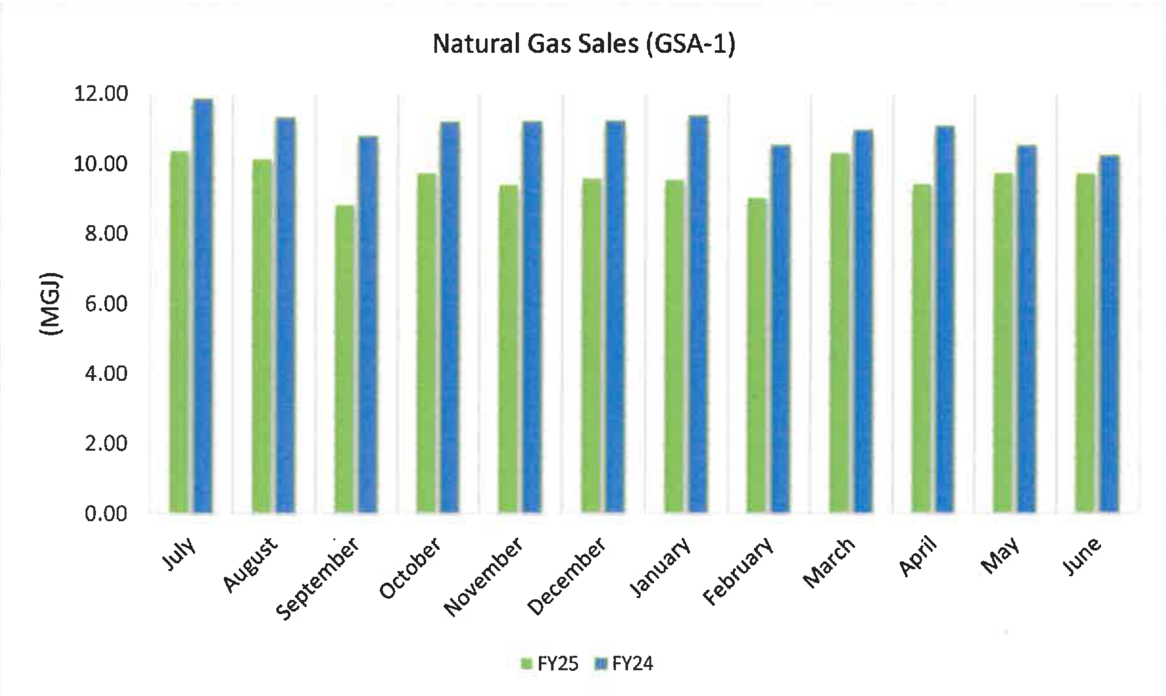
As we can see from the above table, total natural gas sales volumes for FY25 were 9.01% lower than sales volumes for the same period of FY24, due to the following reasons:

- Low Gas Delivery versus nominations by Sasol Gas under GSA1&2 and domestic agreements (ENH Kogas and ENH 2mGj). Overall, sales volumes were 1.32% lower when it compared to the budget (170.66 MGJ) during the period under review, due to the fact that the CPF has experienced some operational issues on the key units which have negatively impacted production at certain periods of the year, and limitations in gas supply from the production fields, due to integrity issues in some wells.
- The operationalization of the Temane-31 and Temane-32 wells, which were planned to commence producing by the end of November and December, respectively was differed to December and February, respectively, due to delays in obtaining operating licenses for those wells. Furthermore, no linepack gas was nominated during the annual production shutdown under domestic agreements which also has contributed for negative impact on total volumes.

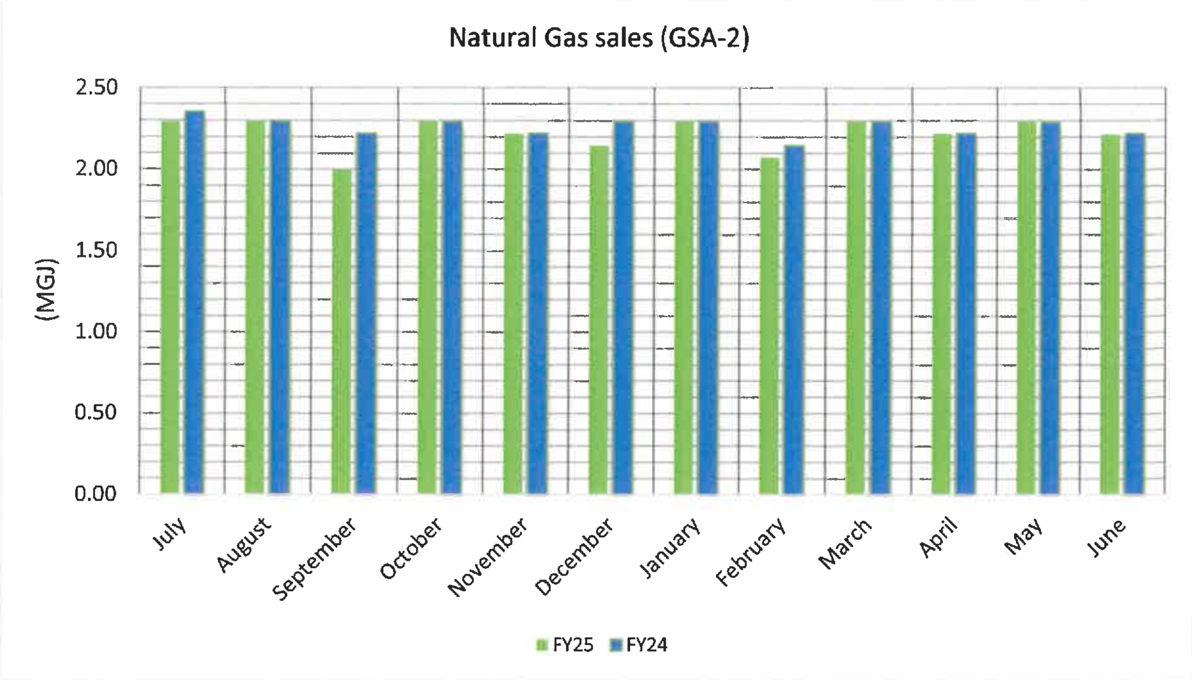
- A reduction in the CPF's performance to 33% of its nominal capacity during the post-election protests occurred between December 24 and 28 of 2024 (FY25), which also has negatively impacted the gas production. This measure was implemented in response to imminent threats to the safety of personnel, assets, and the overall integrity of the plant, amid post-election protests resulting in reduced gas supply for a period of 5 days. Throughout the period under review, protesters invaded the plant's facilities, demanding its shutdown.

Under the reporting period routine maintenance was undertaken, to minimize trips on the plant and equipment, with the aim of preventing plant shutdown, however, there were still some trips and shutdowns that resulted in production losses in the Central Processing Facility (CPF), as described further in section 2.4.2 (Plant operations).

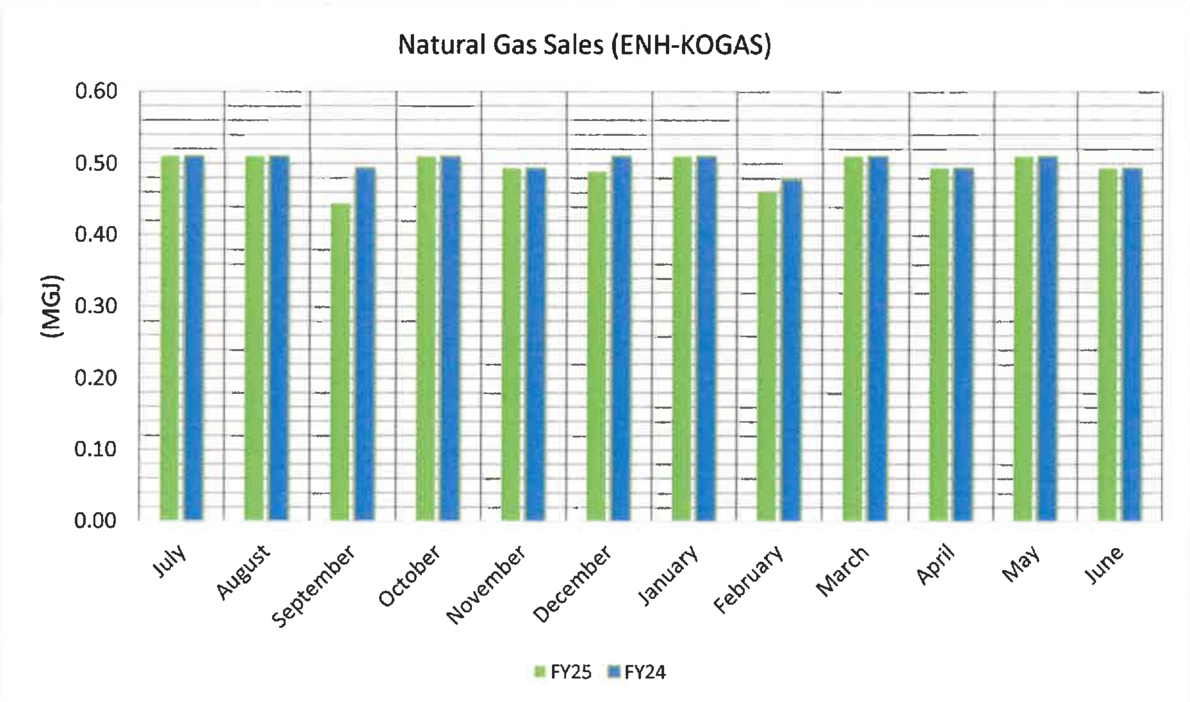
The following charts show gas production and price evolution for each contract, during the FY25 compared to the FY24 for both natural gas and condensate.



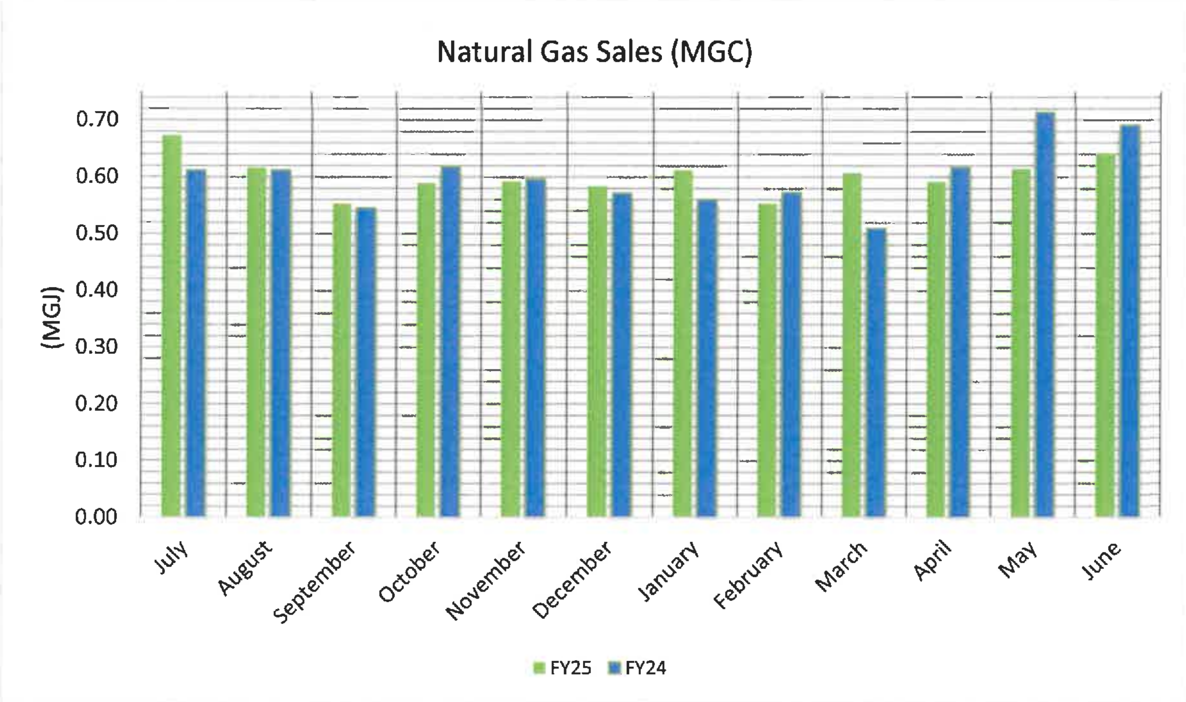
During the FY25, there were 12.43% lower gas sales volumes under the GSA1 than sales volumes for the same period of FY24, due to lower gas delivered to Sasol Gas under GSA1.



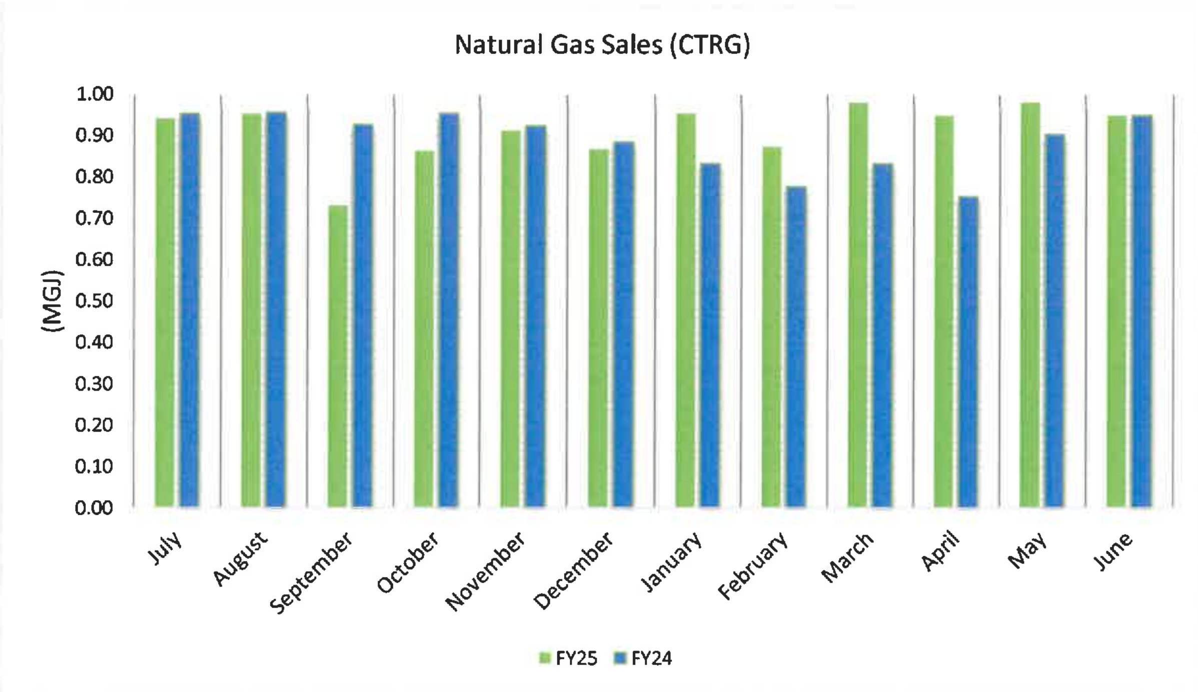
Gas sales volumes under GSA2 for FY25 were 1.84% lower than sales volumes for FY24, due to lower gas delivered to Sasol Gas under GSA2.



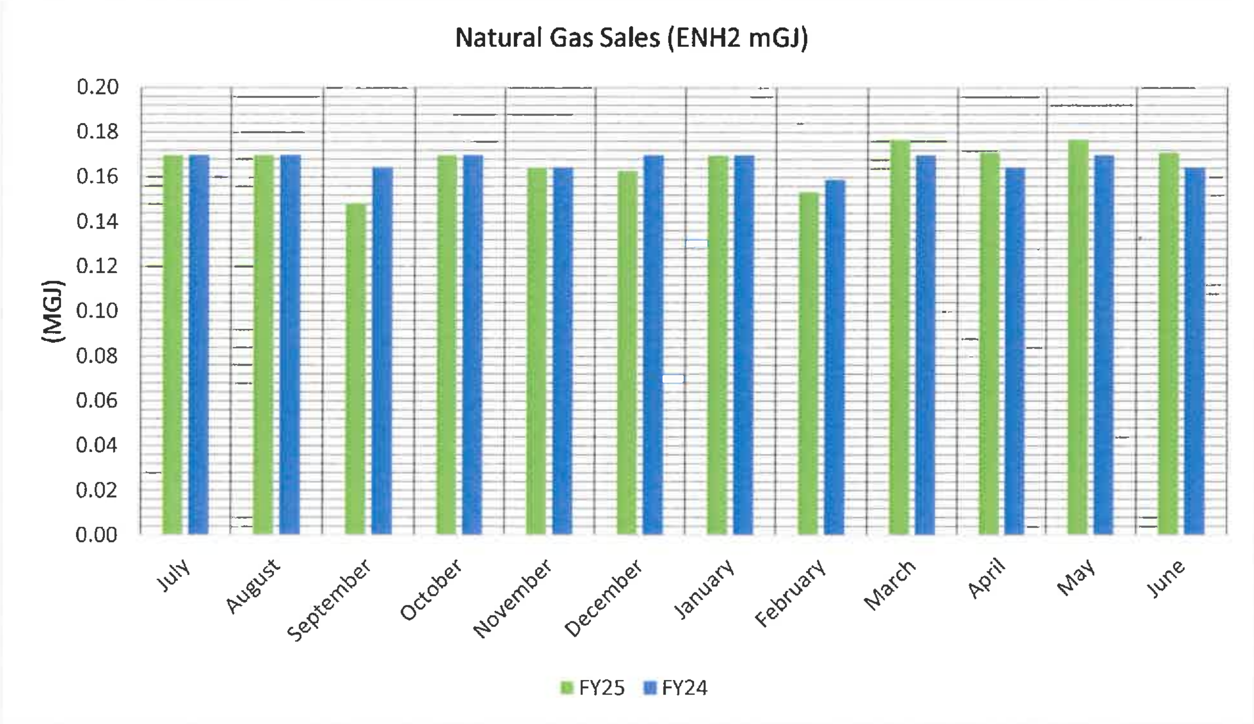
Gas sales volumes under ENH_KOGAS for FY25 were 1.50% lower than sales volumes for the same period of FY24, due to lower gas delivered over the reporting period.



