

Sozak Oil & Gas JSC

Financial statements

*For the year ended 31 December 2025
with independent auditor's report*

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Independent auditor's report

To the Shareholders, Board of Directors and Management of Sozak Oil and Gas JSC

Opinion

We have audited the financial statements of Sozak Oil and Gas JSC (hereinafter, the "Company"), which comprise the statement of financial position as at 31 December 2025, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2025 and its financial performance and its cash flows for the year then ended in accordance with 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the financial statements of public interest entities in the Republic of Kazakhstan. We have also 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.

Material uncertainty related to going concern

We draw attention to *Note 2* to the financial statements, which indicates that as of 31 December 2025 the Company's current liabilities exceeded its current assets by 59,131,992 thousand tenge. As stated in *Note 2*, these events or conditions, along with other matters as set forth in *Note 2*, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.



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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. In addition to the matter described in the Material uncertainty related to going concern section of our report, we have determined the matter described below to be the key audit matter to be communicated in our report. This matter was 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 this matter. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matter	How our audit addressed the key audit matter
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Impairment of exploration and evaluation assets

We considered this matter to be one of most significance to our audit due to the significance of exploration and evaluation assets as at 31 December 2025, and subjectivity of judgements and estimates made by management in respect of assumptions underlying impairment indications analysis.

In 2025 the Company performed an analysis of impairment indications of its exploration and evaluation assets and concluded that there are no indications of potential impairment.

Information on exploration and evaluation assets is disclosed in *Note 5* to the financial statements.

We have examined the analysis of the presence of indications of impairment made by management. Our audit procedures included, among others:

- We assessed the period for which the Company has the right to explore the contract territory;
- We analysed license agreements and supplemental agreements to them;
- We analysed and assessed communication with relevant government bodies, provided by management.

We inquired management about the intention to carry out exploration and evaluation activity in the contract territory and compared the budget for 2026 with working program of the Company, approved by governmental bodies.

We assessed the disclosures related to the exploration and evaluation assets in the financial statements.



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Other information included in the Company's 2025 Annual Report

Other information consists of the information included in the Company's 2025 Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information. The Company's 2025 Annual Report is expected to be made available to us after the date of this auditor's report.

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 identified above when it becomes available 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.

Responsibilities of management and the Board of Directors for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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.



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

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and 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 Board of 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 Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to 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.



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From the matters communicated with the Board of 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 auditor's 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.

The partner in charge of the audit resulting in this independent auditor's report is Paul Cohn.

Ernst & Young LLP



Paul Cohn
Audit Partner



Askar Seitkhan
Auditor

Auditor Qualification Certificate
No. MΦ-0000871 dated 22 August 2019

A15E3H4, Republic of Kazakhstan, Almaty
Al-Farabi ave., 77/7, Esentai Tower

30 April 2026



Rustamzhan Sattarov
General Director
Ernst & Young LLP

State Audit License for audit activities on the
territory of the Republic of Kazakhstan: series
MΦЮ-2, № 0000003, issued by the Ministry
of Finance of the Republic of Kazakhstan on
15 July 2005

STATEMENT OF FINANCIAL POSITION

At 31 December 2025

<i>In thousands of tenge</i>	Notes	31 December 2025	31 December 2024
Assets			
Non-current assets			
Exploration and evaluation assets	5	66,838,513	63,194,247
Property, plant and equipment		23,383	16,765
Long-term VAT recoverable	6	4,849,047	4,639,332
Restricted cash	7	193,109	193,109
Total non-current assets		71,904,052	68,043,453
Current assets			
Trade accounts receivable	9	390,889	325,945
Short-term VAT recoverable	6	9,996	19,992
Loans issued	8	53,334	-
Other current financial assets		99,993	99,993
Other current non-financial assets		29,000	24,344
Cash and cash equivalents	10	21,404	10,897
Total current assets		604,616	481,171
Total assets		72,508,668	68,524,624
Equity and liabilities			
Equity			
Share capital	11	283,780	283,780
Accumulated loss		(4,265,740)	(5,339,630)
Total equity		(3,981,960)	(5,055,850)
Non-current liabilities			
Abandonment and site restoration provision	12	345,922	283,973
Long-term loans	13	16,408,098	24,511,005
Total non-current liabilities		16,754,020	24,794,978
Current liabilities			
Accounts payable and other debts	14	20,323,685	21,970,146
Loans	13	39,024,182	26,405,004
Other current non-financial liabilities	15	388,741	410,346
Total current liabilities		59,736,608	48,785,496
Total equity and liabilities		72,508,668	68,524,624



Lu Wei

General Director



Koshekbayeva A.

Chief Accountant



The accounting policies and explanatory notes on pages 5 to 31 are an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME**For the year ended 31 December 2025**

<i>In thousands of tenge</i>	Notes	2025	2024
General and administrative expenses	16	(537,990)	1,085,544
Other income		181,288	345,115
Operating (loss)/profit		(356,702)	1,430,659
Finance income	17	29,421	98,477
Finance costs	17	(40,147)	(39,488)
Net foreign exchange differences		1,441,318	(3,110,795)
Profit/(loss) before tax		1,073,890	(1,621,147)
Income tax expense	18	-	(84,019)
Profit / (loss) for the year		1,073,890	(1,705,166)
Other comprehensive income for the year		-	-
Total comprehensive income/(loss) for the year		1,073,890	(1,705,166)



Lu Wei

General Director



Koshekbayeva A.

Chief Accountant



STATEMENT OF CHANGES IN EQUITY**For the year ended 31 December 2025**

<i>In thousands of tenge</i>	Share capital	Accumulated loss	Total
As at 1 January 2024	283,780	(3,634,464)	(3,350,684)
Loss for the year	-	(1,705,166)	(1,705,166)
Total comprehensive loss for the year	-	(1,705,166)	(1,705,166)
At 31 December 2024	283,780	(5,339,630)	(5,055,850)
Profit for the year	-	1,073,890	1,073,890
Total comprehensive income for the year	-	1,073,890	1,073,890
At 31 December 2025	283,780	(4,265,740)	(3,981,960)



Lu Wei

General Director



Koshekbayeva A.

Chief Accountant



STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

<i>In thousands of tenge</i>	Notes	2025	2024
Operating activities			
Profit/(loss) before tax		1,073,890	(1,621,147)
<i>Adjustments to reconcile profit before tax to net cash flows</i>			
Depreciation and amortisation	16	749	323
Loss on disposal of property, plant and equipment		-	1,148
Finance income	17	(29,421)	(98,477)
Finance costs	17	40,147	39,488
Net foreign exchange difference		(1,441,318)	3,110,795
(Recovery)/accrual of unused vacation allowance	16	(2,108)	332
Accrual of provision on loans issued	8	-	(1,520,951)
<i>Working capital adjustments:</i>			
Change in trade accounts receivable and other current non-financial assets		(60,630)	(205,595)
Change in short term VAT recoverable		9,996	12,969
Change in other current non-financial liabilities		(29,418)	(86,724)
		(438,113)	(367,839)
Income tax paid		(544,115)	(72,632)
Interest received		22,174	17,235
Net cash flows used in operating activities		(960,054)	(423,236)
Investing activities			
Purchase of exploration and evaluation assets		(3,488,113)	(3,359,381)
Payment to fulfil social obligation		(95,670)	-
Loans given		(50,000)	-
Purchase of financial assets		-	(99,993)
Purchases of property, plant and equipment		(7,367)	(721)
Net cash flows used in investing activities		(3,641,150)	(3,460,095)
Financing activities			
Proceeds from loans		4,658,013	3,869,385
Repayment of loans		(49,421)	-
Net cash flows from financing activities	13	4,608,592	3,869,385
Net increase/(decrease) in cash and cash equivalents		7,388	(13,946)
Net foreign exchange rate difference		3,119	3,598
Cash and cash equivalents as at 1 January		10,897	21,245
Cash and cash equivalents as at 31 December	10	21,404	10,897

SIGNIFICANT NON-CASH AND OTHER TRANSACTIONS: ADDITIONAL DISCLOSURE

The following non-cash transactions have been excluded from the statement of cash flows:

Purchase of exploration and evaluation assets

Additions to exploration and evaluation assets include capitalisation of interest on loans received for 1,894,857 thousand tenge (2024: 1,546,994 thousand tenge).



Lu Wei

General Director



Koshekbayeva A.

Chief Accountant



The accounting policies and explanatory notes on pages 5 to 31 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS**For the year ended 31 December 2025****1. ORGANIZATION AND PRINCIPAL ACTIVITIES****Corporate information**

Sozak Oil and Gas JSC (the “Company”) is a joint stock company established under the laws of the Republic of Kazakhstan, as a result of reorganization of limited liability partnership on 4 September 2019. Date of the initial registration was on 16 July 2001. In March 2024, the Company completed the listing procedure and received notification of inclusion in the official list of AIX.

The shareholders of the Company are:

	31 December 2025	31 December 2024
Sino-Science Netherlands Petroleum B.V.	49.200%	50.05%
Singapore Charter Power Pte. Ltd.	17%	17%
Maten Petroleum JSC	10%	10%
Singapore Starlights Energy Investment Pte. Ltd.	5.855%	5.855%
Sino-Science Netherlands Energy Group B.V.	7.859%	7.009%
Luck Gain Internation AI Limited	5.45%	5.45%
Ufirst Energy Group Limited	4.636%	4.636%
	100%	100%

Hui Ling is the ultimate controlling party.

These financial statements were approved by the management of the Company on 30 April 2026.

Registered address

The Head office of the Company is registered at the following address: 12 Zheltoksan Street, Kyzylorda, 120014, Republic of Kazakhstan.

Principal activities

The Company conducts operations in the field of subsoil use in the Turkestan region of the Republic of Kazakhstan. The company is at the exploration stage of the Asa, Kendirlik, Ortalyk, Oppak, Tamgalytar fields and has not yet begun commercial hydrocarbon production.

The Company performs its activities in accordance with hydrocarbon exploration contract No. 2433 (hereinafter referred to as the “Contract”), concluded with the Ministry of Energy of the Republic of Kazakhstan (hereinafter referred to as “ME”) on July 27, 2007. In 2023, the Company made the transition to the terms of a standard contract for exploration and production or production of hydrocarbons for a complex project. The provisions of Contract No. 2433 dated July 27, 2007 are set out in a new edition, in accordance with the Standard Contract for the exploration and production of hydrocarbons for complex projects. The validity period of Contract No. 2433 dated July 27, 2007 is combined and consists of: (1) an exploration period for trial production of the Asa, Kendirlik, Ortalyk, Oppak, Tamgalytar fields, and is valid until 15 October 2026; (2) production period for the Pridorozhnoye Yuzhnoye field of 25 (twenty-five) years.

On 23 February 2026, the Company signed an addendum to Contract No. 2433 dated 27 July 2007, under which the exploration period for the subsoil area, in accordance with Appendix No. 2 to the Contract, including the Asa, Kendirlik, Ortalyk, Oppak, and Tamgalytar fields was extended until 15 October 2031 (*Note 22*).

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. ORGANIZATION AND PRINCIPAL ACTIVITIES (continued)**Exploratory drilling**

As of 31 December 2025, the Company continued to carry out geological exploration and appraisal activities under its subsoil use contracts within the territory of the Republic of Kazakhstan. From the commencement of exploration through the reporting date, the Company drilled a total of 27 exploration and appraisal wells at the Assa, Pridorozhnoye Yuzhnoye, Kenderlyk, Tamgalytar, Ortalyk, and Oppak fields, including three wells drilled in 2024 and one well drilled in 2025. All works were performed in compliance with contractual obligations, in accordance with the approved work program and the Company's approved project documentation.

On 23 February 2026, the Company and the Competent Authority executed Addendum No. 21 to the Subsoil Use Contract. Pursuant to this addendum, the Company extended the term of the Subsoil Use Contract for the exploration period for the subsoil area in accordance with Appendix No. 2 to the Contract, including the Assa, Kenderlyk, Ortalyk, Oppak, and Tamgalytar fields, for an additional five years, until 15 October 2031.

As of 31 December 2025, the Company has approved operational reserve reports for the Assa, Pridorozhnoye Yuzhnoye, Ortalyk, Kenderlyk, Tamgalytar, and Oppak fields. The Company plans to fulfill the minimum contractual work commitments in subsequent reporting periods through the expiration of the contract term, including the drilling of three independent wells.

2. BASIS OF PREPARATION AND CHANGES IN THE COMPANY'S ACCOUNTING POLICY**Basis of preparation**

This financial statement of the Company has been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

This financial statement has been prepared on a historical cost basis, except as described in the accounting policies and the notes to the financial statements. The financial statements are presented in Kazakhstan tenge ("tenge"), and all monetary amounts are rounded to the nearest thousand, except when otherwise indicated.

Going concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

As of the reporting date, the Company's current liabilities exceeded its current assets by 59,131,992 thousand tenge (as of 31 December 2024: by 48,304,325 thousand tenge). These circumstances indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

The ability of the Company to settle its trade payables, repay its borrowings and continue its planned exploration and evaluation activities, as well as to maintain its going concern status depend on the Company raising additional cash in the foreseeable future. At the date of these financial statements, the management is satisfied that there are reasonable grounds to believe that the Company will be able to continue as a going concern by raising additional funds as required. In developing this opinion, the management reviewed the position of the Company and analysed the option of raising additional funds from the company's shareholders, as well as obtaining loans from related parties. The significant uncertainty about the successful completion of the financing option listed above may cause significant doubts about the Company's ability to repay its debts on time, and, consequently, to continue as a going concern. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts or classifications of liabilities that might be necessary should the Company not be able to continue as a going concern.

Foreign currency translation

The financial statements are presented in tenge, which is the Company's functional and presentation currency.

Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. Any exchange gains and losses arising from assets and liabilities denominated in foreign currencies subsequent to the date of the underlying transaction are credited or charged to the statement of comprehensive income (loss). Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

NOTES TO THE FINANCIAL STATEMENTS (continued)**2. BASIS OF PREPARATION AND CHANGE IN THE COMPANY'S ACCOUNTING POLICY (continued)****Foreign currency translation (continued)**

Weighted average currency exchange rates established by the Kazakhstan Stock Exchange (“KASE”) and published by the National Bank of the Republic of Kazakhstan are used as official currency exchange rates in the Republic of Kazakhstan.

The following foreign exchange rates of tenge to USD have been used in the preparation of these financial statements:

	Exchange rate as at	The weighted average interest rate during the year
31 December 2025	502.57	521.37
31 December 2024	523.54	469.11

New and amended standards and interpretations

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2025. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Lack of exchangeability – Amendments to IAS 21

For annual reporting periods beginning on or after 1 January 2025, *Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates* specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity’s financial performance, financial position and cash flows.

The amendments did not have a material impact on the Company’s financial statements.

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company’s financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 *Presentation of Financial Statements*. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified ‘roles’ of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 *Statement of Cash Flows*, which include changing the starting point for determining cash flows from operations under the indirect method, from ‘profit or loss’ to ‘operating profit or loss’ and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Company is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. BASIS OF PREPARATION AND CHANGE IN THE COMPANY'S ACCOUNTING POLICY (continued)**Standards issued but not yet effective (continued)***IFRS 19 Subsidiaries without Public Accountability: Disclosures*

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

The amendments are not expected to have a material impact on the Company's financial statements.

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the *Classification and Measurement of Financial Instruments* (the Amendments). The Amendments include:

- A clarification that a financial liability is derecognised on the 'settlement date' and the introduction of an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date;
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed;
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments;
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI).

The Amendments are effective for annual periods starting on or after 1 January 2026 with early adoption permitted for classification of financial assets and related disclosures only. The Company does not anticipate that the amendments will have a material effect on the Company's financial statements.

Annual Improvements to IFRS Accounting Standards – Volume 11

In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 *First-time Adoption of International Financial Reporting Standards*, IFRS 7 *Financial instruments: Disclosure and its accompanying Guidance on implementing IFRS 7*, IFRS 9 *Financial Instruments*, IFRS 10 *Consolidated Financial Statements* and IAS 7 *Statements of Cash Flows*.

The amendments will be effective for reporting periods beginning on or after 1 January 2026. Earlier application is permitted and must be disclosed.

The amendments are not expected to have a material impact on the Company's financial statements.

Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

In December 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 - *Contracts Referencing Nature-dependent Electricity*. The amendments apply only to contracts that reference nature-dependent electricity; the amendments:

- Clarify the application of the 'own-use' requirements for in-scope contracts;
- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts;
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. BASIS OF PREPARATION AND CHANGE IN THE COMPANY'S ACCOUNTING POLICY (continued)**Standards issued but not yet effective (continued)***Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7 (continued)*

The amendments will take effect for annual reporting periods starting on or after 1 January 2026. Early adoption is allowed, but it must be disclosed. The amendments concerning the own-use exception are to be applied retrospectively, while the hedge accounting amendments should be applied prospectively to new hedging relationships designated from the initial application date. Additionally, the IFRS 7 disclosure amendments must be implemented alongside the IFRS 9 amendments. If an entity does not restate comparative information, it cannot present comparative disclosures.