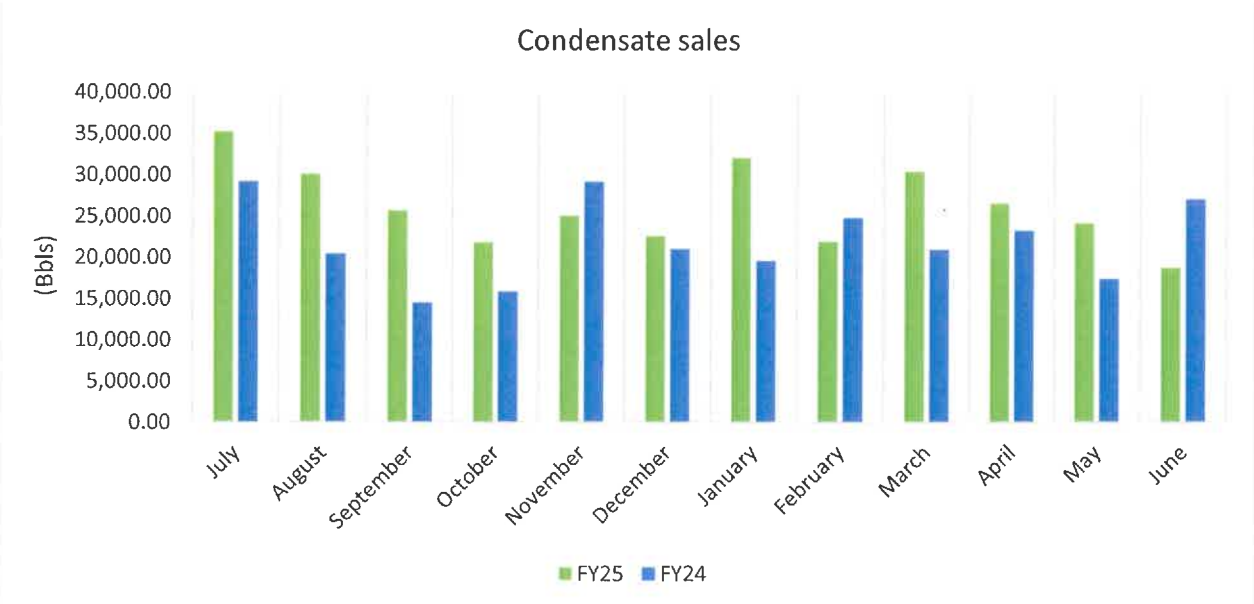
Gas sales volumes under MGC for FY25 were 0.14% higher than sales volumes for the same period of FY24, due to slightly higher gas delivered over the reporting period.



Gas sales volumes under CTRG for FY25 were 2.91% higher than sales volumes for the same period of FY24, due to higher gas delivered over the reporting period.



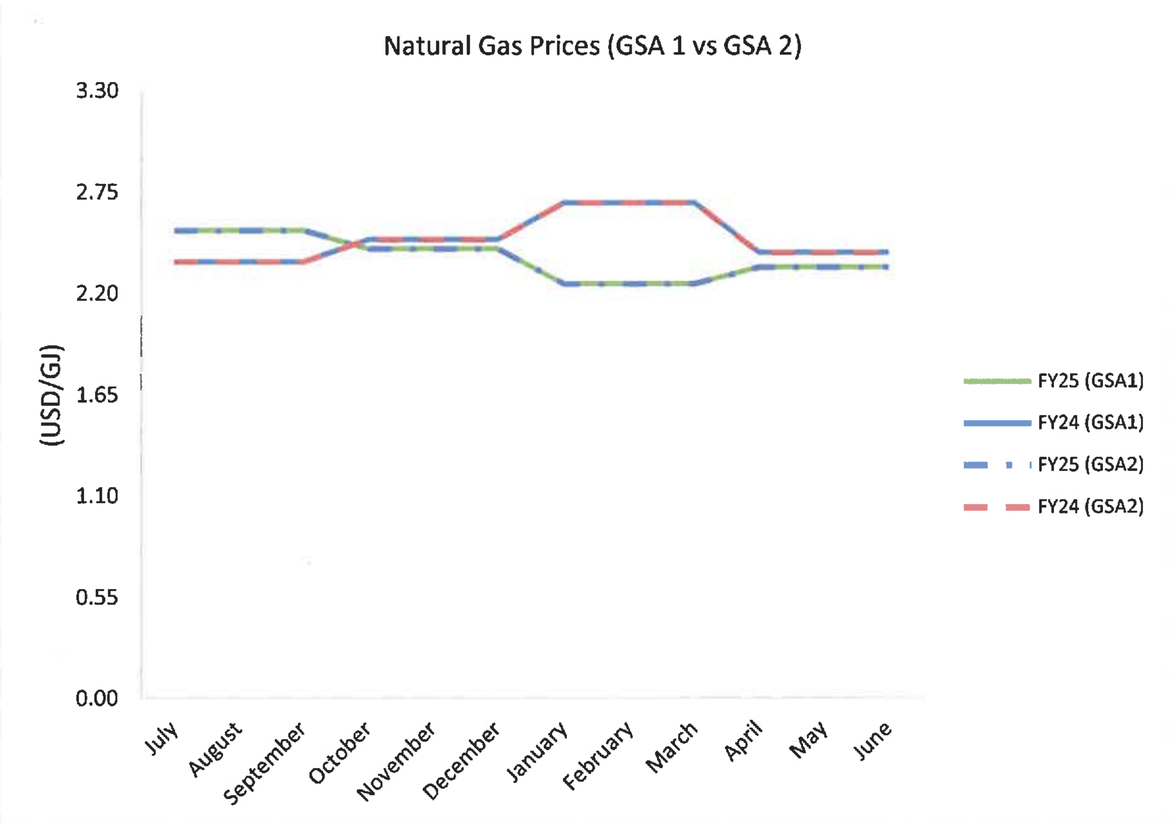
Gas sales volumes under ENH 2mGj for FY25 were 0.50% lower than sales volumes for the same period of FY24, due to lower gas delivered over the reporting period.



Condensate sales volumes for FY25 were 19.46% higher than sales volumes for the same period of FY24. The increase was mainly due to some condensate from the previous year which was not loaded due to operational challenges and safety issues with the terminal management system, contributing to additional loadings in this financial year as well as increase in production from Temane wells (T-31 and T-32) which have significant amount of liquids and positively impacted the condensate sales volumes at certain periods of the year.

2.2.1 Natural Gas and Condensate Price

Overall, gas sales prices for the 12 months ended 30th June 2025 were lower compared to the previous year (FY24), due to negative variance in price drivers during the reporting period. The price of condensate for the 12 months ended 30 June 2025, also was lower when compared to the previous year (FY24) due to the decrease in Brent prices in the international market under the reporting period.



2.3 Royalty Tax

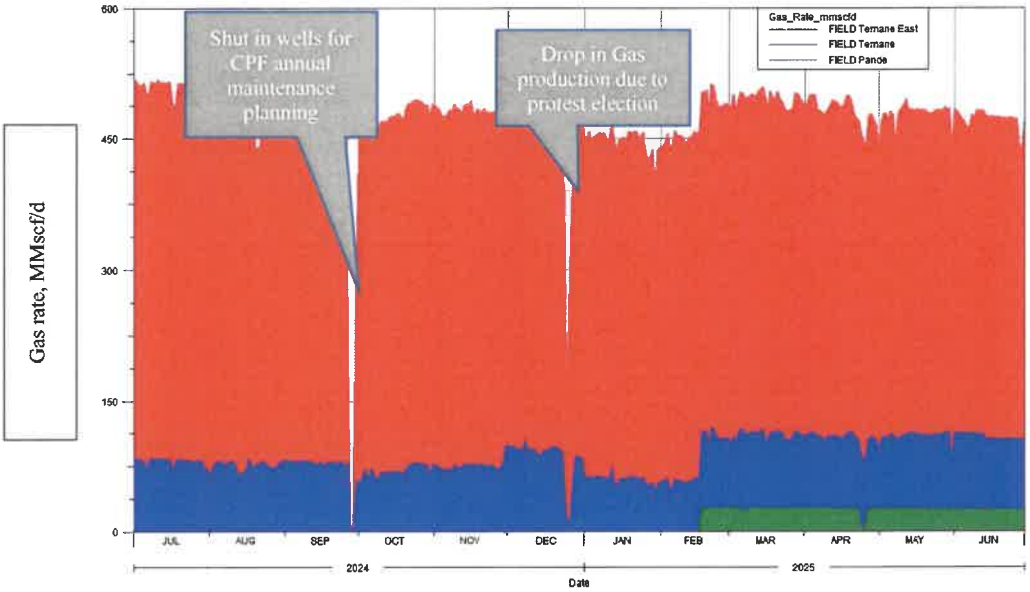
The royalty gas taken in kind by Matola Gas Company (MGC), Empresa Nacional de Hidrocarbonetos (ENH), and Kuvaninga from July 2024 to June 2025 was 39.01% higher than what was taken during the FY24. This was due to the government´s preference to take higher royalties in kind rather than in cash.

2.4 Review of Operations

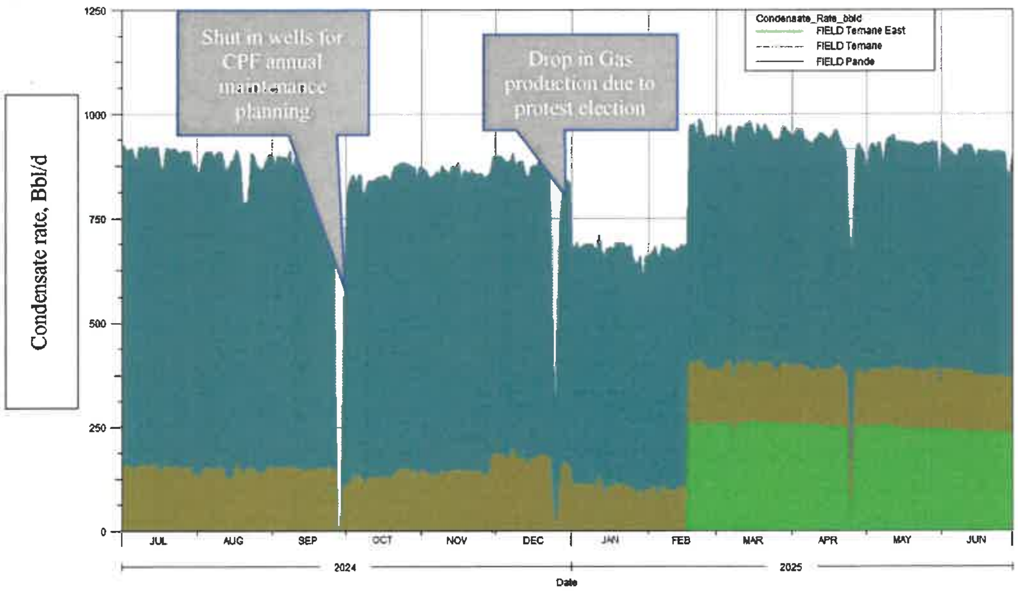
2.4.1 Operations on the Gas Field

Charts below visualize the average daily Gas and Condensate production profile for FY25

Pande G6 and Temane G9, average daily Gas Production rate from 1st July 2024 to 30th June 2025



Pande G6 and Temane G9, average daily condensate Production rate from 1st July 2024 to 30th June 2025



- Average raw gas production from the PPA assets in FY25 was 492 MMscf/d (Million standard cubic feet per day). The Gas production rate decreased approximately 23MMscf/d, corresponding 4.5% lower than the previous year (FY24). The average contribution ratio for both Temane and Pande fields was 21% and 79%, respectively.

- Total average condensate production rate in FY25 was 859 Bbl /d (Barrel per day). Condensate production rate increased approximately 137 Bbl/d, corresponding 15.9% higher than the previous year (FY24).
- As per the above charts, we can see that on 28 and 29 September 2024, there was no gas and condensate production, due to planned shutdown at the CPF, that took place to conduct routine maintenance. Meanwhile, from 24 to 28th December 2024, the gas and condensate production has dropped significantly due to protests during post-election period.

Reservoir surveillance, Production & field Performance

Under reservoir surveillance activities, production & field performance, the following operations have been performed, namely:

- Well T-31 (Tranche-3 project), started production in late November 2024, with good performance rate of 25MMscf/d.
- Well T-32 (Tranche-3 project), was successfully commissioned between November 21-25, 2024. The well reached a maximum flow rate of 25.7 MMscf/d @ 100% shock.
- Wells T-6, T-7, and T-16 (Temane G9B) are in critical condition due to liquid loading issues. These wells will not benefit from software and power system upgrades, taken into account that there is no additional value in the future, so any time could be shut in when no addition to the production has been verified.
- Dring the reporting period, P-16, P-19, P-24, P-29, and T-3 wells, had problems with the hydraulic system, but the situation has been solved and put on production.

Well Integrity Restoration Project (WIR) and Mozambique Exploration Remediation Infill Drilling Campaign (MERIC)

The aim of the Well Integrity Restoration project is to repair certain production wells via workover and permanently plug and abandon (P&A) other production wells that cannot be worked over and safely restored to production, while the MERIC campaign was to drill some infill wells to sustain production during the project field life.

The Summary of the operations under MERIC campaign is as follows:

Operations have finished with drilling of Pande infill wells and P&A (plug and abandonment) of T-2 in this FY25, as described below:

- **PEDOP Infill -** Consisted in redrill one well, Pande-34 (P-19H) and drill two new infill wells (Pande-35 and Pande-36) in Pande field with aim to sustain production till the end of licence. The wells were drilled and tested successfully and are ready for operation, which is expected to be in FY26.
- Temene-2, was plugged and abandonment successfully.

2.4.2 Operations at the Central Processing Facility (CPF)

In general, CPF operations were slightly unstable throughout the period under review, which has contributed for the nominations not met in some period of the year due to the following events that have occurred, as follows:

- Between February 1st and 4th, 2025, gas supply was constrained, as unit 33 (Low Pressure Compressor) was taken out of operation for preventive maintenance after reaching 8,000 hours of operation. Subsequently, on February 5th, 2025, units B and C (Gas Turbine Generators) experienced a simultaneous fault in both generators while unit A was undergoing maintenance. This event forced a partial shutdown of the CPF which culminated in shut in of the units 53, 54, 62, and 64, resulting in a loss of electrical power and, consequently, a loss of production. A root cause investigation was carried out and lessons learned were shared.
- Unit 31 (Low Pressure Compressor) experienced trips due to failures in the secondary discharge ventilation flow. A root cause analysis, conducted by the maintenance team with specialists from Solar (OEM), successfully identified the issue. Additionally, unit 33, on the same production line, experienced a functional failure due to a defective spare lubricating oil pump. The maintenance team resolved the problem, and both units returned to operation.
- Units 61 and 62 (High Pressure Compressor) experienced some failures during the period under review. An investigation to ascertain the causes was conducted and identified a defective purge valve in the unit 61 and a gas detector shutdown alarm in unit 62. The maintenance team resolved the anomalies, and both units returned to operation.

Maintenance was carried out to minimize trips and production losses as stated below:

- There was an annual planned plant shutdown during the month of September and it was successful executed without any safety incidents, and during such period, were conducted some activities such as: installation of redundancy on PLCs 1, 2 and 3, replacement of production separators internals, installation of PEDOP Infill Wells manifold tie-ins, replacement of valves (2", 4", 6" and 16") and installation of Condensate Ground flare tie ins.
- On Unit 69 (Daniel Metering Station) has been performed ISO (International Organization for Standardization) calibration and the activity was successful completed.