The Company does not expect that the amendments will have a material impact on its financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ASSUMPTIONS

The Company uses estimates and judgements, which exert an influence on the amounts and carrying amount of assets and liabilities stated in the financial statements during the next financial period. Estimates and judgements are subject to constant critical analysis and are based on the past experience of the management and other factors including expectations regarding future events, which, as deemed, are reasonable in the existing circumstances. The management also uses certain judgements, except for those requiring estimates, in the process of application of accounting policies. Judgements, which exert the most significant influence on figures stated in the financial statements and estimates, which may lead to a significant adjustment of carrying amount of assets and liabilities during the next financial period include:

Exploration and evaluation assets

Exploration license costs are capitalized within intangible assets and amortized on a straight-line basis over the estimated period of exploration. Each property is reviewed on an annual basis to confirm that drilling activity is planned. If no future activity is planned, the remaining balance of the license cost is written off. Upon determination of economically recoverable reserves (“proved reserves” or “commercial reserves”), amortisation ceases, and the remaining costs are aggregated with exploration expenditure and held on a field-by-field basis as proved properties awaiting approval within other intangible assets. When development is approved internally, and all licenses and approvals are obtained from the appropriate regulatory bodies, the relevant expenditure is transferred to property, plant and equipment (oil and natural gas properties).

(i) Recognition and subsequent measurement

Exploration and evaluation assets are measured at cost less any provision for impairment, where necessary.

Exploration and evaluation assets include capitalised expenditures on acquisition of exploration rights, geological and geophysical studies, drilling of both successful and unsuccessful exploratory wells, support equipment and facilities, borrowing costs as well as administrative and other general overhead costs that are directly attributable to the exploration and evaluation activities.

Acquisition costs include the cost of a subscription bonus and other costs incurred to acquire subsurface rights.

Administrative and other general overhead costs capitalised into the exploration and evaluation assets, include the costs incurred to finance social projects and professional training of Kazakhstani employees, administrative expenses of the site offices (office rent, office cars, administrative personnel) and other overhead costs that are directly attributable to the exploration and evaluation activities. The Company includes these expenditures into the cost of exploration and evaluation assets as incurred.

General and administrative expenses that cannot be attributed directly to a particular exploration project are charged to the statement of comprehensive income during the financial period as they are incurred.

Expenditures related to the development of hydrocarbon resources are not recognised as exploration and evaluation assets. Development costs include the cost of development wells to produce proved reserves, the cost of production facilities (such as flow lines, separators, treaters, heaters, storage tanks, improved oil production systems and gas processing facilities) and other overhead costs related to the development of hydrocarbon resources.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ASSUMPTIONS (continued)**Exploration and evaluation assets (continued)***(i) Recognition and subsequent measurement (continued)*

The Company classifies exploration and evaluation assets as tangible and intangible assets according to the nature of the assets acquired. Intangible exploration and evaluation assets include a subscription bonus, social and training costs. All other exploration and evaluation assets are classified as tangible assets.

Exploration and evaluation assets are no longer classified as such when the technical feasibility and commercial viability of extracting a hydrocarbon resource is demonstrable. Once commercial reserves are found, exploration and evaluation assets are transferred to development assets and amortised using the unit-of-production method based on proved developed reserves.

Activities preceding the acquisition of oil and gas properties are defined as pre-exploration (or pre-license). All pre-exploration expenditures are recognised as an expense in the statement of comprehensive income when incurred and include project feasibility studies, surface mapping and appraisal activities, as well as other overhead costs related to pre-exploration activities.

(ii) Impairment of exploration and evaluation assets

Exploration and evaluation assets are tested by the Company for impairment when reclassified to development assets or whenever facts and circumstances indicate impairment of assets. An impairment loss is recognised for the amount by which exploration and evaluation assets' carrying amount exceeds their recoverable amount. The recoverable amount is determined as the greater of the exploration and evaluation assets' fair value less costs to sell and their value in use.

One or more of the following facts and circumstances indicate that the Company should test exploration and evaluation assets for impairment (the list is not exhaustive):

- The period for which the Company entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditure on the further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of hydrocarbon resources and the Company has decided to discontinue such activities in the specific area.

The Company has sufficient evidence that, while it is probable that a particular area will be developed, the carrying amount of the exploration and evaluation assets will likely not be fully recovered through successful development or disposal.

Alternative subsoil use tax (ASUT)

In December 2023, the Company transitioned to the terms of a standard contract for the exploration and production or production of hydrocarbons for a complex project, concluded in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use.

According to the provisions of the Tax Code of the Republic of Kazakhstan, subsoil user companies that have entered into a contract for the exploration and production or production of hydrocarbons under complex projects apply the ASUT regime. ASUT is applied in place of the following payments:

- Payment for reimbursement of historical costs;
- Mineral extraction tax (MET);
- Excess profit tax.

ASUT is payable from the date of registration of the relevant contract and is calculated based on the volume of production and the global oil price level. Depending on these factors, the ASUT rate may range from 0% to 42%.

NOTES TO THE FINANCIAL STATEMENTS (continued)**3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ASSUMPTIONS (continued)****Provisions for asset retirement obligations**

The Company estimates the future asset retirement obligations with reference to the estimates provided from either internal or external engineers after taking into consideration the anticipated method of dismantlement and the extent of site restoration required in accordance with current legislation and industry practices.

Provisions are made, based on net present values, for site restoration and rehabilitation costs as soon as the obligation arises from past activities. The provision for site restoration obligation is estimated based on the management's interpretation of the current environmental legislation of the Republic of Kazakhstan and the Company's related program for liquidation of consequences of subsurface use on the contractual area supported by a feasibility study and engineering research in accordance with the existing rehabilitation standards and techniques. Asset retirement obligations are subject to potential changes in environmental regulatory requirements and the interpretation of the legislation.

Significant judgements in making such estimates include estimate of discount rate, amount and timing of cash flows.

The discount rate shall be applied to the nominal amounts the management intends to spend on site restoration in the future. Accordingly, management's estimates, which are in current prices, are inflated using expected long-term rate of inflation, and discounted using discount rate that reflects current market assessments of the time value of money and those risks specific to the liability.

Changes in reserves for future site deconstruction and restoration costs resulting from new disruptions due to the drilling of new wells, revised cost estimates, changes in estimated operating life and revisions to discount rates are capitalized into exploration and evaluation assets. The amount of costs for dismantling 1 well is 13,896 thousand tenge as of 31 December 2025 (as of 31 December 2024: 12,613 thousand tenge).

<i>In percentage terms</i>	2025	2024
Discount rate	14.14%	16.06%
Inflation rate	12%	8.60%
Period of fulfilment of the obligation	2 years	2 years

As at 31 December 2025, the carrying amount of the obligation to abandon wells and restore the site was 345,922 thousand tenge (31 December 2024: 283,973 thousand tenge) (*Note 12*)

Recognition of deferred tax asset

The Company does not recognize the amount of deferred tax assets since the Company's management at the reporting date does not have a reasonable assurance about when future taxable profit will be received, against which the deferred tax assets for losses of previous years can be used in the periods authorised for transfer, according to current tax legislation, since the Company is at the stage of exploration and has not yet started commercial oil production.

Exploration and evaluation costs

Exploration and evaluation costs are recorded at original cost on an area of interest basis. Expenditure on an area of interest is capitalised and carried forward where rights to tenure of the area of interest are current and:

- (1) It is expected that such expenditures will be reimbursed in the course of successful development and exploitation of the area of interest or, otherwise, by its sale; or
- (2) Exploration and evaluation activities are continuing in an area of interest but at the reporting date have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

Accumulated costs in respect of areas of interest which are abandoned, are written off in full against profit in the period in which the decision to abandon the area is made. Costs of site restoration are provided from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the exploration permits.

Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ASSUMPTIONS (continued)**Exploration and evaluation costs (continued)**

Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

Projects are advanced to development stage when it is expected that further expenditure can be recovered through sale or successful development and exploitation of the area of interest.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Impairment of exploration and evaluation assets

The Company's management reviews the carrying amount of exploration and evaluation assets for impairment in accordance with the requirements of IFRS 6. As of 31 December 2025 and 2024, there were no indications that exploration and evaluation assets were impaired. The following conditions were taken into account by the management of the Company:

- The validity period of Contract No. 2433 dated July 27, 2007 is combined and consists of: (1) an exploration period of the Asa, Kendirlik, Ortalyk, Oppak, Tamgalytar fields, and is valid until 15 October 2031; (2) production period for the Pridorozhnoye Yuzhnoye field of 25 (twenty-five) years, valid until 14 December 2048;
- Based on the results of interpretation of the latest 2D and 3D seismic studies, as well as drilling operations, Management plans to incur significant costs for further exploration and evaluation of the Company's Contract Area;
- In 2025 and 2024, the Company carried out works expected by state authorities, which also enhanced the understanding of hydrocarbon reserves at the fields;
- The Shareholders plan to continue financing the costs of its work program.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Current versus non-current classification**

The Company presents assets and liabilities in statement of financial position based on current/non-current classification. An asset as current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 (twelve) months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- it is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as current and non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment

(i) Recognition and subsequent measurement

Property, plant and equipment include vehicles, office and other equipment. Property, plant and equipment are stated at cost, less accumulated amortisation and provision for impairment, if required. Such cost comprises acquisition value, including import fees and non-reimbursable taxes on acquisitions, less trade discounts and rebates, and any costs directly related to bringing the asset to the place of its use and condition required for its proper use.

The cost of PPE items that are produced or constructed internally includes the cost of materials used, performed production work and an appropriate portion of direct construction overheads.

Subsequent expenditures are included in the carrying amount of this asset or reflected as a separate asset providing only that there is probability that the Company will have economic benefits from the usage of this asset, and its cost can be reliably measured. The carrying amount of the replaced part is recognized in profit or loss. All other repairs and maintenance costs are charged to statement of comprehensive income during the financial period in which they are incurred.

Subsequent expenditures are included in the carrying amount of this asset or reflected as a separate asset providing only that there is probability that the Company will have economic benefits from the usage of this asset, and its cost can be reliably measured. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are charged to statement of comprehensive income during the financial period in which they are incurred.

Gain or loss on disposal of property, plant and equipment in the amount of difference between consideration received and their carrying amount is recorded in profit and loss.

(ii) Depreciation

Land is not depreciated. Depreciation of other PPE items is calculated on a straight-line basis to allocate the cost to the residual values of the assets over their estimated useful lives as follows:

	Useful lives in years
Buildings and constructions	15
Vehicles	5
Other	4-5

The asset residual value represents the estimation of amount that the Company could currently from disposal of the asset, less cost to sell on the assumption that the asset age and its technical condition already correspond to the expected at the end of its useful life. The asset residual value equals to zero when the Company expects to use the asset until the end of its physical life. Assets residual value and their useful life are reviewed and, if necessary, adjusted at each reporting date.

(iii) Impairment

At each reporting date the management assesses whether there is any indication of impairment of property, plant and equipment. If any such indication exists, the management estimates the recoverable amount, which is determined as the higher of an asset's fair value less costs to sell and its value in use. The carrying value is reduced to its recoverable amount and the impairment loss is recognized in the statement of comprehensive income. An impairment loss recognised for an asset in prior years is reversed if there has been a change in the estimates used to determine the asset's value in use or its fair value less cost to sell.

If an estimate of the recoverable value for an individual asset is not possible, the Company determines the recoverable value of a cash generating unit to which an asset belongs.

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 which the future cash flow estimates have not been adjusted.

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Financial instruments***Financial assets**Initial recognition and measurement*

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15. In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Financial assets of the Company include trade accounts receivable, cash, cash equivalents and loans issued.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

This is the category most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains or losses are recognized in profit or loss when an asset is derecognized, modified or impaired.

The Company includes trade receivables, as well as a loan issued to an associate to the category of financial assets measured at amortised cost.

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired;
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Financial instruments (continued)***Financial assets (continued)**Derecognition (continued)*

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When the Company has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company recognises a provision for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

*Financial liabilities**Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, less directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Loans

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Financial instruments (continued)***Financial liabilities (continued)**Derecognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

Offsetting of financial instruments

Financial assets and financial liabilities are only offset and reported at the net amount in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and the Company intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded at an active market, the fair value is determined by using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 — valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are restated in the financial statements on a periodic basis, the Company determines if it is necessary to transfer them between levels of the fair value hierarchy by re-analysing their classification (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosure, the Company classified assets and liabilities based on their nature, characteristics and risks related to them and applicable level of fair value hierarchy, as specified above (*Note 19*).

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and bank deposits on demand. Cash balances restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date are included in other non-current assets. Cash balances restricted for being exchanged or used to settle a liability are not included in cash and cash equivalents for the purposes of cash flow statement.

Value added tax (VAT)

Tax legislation allows to offset VAT on a net basis.

VAT payable

VAT is payable to tax authorities upon collection of receivables from customers. Export sales are zero rated. VAT on purchases, which have been settled at the balance sheet date, is deducted from the amount payable.

In addition, VAT related to sales which have not been collected at the balance sheet date is also included in the balance of VAT payable. Where provision has been made for impairment of receivables, impairment loss is recorded for the gross amount of the debtor, including VAT. The related VAT liability is maintained until the debtor is written off for tax purposes.

VAT recoverable

VAT recoverable relates to purchases, which have not been settled at the reporting date. VAT receivable is reclaimable against VAT related to sales upon payment for the purchases or reimbursed by tax authorities by cash or by offset with other taxes payable. Reimbursable VAT is classified as a long-term if it is not expected to be repaid during one year from the reporting date.

Share capital

Gains and losses from transactions with shareholders or parties related to shareholders acting on behalf of shareholders are recognized in equity.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provisions for asset retirement obligations

The Company estimates provision for future asset retirement obligations with reference to the estimates provided from either internal or external engineers after taking into consideration the anticipated method of dismantlement/closure and the extent of site restoration required in accordance with current legislation and industry practices. Provisions for asset restoration obligations are provided for in the period in which the obligation arises if the fair value can be reasonably estimated. The corresponding asset restoration obligations are capitalised as part of the carrying amount of the exploration and evaluation assets, based on the net present value of estimated future cash flows. Provisions do not include any additional obligations which are expected to arise from future disturbance. The cost estimates are calculated annually during the life of the operation to reflect known developments.

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Provisions for asset retirement obligations (continued)**

The amortisation of the discount applied in establishing the net present value of provisions is charged to profit or loss in each accounting period and is recognised as finance costs.

Payroll expenses and payroll related deductions

Payroll expenses, pension contributions, contributions to the social insurance fund, paid annual vacations and sick leaves, bonuses and non-cash benefits are charged upon completion of certain types of works by employees of the Company. The Company pays pension benefits stipulated by the legislative requirements of the Republic of Kazakhstan on behalf of its employees. Upon retirement of employees, financial liabilities of the Company are derecognized and all subsequent payments to retired employees are made by the state savings pension fund.

Corporate income tax

In these financial statements corporate income tax is recorded in accordance with the tax legislation of the Republic of Kazakhstan, enacted or substantively enacted at the reporting date. Income tax expenses comprise current and deferred taxes and are recorded in the statement of loss, except for the taxes related to transactions recorded in one or different periods in other comprehensive income or directly within equity.

Current income tax represents the amount expected to be recovered from or paid to the tax authorities with respect to taxable profit or loss for the current and prior periods. Taxable profit or loss are based on estimated figures, in the event that the financial statements are submitted prior to filing of tax returns. Other taxes, apart from corporate income tax, are recorded within operating expenses.

Deferred income tax is provided using the liability method on tax losses carry-forward and temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial reporting.

The deferred tax is calculated according to effective tax rates enacted or substantively enacted at the reporting date, which are expected to be applied in the period of restoration of temporary differences or utilisation of tax losses carried forward. Deferred income tax assets with respect to deductible temporary differences and tax losses carried forward are recognised only to the extent that it is probable that taxable profit will be available in future that could be reduced to the amount of such deductions.

Uncertain tax positions

The Company's uncertain tax positions are reassessed by the management at the end of each reporting period. Liabilities are recorded for income tax positions that are determined by management as more likely than not to result in additional taxes being levied if the positions were to be challenged by the tax authorities. The assessment is based on the interpretation of tax laws that have been enacted or substantively enacted by the end of the reporting period and any known court or other rulings on such issues. Liabilities for penalties, interest and taxes other than on income are recognised based on management's best estimate of the expenditure required to settle the obligations at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS (continued)**5. EXPLORATION AND EVALUATION ASSETS**

<i>In thousands of tenge</i>	Tangible assets	Intangible assets	Total
As at 1 January 2024	56,235,537	732,864	56,968,401
Additions	6,265,217	-	6,265,217
Changes in estimates (Note 12)	(39,371)	-	(39,371)
As at 31 December 2024	62,461,383	732,864	63,194,247
Additions	3,540,690	95,670	3,636,360
Changes in estimates (Note 12)	7,906	-	7,906
As at 31 December 2025	66,009,979	828,534	66,838,513

During 2025, the Company capitalised inventories in the amount of 256,465 thousand tenge (as at 31 December 2024: 279,190 thousand tenge). Capitalised inventory represents the cost of casing pipes, drilling bits and other drilling materials. During 2025, the Company capitalised geological and geophysical expenses directly attributable to exploration and evaluation operations in the amount of 125,150 thousand tenge (2024: 89,227 thousand tenge). During 2025, the Company capitalised borrowing costs for 1,894,857 thousand tenge (2024: 1,546,994 thousand tenge). During 2025, the Company drilled 1 well (2024: the Company drilled 3 wells).