2.4.3 Sustainment and plateau extension Projects

2.4.3.1 Plateau Extension and Decline Optimisation Program (PEDOP)

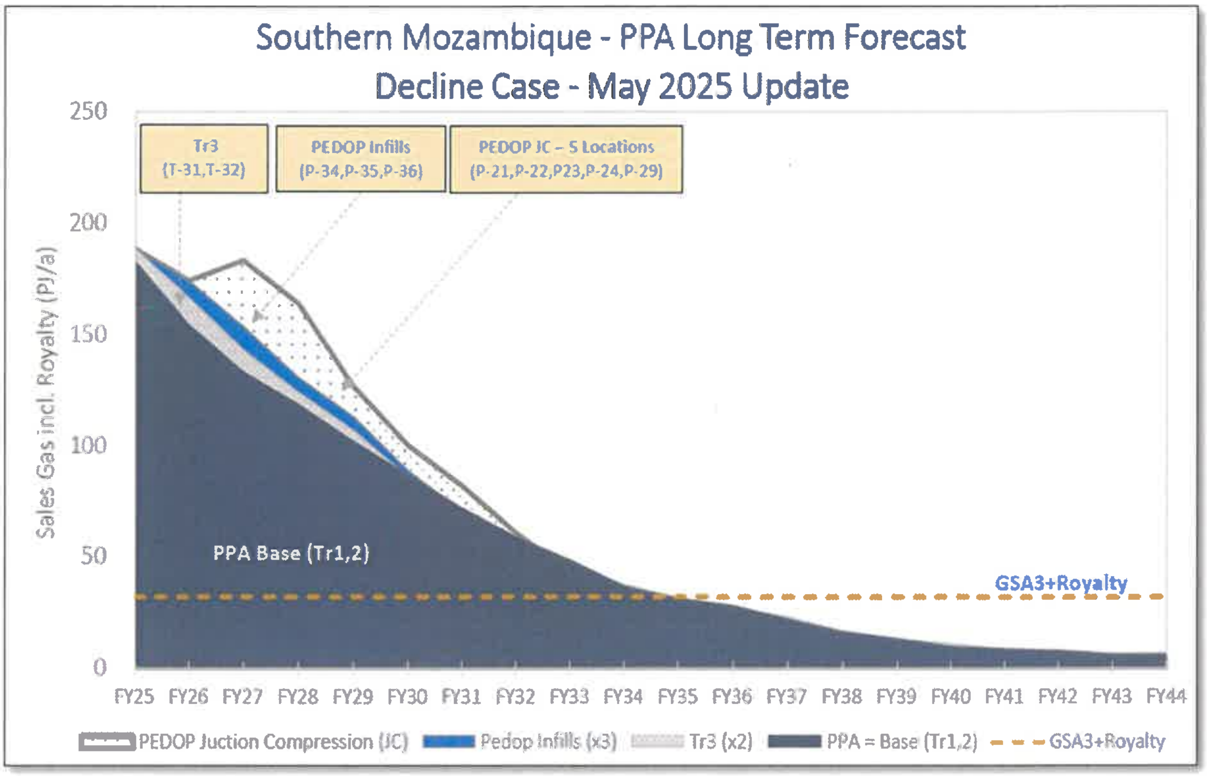
The aim of PEDOP is to optimise gas recovery from the PPA reservoirs by applying technical solutions within the commercial and legal framework. The project plan is to recover additional gas quantities by allowing gas production to continue at reservoir pressures that are lower than the abandonment pressure attainable under the approved development plan and to enable plateau extension period and to meet the existing gas sales agreements.

The progress since last reporting FY24 is as follow:

- The project has been segmented into two parts, namely: PEDOP Infill wells and PEDOP Junction Compression projects, whereby the PEDOP Infill wells project (P-34, P-35 and P-36) were successfully drilled and tested, and PEDOP Junction Compression is at the define phase.
- The PEDOP Junction Compression project reached its Final Investment Decision (FID) in the first week of November 2024. The project consists of installing 16 compressors at 5 junction location in Pande, with a total cost of 124 million dollars, and is expected to recover additional volumes of about 149 PJ.
- On December 11th, 2024, MIREME approved the fourth Amendment to the Field Development Plan, which aims to implement the Plateau Extension and Decline Optimization Project (PEDOP) to allow the installation of compressors in the Pande Field.
- Following the conclusion of the RFQ (Request for Quotation), the EPCM (Engineering, Procurement and Construction Management) contract for the execution phase of the PEDOP Junction Compression project was awarded to VGI-Africa.

- The PEDOP Infill Wells Ready for Commissioning (RFC) and Beneficial Operation (BO) are expected to be achieved in the FY26.
- The PEDOP Junction Compression Ready for Commissioning (RFC) and Beneficial Operation (BO) are expected to be achieved in the FY27.

Production profile of PPA Long Term Forecast



2.5 Safety, Health, and Environmental Matters

Overall good Safety, Health and Environmental (SH&E) performance report and implementation of Sasol SH&E related initiatives are being maintained.

No significant environment, safety and health incidents were recorded during the period under review.

All procedures and work instructions demonstrate initiatives aimed to achieve continuous improvement in environmental performance in line with the CPF´s ISO 14001:2015 certified Environmental Management System.

2.5.2 Occupational Health

The following actions were launched at the processing facility, namely:

- 67 Service providers employees were successfully trained in First Aid internal training to improve the internal response capacity.
- Regular Hygiene inspections and findings properly addressed.
- 3 medical emergency exercises were performed.
- Engagements and coordination with external stakeholders: The medical team responded to 2 multiple vehicle accidents in coordination with Inhassoro health authorities.
- 2 Sasol employees trained in radiological Protection Plan by Universidade Eduardo Mondlane and Agencia Nacional de Energia Atómica as a legal requirement to install and operate the X-ray machine.
- All people are submitted to medicals before joining the company, yearly and before leaving the company.

Also, under the reporting period, internal and external audits have been conducted against the safety, health, and environmental management system at the CPF, namely:

I. SHEQ 2 party audit was conducted from 27-28 of November and the results were summarized as per below:

- SPT integrated management system manual requires bi-annual management reviews; however, the review meetings were established at annual frequencies.
- The environmental impact and aspect register was not indicative of revision of unwanted events from sewage spills and overflows.

1. **Environmental Monitoring**

Ecological Monitoring was conducted in Jully 2024 at all sampling points, and the final report is summarized below:

- In general, the monitored points are making good progress and vegetation succession, vegetation cover is also good and almost 100%.
- Flowlines and trunklines are in good vegetation recovery, and the invasive species present should be monitored, no erosion was observed in these areas and there is a high diversity of species, both trees and grass.

- The borrow pit areas are recovering well with the presence of grass and trees covering.
- The seismic lines are in the process of progressive recovery, with almost 100% vegetation recovery.
- Access roads are in optimum passable condition, maintenance and control of the spread of invasive species and signs of erosion are recommended.

2. Pande 4 well remediation project

The aim of this project is to assess the appropriate remediation action for the Pande 4 which comprises 3 components:

Subsurface monitoring, Surface containment and ongoing surface soil, water and gas monitoring.

The progress to date is as follow:

I. The contracted firm named Ramboll is progressing with satellite acquisition for methane emissions.

II. Environmental monitoring at Pande-4 has been conducted on bi-annual basis, the field work was carried out by Gondwana. The laboratory results of the water and soil samples collected and analysed are summarized below:

- ✓ Soil laboratory organic results indicate that unidentified Volatile Petroleum Hydrocarbons (VPH) were detected by the laboratory in some soil sample collected in the Pande-4 area.
- ✓ With reference to laboratory organic results of the water samples, concentrations of CH_4 and several organic compounds were detected by laboratory in the surface water (Pande-4 Pond).
- ✓ Water flow volumes from the Pande-4 berm to the crater have been stopped as no surface water is flowing out since the inception of the present monitoring program.
- ✓ The current EC (Electric conductivity) results of water from the Pande-4 Pond indicate water of high salinity (1000-2500 ms/m) as previously found.
- ✓ Visual observation of the Pande-4 Pond revealed the absence of water bubbling due to gas emissions.

- ✓ Soil screening results at the Pande-4 area during sampling indicated that slightly to moderately elevated concentrations of hydrocarbon Vapour Phase VOC of up to 74,9 ppm were detected at the Pande -4 area.
- ✓ With reference to LEL (lower explosive level) monitoring, all the monitoring positions within the Pande-4 fenced area yielded LEL reading of zero percent.

2.6 Legal and Commercial Matters

Regarding the GSA1&2, the Sellers and the Buyer agreed that the Seller will submit the Gas Planning Report by 31st October 2025 and the Buyer will submit its Daily Contract Quantity (DCQ) by 31st January 2026.

In respect of the Tranche 3 Project, first gas was delivered in November 2024, and the billing period for the Buyer Contribution started in December 2024. The Operator informed the Buyer that an additional fee would be charged if the prevail gas price is not sufficient to achieve the expected internal rate of return. The Operator is currently investigating the alternative mechanisms to calculate the Buyer Contribution amount.

An Addendum to the Liquid Hydrocarbon Sale Agreement it was signed by all contractual parties, extending the agreement´s term by twelve months.

Regarding the PSA enablement Agreements, the First Amendment to the CTISA was executed by both parties SPT and PSA. Concurrently, an amendment to PSA enablement Agreements in force is underway align the with the current circumstances. Additionally, the agreements require the following updates:

Gas Processing Agreement (GPA):

- Revision to the Annual Adjustment provision to align with the updates of the Instituto Nacional de Estatistica (INE).
- Changes to some of the timelines.

Operations and Maintenance Agreement (O&M):

- Revision to the Annual Adjustment provision to align with the updates of the Instituto Nacional de Estatistica (INE).
- Submitted to the PPA Partners for review.

Long Term Light Oil and Condensate Storage Agreement (LTSA):

- Base Rate to be changed from LIBOR to SOFR.
- Revision to the Annual Adjustment provision to align with the updates of the Instituto Nacional de Estatistica (INE).
- Revision to those provisions that impact on tank management at the CPF.

Short Term Gas Storage and Processing Agreement (STGA):

- Base Rate to be changed from LIBOR to SOFR
- Revision to the Annual Adjustment provision to align with the updates of the Instituto Nacional de Estatistica (INE).

Term Oil and Condensate Processing and Storage Agreement (STOP):

- Base Rate to be changed from LIBOR to SOFR
- Revision to the Annual Adjustment provision to align with the updates of the Instituto Nacional de Estatistica (INE).
- Introduction of mechanism for SPM to withdraw it product from storage.

Water Disposal Agreement

The PSA Field Development Plan revision provides for the drilling of a produced water disposal as part of the PSA Contractor Facilities and stipulates that such well will serve the purpose of disposal of produced water associated with PSA oil and gas production as well as the water volumes produced from PPA. SPM prepared the first draft of the Produced Water Disposal Agreement which is currently being reviewed by SPT and the outstanding item is the service fee that SPT will pay for the treatment and disposal of the PPA produced water.

Material changes in legislation

During this period, there was no material changes in legislation to report

Litigation

The Mozambican Tax Authorities AT conducted an audit to SPT covering VAT, IRPC and IRPS for the period of 2019 to 2023.

Parallelly, the Mozambique Customs Authority (MCA) conducted, as well, a customs audit in reference to Financial Year 2020 to 2025. Upon receiving the MCA´s findings, SPT prepared a response challenging them based on the benefits provided under the PPA and SPT´s interpretations of the legislation applicable to the operations conducted under the PPA.

Concerning the former SPT employee who was dismissed for accepting a public administration position within the Vilanculo Municipal Council, an action that breached both the exclusivity provision of his Employment Contract and the conflict-of-interest rules outlined in the SPT Conflict-of-Interest Policy. Currently, awaiting Court´s decision on both the Injuction Order and the Opposition.

The former SPT employee dismissed due to involvement in a fraudulent purchasing of an electrical equipment, has agreed to SPT´s settlement to conclude the litigation. The settlement agreement has been signed, with payment schedule to follow within the agreed timeline. Currently, awaiting a Court ruling endorsing the Settlement Agreement and officially close the court case.

A candidate for an SPT employee position has filed a case with the Maputo labour Court claiming compensation for damages resulting from the termination of employment negotiations (cancellation of a job offer). Currently, awaiting schedule of the trial hearing.

A former SPT employee following his resignation, requested a mediation at the Labour Mediation Center (CEMAL) claiming payment for overtime allowance and a leadership position allowance. As the parties failed to reach an agreement, a Certidão of Impasse was issued by CEMAL. Currently, awaiting the trial hearing schedule.

The Inhambane Judicial Court closed the case filed by the Sand Miner against SPT, claiming damages and profits, following the Administrative Court´s decision in SPT´s favor.

Relating to the dismissal claim filled the former CPF Occupational Doctor with the Maputo Labour Court, as He understand that the disciplinary action filed against him is null because the facts used in the accusation are not correct/truthful. A hearing session was held, resulting in an unfavorable decision for SPT. SPT has appealed and is awaiting decision of the Superior Court of Appeal.

Regarding the dismissal of two worker for breaching supply chain procurement procedures and conflict of interest. They filed a dismissal claim in the Inhambane Provincial Court, where a hearing session has been held and a decision is pending.
In respect of the dismissal of 14 CPF workers in connection with the condensate theft, the Inhassoro Judicial Court decision was in favour of two employees. Separately, the Labour Court decided in favor of the Operator concerning one worker, while ruling in favor of the remaining dismissed workers. SPT has appealed and is awaiting decision of the Superior Court of Appeal.

2.7 Corporate Social Responsibility

For the fiscal year ended June 30, 2025, the UJV Consortium partners reaffirmed their commitment to local communities through the implementation of socioeconomic development programs, with a particular emphasis on areas close to their operations.

It is noteworthy that, although the conclusion of projects related to the first Local Development Agreements (LDA I) was anticipated for this period, due to recorded delays, their finalization is now projected for the first quarter of the next fiscal year.

Throughout the 2024/2025 fiscal year, the following advancements were registered in the social investment projects funded by the Consortium, including LDA I initiatives and others:

Local Development Agreements (LDA) - Electricity Projects

The electricity projects aim to ensure access to electrical energy for beneficiary communities, either through the expansion of the public grid or the provision of small solar kits.

In the "On-grid" component (connected to the grid), 11 communities in the districts of Inhassoro and Govuro benefited from energy installation. Electricidade de Moçambique (EDM) acted as the implementation partner for this component.

However, the "Off-grid" component (not connected to the grid), which aims to reach 15 communities in Inhassoro and Govuro, has faced significant delays since the project's inception, stemming from logistical challenges, supplier issues, and the search for partners. Currently, an implementation partner has been identified, and the solar kits are in the production phase for delivery to beneficiaries.

The conclusion of this project, anticipated within the next 3 months, will bring a transformative impact to the communities by providing access to electricity, a fundamental factor for socioeconomic development. Electrical energy improves the quality of life, allowing access to lighting, food refrigeration, mobile phone charging, and the use of basic household appliances. Additionally, it fosters educational and health opportunities by facilitating nighttime learning and the operation of health centers with electrical equipment. For local economic activities, the availability of energy can stimulate small businesses, such as shops, workshops, and services, contributing to income generation and the overall progress of the communities.

Local Development Agreements (LDA) - Water and Sanitation

The Water and Sanitation projects aim to provide the communities within the Inhassoro and Govuro Districts with access to potable water and sanitation infrastructures.

In this context, during the period under review, 5 new water supply systems and 11 new boreholes with manual pumps were completed, in addition to the rehabilitation of 12 boreholes with manual pumps and 17 water supply systems. For the improvement of community hygiene, 7 new sanitation blocks were constructed and 5 were rehabilitated. Simultaneously, 37 community hygiene agents (one per community) and 18 artisans specializing in the production of improved latrines were trained. Additionally, a campaign to eliminate open defecation was implemented in 37 communities. Regarding the strengthening of management capacities, 92 water committees were formed in the communities, and awareness campaigns against open defecation were carried out, as well as capacity-building actions for water management committees and maintenance parts suppliers.

These investments in water and sanitation infrastructures have a direct and profound impact on public health, as they contribute to the reduction of waterborne diseases and the improvement of hygiene conditions in communities. By ensuring access to safe water and adequate sanitation, significant contributions are made to overall well-being, the dignity of populations, and the environmental sustainability of the covered regions.

Local Development Agreements (LDA) - Small-Scale Projects

Small-scale projects, characterized by their smaller dimension and investment, are diverse initiatives selected by the communities in the districts of Inhassoro and Govuro. These aim to generate an immediate impact on the lives of beneficiaries and encompass a range of activities from the construction of community centers and football fields to the breeding of goats, installation of boreholes, and classroom blocks, among others. During the fiscal year, eight irrigation systems were completed in Inhassoro, four irrigation systems in Govuro, one classroom block in the community of Maluvane (Govuro), and one classroom block in the community of Mangarelane (Inhassoro).

Local Development Agreements (ADL) - Autonomous Projects

Autonomous projects are characterized by their larger scale and investment, being diverse initiatives selected by the local government and communities in the districts of Inhassoro and Govuro. During the fiscal year, in the category of autonomous projects, the completion of the Govuro urbanization plan, the goat breeding project, and the construction of three community centers located in Chibuca, Pande 1, and Chimedge were highlighted. Additionally, three irrigation systems were implemented in the communities of Chicuire, Machovo, and Mazino, as well as two football fields in the communities of Doane and Maluvane.

Regarding the infrastructure projects planned under LDA I and included in this category—namely, the rehabilitation of the Mangungumete District Hospital, the Pande and Doane Health Centers, and the construction of the Chitsotso Secondary School—their implementation has commenced, with an anticipated completion in the first quarter of the next fiscal year.

Other Initiatives

In addition to the projects directly related to the Local Development Agreements (LDA), the Consortium supported other initiatives of significant social impact throughout the period, specifically:

- School Desks: The distribution of 3,500 school desks for students and teachers in selected schools in the districts of Inhassoro, Govuro, and Vilankulo was completed. Additionally, 100 office desks were delivered for teachers.
- Community Infrastructure Maintenance: In the district of Inhassoro, road maintenance equipment was acquired, the rehabilitation of the Vulanjame Police Station was concluded, and a football field was finalized. Furthermore, in Govuro, the completion of the rehabilitation of the Magungumete Health Center stands out.
- Emergency Support: In solidarity with the population of Cabo Delgado Province, affected by Cyclone Freddy, and as part of emergency support, the construction of a Type II Health Center in the rural village of Nanhala, Mueda district, was finalized.

Additionally, it is important to note that, on May 30 of the current year, agreements were formalized for the continuation of local development programs starting from the next fiscal year, designated as ADL II. This commitment represents a total Consortium investment of USD 43 million (to be distributed between the PPA and PSA), encompassing 70 communities in the districts of Govuro, Inhassoro, and Vilankulo. The intervention areas of ADL II will maintain the same scope as ADL I: Water and Sanitation, Economic Development, Access to Energy, Public and Multicommunity Infrastructures, and Income Generation.

3. CMH Activities

3.1. Legal Activities

Litigation

During this period, there is no litigation to report.

3.2. CMH at Stock Exchange market

During the reported year, the average price of CMH´s share value changed from 4000 MZN to 3500 MZN per share. On June 30^{th}, 2025, CMH had 1 493 shareholders, comprising of 1 491 class C shareholders, one class A shareholder (the State) and one class B shareholder (ENH).

3.3. Human Resources

As of this reporting period, CMH's workforce consisted of 24 employees, of which 8 are female and 16 are male. One employee has a secondary education. Therefore, CMH has 23 employees with a higher education degree, of which 8 are female and 16 are male.

• **Execution of Activities and Process Monitoring**

During this reporting period, the Human Resources Department developed and monitored several routine activities, including internal auditing of Human Resources processes, and management of administrative processes, including: payroll processing, compliance with tax and contribution obligations, issuance of opinions and proposals, and processing of internal and external documents.

• **Implementation of the Annual Performance Evaluation Process for CMH Employees**

During this period, the first performance evaluation of CMH employees for the 2023-2024 fiscal year was conducted, based on the new Regulations. The process was preceded by several preparation and awareness sessions for participants (both evaluated and evaluators) to ensure that everyone was familiar with the typical performance evaluation process and procedures at the time of the evaluation. Of the current 24 permanent employees eligible for performance evaluation, only 16 employees completed the process, with 9 employees not yet completing the process. Of the 16 employees evaluated, no negative results were recorded; however, the following results were observed:

i. 0 employees with an "Unsatisfactory" result;

ii. 0 employees with a "Needs Development" result;

iii. 2 employees with a "Satisfactory" result;

iv. 11 employees with a "Very Good" result;

i. 3 employees with excellent results.

• New Board Member

The Instituto de Gestão das Participações do Estado (IGEPE) appointed Dr. Eliseu Joaquim Machava to the position of CMH Board of Directors. In February 1, 2025, Dr. Lovemore Chibaya was appointed to the position of CMH Board Director.

• Training Plan Implementation

The department has been implementing the training plan as planned, providing full support from employee registration to course completion. Annual Training Plan - Training Activities currently underway, the plan has been fully implemented.

• Health Insurance

CMH, through Mediplus Insurance, has been providing medical and medication assistance to employees, their dependents, and members of corporate bodies, and the Health Insurance Management has been satisfactorily implemented. The Insurance currently covers 144 individuals (employees and dependents).

• Management of the Supplementary Pension Fund

CMH has a constitutive agreement for the CMH pension fund signed with Seguradora Moçambique Previdente, the management entity of the Pension Fund for CMH's permanent employees, signed on September 28, 2016. CMH contributes 7% of their monthly net salary to this fund, and the employee contributes 3% of their monthly net salary, totalling a 10% individual monthly contribution to the fund. Currently, 20 employees are members of this fund.

• Life Insurance

The CMH employee pension fund guarantees its members a disability benefit in the event of permanent incapacity for work and a death benefit to the member's family in the event of their death. These benefits are provided through a life insurance policy taken out for each member of the fund. In this context, CMH has a life insurance policy taken out with SANLAM Insurance on December 23, 2021, which is valid for one year. Fortunately, no situations have been reported so far out of the 20 insured individuals that would require this insurance to be activated.

• Workers' Compensation Insurance

CMH has signed a Workers' Compensation Insurance Contract with Global Alliance, under policy number WCAAMZN197010, for a one-year term. This covers 25 CMH employees, and no work-related accidents have been recorded during the period. The Human Resources Sector has been taking action to improve its Human Resources Management processes and procedures with a greater focus on complying with the recommendations set out in the Audit Report carried out by the majority shareholder.

3.4.Corporate Social Responsibility

In the scope of implementing its corporate social responsibility policy, Companhia Moçambicana de Hidrocarbonetos (CMH) reaffirms its commitment to the sustainable development of communities across the country. This commitment is materialized through direct support for projects and initiatives aligned with the aforementioned policy, aiming to generate a positive and lasting socioeconomic impact.

For the fiscal year ended June 30, 2025, demonstrating a significant and continuous investment in communities. Throughout the year, CMH distinguished itself by the diversity and comprehensiveness of its interventions, which extended across various impact areas.

In the domain of Institutional, Cultural, and Sports Support, CMH sponsored events with socioeconomic impact that were aligned with its objectives. Noteworthy among these were the celebration of the 30th anniversary of the Mozambican Bar Association (OAM), the seminar on Professional Ethics and Deontology of the Mozambican Secretaries Association (ASSEMO), the

10th Creative Young Award Gala, and the graduation ceremonies of the Eduardo Mondlane University (UEM) in Maputo City.

In the sports sector, CMH supported the Mozambican Athletics Association through the acquisition of sports equipment for athletes and the Olympic Committee in preparation for the Paris 2024 Olympic Games, demonstrating a clear commitment to fostering national sports and projecting Mozambique internationally.

In the cultural field, highlights included support for the VIII edition of the Hlambetweni Guardians of Culture Tribute Project, the sponsorship of Ngoma Moçambique 2025, and support for the production of the book "Chama da Unidade" and the work "Pita Kufa – O Leito da Morte" by writer Carlos Paradona Rufino Roque, which consolidated the valorization and preservation of Mozambique's rich cultural and historical heritage. Furthermore, CMH contributed to the preparation of Mozambique's participation in Expo OSAKA 2025, aiming for the international promotion of the country, and supported solidarity events, such as the Vina Cultura Agency show benefiting victims of terrorism in Cabo Delgado. The celebrations of 50 years of independence also received CMH sponsorship, underscoring its contribution to the commemoration of national historical milestones.

Strategically, a partnership was established with the Central Office for Reforms and Strategic Projects (GCRPE). This collaboration aims to support the implementation of reforms and accelerate projects deemed priority by the Government of Mozambique, with the primary objective of contributing to the growth of the Mozambican economy and improving the social and economic living conditions of communities.

In the area of Community Development and Solidarity Actions, CMH provided funding to the Cabo Delgado Displaced Communities Resilience Project, implemented by the Wiwanana Foundation. This project aims to increase the autonomy and well-being of 2000 families in the districts of Palma, Mocímboa da Praia, and Macomia through resource management and income generation. Solidarity actions extended to supporting non-profit associations, such as the Association for the Defense and Development of Society (ADESSO), in holding a lunch for the elderly, and the REVIDA Association, with the acquisition of food items for vulnerable people in Maputo, providing a direct impact on the quality of life of these populations. Additionally, support was provided for the Children's Day celebration, benefiting 250 children in the Chokwe district, Gaza Province, in partnership with the Early Childhood Development Network (RDPI). The company also partially financed the project for the construction of 28 water boreholes in Caia Village, Sofala Province, to be implemented by the Municipality, aiming to significantly improve access to potable water, and supported the electrification of the Catembe-Nsime neighborhood, aiming to reduce crime, complemented by the donation of IT equipment to the local police, reinforcing community security.

Concerning Infrastructure and Maintenance, CMH continued to finance the 2nd phase of rehabilitation works for the natural gas distribution network north of Inhambane, implemented by ENH. These works included the installation of prepaid meters and the comprehensive upgrading of the network in the districts of Inhassoro, Govuro, and Vilankulo, resulting in a substantial improvement in the safety, efficiency, and reliability of gas supply. Additionally, CMH provided significant support for solid waste management in Maputo City, covering the repair and replacement of parts for the Municipal Council's garbage trucks, which allowed for the normalization of urban sanitation services and contributed to a cleaner, healthier, and more pleasant city.

Regarding Internal Social Responsibility, CMH demonstrated a strong commitment to the well-being of its employees and partners. On its 25th anniversary and during the festive season, supermarket vouchers and hampers were offered as a gesture of recognition and appreciation. Internal celebrations of important dates, such as April 7th (Mozambican Women's Day), May 1st (International Workers' Day), and June 1st (Children's Day), were marked with the offering of vouchers and gatherings in partnership with ENH, thereby strengthening team spirit and internal cohesion.

For the upcoming fiscal year, CMH will continue to exercise its corporate social responsibility, through investment in projects aligned with its policy and strategic objectives. The implementation of projects initiated in the past fiscal year will be closely monitored, aiming to ensure their effective contribution to the construction of a more prosperous and inclusive Mozambique, and to the promotion of improved living conditions in communities.

3.5. Holding company and ultimate holding entity

CMH is controlled by Empresa Nacional de Hidrocarbonetos, E.P (ENH) public company which holds 70% of the company's shares (Class B), the State of the Republic of Mozambique represented by Instituto de Gestão das Participações do Estado (IGEPE) which holds 20% of the shares (Class A) and the remaining 10% of the shares (Class C) are held by Mozambican private entities.

3.6. General Assembly

On September 30th, 2024, an Ordinary General Assembly took place in which the following matters were approved:

- The Financial Statement for the year ended 30th June 2024.
- The distribution of 60% of profits; and
- The election of the Fiscal Council Members.

3.7.Financial statements prepared in accordance with IFRS

Financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC), for the year ended 30 June 2025.

3.8. Debt Management

3.8.1 Debt Service

During this financial year ended on 30 June 2025, the lenders completed the disbursement of the facility of USD 50 000 000 to finance the PPA Pedop project with three Lenders. The debt service

Financiador	Valor contratado	Valor desembolsado	Montante por desembolsar	Serviço da dívida (pagamento)		Montante em dívida
				Capital pago	Juro pago	
Standard Bank	20,000,000	20,000,000	-	2,500,000	442,990	17,500,000
BCI	20,000,000	20,000,000	-	3,333,333	1,458,873	16,666,667
Nedbank	10,000,000	10,000,000	-	1,269,621	744,196	8,730,379
TOTAL	**50,000,000**	**50,000,000**	**-**	**7,102,955**	**2,646,059**	**42,897,045**

paid was USD 9 745 945 (being capital of USD 7 102 955 and interest of USD 2 646 045). The outstanding debt balance is USD 42 897 045, as shown in the table below.

3.8.2 Financial Ratios

Ratios	2025	2024
Liquidity Ratio		
Current Ratio	**8.2**	8.4
Return on Equity	**16%**	20%
Return on Assets	**11%**	14%

3.9. Short term investment

3.9.1 Off-shore Accounts

During this financial year, CMH continued to invest its financial reserves on short term fixed deposits in Standard Bank South Africa and reasonable interest were earned.

3.9.2 On-shore Accounts

In order to earn reasonable interest on the on-shore current accounts, CMH invested on short term fixed deposits.

3.10. Changes in accounting policies

There was no change in accounting policies during the year.

3.11. Dividends Paid and Declared

On 09 October 2024, an Ordinary General Assembly took place in which the CMH Shareholders approved the distribution of 60% the profits. CMH paid a total amount of USD 32 163 076 of dividends to its shareholders on 18 October 2024. These dividends were related to FY24.

	Declared dividends			Dividends paid			
Financial Year	General Assembly date	% dividends on profit	Total declared dividends	Date of payment	Amount paid	Date of payment per FY	Balance
AF06 - AF23			312,453,322		312,453,322	312,453,322	
AF24	30-Sep-24	60%	32,163,076			-	
AF25				18-Out-2024	32,163,076	32,163,076	
Total			**344,616,398**		**344,616,398**	**344,616,398**	**(0)**

4. Subsequent Events

Subsequent to 30 June 2025 to the date of reporting, there are no significant events that have occurred which might need disclosure or adjustment in the financial statements.

IV. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for the preparation and fair presentation of the financial statements of Companhia Moçambicana de Hidrocarbonetos, SA, comprising the Statement of Financial Position at 30 June 2025, and the Statements of Profit or Loss and Other Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and the notes to the financial statements, which include a summary of material accounting policies and other explanatory notes, in accordance with IFRS® Accounting Standards as issued by International Accounting Standards Board (IFRS Accounting Standards). In addition, the Directors are responsible for preparing the Directors' report.

The Directors are also responsible 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, and for maintaining adequate accounting records and an effective system of risk management. The Directors' responsibility also includes ensuring compliance with relevant laws and regulations of the Republic of Mozambique.

The Directors have made an assessment of the ability of the Company to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

The auditor is responsible for reporting on whether the financial statements are fairly presented in accordance with the IFRS® Accounting Standards as issued by International Accounting Standards Board (IFRS Accounting Standards).

Approval of the financial statements

The financial statements of Companhia Moçambicana de Hidrocarbonetos, SA, as identified in the first paragraph, were approved by the board of Directors on 28 August 2025 and are signed on their behalf by:

Maputo, 28 August 2025

Arsénio Mabote
Chairman

KPMG Auditores e Consultores, SA
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INDEPENDENT AUDITORS' REPORT

To the shareholders of Companhia Moçambicana de Hidrocarbonetos, SA

Opinion

We have audited the financial statements of Companhia Moçambicana de Hidrocarbonetos, SA (the "Company"), which comprise the statement of financial position as at 30 June 2025, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, comprising a summary of material accounting policies and other explanatory information, as set out on pages 45 to 101.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Companhia Moçambicana de Hidrocarbonetos, SA as at 30 June 2025, and its financial performance and cash flows for the year then ended in accordance with IFRS® Accounting Standards as issued by International Accounting Standards Board (IFRS Accounting Standards).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Mozambique, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. 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.

KPMG

<table>
<tr><td colspan="2">Impairment assessment of exploration and evaluation assets, central processing facility (CPF) and capital work in progress

Refer to material accounting policies notes 3.5. Exploration and evaluation assets and CPF, 3.8. Impairment of assets, 4. critical accounting estimates and judgements note and note 11. Property, plant and equipment to the financial statements.</td></tr>
<tr><td>Key audit matter</td><td>How the matter was addressed in our audit</td></tr>
<tr><td>The Company's exploration and evaluation assets, CPF and capital work in progress constitute a significant portion of property, plant and equipment being USD 136 million of the total property, plant and equipment balance of USD 138 million.

Exploration and evaluation assets, CPF and capital work in progress are required to be assessed for impairment indicators on an annual basis and due to the nature of the asset class, this involves a significant amount of judgement in estimating reserves, future cash flows and present values.

Significant assumptions involved while performing the impairment assessment of the exploration and evaluation assets, capital work in progress, mineral asset and central processing facility (CPF), include;
· the remaining mineral reserves;
· oil and gas prices in the international market;
· discount rate;
· estimated useful lives;
· future interest rates; and
· planned production.

The impairment assessment was considered a key audit matter in the audit of the financial statements due to the high estimation uncertainty and judgment involved.</td><td>The audit procedures we performed included the following:
• We assessed the reasonableness of management's analysis of potential internal and external impairment indicators by considering our understanding of the entity and its environment, reviewing compliance with relevant contracts, and conducting inquiries with management.

• We evaluated the design, implementation and operating effectiveness of internal controls applied by management to ensure that its impairment assessments were appropriately performed and reviewed.
• We used the work of management's specialist for assessing the remaining mineral reserves and assessed the skills, ability and objectivity of management's specialist by checking their qualifications, professional memberships and experience.
• We evaluated the relevance and reliability of data and assumptions used by management specialist by comparing oil and gas prices and discount rate used in management's specialist calculations to independent external sources.
• We evaluated the estimated useful life used in the calculations of impairment assessment by considering the remaining mineral reserve estimates, annual production capacity and the approved operating license of the Company.
• We performed a sensitivity analysis on the key assumptions and assessed the resulting headroom in the present value calculations to determine whether it was reasonable
• We assessed the adequacy of the Company's disclosures in respect of impairment assessments in the financial statements against the requirements of IAS 36, Impairment of assets.</td></tr>
</table>

Site closure and rehabilitation provision Refer to material accounting policy note 3.7. Provisions, 4. Critical accounting estimates and judgements note and note 19. Provisions.	
Key audit matter	**How the matter was addressed in our audit**
The Company is required to rehabilitate the exploration site at the end of the project life as per the signed Petroleum Production Agreement for the concession granted. A provision is recognised, amounting to USD 47 million, in respect of the estimated costs to close and rehabilitate the site. The calculation of the provision requires management judgement in estimating future costs, given the unique nature of each site and the potential associated obligations. These calculations are discounted to determine the present value of the site rehabilitation costs. Restoration and rehabilitation of each site is relatively unique and there has been limited restoration and rehabilitation activity against which to benchmark estimates of future costs, and changes in local laws and regulations. Significant assumptions involved, in estimating the provision, include; · the outflow of economic benefits required; . cost elements at the end of concession; . timing of individual cost component · inflation rate; and · discount rate. Management's approach to restoration and rehabilitation involves complex calculations and could have a material impact on the amount of the provision raised and thus considered to be a key audit matter.	The audit procedures we performed included the following: • We evaluated the legal and/or constructive obligations with respect to the restoration and rehabilitation through review of the Petroleum Production Agreement and understanding of the law which governs the exploration of mineral resources. • We evaluated the design, implementation and operating effectiveness of internal controls applied by management to ensure that provision is appropriately calculated and reviewed. • We used the work of management's specialist in assessing the site closure and rehabilitation provision and assessed the skills, ability and objectivity of management's specialist by checking their qualifications, professional memberships and experience. • We evaluated the relevance and reliability of the data and assumptions used by management's specialist through comparing discount rate and inflation rate applied to third party data and industry norms and reviewed expected future cash-flows and timing in the net present value calculations. • We performed a sensitivity analysis on the discount rate applied in the net present value calculation of the provision to assess the reasonableness of the amount recognised. • We assessed the adequacy of the Company's disclosures related to the site closure and rehabilitation provision in the financial statements in accordance with the IAS 37, Provisions Contingent Liabilities and Contingent Assets.