6. LONG-TERM VAT RECOVERABLE

<i>In thousands of tenge</i>	2025	2024
At 1 January	4,639,332	3,973,465
Additions	219,711	690,120
Reclassification to the short-term part	(9,996)	(19,992)
Netting	-	(4,261)
At 31 December	4,849,047	4,639,332

7. RESTRICTED CASH

Restricted cash, in terms of creating an appropriate liquidation fund, represents cash in tenge in a bank account to fulfil obligations for the future site restoration, in accordance with the Subsoil Use Contract, the Company is obliged to accumulate cash in a special bank account for the relevant purposes. The management of the Company does not intend to use this cash with a restriction on withdrawal until liquidation of the wells. In 2025, interest on accounts restricted in use was accrued at a rate of 10.5% per annum (2024: 10.5%).

8. LOAN ISSUED

In 2018, the Company provided loans to North Caspian Petroleum JSC in the total amount of 1,684,231 thousand tenge at the rate of 9% per annum. Under the supplementary agreement dated 31 December 2019, repayment of the loan and payment of interest on each loan shall be paid by the borrower within 30 days after receiving an official written request for repayment from the Company. In 2024, the Company, North Caspian Petroleum JSC and Hong Kong Sino-Science International Oil & Gas Investment Group Company Limited signed a tripartite agreement where loans given by the Company to North Caspian Petroleum JSC were offset by loans payable to Hong Kong Sino-Science International Oil & Gas Investment Group Company Limited. In 2024 the Company reversed the provision created in previous periods for expected credit losses related to loans issued to North Caspian Petroleum JSC.

On 26 August 2025, the Company provided loans to Basic Oil&Gas LLP in the total amount of 50,000 thousand tenge at the rate of 18.9% per annum with maturity on 26 August 2026.

The movement in the loans issued for the years ended 31 December 2025 and 2024 was as follows:

<i>In thousands of tenge</i>	1 January 2025	Interest accrued for the year (Note 17)	Paid	Withholding Tax	Offset (Note 13)	31 December 2025
Short-term loans	-	3,334	50,000	-	-	53,334
	-	3,334	50,000	-	-	53,334

NOTES TO THE FINANCIAL STATEMENTS (continued)**8. LOAN ISSUED (continued)**

<i>In thousands of tenge</i>	1 January 2024	Interest accrued for the year (Note 17)	Accrual of ECL allowance (Note 16)	Withholding Tax	Offset (Note 13)	31 December 2024
Short-term loans	-	78,201	1,520,951	(86,036)	(1,513,116)	-
	-	78,201	1,520,951	(86,036)	(1,513,116)	-

9. TRADE ACCOUNTS RECEIVABLE

<i>In thousands of tenge</i>	31 December 2025	31 December 2024
Trade accounts receivable	390,889	325,945
	390,889	325,945

In 2025, the Company provided property storage services in its own warehouses for Loong Sapphire International Operation Group LLP and Qinglong Oil Technology and Engineering Company LLP. Trade receivables as at 31 December 2025 amounted to 14,944 thousand tenge and 375,945 thousand tenge, respectively (31 December 2024: for Loong Sapphire International Operation Group LLP and Qinglong Oil Technology and Engineering Company LLP. Trade receivables as at 31 December 2024 amounted to 136,592 thousand tenge and 189,353 thousand tenge, respectively).

10. CASH AND CASH EQUIVALENTS

As at 31 December 2025 and 2024 cash and cash equivalents comprised the following:

<i>In thousands of tenge</i>	31 December 2025	31 December 2024
Bank accounts in tenge	497	9,065
Bank accounts in USD	20,907	1,832
Total	21,404	10,897

Current accounts with banks are non-interest bearing. The table below shows the analysis of credit ratings of bank institutions where the Company holds cash balances as at the reporting date.

<i>In thousands of tenge</i>	Standard and Poor's and Fitch	31 December 2025	31 December 2024
Bank CenterCredit JSC	BB/Positive	21,404	10,897
Total		21,404	10,897

11. SHARE CAPITAL

As at 31 December 2025 and 2024, the share capital of the Company amounted to 283,780 thousand tenge and was fully formed and paid. On 4 September 2019, the Company was reorganised from a limited liability partnership into a Joint Stock Company. In reorganisation, additional paid-in capital in the amount of 34,957,358 thousand tenge was transferred to the share capital and accumulated loss of the Joint Stock Company.

During 2019 authorized share capital was increased by 283,780 thousand tenge through issue of 1,000,000 ordinary shares with nominal value 283,78 tenge each.

NOTES TO THE FINANCIAL STATEMENTS (continued)**12. ABANDONMENT AND SITE RESTORATION PROVISION**

<i>In thousands of tenge</i>	2025	2024
At 1 January	283,973	245,827
Additional provision for the year	13,896	38,029
Changes in estimates (Note 5)	7,906	(39,371)
Unwinding of discount (Note 17)	40,147	39,488
At 31 December	345,922	283,973

Asset retirement obligations consist of provisions for future site restoration and relate to liabilities under the Contract for the recovery of a hydrocarbon field to its initial condition. Mainly, these expenditures will be incurred by the end of the useful life of wells. The volume and cost of future recovery programs will be difficult to estimate. They depend on the estimated useful life of wells, volume of possible contamination, timeline and volume of rehabilitation measures.

13. LOANS AND BORROWINGS

<i>In thousands of tenge</i>	Interest rate	Currency	Maturity	31 December 2025	31 December 2024
Short-term loans					
Sino-Science Netherlands Petroleum B.V.	0%	tenge	On demand	20,738,492	20,738,492
Hong Kong Sino-Science International Oil & Gas Investment Group Company Limited	8%	USD	31 December 2026	14,638,712	–
Sino-Science Netherlands Petroleum B.V.	8%	USD	31 December 2026	3,646,978	–
Kozhan JSC	15%	tenge	On demand	–	5,073,993
Sino-Science Netherlands Energy Group B.V.	0%	tenge	On demand	–	570,663
Financial assistance from employees	0%	tenge	On demand	–	21,856
Total short-term loans				39,024,182	26,405,004
Long-term loans					
Hong Kong Sino-Science International Oil & Gas Investment Group Company Limited	8%	USD	31 December 2027	10,606,812	6,413,176
Sino-Science Netherlands Petroleum B.V.	8%	USD	15 July 2031	5,801,286	–
Hong Kong Sino-Science International Oil & Gas Investment Group Company Limited	8%	USD	31 December 2026	–	14,499,718
Sino-Science Netherlands Petroleum B.V.	8%	USD	31 December 2026	–	3,598,111
Total long-term loans				16,408,098	24,511,005
Total loans				55,432,280	50,916,009

The movement in loans given for the year ended 31 December 2025 and 2024 was as follows:

<i>In thousands of tenge</i>	1 January 2025	Loans received/ repaid	Interest accrued for the year	Change in reclassifica- tion	Change in foreign currencies	Withholding tax	31 December 2025
Short-term loans	26,405,004	522,579	212,078	12,451,641	(18,141)	(548,979)	39,024,182
Long-term loans	24,511,005	4,086,013	1,682,779	(12,451,641)	(1,420,058)	–	16,408,098
	50,916,009	4,608,592	1,894,857	–	(1,438,199)	(548,979)	55,432,280

NOTES TO THE FINANCIAL STATEMENTS (continued)**13. LOANS AND BORROWINGS (continued)**

<i>In thousands of tenge</i>	1 January 2024	Loans received/ (Offset)	Interest accrued for the year	Change in reclassifica- tion	Change in foreign currencies	31 December 2024
Short-term loans	27,699,235	3,869,385	591,510	(6,413,176)	658,050	26,405,004
Long-term loans	16,199,492	(1,513,116)	955,484	6,413,176	2,455,969	24,511,005
	43,898,727	2,356,269	1,546,994	-	3,114,019	50,916,009

Sino-Science Netherlands Petroleum B.V.

The loans were received from Sino-Science Netherlands Petroleum B.V., under a loan agreement dated 11 October 2011 and a loan agreement dated 22 April 2013, with a fixed interest rate of 8% in the amount of 142,070 thousand USD (equivalent to 71,400,120 thousand tenge as of 31 December 2025) and 6,645 thousand USD (equivalent to 3,339,578 thousand tenge as of 31 December 2025), respectively. In October 2014, the Company entered into an additional agreement to the General Agreement with Sino-Science Netherlands Petroleum B.V. to increase the loan amount in the amount of 85,000 thousand USD (equivalent to 42,718,450 thousand tenge as of 31 December 2025). The original maturity of the loan was 31 December 2017, which was extended on 10 November 2017 until 31 December 2027.