Other information

The directors are responsible for the other information. The other information comprises corporate information, message of the chairman, directors' report and directors' responsibility statement but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS® Accounting Standards as issued by International Accounting Standards Board (IFRS Accounting Standards), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' 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 auditors' 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 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

- If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG, A registered Audit firm, 04/SCA/OCAM/2014

Represented by:

Miesh-Al Gasant, OCAM n° 92/CA/OCAM/2017
Partner
31 August 2025

V. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2025

(Amounts in USD)	Note	30 June 2025	30 June 2024
Revenue	6	111 383 825	119 944 911
Cost of sales	7	(39 327 409)	(41 953 884)
Gross profit		**72 056 416**	**77 991 027**
Administrative costs	7.1	(10 309 504)	(10 041 143)
Other income		154 150	380 032
		61 901 062	**68 329 916**
Net finance income	8	**7 913 637**	**14 221 996**
Finance income		12 640 882	17 099 651
Finance cost		(4 727 245)	(2 877 655)
Profit before tax		**69 814 699**	**82 551 912**
Income tax expense	9	(23 095 684)	(27 829 549)
Profit for the year		**46 719 015**	**54 722 363**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit asset, net of tax	24(b)	1 544 560	(1 117 237)
Total comprehensive income		**48 263 575**	**53 605 126**
Earnings per share			
Basic earnings per share	10	7.87	9.22
Diluted earnings per share	10	7.87	9.22

The notes on pages 49-101 are an integral part of these financial statements.

VI. STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

(Amounts in USD)	Note	2025	2024
ASSETS			
Non-current assets			
Property, plant and equipment	11	138 034 213	147 313 830
Intangible assets	12	3 101 369	3 622 750
Net defined benefit assets	23	2 102 142	599 554
Total non-current assets		**143 237 724**	**151 536 134**
Current assets			
Inventories	13	3 252 882	2 262 779
Trade receivables	14.1	11 929 832	14 002 326
Other receivables	14.2	4 688 551	34 100 456
Tax receivables	14.3	3 864 167	4 076 881
Cash and cash equivalents	15	240 266 221	172 825 454
Total current assets		264 001 653	227 267 896
Total assets		**407 239 377**	**378 804 030**
EQUITY			
Share capital	16	25 286 649	25 286 649
Legal reserves	17	5 057 330	5 057 330
Investment reserve	18	14 296 822	14 296 822
Retained earnings		233 445 336	217 344 837
Total equity		**278 086 137**	**261 985 638**
LIABILITIES			
Non-current liabilities			
Provisions	19	32 218 812	43 209 724
Other payables	20	102 664	79 480
Borrowings	21	31 539 597	11 581 621
Deferred tax liability	9.3	32 267 860	34 974 158
Total non-current liabilities		96 128 933	89 844 983
Current liabilities			
Provisions	19	14 896 255	10 616 659
Trade and other payables	20	5 855 889	9 505 540
Borrowings	21	11 357 449	4 346 600
Intercompany payable	22	225 229	45 023
Income tax liability	9.4	689 485	2 459 587
Total current liabilities		33 024 307	26 973 409
Total liabilities		**129 153 240**	**116 818 392**
Total equity and liabilities		**407 239 377**	**378 804 030**

The notes on pages 49-101 are an integral part of these financial statements.

VII. STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2025

(Amount in USD)	Share capital	Legal Reserves	Investment Reserves	Retained earnings	Total Equity
Balance at 30 June 2023	**25 286 649**	**5 057 330**	**14 296 822**	**217 360 872**	**262 001 673**
Profit for the year	-	-	-	54 722 363	54 722 363
Other comprehensive income for the year	-	-	-	(1 117 237)	(1 117 237)
Dividends declared	-	-	-	(53 621 161)	(53 621 161)
Balance at 30 June 2024	**25 286 649**	**5 057 330**	**14 296 822**	**217 344 837**	**261 985 638**
Profit for the year	-	-	-	46 719 015	46 719 015
Other comprehensive income for the year	-	-	-	1 544 560	1 544 560
Dividends declared	-	-	-	(32 163 076)	(32 163 076)
Balance at 30 June 2025	**25 286 649**	**5 057 330**	**14 296 822**	**233 445 336**	**278 086 137**

The notes on pages 49-101 are an integral part of these financial statements.

VIII. STATEMENT OF CASH FLOWS

For the year ended 30 June 2025

(Amounts in USD)	Note	2025	2024
Cash flows from operating activities			
Profit for the year		46 719 015	54 722 363
Adjustments for:			
Depreciation and amortisation	7	22 564 222	22 959 238
Unrealised foreign exchange differences	8	(86 561)	(84 609)
Finance income	8	(12 640 882)	(17 099 651)
Finance costs	8	4 727 245	2 877 655
Income tax expense	9	23 095 684	27 829 549
		84 378 723	**91 204 546**
Changes in:			
Intercompany payable		180 206	(18 457)
Trade and other receivables		192 537	(360 138)
Inventories		(990 103)	54 951
Employee benefits		(1 502 588)	(76 676)
Trade and other payables		(3 649 652)	1 271 921
Cash generated from operations		**78 609 123**	**92 076 147**
Finance costs paid		(2 734 095)	(370 891)
Income tax paid	9	(27 572 083)	(43 397 463)
Net cash generated from operating activities		**48 302 945**	**48 307 793**
Cash flows from investing activities			
Acquisition of treasury bonds	14	-	(28 498 048)
Proceeds from treasury bonds	14	28 498 048	25 952 427
Interest received	8.1	13 439 249	15 810 505
Acquisition of property, plant and equipment*	11	(14 464 925)	(20 645 974)
Additions to exploration and evaluation asset and CPF*	11	(1 459 578)	(950 184)
Acquisition of intangible assets	12	(127 688)	(377 411)
Net cash used in investing activities		**25 885 106**	**(8 708 685)**
Cash flows from financing activities			
Proceeds from borrowings		34 071 779	15 928 221
Repayments of borrowings		(7 102 955)	-
Dividends paid		(32 163 076)	(53 621 161)
Net cash used in financing activities		**(5 194 252)**	**(37 692 941)**
Net increase in cash and cash equivalents		68 993 797	1 906 167
Cash and cash equivalents at the beginning of the year		172 825 454	171 988 922
Effects of movements in exchange rate on cash held		(1 553 030)	(1 069 635)
Cash and cash equivalents at the end of the year	15	**240 266 221**	**172 825 454**

The notes on pages 49-101 are an integral part of these financial statements.

IX. NOTES TO THE FINANCIAL STATEMENTS

1. Company background

Companhia Moçambicana de Hidrocarbonetos, SA ("CMH" or "Company") is a limited liability company, incorporated in Mozambique on 26 October 2000, controlled by its parent company Empresa Nacional de Hidrocarbonetos, EP (ENH), which owns 70% of the company's shares, with development of petroleum operations as its main activity.

The company was appointed by Empresa Nacional de Hidrocarbonetos, E.P (ENH) and the Government of Mozambique, along with Sasol Petroleum Temane, Lda. (SPT) to conduct petroleum operations in the petroleum production areas of Pande and Temane fields for a period of 30 years, under a Petroleum Production Agreement (PPA) signed in October 2000. CMH is also a party to the Joint Operating Agreement (JOA) signed with SPT in December 2002 covering the Pande and Temane field reservoirs. As the Company is only producing and selling gas and operates in an integrated way, the Company reports as one operating segment. All non-current assets are based in Mozambique and revenue is generated within Mozambique.

The participating share attributed to the Company in relation to the rights and obligations derived from the Petroleum Production Agreement and the Joint Operations Agreement was initially 30%, with the remaining 70% held by Sasol Petroleum Temane Lda (SPT). As such, CMH was entitled to acquire a 30% participation interest in the Pande and Temane Project as well as the Central Processing Facility (CPF). The project is currently operational with SPT as the designated operator.

A Farm-Out Agreement was signed in 2003 by the Company, to assign to International Finance Corporation (IFC) a 5% share in the Joint Operation Agreement which reduced the 30% held by the Company in the Pande and Temane natural gas project. Taking into consideration that all conditions from the contracts previously signed with Agence Française de Development (AFD), European Investment Bank (EIB), and Development Bank of Southern Africa were fulfilled, conditions were created to enable CMH to execute its right of participation in the Pande and Temane natural gas project. In April 2006, the following documents were signed:

i) The agreement of the 5% participation interest cession of the rights and obligations under the Petroleum Production Agreement, amongst the Government of the Republic of Mozambique, ENH, SPT, CMH, and IFC;
ii) The Novation agreement amongst SPT, CMH and IFC, whereby IFC assumes the participation interest including all rights and obligations relating to its participation interest and is obliged under the project agreements exonerating CMH from any responsibilities arising from the interests ceded;

iii) The cession and compromise agreement of 5% of the participation interest under the Gas Sales Agreement signed amongst Sasol Gas, SPT, CMH and IFC, as well as the deed made for the Performance Guarantee (annexed to the gas sales agreement signed between Sasol Gas and ENH); and

iv) The agreement of the 5% participation interest cession under the Joint Operations Agreement, between CMH and IFC.

These agreements became effective from April 2006, the date of financial closing, when the company made its contribution acquiring the 25% participation interest in the upstream component of the Pande and Temane project, in partnership with SPT (70%) and IFC (5%). Consequently, from 1 April 2006 CMH recognized its share of jointly controlled assets and liabilities and its share of income and expenses for which it is jointly responsible.

In April 2009, the government of Mozambique approved the amendment to the Development Plan, giving thus effect to the project expansion of the Pande and Temane Natural Gas Project. The expansion increased the CPF production capacity from 120 MGJ/annum to 183 MGJ/annum.

In 2015, the Government of Mozambique approved the second amendment to the Field Development Plan, thereby giving effect to the expansion of the Pande and Temane Natural Gas Project. The expansion increased the CPF's production capacity from 183 MGJ / year to 197MGJ / year, enabling the seller to provide the maximum contraction statistics under the Gas Sales Agreement (GSA1).

The registered address of the company is Av. Julius Nyerere, n° 4003, Bairro da Polana Caniço "A". Maputo, Moçambique.

2. Basis of Preparation

2.1 Basis of accounting and compliance with IFRS

These financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by International Accounting Standards Board (IFRS Accounting Standards), on historical cost basis, unless indicated otherwise. The transactions and the balances relating to the company´s share in the Joint Operations are based on the billing statements and information provided by the operator.

2.2 Functional and Presentation Currency

The financial statements are presented in US Dollars, which is the company's functional currency. All financial information presented in US Dollars has been rounded off to the nearest US Dollar.

2.3 New standards and interpretations

At the date of approval of the financial statements of company for the year ended 30 June 2025, the following Standards and Interpretations were in issue but not yet effective:

IFRS Accounting Standard/Interpretation		**Date issued by IASB**	**Effective date Periods beginning on or after**
IFRS 7, Financial Instrument: Disclosures and IFRS 9, Financial Instruments, amendments	*Classification and measurement requirements for financial instruments* *Settlement by electronic payments* *Other amendments*	May 2024	1 January 2026
IFRS 1, First Time adoption of International Financial Reporting Standards amendments	*Annual Improvements to IFRS Accounting Standards*	July 2024	1 January 2026
IFRS 7 amendments	*Annual Improvements to IFRS Accounting Standards*	July 2024	1 January 2026
IFRS 9 amendments	*Annual Improvements to IFRS Accounting Standards*	July 2024	1 January 2026
IFRS 10, Consolidated Financial Statements, amendments	*Annual Improvements to IFRS Accounting Standards*	July 2024	1 January 2026

IFRS Accounting Standard/Interpretation		Date issued by IASB	Effective date Periods beginning on or after
IAS 7 amendments	*Annual Improvements to IFRS Accounting Standards*	July 2024	1 January 2026
IFRS 7, IFRS 9 & IFRS 19 amendments	*Contracts Referencing Nature-dependent Electricity*	December 2024	1 January 2026
IFRS 18	*Presentation and Disclosure in Financial Statements*	April 2024	1 January 2027
IFRS 19	*Subsidiaries without Public Accountability: Disclosures*	May 2024	1 January 2027

Following relevant Standards and Interpretations will be adopted at their effective date. No significant financial reporting impact is expected on financial statements of the company;

Classification and measurement requirements for financial instruments (Amendments to IFRS 7 and IFRS 9)

Classification of financial assets with contingent feature

The amendments introduce an additional SPPI (solely payment of principal and interest) test for financial assets with contingent features that are not related directly to a change in basic lending risks or costs – e.g. where the cash flows change depending on whether the borrower meets an ESG (environmental, social, and governance) target specified in the loan contract.

Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature.

The amendments also include additional disclosures for all financial assets and financial liabilities that have certain contingent features that are:

- not related directly to a change in basic lending risks or costs; and
- are not measured at fair value through profit or loss.

Settlement by electronic payments

A company that settles its trade payable by using an electronic payment system generally derecognises its trade payable on settlement date. The amendments provide an exception for the derecognition of such financial liabilities. The exception allows the company to derecognise its trade payable before the settlement date when it uses an electronic payment system that meets all of the following criteria:

- no practical ability to withdraw, stop or cancel the payment instruction;
- no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- the settlement risk associated with the electronic payment system is insignificant.

Other amendments

Disclosures on investments in equity instruments

The amendments require additional disclosures for investments in equity instruments that are measured at fair value with gains or losses presented in other comprehensive income (FVOCI).

The amendments apply for reporting periods beginning on or after 1 January 2026.
Companies can choose to early-adopt these amendments (including the associated disclosure requirements), separately from the amendments for the recognition and derecognition of financial assets and financial liabilities.

The amendments to IFRS 7 and IFRS 9 are effective from 1 January 2026. The amendments include guidance on the classification of financial assets, including those with contingent features. Further, the amendments clarify the key characteristics of contractually linked instruments and how they differ from financial assets with non-recourse features. The amendments also require additional disclosures for investments in equity instruments that are measured at fair value through other comprehensive income. Lastly, the amendments clarify when a financial asset or a financial liability is recognised and derecognised and to provide an exception for derecognition of certain financial liabilities when settled using an electronic payment system.

The company is in the process of assessing the impact of these amendments, particularly with respect to the collation of additional information needed to assess the recognition and derecognition of financial instruments, as well as to meet the new disclosure requirements.

Annual Improvements to IFRS Accounting Standards (Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)

The annual improvements process aims to improve the clarity and internal consistency of IFRS Accounting Standards. The amendments apply for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

IFRS 1 amendments

The amendments improve consistency with the requirements in IFRS 9 and adds cross-references in IFRS 1 to the relevant hedge accounting paragraphs of IFRS 9, to improve the understandability of IFRS 1.

IFRS 7 amendments

The IASB amendments resolve inconsistencies in the wording and concepts between IFRS 7 and those in IFRS 9 and IFRS 13, in particular related to significant unobservable inputs into fair value measurement. The terminology in the illustrative example to IFRS 7 related to fair value disclosures has also been updated.

Further updates made to IFRS 7 were to remove obsolete references following the issue of IFRS 13.

The IASB has also clarified that the illustrative disclosure for fair value (included in the IFRS 7 implementation guidance) does not necessarily illustrate all the requirements in the relevant paragraphs of IFRS 7; and have simplified the explanation of the aspects of the disclosure that is not illustrated.

IFRS 9 amendments

The IASB's amendments remove the conflict between IFRS 9 and IFRS 15 over the amount at which a trade receivable is initially measured.

Under IFRS 15, a trade receivable may be recognised at an amount that differs from the transaction price – e.g. when the transaction price is variable. Conversely, IFRS 9 requires that companies initially measure trade receivables without a significant financing component at the transaction price.

The IASB has amended IFRS 9 to require companies to initially measure a trade receivable without a significant financing component at the amount determined by applying IFRS 15.

If a lease liability is derecognised, then the derecognition is accounted for under IFRS 9. However, when a lease liability is modified, the modification is accounted for under IFRS 16 Leases.

The IASB's amendment states that when lease liabilities are derecognised under IFRS 9, the difference between the carrying amount and the consideration paid is recognised in profit or loss. However, the amendment does not address how to distinguish between derecognition and modification of a lease liability. The IASB has indicated that it may consider this issue as part of a future project.

The amendment on derecognition of lease liabilities applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied.

IFRS 10 amendments

The IASB amendments resolve an inconsistency between paragraphs on the determination of whether other parties are acting as de facto agents. The amendments clarify that the relationship described is just one example of a circumstance in which judgement is required to determine whether a party is acting as a de facto agent.