On 31 December 2018, an assignment agreement was concluded on the transfer of rights to claim the principal amount of the loan from Sino Science Netherlands Petroleum B.V. to Hong Kong Sino-Science International Oil & Gas Investment Group Company in the amount of 19,000 thousand USD (equivalent to 9,548,830 thousand tenge as of 31 December 2025).

On 31 December 2018, a supplementary agreement was concluded to the loan agreement dated 11 October 2011 and the loan agreement dated 22 April 2013. The following changes have been made:

- The term of the principal amount of the loan is defined as unlimited, the Company has right to repay the loan in one or several tranches at any time that is convenient to the Company by notifying the Sino-Science Netherlands Petroleum B.V. in writing in advance, one banking day before the date of repayment of the loan;
- The loan under the loan agreement is provided to the Company free of charge, and no interest for using the loan by Sino-Science Netherlands Petroleum B.V. is charged from 31 December 2018;
- Change of currency of the loan agreement from USD to tenge;
- Accumulated interest is payable upon the lender's request.

Upon signing supplementary agreements, the principal debt to the parent company was reclassified to the Company's equity as additional paid-in capital (*Note 11*).

As at 31 December 2025, the loan amounted to 20,738,492 thousand tenge (2024: 20,738,492 thousand tenge), the fair value of the loan approximates the carrying value of the loan.

On 31 May 2019, the Company entered into a non-revolving credit line agreement with Sino Science Netherlands Petroleum B.V. to obtain borrowed funds in the amount of 4,800 thousand USD (equivalent to 2,412,336 thousand tenge as of 31 December 2025) (2024: equivalent of 2,512,992 thousand tenge), with a maturity until 31 December 2026.

During 2023, the Company entered into an additional agreement as a result of which the repayment period was extended to 31 December 2026. During 2025 and 2024, the Company accrued but did not pay interest in the amount of 199,938 thousand tenge and 318,002 thousand tenge, respectively.

According to the loan agreement with Sino-Science Netherlands Petroleum B.V., the Company has non-financial covenants. As of 31 December 2025 and 2024, the Company has no outstanding covenants.

On 15 July 2025, a debt assignment and restatement agreement was concluded on the transfer of rights to claim the principal amount of the loan from Sino Science Netherlands Energy Group B.V. to Sino Science Netherlands Petroleum B.V. in the amount of 11,129 thousand USD (equivalent to 5,593,102 thousand tenge as of 31 December 2025) with fixed interest rate of 8% and maturity until 15 July 2031.

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. LOANS AND BORROWINGS (continued)**Sino-Science Netherlands Energy Group B.V.**

On 18 December 2015, the Company entered into a non-revolving credit line agreement with Sino Science Netherlands Energy Group B.V. in order to obtain borrowed funds in the amount of 50,000 thousand USD (equivalent to 25,128,500 thousand tenge at the tenge exchange rate as of 31 December 2025) with fixed interest rate of 8% and maturity until 31 December 2027. Loans are denominated in USD.

In 2018, the Company additionally received 463 thousand USD (equivalent to 232,690 thousand tenge at the tenge exchange rate as of 31 December 2025).

On 31 December 2018, a supplementary agreement was concluded to the loan agreement dated 18 December 2015. The following changes have been made:

- The term of the principal amount of the loan is defined as unlimited, the Company has right to repay the loan in one or several tranches at any time that is convenient to the Company by notifying the Sino-Science Netherlands Petroleum B.V. in writing in advance, one banking day before the date of repayment of the loan;
- The loan under the loan agreement is provided to the Company free of charge, and no interest for using the loan by Sino-Science Netherlands Energy Group B.V. is charged from 31 December 2018;
- Change of currency of the loan agreement from USD to the national currency of the Republic of Kazakhstan, i.e., tenge;
- Repayment date changed upon the lender's request;
- Accumulated interest is payable upon the lender's request.

Upon signing supplementary agreements, the principal debt to the parent company was reclassified to the Company's equity as additional paid-in capital.

On 15 July 2025, a supplementary agreement was concluded to the loan agreement dated 18 December 2015. The following changes have been made:

- Accrued and unpaid remuneration under the loan in the amount of 570,663 thousand tenge was capitalised and added to the principal amount of the loan;
- Corporate income tax at a rate of 15% in the amount of 85,600 thousand tenge was recognised in respect of such capitalisation;
- Change of currency of the loan agreement from the national currency of the Republic of Kazakhstan, i.e., tenge to USD, and the total amount is 922 thousand USD.

On 15 July 2025, a debt assignment and restatement agreement was concluded on the transfer of rights to claim the principal amount of the loan from Kozhan JSC to Sino Science Netherlands Energy Group B.V. in the amount of 5,367,125 thousand tenge, which was denominated in USD in accordance with the agreement and amounted to 10,206 thousand USD (equivalent to 5,129,229 thousand tenge as of 31 December 2025) with fixed interest rate of 8% and maturity until 15 July 2031.

On 15 July 2025, a debt assignment and restatement agreement was concluded on the transfer of rights to claim the principal amount of the loan from Sino Science Netherlands Energy Group B.V. to Sino Science Netherlands Petroleum B.V. in the amount of 11,129 thousand USD (equivalent to 5,593,102 thousand tenge as of 31 December 2025) with fixed interest rate of 8% and maturity until 15 July 2031.

As at 31 December 2025, there was no outstanding loan balance (2024: 570,663 thousand tenge), the fair value of the loan approximates its carrying value.

According to the loan agreement with Sino-Science Netherlands Energy Group B.V., the Company has non-financial covenants. As at 31 December 2025 and 2024, the Company has no outstanding covenants.

NOTES TO THE FINANCIAL STATEMENTS (continued)**13. LOANS AND BORROWINGS (continued)****Hong Kong Sino-Science International Oil & Gas Investment Group Company Limited**

On 31 December 2018, an assignment agreement was concluded on the transfer of rights to claim the principal amount of the loan from Sino Science Netherlands Petroleum B.V. to Hong Kong Sino-Science International Oil & Gas Investment Group Company in the amount of 19,000 thousand USD (equivalent to 9,548,830 thousand tenge as of 31 December 2025) (2024: equivalent to 9,947,260 thousand tenge). In 2024, the Company entered into an additional agreement as a result of which the repayment period was extended until 31 December 2026. In 2024, the Company, North Caspian Petroleum JSC and Hong Kong Sino-Science International Oil & Gas Investment Group Company Limited signed a tripartite agreement where loans given to the Company to North Caspian Petroleum JSC were offset by loans payable to Hong Kong Sino-Science International Oil & Gas Investment Group Company Limited. During 2025 and 2024, the Company accrued but did not pay interest in the amount of 662,386 thousand tenge and 1,301,100 thousand tenge, respectively.

On 10 January 2020, the Company entered into a loan agreement with Hong Kong Sino-Science International Oil & Gas Investment Group Company Limited in order to obtain borrowed funds in the amount of 2,000 thousand USD. As of 31 December 2025, the Company received borrowed funds under the loan agreement in the amount of 2,000 thousand USD (equivalent to 1,005,140 thousand tenge as of 31 December 2025) (2024: equivalent to 1,047,080 thousand tenge) with a fixed interest rate of 8% and repayment period until 31 December 2023. In 2023, the Company entered into an additional agreement, as a result of which the loan repayment period was extended until 31 December 2026. During 2025 and 2024, the Company accrued but did not pay interest in the amount of 83,307 thousand tenge and 121,370 thousand tenge, respectively.

On 17 June 2021, the Company entered into a loan agreement with Hong Kong Sino-Science International Oil & Gas Investment Group Company Limited to obtain borrowed funds in the amount of 700 thousand USD. As of 31 December 2025, the Company received borrowed funds under the loan agreement in the amount of 641 thousand USD (equivalent to 322,147 thousand tenge as of 31 December 2025) (2024: equivalent of 335,589 thousand tenge) with a fixed interest rate of 8% and maturity until 31 December 2024. During 2025 and 2024, the Company accrued but did not pay interest in the amount of 26,691 thousand tenge and 35,639 thousand tenge, respectively.

On 31 August 2021, the Company entered into a loan agreement with Hong Kong Sino-Science International Oil & Gas Investment Group Company Limited to obtain borrowed funds in the amount of 3,000 thousand USD.

In 2024, the Company received borrowed funds under the loan agreement in the amount of 291 thousand USD (equivalent to 1,484,759 thousand tenge at the tenge exchange rate as of 31 December 2024) with a fixed interest rate of 8% and maturity until 31 December 2027. Loans are denominated in USD.