IAS 7 amendments

The IASB amendments replace the term 'cost method' with 'at cost'. The IASB had removed the definition of 'cost method' from IFRS Accounting Standards in May 2008 however, at that time, the IASB had not amended certain paragraphs of IAS 7.

The annual improvements to the IFRS Accounting Standards, which include amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 are not expected to have a significant impact on the company's financial statements.

IFRS 9

The amendments to IFRS 9 address a conflict between IFRS 9 and IFRS 15 Revenue from Contracts with Customers regarding the initial measurement of trade receivables. Under IFRS 15, a trade receivable may be recognised at an amount that differs from the transaction price – e.g. when the transaction price is variable. Conversely, IFRS 9 requires that companies initially measure trade receivables without a significant financing component at the transaction price.

The IASB has amended IFRS 9 to require companies to initially measure a trade receivable without a significant financing component at the amount determined by applying IFRS 15. The group currently measures trade receivable at the transaction price. Consequently, the group will update its accounting policy on initial measurement of its trade receivables. Changes are not expected to have a significant impact on the company's financial statements.

Contracts referencing Nature-dependent Electricity (Amendments to IFRS 9, IFRS 7 and IFRS 19)

The IASB has issued targeted amendments to assist companies to better report the financial effects of nature-dependent electricity contracts, which are often structured as renewable Power Purchase Agreements (PPAs).

IFRS 9 amendments

The amendments clarify the application of the 'own-use' requirements for nature-dependent electricity contracts, ensuring that these contracts are more accurately reflected in financial statements. Additionally, the amendments permit hedge accounting if these contracts are used as hedging instruments, aligning with the broader framework of financial instruments.

IFRS 7 and IFRS 19 amendments

The IASB amendments introduce new disclosure requirements to improve the transparency of nature-dependent electricity contracts. These amendments provide investors with a clearer understanding of the effect of these contracts on a company's financial performance and cash flows. A company applying the own-use exemption to certain PPAs under the amendments would not recognise these PPAs in its statement of financial position.

IFRS 19 has been amended to incorporate the above IFRS 7 amended disclosure requirements.

The amendments apply for reporting periods beginning on or after 1 January 2026. Early application is permitted. Changes are not expected to have a significant impact on the company's financial statements.

Presentation and Disclosure in Financial Statements (IFRS 18)

IFRS 18 promotes a more structured income statement, in particular, it introduces a newly defined 'operating profit' subtotal and a requirement for all income and expenses to be allocated between three new distinct categories being, operating, investing and financing activities, based on a company's main business activities. However, the company's net profit will not change.

IFRS 18 also requires companies to analyse their operating expenses directly on the face of the income statement – either by nature, by function or using a mixed presentation. If any items are presented by function on the face of the income statement (e.g. cost of sales), then a company provides more detailed disclosures about their nature.

IFRS 18 also requires the disclosure of Management Performance Indicators ("MPMs") which are subject to audit. They are designed to capture some but not all 'non-GAAP' measures. The standard requires MPMs to be:

- a subtotal of income and expenses;
- used in public communications outside the financial statements; and
- reflective of management's view of financial performance.

For each MPM presented, companies will need to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconciled to an amount determined under IFRS Accounting Standards. Furthermore, a company must state that it provides management's view of financial performance and is not necessarily comparable to those of other companies. Any changes or new MPMs must also be explained.

IFRS 18 will replace IAS 1 Presentation of Financials Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new standards introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing discontinued operations and income tax categories. Entities are also required to present newly-defined operating profit subtotal. Entities net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single not in the financial statements.
- Enhance guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the for the statement of cash flows when presenting operating cash flows under the indirect method.

Changes are not expected to have a significant impact on the company's financial statements except minor classification/presentation improvements.

Subsidiaries without Public Accountability: Disclosures (IFRS 19)

Subsidiaries of companies using IFRS Accounting Standards can substantially reduce their disclosures and focus more on users' needs following the release of IFRS 19.

A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date:

- it does not have public accountability;
- its parent produces consolidated financial statements under IFRS Accounting Standards.

A subsidiary applying IFRS 19 is required to clearly state in its explicit and unreserved statement of compliance with IFRS Accounting Standards that IFRS 19 has been adopted. Management has assessed the applicability of these amendments and concluded that they are not expected to have a significant impact on the Company's financial statements.

3. Summary of Material Accounting Policies

The accounting policies set out from 3.1 to 3.16 have been applied consistently to all periods presented in these financial statements.

3.1. Joint Operations

As mentioned in note 1, entity forms part of the joint operations with 25% interest. The operations in Pande and Temane fields were structured in the form of a Joint Operation (JO), whereby the Joint Operation is not registered as a separate company, but each party to the JO, under the Joint Operating Agreement, receives its respective share in the assets, liabilities, revenue and expenses from the operations.

3.2. Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that reporting date.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.
Foreign currency differences arising on retranslation are generally recognised in profit or loss as part of finance income or finance costs.

3.3. Financial Instruments

Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the company becomes a party to the contractual provisions of the instrument.
A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and measurement

The Company classified its financial assets as carried at amortized cost. Classification is performed in accordance with the business model determined based on the purpose of benefits from financial assets and expected cash flows. As per assessment the contractual cash flows are solely payments of principal and interest. Financial liabilities are classified at amortised cost.

Financial assets carried at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI), whose payments are fixed or predetermined, which are not actively traded and which are not derivative instruments are measured at amortised cost. They are included in current assets, except for maturities more than 12 months after the statement of financial position date. Those with maturities more than 12 months are classified as non-current assets. The Company's financial assets carried at amortised cost comprise "trade receivables (resulting from transactions in scope of IFRS 15) and "cash and cash equivalents" in the financial statements. These assets are subsequently measured at amortised cost using the effective interest method. The gross carrying amount is reduced by ECL allowance. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss.

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains any contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. The Company has applied simplified approach and used impairment matrix for the calculation of impairment on its receivables carried at amortized cost, since they do not comprise of any significant finance component.

The simplified approach also determines how impairment losses are recognized and requires the Company to apply the effective interest method. This approach is permitted under IFRS 9 for financial assets that do not have a significant financing component (e.g., trade receivables).

To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

Derecognition

Financial assets

The company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized. Gains or losses on derecognition are recognised in profit or loss.

Financial liabilities

The company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred, or liabilities assumed) is recognised in profit or loss.

Share capital

Ordinary shares – Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

3.4. Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are initially recognized at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes all directly attributable expenditure incurred in the acquisition of the asset. The cost of acquired and self-constructed assets includes the costs of materials and direct labour, any other costs directly attributable in bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the net proceeds from disposal with the carrying amount of property, plant and equipment and are recognized within profit or loss.

The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. Expenditure incurred to drill and equip development wells on proved properties is capitalised as mineral assets in property, plant and equipment on date of commissioning. Capitalised development expenditure is measured at cost less accumulated depreciation and accumulated impairment losses.

Subsequent expenditure

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and the cost can be measured reliably. The carrying amount of the replaced part is derecognised. The cost of day to day servicing of property, plant and equipment is recognised in profit or loss as incurred.

Depreciation

Depreciation of the capitalised development expenditure inclusive of decommissioning costs is based on the units-of-production method, on a field-by-field basis, calculated using estimated proved developed oil and gas reserves. These reserves are yearend remaining reserves as per company's internal experts' report used for depreciation calculation retrospectively from the beginning of each financial year. For appropriateness of the reserves numbers company also consults external Expert's Report (the report of sales and reserves from experts engaged by operator of Jos).

For other assets depreciation is recognised in profit or loss on a straight line basis over the estimated useful lives of each part of an item of property, plant and equipment. Capital work in progress is not depreciated.

The estimated useful lives are as follows:

- Motor vehicles	4 – 5 years
- Equipment	4 – 10 years
- Buildings office	50 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

3.5. Exploration and evaluation assets (capital work in progress) and CPF

The successful efforts method is used to account for gas exploration and evaluation activities. Geological and geophysical costs, relating to dry exploratory wells and the costs of carrying and retaining undeveloped properties are recognised in profit or loss as incurred.

On completion of an exploratory well, the entity may have found oil and gas reserves. Those reserves are classified as proved when, upon analysis of geological and engineering data, it appears with reasonable certainty that these reserves could be recoverable in the future under existing economic and operating conditions.

The cost of exploratory wells through which potential proved oil and gas reserves were discovered is capitalised as exploration and evaluation asset as capital work in progress. These costs remain capitalised, pending the determination of whether proved oil and gas reserves have been found, as long as the following conditions have been met: (i) sufficient oil and gas reserves exist to justify the capital expenditure required for completion of the well as a producing well; (ii) drilling of additional exploratory wells is under way or firmly planned for the near future; and (iii) sufficient progress is being made in assessing the oil and gas reserves and the economic or operating viability of developing the property.

If the above conditions are not met or if information is obtained that raises doubt about the economic or operating viability of the project the costs are charged to profit or loss. Progress in this regard is reassessed at least annually to ensure sufficient justification for carrying such exploration and evaluation expenditure as an asset. Where the recoverable amount of the exploration and evaluation asset is determined to be less than the carrying amount, an impairment loss is recognized. Exploration and evaluation assets are measured using cost model, subsequent to initial recognition. Exploration and evaluation assets for which commercially-viable reserves have been identified are reclassified to mineral assets and CPF.

Development phase is the phase in which the technical feasibility and commercial viability of extracting a reserve is demonstrated and identified reserve is prepared for production activities. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete the development and use or sell the asset.

The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. Borrowing costs related to the development of qualifying assets are capitalised to the cost of the qualifying asset. Other development expenditure is recognised in profit or loss as incurred.

Expenditure incurred to drill and equip development wells on proved proprieties is capitalised as mineral assets in property, plant and equipment on date of commissioning.

Capitalised development expenditure is measured at cost less accumulated depreciation and accumulated impairment losses.

Mineral assets and Exploration and evaluation assets are derecognized once exploration rights to an area are lost.

3.6. Intangible Assets

Intangible assets are initially recognized at cost and subsequently stated at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are recognised if it is probable that economic benefits will flow to the company from the assets and the costs of the assets can be reliably measured. Company reviews the amortisation method, useful lives and carrying amounts of the intangible assets at each reporting date. Mainly the intangible assets consist of concession rights to explore and produce gas in the Pande and Temane fields, under a Petroleum Production Agreement signed in October 2000 which will expire in 2029 with option to extend for five years. These intangible assets are amortised on a straight-line basis till the year 2029.

Subsequent Expenditure

Subsequent expenditure is capitalized only when increase in the future economic benefits embodied in the specific asset to which it is related are probable. All other expenditure is recognized in profit or loss as incurred.

3.7. Provisions

Provisions for environmental restoration and legal claims are recognized when: the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions are not recognized for future operating losses. The provision for site rehabilitation is recognized as and when the environmental liability arises. The Company is required to rehabilitate the exploration site at the end of the project life as per the signed petroleum production agreement (PPA) for the concession granted.

Where a closure and environmental obligation arises from mine development activities, the costs are capitalized as part of the cost of the associated asset. When this same obligation arises from mine production activities, the costs are expensed. Provisions are determined by discounting expected cash flows at a pre-tax rate reflecting current market rates and risks specific to the liability. Changes to provisions that were capitalized on initial recognition in the cost of the related asset are added to or deducted from the carrying amount of the asset.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. The increase in the provisions due to passage of time is recognized as interest expense. The calculation of the provision requires management judgement in estimating future costs, given the unique nature of each site and the potential associated obligations. Calculations are discounted to determine the present value of the site rehabilitation costs. Restoration and rehabilitation of each site is relatively unique against which to benchmark estimates of future costs, and changes in local laws and regulations.

3.8. Impairment of Assets

Financial assets

The Company recognises allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost.

The company calculates lifetime expected credit losses for all trade receivables without a significant financing component. For all other financial assets measured at amortised costs, the entity uses the general approach to determine expected credit losses and assessed whether the increase in credit risk from initial recognition is significant or not.

When determining whether credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantities and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the risk on a financial asset has increased significantly if it is more than 30 days past due.

Definition of default;

The Company considers a financial asset to be default when:

- the borrowers are unlikely to pay its credit obligations to the Company in full, without recourse by the Company actions such as realising (if any is held);
- the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECL

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Non-financial assets

The carrying amounts of the Company's assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognized in the profit or loss.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Company classifies exploration and evaluation asset and CPF as one Cash Generating Unit (CGU).

The recoverable amount of an asset is the greater of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash generating unit to which the asset belongs.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

3.9. Income Tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that the tax arises from a transaction or event which is recognised, in the same period or a different period, outside profit or loss, either in other comprehensive income or directly in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax base.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which it can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Mozambique is not planning to introduce the Pillar Two-Global minimum top up taxes.

3.10. Employee Benefits

The cost of all short-term employee benefits, such as salaries, employee entitlements to leave pay, bonuses, medical aid and other contributions, are recognised during the period in which the employee renders the related service. The Company recognises the expected cost of bonuses only when the Company has a present legal or constructive obligation to make such payment and a reliable estimate can be made.

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

Contributions are made to the Instituto Nacional de Segurança Social (INSS), the national social security plan, a defined contribution plan, which all Mozambican companies, are obliged, by law, to make the contributions which are based on a percentage of salaries and are recorded as expenses in the period in which they are incurred.

Defined benefit Plan

Defined benefit fund was created in 2016. The company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI). The company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

Short term benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short term bonus if the company has a present legal or constructive obligation to pay the amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.11. Inventories

Inventories are measured at the lower of cost and net realisable value. Cost includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Cost for process, maintenance and other materials is determined using the weighted average cost price.

Net realizable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses.

3.12. Revenue Recognition

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue at point in time when it delivers the goods and delivery is acknowledged by the customer. In view of the gas sale contracts of the joint operations, the sales are made on thirty days credit terms. There are no performance obligations which are met over time.

Revenue is the amount of consideration, to which the company expects to be entitled to, in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. Revenue is recognised net of returns, indirect taxes, trade discounts and volume rebates. In the production and sale of gas, transfer of ownership occurs when the gas is physically transferred into the inlet of the pipeline and liquids at the loading bay in the CPF.

Services revenue is generated from processing of PSA agreement gas at processing facility of the joint operations and performance obligation is met at point in time on delivering the received gas at CPF outlet.

Revenue is presented relating to sale of gas that belongs to company's share from joint operations.

3.13. Operating costs

Operating costs include personnel expenses, depreciation, amortisation, general supplies and services. Operating costs are recorded in the period these costs relate to. These costs relate to the operating activities of the joint operations and reported in the financial statements by function.

3.14. Dividends

CMH shall pay dividends according to the Dividend Policy in which establishes that the aggregate distribution shall be 50% of the net profit.

Dividends are recognized on declaration, when the rights have been established. Accordingly, the company considers the amount of paid dividends as approved by the shareholders to be deducted from retained earnings.

3.15. Finance income and finance costs

Finance income comprises interest income on funds invested. Interest income is recognized as it accrues in profit or loss, using the effective interest method. Finance costs comprise interest expense on borrowings and unwinding of the discount on provisions. Net foreign exchange gains or losses are also included as either finance income or costs.

3.16. Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares.

4. Critical accounting estimates and judgements

The preparation of financial statements in accordance with IFRS Accounting Standards requires the management team to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates as significant judgements and assumptions are involved in assessing the remaining mineral reserves, oil and gas prices in the international market, future interest rates and the basis of the budgeting process and estimates of future costs for different rehabilitation projects in view of relevant obligations. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Significant judgements are involved;

- In estimating the mineral reserves
- In the measurement of the useful lives of the property, plant and equipment and in the assessment of the impairment property, plant and equipment,
- in estimating the funds requirements for the site restoration obligation.

Mineral reserves are estimated using material balance method considering pressure changes, the amount of gas produced, initial and current reservoir pressure and gas compressibility factor.

Detailed information about other judgements and application of the accounting policies that have the most significant effect on the amounts recognised in the financial statements is mentioned in the following notes:

Note 11 – Measurement of property, plant and equipment: key assumptions about the pattern of consumption of economic benefits embodied in assets.

Note 19 – Recognition and measurement of provision for closure and environmental rehabilitation: key assumptions about the likelihood and magnitude of an outflow of resources.

Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The regulating entity reviews unobservable data and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair value is categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

5. Changes in accounting policies

There were no material changes in the accounting policies during the year.

6. Revenue

	2025 USD	2024 USD
Natural gas	105 628 534	116 098 339
Condensate	2 566 476	3 158 776
PSA (processing services and compensations)	3 188 815	687 796
	111 383 825	**119 944 911**

7. Cost of sales

	Note	2025 USD	2024 USD
Salary and related costs (a)		1 944 591	1 968 119
Contribution to INSS (b)		59 800	60 523
Operating costs JO (c)		14 758 796	16 966 004
Depreciation and amortisation expense (d)	11 & 12	22 564 222	22 959 238
		39 327 409	**41 953 884**

(a) This relates to the employee costs working at head office.

(b) This relates to the contributions by joint operations operator to the state run defined contribution plan.

(c) This relates to the company's share from the operational costs incurred on the joint operations by operator. The amount includes engineering costs, maintenance costs, and routine expenses in the gas field and CPF.

(d) It mainly comprises of the depreciation of the exploration and evaluation assets and CPF which is calculated on the basis of estimated reserves.

7.1 Administrative costs

	2025 USD	2024 USD
Supplies and services	**3 287 761**	**2 696 729**
Consultancy fees	706 462	161 561
Audit fees	100 226	39 950
Social development program	374 668	1 222 964
Travelling and conveyance	325 805	178 974
Maintenance and repair	575 586	8 114
ENH services	381 673	193 947
Other expenses	823 341	891 219
Personnel expenses	**7 021 743**	**7 344 414**
Employee remuneration	5 433 707	5 260 672
Directors remuneration	974 337	1 039 075
Social security	109 198	196 541
Training	321 770	519 829
Complementary social security	182 731	328 297
	10 309 504	**10 041 143**

8. Net finance income

	Note	2025 USD	2024 USD
Finance income		12 640 882	17 099 651
Interest income (8.1)		12 255 970	16 877 195
Foreign exchange gains		384 912	222 456
Finance costs		(4 727 245)	(2 877 655)
Notional interest on unwinding of environmental provisions	19	(1 449 073)	(2 284 308)
Foreign exchange losses		(471 473)	(307 065)
Interest expense (8.2)		(2 718 663)	(168 331)
Bank charges		(88 036)	(117 951)
Net finance income		**7 913 637**	**14 221 996**

Interest income relates to returns on fixed-term deposits held with onshore and offshore banks. Interest income for the year amounted to USD 12.3 million (2024: USD 16.9 million). The year-on-year decrease reflects changes in the average balances placed on term deposit and the prevailing deposit rates during the period.

8.1 Interest received

	Note	2025 USD	2024 USD
Interest income recognized in profit or loss		**12 255 970**	**16 877 195**
Opening accrued interest receivable		3 006 527	1 939 837
Closing accrued interest receivable		(1 823 248)	(3 006 527)
Interest received		**13 439 249**	**15 810 505**

9. Income tax expense

		2025 USD		2024 USD
9.1 Amounts recognised in profit or loss				
Current tax expense				
Current year		25 801 981		30 620 880
Deferred tax income				
Origination and reversal of temporary differences		(2 706 297)		(2 791 331)
		23 095 684		27 829 549
9.2 Reconciliation of effective tax rate				
Profit before tax		69 814 699		82 551 914
Tax using company's tax rate	32%	22 340 704	32%	26 416 612
Expenses not deductible (9.2a)	0.60%	133 975	0.20%	52 163
Depreciation not deductible (9.2b)	2.78%	621 005	5.20%	1 360 774
	33%	23 095 684	34%	27 829 549

(9.2a) It relates to light passenger vehicle costs, local body charges, donations and unrealized exchange differences.

(9.2b) The depreciation relates to the assets which are not tax deductible in accordance with the fiscal law.

9.3 Deferred tax liability

2025	Net balance 30 June 2025	Recognised in profit or loss	Net balance 30 June 2024
Property, plant and equipment	31 564 834	(2 342 479)	33 907 313
Intangible assets	830 807	(207 702)	1 038 509
Unrealised exchange gains	(127 781)	(156 118)	28 337
	32 267 860	(2 706 298)	34 974 158

2024	Net balance 30 June 2024	Recognised in profit or loss	Net balance 30 June 2023
Property, plant and equipment	33 907 313	(2 627 077)	36 534 389
Intangible assets	1 038 509	(207 702)	1 246 211
Unrealised exchange gains	28 337	43 448	(15 111)
	34 974 158	(2 791 331)	37 765 489

9.4 Income tax payable	2025 USD	2024 USD
Opening balance	2 459 587	15 236 169
Payments during the year	(27 572 083)	(43 397 463)
Current tax expense	25 801 981	30 620 881
Closing balance	689 485	2 459 587

The temporary differences with regard to property, plant and equipment mainly relates to the assets' retirement obligation and CPF.

The tax authorities in Mozambique do not confirm the acceptance of tax returns submitted to them. These remain open and may be subjected to review and adjustment for a period of 5 years. The directors are of the opinion that no significant adjustments or penalties will result in respect of open years if these were subject to review by the tax authorities.

10. Earnings and dividend per share

10.1 Earnings per share

The basic earnings per share were calculated based on the profit after tax of USD 46 719 015 (June 2024: USD 54 722 363) divided by the average number of shares outstanding of 5 934 115 (June 2024: 5 934 115).

The diluted earnings per share figures are equal to the basic earnings per share figures as the company did not have dilutive financial instruments at the reporting date.

There was no change in the number of shares during the year. The earning per share amounted to USD 7.87 (2024: USD 9.22).

10.2 Dividend per share

The dividend per share amounted to USD 5.42 (2024: USD 9.04).

11. Property, plant and equipment

	Building - office	Motor vehicles and equipment	Exploration and evaluation assets and CPF	Capital work in progress	Total
	USD	USD	USD	USD	USD
Cost					
Balance at 30 June 2023	2 033 209	1 259 741	338 648 330	11 329 832	353 271 112
Additions	-	374 684	950 184	20 271 290	21 596 158
Adjustment in site closure and rehabilitation cost	-	-	(6 168 633)	-	(6 168 633)
Disposals	-	(32 294)	-	-	(32 294)
Transfers	-	-	4 769 519	(4 769 519)	-
Balance at 30 June 2024	2 033 209	1 602 130	338 199 400	26 831 603	368 666 342
Balance at 30 June 2024	2 033 209	1 602 130	338 199 400	26 831 603	368 666 342
Additions	-	594 352	1 459 578	13 870 571	15 924 503
Adjustment in site closure and rehabilitation cost (a)	-	-	(3 288 967)	-	(3 288 967)
Disposals	-	(382 395)	-	-	(382 395)
Transfers	-	-	16 983 741	(16 983 741)	-
Balance at 30 June 2025	2 033 209	1 814 087	353 353 752	23 718 433	380 919 483
Accumulated depreciation					
Balance at 30 June 2023	486 452	979 486	197 608 700	-	199 074 638
Charge for the year	40 664	314 062	21 955 442	-	22 310 169
Disposals	-	(32 294)	-	-	(32 294)
Balance at 30 June 2024	527 116	1 261 254	219 564 142	-	221 352 512
Balance at 30 June 2024	527 116	1 261 254	219 564 142	-	221 352 512
Charge for the year	40 664	341 578	21 532 911	-	21 915 153
Disposals	-	(382 395)	-	-	(382 395)
Balance at 30 June 2025	567 780	1 220 437	241 097 053	-	242 885 270
Carrying amounts					
Balance at 30 June 2023	1 546 757	280 255	141 039 630	11 329 832	154 196 474
Balance at 30 June 2024	1 506 093	340 876	118 635 257	26 831 603	147 313 830
Balance at 30 June 2025	1 465 429	593 650	112 256 699	23 718 433	138 034 213

(a) This represents a decrease in the estimate for the site closure and rehabilitation costs.

11. Property, plant and equipment (continued)

The increase and decrease in the site restoration and rehabilitation asset is a non-cash item and hence is not considered in the cash flows from investing activities, in the statement of cash flows.

Exploration and Evaluation assets (capital work in progress), Mineral assets and CPF comprises 25% of the JO capital expenditure namely: cost of exploratory well, cost for completion of the wells as producing wells, cost of drilling of additional exploratory wells, cost of development of qualifying assets as well as the Central Processing Facility Plant.

Significant assumptions are involved while performing the impairment assessment of the exploration and evaluation asset (capital work in progress), Mineral assets and CPF, including;

- The remaining mineral reserves;
- Oil and gas prices in the international market;
- Discount rate;
- Estimated useful lives;
- Future interest rates; and
- Planned production.

As a result of assessment, no impairment identified.

The adjustment in the site closure and rehabilitation cost represents the changes in discount rates and a change in the gross estimate of the rehabilitation liability.

12. Intangible assets

	Concession Rights USD	Software USD	Total USD
Cost			
At 30 June 2023	19 234 335	-	19 234 335
Additions	-	-	-
Work in progress	-	377 411	377 411
At 30 June 2024	19 234 335	377 411	19 611 746
At 30 June 2024	19 234 335	377 411	19 611 746
Additions	-	-	-
Work in progress	-	127 688	127 688
At 30 June 2025	19 234 335	505 099	19 739 434
Accumulated amortisation			
At 30 June 2023	15 339 926	-	15 339 926
Charge for the year	649 070	-	649 070
At 30 June 2024	15 988 996	-	15 988 996
At 30 June 2024	15 988 996	-	15 988 996
Charge for the year	649 069	-	649 069
At 30 June 2025	16 638 065	-	16 638 065
Carrying amounts			
At 30 June 2023	3 894 409	-	3 894 409
At 30 June 2024	3 245 339	377 411	3 622 750
At 30 June 2025	2 596 270	505 099	3 101 369

Intangible assets consist of licence fee/costs passed on from parent company ENH, for the gas project (Pande and Temane fields). Initially the concessionary rights were in the name of ENH which were transferred to CMH on its incorporation and these costs are being amortised over the life of the concession.

The ongoing SAP S/4 HANA is an integrated management software expected to go live during the next financial year.

13. Inventories

	2025 USD	2024 USD
Maintenance materials	3 252 882	2 262 779
	3 252 882	**2 262 779**

14. Trade and other receivables

	2025 USD	2024 USD
14.1) Trade receivables	11 929 832	14 002 326
Trade receivables - Joint operations (Note 26.2)	11 929 832	14 002 326
14.2) Other receivables	4 688 551	34 100 456
Treasury bonds	-	28 490 924
Value added tax	1 241 327	1 125 130
Prepayments	1 623 976	1 477 875
Interest receivable	1 823 248	3 006 527
14.3) Tax receivables		
Refundable taxes	3 864 167	4 076 881

15. Cash and cash equivalents

	2025 USD	2024 USD
Cash on hand	4	44
Cash at bank	240 266 217	172 825 410
CMH onshore accounts (i)	207 038 591	151 566 692
Proceeds account (ii)	7 842 671	20 379 920
Fixed rate deposits - Onshore Accounts (iii)	9 384 955	878 798
Fixed rate deposits - Offshore USD Accounts (iv)	16 000 000	-
	240 266 221	**172 825 454**

The payment mechanism and priority of payment are the following:

i. The CMH onshore Accounts (Meticais and US Dollars) – All revenue related cash distributions are received in these accounts and all cash calls in Meticais are paid in through this account. The CMH administrative costs are paid through this account. The remaining balance, if any, is invested in fixed term deposits. During the year, the Company transferred funds from offshore to onshore accounts, resulting in a significant increase in local cash balances. In addition, the increase was also driven by the maturity of treasury bonds during the period, with the proceeds being retained in cash and cash equivalents.

ii. The Proceeds Account – All revenues received in USD are deposited in this account and cash calls in USD are paid in through this account.

iii. Fixed rate deposits – onshore Accounts - CMH places funds into short-term fixed rate deposits with local banks primarily to manage short-term cash flow requirements. These deposits have maturities of less than three months from inception, and therefore meet the definition of cash equivalents. The deposits earn fixed interest rates ranging from 4.50% to 16.95% for MZN-denominated deposits, and 3.25% to 6.75% for USD-denominated deposits. Fixed rate deposits – offshore USD Accounts - CMH also places funds into short-term fixed rate USD deposits with international banks to ensure liquidity for near-term cash commitments. These deposits mature within three months of placement and are therefore classified as cash equivalents. The deposits earn fixed interest rates ranging from 4.20% to 5.30%.

16. Share capital

	%	2025 USD	%	2024 USD
4 153 880 authorised and issued ordinary shares owned by Empresa Nacional de Hidrocarbonetos, EP (ENH) at par value of USD 4.26 per share (Class B)	70	17 700 654	70	17 700 654
1 186 823 authorised and issued ordinary shares owned by the Mozambican Government at par value of USD 4.26 per share (Class A)	20	5 057 330	20	5 057 330
593 412 authorised and issued ordinary shares owned by 1292 private shareholders at par value of USD 4.26 per share (Class C)	10	2 528 665	10	2 528 665
Total share capital authorized, issued and paid up	100	25 286 649	100	25 286 649

The company has not issued any preference shares. The classes of shares as described below do not create a restriction on the payment of dividends. All classes of shares have equal voting rights.

- Class "A" shares - not freely transferable, depending on the consent of the general assembly.
- Class "B" shares - not freely transferable, depending on the consent of the general assembly.
- The class "C" shares – Freely transferable to national citizens or entities, through the Stock Exchange (Bolsa de Valores de Moçambique).

17. Legal reserve

In terms of Mozambican Company Law, the company is obliged to transfer 5% of its annual net profit to a non-distributable legal reserve until the amount of the legal reserve reaches a minimum of 20% of share capital. This reserve may be utilised to offset losses and pay up capital. The company has fulfilled its requirement for transfer to the legal reserve as the legal reserve balance has reached 20% of share capital. The accumulated amount of reserve is USD 5 057 330 (2024: USD 5 057 330).

18. Investment reserve

This is a specific reserve set aside by the shareholders for the purpose of investment. Transfer to investment reserve was as per the shareholders' approval dated 11 December 2008. The accumulated amount of reserve is USD 14 296 822 (2024: USD 14 296 822).

19. Provisions

The provision relates to site closure and rehabilitation costs. As per concession granted, the operators are required to rehabilitate the area at the end of the project life. The existing estimate of the site restoration and rehabilitation cost was increased with the annual inflation factor for the remaining time, as to the site rehabilitation, and such future value was discounted (using a discount rate of 9.65%) to arrive at present value of the site rehabilitation costs. Significant assumptions are involved in the estimation process of the site restoration and rehabilitation obligation, including;

- The outflow of economic benefits required;
- Cost elements at the end of concession;
- Timing of individual cost component
- Inflation rate; and
- Discount rate.

	2025 USD	2024 USD
Long Term		
Opening balance	43 209 724	56 514 306
Notional interest (Note 8)	1 140 120	1 867 656
Capitalised in property plant and equipment (Note 11)	(12 131 032)	(15 172 238)
Closing balance	32 218 812	43 209 724
Short Term		
Opening balance	10 616 659	2 555 287
Notional interest (Note 8)	308 953	416 652
Capitalised in property plant and equipment (Note 11)	8 842 065	9 003 605
Utilised during the year	(4 871 422)	(1 358 885)
Closing balance	14 896 255	10 616 659
Total	47 115 067	53 826 383
Expected timing of future cash flows		
Within one year	14 896 255	10 616 659
1 - 5 years	29 413 476	29 413 476
More than five years	2 805 336	13 796 248
Total	**47 115 067**	**53 826 383**

The short-term portion of the provision relates to the projects which will be ending within 12 months.

20. Trade and other payables

	2025 USD	2024 USD
Non-current	102 664	79 480
Current		
Interest in current liabilities of the JO	4 969 347	9 150 745
Trade payables	4 260 224	4 674 376
Joint Operations´ accruals (a)	709 123	4 476 369
Other payables	886 542	354 795
Suppliers, withholding tax, employee tax and social security	603 986	296 460
Accruals and other payables	282 556	58 335
	5 855 889	**9 505 540**

(a) These relate to the different accruals for the joint operations´ activities for the day-to-day operations and maintenance activities.

21. Borrowings

	2025 USD	2024 USD
Non-current	31 539 597	11 581 621
BCI Bank	12 222 222	4 934 892
NED Bank	6 817 375	6 646 729
Standard Bank	12 500 000	-
Current	11 357 449	4 346 600
BCI Bank	4 444 444	3 333 333
NED Bank	1 913 005	1 013 267
Standard Bank	5 000 000	-
	42 897 045	**15 928 221**

CMH signed a medium-term Credit Facility of USD 50 000 000 with three commercial banks.

The detail of lender and approved facilities is given below;

Bank name	Standard Bank of South Africa (SBSA)	Banco Comercial e de Investimento (BCI)	Nedbank Moçambique
Nature of loan	To finance its participation in the PPA PEDOP Project		
Interest rate	SOFR 3 months plus 3.50% spread	SOFR 3 months plus 3.50% spread	SOFR 3 months plus 3.25% spread
Security	No security given (unsecured loan)		
Term	60 months		
Total facility	USD 20 000 000	USD 20 000 000	USD 10 000 000
Availed facility	USD 20 000 000	USD 20 000 000	USD 10 000 000
Un-availed facility at year end	-	-	-
Approval date	28 March 2024	08 February 2024	10 May 2024
Validity of facility	29 December 2029	26 February 2029	10 May 2029

A total amount of USD 34 071 779 was drawn down on the facilities from the three Lenders during the financial year 2025, which sums up to USD 50 000 000 (including the FY24 drawn down). The disbursed amount was transferred (via cash call) to the JO operator, to carry out the PEDOP project. The repayment of the facilities have already begun.

22. Intercompany payable

	2025 USD	2024 USD
Empresa Nacional de Hidrocarbonetos (ENH)	225 229	45 023
	225 229	45 023

The amount payable to ENH relates to the fee for technical services provided by ENH in accordance with the technical services agreements signed among CMH and ENH. It is payable on demand and does not bear interest.

23. Related-party transactions

For the purpose of these financial statements, parties are considered to be related to the company if the company has the ability, directly or indirectly to control or jointly control the party or exercise significant influence over the party in making financial or operating decisions. Related party also includes key management personal defined as those persons having authority and responsibility for planning, directing and controlling activities directly or indirectly. The key management personal includes all board of director members, executive director and non-executive directors. The company related parties include joint operations as well as the Government of Mozambique and its related entity as the holding company (ENH) wholly owned by the Government of Mozambique.