During 2025 and 2024, the Company accrued but did not pay interest in the amount of 118,150 thousand tenge and 135,919 thousand tenge, respectively. On 10 April 2023, the Company entered into a loan agreement with Hong Kong Sino-Science International Oil & Gas Investment Group Company, Ltd for the purpose of financing operations in the amount of 22,000 thousand USD (equivalent to 11,056,540 thousand tenge at the tenge exchange rate as of 31 December 2025) with fixed interest rate of 8% and maturity until 31 December 2027.

In 2025 the Company received borrowed funds under the loan agreement in the amount of 7,859 thousand USD (equivalent to 3,949,698 thousand tenge at the tenge exchange rate as of 31 December 2025). During 2025 and 2024, the Company accrued but did not pay interest in the amount of 373,187 thousand tenge and 133,563 thousand tenge, respectively.

14. ACCOUNTS PAYABLE AND OTHER DEBTS

<i>In thousands of tenge</i>	31 December 2025	31 December 2024
Accounts payable to third parties	20,323,685	21,970,146
	20,323,685	21,970,146

Trade and other payables mostly represented payables for drilling services that are due within the next 12 months. As of 31 December 2025 and 2024 accounts payable were denominated in tenge.

NOTES TO THE FINANCIAL STATEMENTS (continued)**15. OTHER CURRENT NON-FINANCIAL LIABILITIES**

<i>In thousands of tenge</i>	31 December 2025	31 December 2024
Provision for fines and penalties	203,280	223,286
Contract performance guarantees paid by suppliers	154,890	155,486
Provision for unused vacations	11,256	13,364
Other	19,315	18,210
Total	388,741	410,346

As of 31 December 2025 and 2024, the provision for fines and penalties mainly represents a provision for failure to fulfil contractual obligations to Anton Oilfield International Company Limited Branch in the amount of 203,280 thousand tenge. As of 31 December 2025 and 2024, contract performance guarantees by suppliers represents advance payments of 3% of the contract amount provided by suppliers during the provision of services. Upon completion of the work, the guarantees are returned to the suppliers.

16. GENERAL AND ADMINISTRATIVE EXPENSES

<i>In thousands of tenge</i>	2025	2024
Consulting services	323,373	17,854
Payroll and related taxes	97,433	105,614
Rent expenses	36,763	36,763
Bank charges	124	222
Transportation expenses	20,280	18,033
Business trip expenses	8,730	34,030
Tax payments and charges	5,303	4,413
Lodging of employees	3,681	3,095
Telecommunication services	2,380	2,053
Depreciation and amortization	749	323
(Recovery)/accrual of unused vacation allowance	(2,108)	332
Recovery/accrual of provision for expected credit losses (Note 8)	-	(1,520,951)
Other	41,282	212,675
Total	537,990	(1,085,544)

The audit fee charged for 2025 to the Company by all EY member firms was 30,411 thousand tenge, net of VAT. In 2025, EY member firms did not provide any non-audit services (2024: 26,159 thousand tenge, net of VAT, EY member firms did not provide any non-audit services).

17. FINANCE INCOME / COSTS

<i>In thousands of tenge</i>	2025	2024
Interest income on loans issued (Note 8)	3,334	78,201
Interest income on restricted cash	26,087	20,276
Finance income	29,421	98,477

<i>In thousands of tenge</i>	2025	2024
Unwinding of discount on abandonment and site restoration provision (Note 12)	(40,147)	(39,488)
Finance costs	(40,147)	(39,488)

NOTES TO THE FINANCIAL STATEMENTS (continued)**18. INCOME TAX EXPENSE**

The Company is subject to income tax of 20% on taxable profit as determined under the laws of the Republic of Kazakhstan. Income tax expense for the years ended 31 December 2025 and 2024 is as follows:

<i>In thousands of tenge</i>	2025	2024
Current income tax expense	-	84,019
Deferred income tax expense	-	-
Income tax expenses	-	84,019

A reconciliation of income tax expense applicable to profit/loss before tax at the statutory income tax rate to current income tax expense was as follows for the years ended 31 December 2025 and 2024:

<i>In thousands of tenge</i>	2025	2024
Profit/(loss) before taxes	1,073,890	(1,621,147)
Statutory tax rate	20%	20%
Theoretical income tax benefit at the statutory tax rate	214,778	(324,229)
Change in unrecognised deferred tax assets	(173,987)	218,030
Non-deductible foreign exchange differences	(65,822)	166,724
Other differences	25,031	23,494
	-	84,019

Deferred tax balances are calculated by applying the income tax rates in effect at the respective balance sheet dates to the temporary differences between the tax basis of assets and liabilities and the amounts reported in the financial statements. Tax losses carried forward as at 31 December 2025 per tax legislation of the Republic of Kazakhstan applied by the Company expire for tax purposes 10 (ten) years from the date they are incurred.

<i>In thousands of tenge</i>	31 December 2025	Charged to statement of comprehensive income	31 December 2024	Charged to statement of comprehensive income	1 January 2024
Deferred tax assets					
Exploration and evaluation assets	4,502,958	(185,954)	4,688,912	514,523	4,174,389
Long-term VAT recoverable	80,713	-	80,713	-	80,713
Accounts payable and other debts	1,247,714	-	1,247,714	-	1,247,714
Asset retirement obligations	69,184	12,389	56,795	7,630	49,165
Provision for unused vacations	2,251	(422)	2,673	67	2,606
Loans issued	-	-	-	(304,190)	304,190
Deferred tax assets	5,902,820	(173,987)	6,076,807	218,030	5,858,777
Deferred tax asset provisions	(5,902,820)	173,987	(6,076,807)	(218,030)	(5,858,777)
Deferred tax assets, net	-	-	-	-	-

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk management is the important element of the Company's activities. The Company's operations are associated with risks, including liquidity risk, interest rate risk, currency risk and operational risk. The risk management policies of the Company are described as follows:

Capital Management

The Company manages its capital in order to continue to adhere to the principle of going concern while maximizing returns for stakeholders by optimizing the debt and equity balance.

NOTES TO THE FINANCIAL STATEMENTS (continued)**19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)****Capital Management (continued)**

The Company's capital management is strictly dependent on the participants' capital management strategy. Most capital management decisions are made in consultation with the relevant member committees. To maintain or adjust the capital structure, members may make contributions to the Company's capital, undertake debt financing from related parties or authorize the Company to obtain debt financing from third parties by providing guarantees for all significant external borrowings.

The main categories of financial instruments

The Company's principal financial liabilities comprise loans, accounts payable and other debts. The main purpose of these financial instruments is to raise finance for the Company's operations. The Company also has various financial assets such as accounts receivable, cash and cash equivalents.

<i>In thousands of tenge</i>	31 December 2025	31 December 2024
Financial assets		
Restricted cash (Note 7)	193,109	193,109
Other current financial assets	99,993	99,993
Loans issued (Note 8)	53,334	–
Cash and cash equivalents (Note 10)	21,404	10,897
Total	367,840	303,999
Financial liabilities		
Loans (Note 13)	55,432,280	50,916,009
Accounts payable and other debts (Note 14)	20,323,685	21,970,146
Total	75,755,965	72,886,155

Fair value of financial instruments

The carrying amount of all financial assets and liabilities are estimated to be approximately equal to their fair value as at 31 December 2025 and 2024.

Set out below is a comparison by class of the carrying amounts and fair values of the Company's financial assets and liabilities that are not carried at fair value in the statement of financial position. The table does not include the fair values of non-financial assets and liabilities.

<i>In thousands of tenge</i>	Carrying amount 2025	Fair value 2025	Carrying amount 2024	Fair value 2024
Assets				
Restricted cash	193,109	193,109	193,109	193,109
Other current financial assets	99,993	99,993	99,993	99,993
Loans issued	53,334	53,334	–	–
Cash and cash equivalents	21,404	21,404	10,897	10,897
Total	367,840	367,840	303,999	303,999
Liabilities				
Loans	55,432,280	55,432,280	50,916,009	50,916,009
Accounts payable and other debts	20,323,685	20,323,685	21,970,146	21,970,146
Total	75,755,965	75,755,965	72,886,155	72,886,155
Net	(75,388,125)	(75,388,125)	(72,582,156)	(72,582,156)

NOTES TO THE FINANCIAL STATEMENTS (continued)**19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)****Fair value of financial instruments (continued)**

The carrying amounts of cash and cash equivalents, loans issued, other current financial assets and accounts payables and other debts approximate their fair values due to the short-term maturity of these instruments. Loans are stated at amortized costs which approximate their fair values.