The company is controlled by Empresa Nacional de Hidrocarbonetos, EP (ENH), which owns 70% of the company's shares, 20% shares are held by the Government of Mozambique and the remaining 10% belongs to private shareholders. The following transactions took place during the year, which resulted in the mentioned closing balances with the related parties:

Related party relationship	Type of transaction	Volume of Transactions		Balance owed	
		2025 (USD)	2024 (USD)	2025 (USD)	2024 (USD)
Empresa Nacional de Hidrocarbonetos, EP	Technical service	381 673	193 947	225 229	45 023

Upon approval of any Work Programme and Budget, if Operator so requests, each Party shall advance its share of estimated cash requirements for the succeeding month's operations. The amount requested in a cash call shall be equal to the Operator's estimate of the money to be spent, in the currencies required, to defray the net cash payments, being cash payments less cash receipts, due in the relevant month under the approved Work Programme and Budget.

	Sales in Joint Operations Gas and condensate (Note 6)		Amount received from JO current account		Year end balances arising from purchases of services, office rent and payments made (operating costs and fixed assets) amount to pay to Joint Operations (Note 20)	
	2025 (USD)	2024 (USD)	2025 (USD)	2024 (USD)	2025 (USD)	2024 (USD)
Sasol Gas, Petromoc, ENH Kogas, ENH through joint operations.	108 332 091	120 844 448	-	-	-	-
Joint Operations (JO)	-	-	109 838 277	121 400 667	4 969 347	9 150 745

For informational purposes the cash call shall contain an estimate of the funds required for the succeeding two (2) months. The following transactions took place:

The following amounts were transferred to joint operations on account of cash calls.

Related party relationship	Type of transaction	Transaction amount 2025 (USD)	Transaction amount 2024 (USD)
Joint Operations (JO)	Cash calls for expenses	38 496 987	36 108 038

Capital commitments with regard to the joint operations are mentioned in note 25.

The company pays management fees related to the service of an executive director and also fees for non-executive director of the company. The following transactions took place:

Related party relationship	Type of transaction	Transaction amount 2025 (USD)	Transaction amount 2024 (USD)	Balance owed 2025 (USD)	Balance owed 2024 (USD)
Key management	Remuneration	974 337	1 039 075	-	-

The short-term key management remuneration amounts to USD 1 327 890 (2024: USD 1 392 727) while post-employment benefits amounts to USD 51 050 (2024: USD 53 543). There was neither any payment for the termination cost nor share-based payments.

24. Employee benefits

	2025 USD	2024 USD
Defined benefit asset	5 049 242	4 626 902
Defined benefit liability	(2 947 100)	(4 027 348)
Net defined benefit asset	**2 102 142**	**599 554**

a. Funding

The fund provides for pensions to be paid on retirement or lump sum benefits (to be paid in event of death while in service) or withdrawal before retirement if someone opts for this. The normal retirement age is 60 for males and 55 for females. The Fund does not make allowance for early retirement however, members can retire early on account of ill-health. The contribution rates are fixed in terms of the rules. Members contribute 3.0% of Pensionable Emoluments to retirement. The employer contributes 8.63% of Pensionable Emoluments towards the fund. The balance, after allowing for risk benefits and operational costs, is allocated to retirement.

The defined benefit plan is administered by a pension fund managing entity, to comply with the legal requirements regulated by the pension fund regulating institution of Government of Mozambique. The board of the pension fund is required by law to act in the best interest of the plan's participants and responsible for setting certain policies for investments, contribution and indexation. The defined benefit plan exposes company to the actuarial risks, longevity risk, currency risk, interest rate risk and market risk.

b. Movement in net defined benefit asset

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit asset and its components.

	Defined Benefit Obligation		Fair Value of Plan Assets		Net Defined Benefit (Asset)/Liability	
	2025 (USD)	2024 (USD)	2025 (USD)	2024 (USD)	2025 (USD)	2024 (USD)
Balance at 1 July	4 027 348	2 120 823	(4 626 902)	(4 019 569)	(599 554)	(1 898 745)
		0				
Included in profit or loss	470 346	438 810	(516 644)	(337 947)	(46 298)	100 864
Current service cost	12 170	14 312	-	-	12 170	14 312
Interest cost/(income)	458 176	424 498	(516 644)	(337 947)	(58 468)	86 552
Included in OCI						
Actuarial gain	(1 387 742)	1 603 906	(156 911)	(348 060)	(1 544 653)	1 255 846
Other						
Net foreign exchange difference	(624)	(657)	717	(137 952)	93	(138 609)
Contributions paid by members & employer	-	26 717	-	(89 081)	-	(62 363)
Benefits paid	(162 227)	(162 253)	162 227	162 253	-	(0)
Expenses paid	-		88 271	143 453	88 271	143 453
	2 947 100	4 027 348	(5 049 242)	(4 626 902)	(2 102 142)	(599 554)

Plan assets comprise of term deposits, treasury bonds and promissory notes.

For FY25 there no contributions received by the fund and no accrual is in the financial accounts for the receipt of these amounts. These contributions are not included in the asset or the liability for refunding contributions.

Defined benefit obligation

i. Actuarial assumptions

	2025	2024
Discount rate	11.36%	11.36%
Future salary growth	6.50%	6.50%
Future pension growth	0.00%	0.00%
Inflation rate (1)	5.50%	5.50%

(1) The average projected inflation until 2030 is 5.50% per annum. A future long-term inflation rate of 5.50% was assumed as a basis for determining salary escalation for the liabilities.

The summary of the membership statistics for the active members as at the valuation date is as follows:

Age band (Years)	No. of Female Employees	No. of Male Employees
25-30	-	-
30-35	1	1
35-40	1	5
40-45	4	4
45-50	1	3
50-55	1	2
55-60	-	-

The summary of the membership statistics for the pensioner as at the valuation date is as follows:

Age band (Years)	No. of employees
58-63	2

ii. Sensitivity analysis

As of 30 June 2025

	Liability (USDm)	Service cost (USDm)	Percentage change in Liability
Salary inflation 1% increase	4.37	0.00	0.0%
Salary inflation 1% decrease	4.37	0.00	0.0%
Discount rate 1% increase	4.44	0.07	-1.48%
Discount rate 1% decrease	4.30	-0.06	1.66%
Salary adjustment 1% increase	4.38	0.01	0.44%
Salary adjustment 1% decrease	4.39	0.02	0.32%

As of 30 June 2024

	Liability (USDm)	Service cost (USDm)	Percentage change in Liability
Salary inflation 1% increase	4.03	4.03	0.0%
Salary inflation 1% decrease	4.03	4.03	0.0%
Discount rate 1% increase	4.03	4.03	-1.67%
Discount rate 1% decrease	4.03	4.03	1.87%

iii. Maturity profile

Time	Pensioner members and active members (% of liability)
2021 – 2025	5%
2026 – 2030	20%
2031 – onwards	75%

As of 30 June 2025 the weighted average duration of the defined benefit obligation is 14.51 years (2023: 15.5).

iv. Plan assets composition

Plan assets comprise the following as of 30 June 2025:

Amounts in USD

Description	2025	2024
Equity securities	538 453	657 406
Treasury Bills	1 936 885	2 046 276
Government bonds	888 268	1 393 338
Corporate bonds	204 382	201 372
Cash and cash equivalents	939 769	328 510
Total	**4 507 757**	**4 626 902**

The equity securities, treasury bills, corporate and government bonds have quoted prices in active markets and are measured at market value as of 30 June 2025.

25. Accounting classifications and fair values

For the financial assets, the carrying amount is a reasonable approximation of fair value due to the short-term nature of the instruments. Treasury bonds comprise of sovereign debt securities, valued at amortised cost.

The carrying amounts of the Company's financial liabilities are considered a reasonable approximation of their fair values. Trade payables and the current portion of borrowings are short-term in nature and are expected to be settled within the next financial year at amounts that approximate their carrying values. For long-term borrowings, which extend beyond one year and are scheduled for settlement up to FY26, the fair values are not materially different from their carrying amounts, as these borrowings are subject to variable interest rates that are aligned with market conditions.

26. Commitments and contingencies

Commitments for capital expenditure authorized at the reporting date are as follows:

June 2025

	Gross capital commitments Authorised USD	Authorised and contracted USD	Authorised and not contracted USD
Meric Drilling Campaign	2 218 388	645 409	1 572 979
Plateau Extension and Decline Optimisation Programme - Infills	13 130 025	1 478 981	11 651 044
Plateau Extension and Decline Optimisation Programme - Junction Compression	29 721 661	10 183 145	19 538 516
PPA Surface Facilities	1 594 643	422 585	1 172 058
ENH Capacity	50 375	-	50 375
PPA Annulus Venting Mgmt Wells	237 057	-	237 057
Minor Capital and Optimisation Projects	4 757 041	1 368 959	3 388 082
CMH administrative costs	1 616 851	-	1 616 851
Under the acquisition of property, plant and equipment			
	53 326 041	**14 099 079**	**39 226 962**

June 2024

The balance corresponds to a 25% of the capital expenditure commitment of the Joint Operations.

	Gross capital commitments Authorised USD	Authorised and contracted USD	Authorised and not contracted USD
Meric Drilling Campaign	3 951 422	1 697	3 949 725
PEDOP Infill Wells	21 154 477	8 016 162	13 138 315
PEDOP Junction Compression	2 756 994	361 458	2 395 536
PPA Infill Wells Tranche 3	7 086 507	1 701 119	5 385 388
Other projects	7 572 864	29 534 923	2 322 153
CMH administrative costs	2 515 555	-	2 515 555
Under the acquisition of property, plant and equipment			
	45 037 819	**39 615 359**	**29 706 672**

27. Financial Instruments and Risk Management

Financial Risk Management

Exposure to currency, credit, liquidity and interest rate risks arises in the normal course of the Company's business. The Company's risks are being monitored continually. Financial instruments as shown in the statement of financial position include cash resources, trade receivables, trade payables and borrowings.

This note presents information about the Company's exposure to each of the above risks, the Company objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

27.1. Market Risk

Market risk is the risk arising from possible market price movements and their impact on the future cash flows of the company or fair value of financial instruments. The market price movements that the company is exposed to include foreign currency exchange rates, interest rates and oil and natural gas prices (commodity price risk). The company has developed policies aimed at managing the volatility inherent in these exposures which are discussed in the risks below.

27.1.1 Currency Risk

The Company is exposed to risks as a result of purchases in foreign currencies and cash and cash equivalents kept in foreign currency. The currency giving rise to the currency risk in which the Company deals is the Mozambican Metical. Company manages this risk by ensuring that all significant transactions are conducted in its functional currency.

Exposure to currency risk

The Company's exposure to foreign currency risk was as follows based on notional amounts:

	2025 MT	2024 MT
Trade and other payables	(2 978 706)	(93 804 978)
Cash and cash equivalents	807 019 204	403 271 916
	804 040 498	309 466 938

Below are the exchange rates that were applied during the year:

	Average rate		Spot rate	
Reporting Date	30 June 2025	30 June 2024	30 June 2025	30 June 2024
MT per USD	64.54	64.53	64.53	64.53

Sensitivity analysis

A 1% decrease or increase in the value of foreign currencies against United State Dollars on the company's foreign currency exposures would have the effect of increasing or decreasing the shareholders' equity and profit after tax by USD 124 599 (2024: USD 49 535). This analysis assumes that all other variables remain constants.

27.1.2 Interest Rate Risk

The Company is not exposed to interest rate changes on its fixed term deposits as Management adopts a policy of ensuring that its fixed term deposits are kept at fixed interest rate (in view of market-related rates), to address its interest rate risk. At the reporting date, none of the fixed term deposit had a variable interest rate component. Agreed interest rates for the USD based fixed deposits ranged from 3,25% to 6,75% while for the Meticais based fixed deposits ranged from 4,50% to 16,50%. Fixed rates agreed with the financial institutions do not vary significantly from the prevailing variable interest rates. For the term loan facilities the interest rate risk is managed by agreeing lowest possible fixed spread over the prevailing base rates.

Sensitivity analysis

	Carrying Amount	
	2025	2024
	USD	USD
Fixed rate instruments		
Fixed term deposit with fixed interest rate	25 384 955	878 798
Variable rate instruments		
Financial liabilities	42 897 045	15 928 221

A 1% decrease or increase in the interest rate on the company's variable rate financial instruments would have the effect of increasing or decreasing the shareholder's equity and profit after tax by USD 8 675 (2024: 857). This analysis assumes that all other variables remain constant.

27.1.3. Commodity price risk

The Company is exposed to changes in the prices of oil and gas in the international market. A 1% decrease or increase in the prices would have effect of increasing or decreasing the shareholder's equity and profit after tax by USD 414 571 (2024: USD 474 483). This analysis assumes that all other variables remain constant

27.2. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and balances kept at the bank with financial institutions.

Management has a credit policy in place and exposure to credit risk is monitored on an on-going basis. The Company establishes an allowance for expected credit loss that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures. Company considers all the receivables with more than 90 days overdue as higher risk category. Other receivables primarily consists of accrued interest amounts due from term deposits in banks. The maximum exposure to credit risks is represented by the carrying amount of each financial asset in the statement of financial position. The entity uses reputable financial institutions with good credit ratings to manage the credit risk related to bank balances. The company considers that its cash and cash equivalents have low credit risk and no expected credit losses were recorded against these balances.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

Exposure to Credit Risk

The Carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2025 USD	2024 USD
Trade receivables (Note 14)	11 929 832	14 002 326
Treasury bonds (Note 14)	-	28 490 924
Cash and cash equivalents (Note 15)	240 266 221	172 825 454
Total exposure	252 196 053	215 318 704

The above trade receivables included sales to one anchor-customer being Sasol Gas, a subsidiary of Sasol Limited. The aging of the trade receivables at the reporting date was:

	2025 USD	2024 USD
Current (less than 30 days)	11 929 832	14 002 326

Based on the Company's assessment, the impairment allowance for trade receivables is considered insignificant. Sasol Gas Limited represents 80% (2024: 88%) of the Company's total turnover and 100% (2024: 76%) of trade receivables at 30 June 2025. Sasol Gas has a trading history of more than 10 years with the JO.

The Company applies the simplified approach in measuring Expected Credit Losses (ECL) on trade receivables. Receivables are classified and ECL is calculated based on actual credit loss experience, adjusted for forward-looking information, including: macroeconomic factors such as economic growth forecasts, interest rate trends, commodity prices and industrial sector performance; Sasol Gas Limited's external credit rating (BB, implying a long-term probability of default of 0.38% – 0.47%); as well as historical trading experience with Sasol and other customers, which to date has not resulted in defaults.

Given the short-term nature of receivables with Sasol, their credit profile, and historical repayment performance, the modelled ECL impact is immaterial. Management therefore believes that the low credit risk presumption remains appropriate and no impairment allowance has been recognised.

The Company holds its cash and cash equivalents with both international and local banks. A significant portion of these balances (86%) is maintained with subsidiaries of well-established international banking groups, including First Rand, Standard Bank, ABSA, and Nedbank, as well as with local institutions (BCI, Millennium BIM, Moza Banco, BNI and Letshego) that have international capital participation and are also classified as systemically important banks by the Bank of Mozambique.

Management considers that the presence of international shareholders and the classification of several of these banks as Domestic Systemically Important Banks (D-SIBs) provides an additional layer of stability and reduces counterparty credit risk.

The Expected Credit Loss (ECL) on cash and cash equivalents is measured using the simplified approach, based on short-term maturity exposures. Thus, management believes that the ECL remains low due to the short-term and highly liquid nature of the deposits.

27.3. Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

	Carrying amount USD	Contractual Cash flow USD	6 months or less USD	6 to 12 Months USD	1 to 2 years USD	2 to 5 years USD
30-Jun-25						
Non-derivative financial liabilities						
Borrowings (Note 21)	(42 897 045)	(42 897 045)	-	(11 357 449)	(31 539 596)	-
Intercompany payable (Note 22)	(225 229)	(225 229)	(225 229)	-	-	-
Trade and other payables (Note 20)	(4 969 347)	(4 969 347)	(4 969 347)	-	-	-
	(48 091 622)	(48 091 622)	(5 194 576)	(11 357 449)	(31 539 596)	-

	Carrying amount USD	Contractual Cash flow USD	6 months or less USD	6 to 12 Months USD	1 to 2 years USD	2 to 5 years USD
30-Jun-24						
Non-derivative financial liabilities						
Borrowings (Note 21)	(15 928 221)	(15 928 221)	-	(4 346 600)	(11 581 621)	-
Intercompany payable (Note 22)	(45 023)	(45 023)	(45 023)	-	-	-
Trade and other payables (Note 20)	(9 150 745)	(9 150 745)	(9 150 745)	-	-	-
	(25 123 988)	(25 123 989)	(9 195 768)	(4 346 600)	(11 581 621)	-

Liquidity risk is actively managed through cash flow projections to ensure that there are sufficient funds available for any short term and long-term commitments. Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses for the short term, including the servicing of borrowings and other financial obligations.

28. Subsequent Events

Subsequent events from 30 June 2025 to the date of reporting, there are no significant events that have occurred which might need disclosure or adjustment in the financial statements.

29. Approval of the financial statements

These financial statements were approved by Board of Directors on 28 August 2025.