Credit risk

Credit risk is the risk that one party with financial instrument will not be able to fulfil an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk from its operating activities and certain investing activities. The Company places deposits with Kazakh banks (*Notes 7 and 10*). The Company's management reviews credit ratings of this bank periodically to eliminate extraordinary credit risk exposure. The Company's management believes that the recent international credit crisis and subsequent changes in credit rating of local banks does not justify extraordinary credit risk.

Interest rate risk

The interest rate on loans is fixed. Therefore, as at 31 December 2025, income and cash flows from the principal activities of the Company are not exposed to changes in market interest rate. The Company's policy is to capitalise all borrowing costs eligible for capitalisation.

Currency risk

The Company is exposed to foreign currency risk with respect to loans denominated in currency other than tenge. USD is the main currency that causes such risk. The Company does not hedge the currency risk exposure, at the same time the management attempts to reduce this risk through management of monetary assets and liabilities in foreign currency at the same (more or less stable) level.

Below is the carrying amount of monetary assets and liabilities of the Company denominated in foreign currency as at the reporting date:

<i>In thousands of tenge</i>	31 December 2025	31 December 2024
Assets		
Cash and cash equivalents (<i>Note 10</i>)	21,404	10,897
Total	21,404	10,897
Liabilities		
Loans (<i>Note 13</i>)	16,408,098	24,511,005
Total	16,408,098	24,511,005
Net position	(16,386,694)	(24,500,108)

The sensitivity analysis with respect to foreign currency

The Company is exposed mainly to USD / tenge exchange rate risk. The following table details the sensitivity to a 15.88% and (6.68%) increase or decrease in USD against tenge for 2025 (2024: 9.09% and (7.34%)). The sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes assets and liabilities expressed in foreign currency at the end of the reporting date.

	For the year ended 31 December 2025		For the year ended 31 December 2024	
	tenge/USD +15.88%	tenge/USD -6.68%	tenge/USD +9.09%	tenge/USD -7.34%
Effect on net (loss)/profit	(2,602,758)	1,094,990	(2,205,010)	1,798,308

NOTES TO THE FINANCIAL STATEMENTS (continued)**19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)****Liquidity risk**

Liquidity risk is the risk that the Company will be unable to meet its obligations when due. The Company's liquidity position is carefully managed and controlled. The Company has in place a detailed budgeting and cash forecasting process to help ensure that it has adequate cash available to meet its payment obligations.

Operational risk

Operational risk is the risk to sustain financial losses as the result of business interruption and possible damage for the Company's property as the result of natural disasters and technological emergencies.

As at 31 December 2025 the Company's management believes that the Company has sufficient number of insurance policies with respect to civil liability.

Maturity of financial liabilities

The table below analyses the Company's financial liabilities which will be settled on a gross basis into relevant maturity groups based on the remaining period at the reporting date to the contractual maturity date.

<i>In thousands of tenge</i>	Less than 3 months	3 to 12 months	1 to 5 years	Total
As at 31 December 2025				
Loans	20,738,492	18,285,690	16,408,098	55,432,280
Accounts payable and other debts	20,323,685	–	–	20,323,685
Total	41,062,177	18,285,690	16,408,098	75,755,965
As at 31 December 2024				
Loans	26,405,004	–	24,511,005	50,916,009
Accounts payable and other debts	21,970,146	–	–	21,970,146
Total	48,375,150	–	24,511,005	72,886,155

20. RELATED PARTY BALANCES AND TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party, is jointly controlled or may exercise significant influence over or jointly control the other party in making operational and financial decisions. In considering each possible related party relationship, attention is directed to the nature of the relationship, and not merely the legal form. The ultimate controlling party of the Company is disclosed in *Note 1*.

The nature of the related party relationships for those related parties with whom the Company entered into significant transactions or had significant balances outstanding at 31 December 2025 and 2024 are detailed below:

As at 31 December 2025 balances of transactions with related parties are presented below:

<i>In thousands of tenge</i>	Notes	Entities under common control	Parent
Loans issued	8	53,334	–
Loans obtained	13	55,432,280	–

As at 31 December 2024 balances of transactions with related parties are presented below:

<i>In thousands of tenge</i>	Notes	Entities under common control	Parent
Loans obtained	13	50,916,009	–

NOTES TO THE FINANCIAL STATEMENTS (continued)**20. RELATED PARTY BALANCES AND TRANSACTIONS (continued)**

Transactions with related parties as at 31 December 2025:

<i>In thousands of tenge</i>	Notes	Entities under common control	Parent
Interest receivable accrued	8	3,334	-
Interest payable accrued	13	1,894,857	-

Transactions with related parties as at 31 December 2024:

<i>In thousands of tenge</i>	Notes	Entities under common control	Parent
Interest receivable accrued	8	78,201	-
Interest payable accrued	13	1,546,994	-

Compensation to the key management personnel

Salaries and related taxes of the key management in 2025 and 2024 amounted to 46,148 thousand tenge and 48,617 thousand tenge, respectively. As at 31 December 2025, key management personnel consists of two directors. (31 December 2024: two directors).

21. CONTINGENT AND CONTRACTUAL COMMITMENTS**Operating environment**

Economic reforms and the development of legal, tax and administrative infrastructure that would meet the requirements of a market economy continue in Kazakhstan. The future stability of the Kazakh economy will largely depend on the progress of these reforms, as well as on the effectiveness of the government's economic, financial and monetary policy measures.

Tax legislation

Kazakhstan's tax laws and regulations are subject to constant change and varying interpretations. Instances of inconsistent opinions between local, regional and national tax authorities are not unusual, including opinions regarding recognition of income and expense and other items in the IFRS consolidated financial statements. The current regime of penalties and interest related to reported and discovered violations of Kazakhstan law is severe. Penalties include fines, which are generally up to 80% of the taxes additionally assessed, and interest is assessed at the refinancing rate established by the National Bank of Kazakhstan multiplied by 1.25. As a result, the amount of penalties and fines may significantly exceed the amount of taxes subject to additional assessment. Fiscal periods remain open to review by tax authorities for 5 (five) calendar years preceding the year of review. Under certain circumstances reviews may cover longer periods.

Because of the uncertainties associated with the Kazakhstan tax system, the ultimate amount of taxes, penalties and fines, if any, may be in excess of the amount expensed to date and accrued at 31 December 2025. Management believes that as at 31 December 2025 its interpretation of the relevant legislation is appropriate and that it is probable that the Company's tax positions will be sustained.

Legal actions and claim

The Company was subject to legal proceedings and complaints, none of which, individually or collectively, had a significant adverse effect on the Company. Management believes that resolution of all these matters will not have a material impact on the Company's financial position or results of operations.

Environmental matters

The Company conducts relevant evaluation in order to comply with current environmental legislation and regulations of the Republic of Kazakhstan. However, recent environmental laws and regulations have been enacted, the interpretation and application of which are at the discretion of local environmental authorities and other regulatory authorities. Failure to comply with the laws and regulations of the Republic of Kazakhstan may result in the imposition of significant penalties and interest. Potential liabilities that may arise from changes in existing regulations or laws are not estimable but could be significant. However, based on its current interpretation of applicable law, management believes that the Company does not have any material liabilities that would have a material adverse effect on the Company's results of operations or financial condition in addition to the amounts already accrued and recognized in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

21. CONTINGENT AND CONTRACTUAL COMMITMENTS (continued)**Contractual commitments**

The Company fulfilled its commitments to drill 1 (one) well as of 31 December 2025 (2024: 3 (three) wells).

Social project commitments

Upon starting production, the Company user is obligated to annually:

- finance the training of Kazakhstani personnel in the amount of one percent of the production costs incurred by the subsoil user during the hydrocarbon production period, based on the results of the previous year;
- finance the socio-economic development of the region and the development of its infrastructure in the amount of one percent of the investments under the subsoil use contract during the hydrocarbon production period, based on the results of the previous year;
- finance research, scientific and technical, and/or experimental design works in the amount of one percent of the production costs incurred by the subsoil user during the hydrocarbon production period, based on the results of the previous year.

Work program

In accordance with the subsurface use contract, the Company is required to carry out a minimum exploration work program. Exploration work program is included in the annual budget approved by the Company. The amount of the approved work program for exploration activities of the Company for 2024-2025 is for amount of 1,860,960 thousand tenge. As at 31 December 2025, the Company has fulfilled its obligations under the exploration work program in the amount of 2,503,479 thousand tenge.

22. SUBSEQUENT EVENTS

On 23 February 2026, the Company signed an addendum to Contract No. 2433 dated 27 July 2007, under which the exploration period for the subsoil area, in accordance with Appendix No. 2 to the Contract, including the Asa, Kendirlik, Ortalyk, Oppak, and Tamgalytar fields was extended until 15 October 2031.