



*Directors' Statement and Non-Statutory
Audited Consolidated Financial Statements*

***IOCL Singapore Pte. Ltd.
and its Subsidiary***

(Co. Reg. No. 201613003E)

For the financial year ended 31 March 2024

IOCL Singapore Pte. Ltd. and its Subsidiary
(Co. Reg. No. 201613003E)

General Information

Directors

Loo Boon San	
Mohamed Tawfiq Bin Mohamed Zaini	
Raghunadhan Venkata Aravally	(Appointed on 20 March 2024)
Sanjay Kaushal	
Teng Hong Joe	(Appointed on 13 September 2023)
Vinod Kumar	
Tan Tow Siang	(Resigned on 13 September 2023)
Hridesh Baidail	(Resigned on 29 December 2023)

Secretary

Michael Craig Lawrence

Independent Auditor

HLB Atrede LLP

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IOCL Singapore Pte. Ltd. and its Subsidiary
(Co. Reg. No. 201613003E)

Directors' Statement

The directors are pleased to present their statement to the member together with the audited non-statutory consolidated financial statements of IOCL Singapore Pte. Ltd. (the "Company") and its subsidiary (the "Group") for the financial year ended 31 March 2024.

1. OPINION OF THE DIRECTORS

In the opinion of the directors, the accompanying non-statutory consolidated financial statements of the Group are drawn up so as to give a true and fair view of the financial position of the Group as at 31 March 2024 and of the financial performance, changes in equity and cash flows of the Group for the year ended on that date.

2. DIRECTORS

The directors of the Company in office at the date of this statement are

Loo Boon San
Mohamed Tawfiq Bin Mohamed Zaini
Raghunadhan Venkata Aravally
Sanjay Kaushal
Teng Hong Joe
Vinod Kumar

On behalf of the board of directors



Loo Boon San
Director

19 April 2024



Mohamed Tawfiq Bin Mohamed Zaini
Director

**Independent Auditor's Report
to the member of IOCL Singapore Pte. Ltd. and its Subsidiary
(Co. Reg. No. 201613003E)**

Report on the Audit of the Non-Statutory Consolidated Financial Statements

Opinion

We have audited the non-statutory consolidated financial statements of IOCL Singapore Pte. Ltd. (the "Company") and its subsidiary (the "Group"), which comprise the consolidated statement of financial position of the Group as at 31 March 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying non-statutory consolidated financial statements of the Group, are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) (SFRS(I)s) so as to give a true and fair view of the consolidated financial position of the Group as at 31 March 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). 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 Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Directors for the Non-Statutory Consolidated Financial Statements

Management is responsible for the preparation of non-statutory consolidated financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Independent Auditor's Report
to the member of IOCL Singapore Pte. Ltd. and its Subsidiary - continued
(Co. Reg. No. 201613003E)

Responsibilities of Management and Directors for the Non-Statutory Consolidated Financial Statements (continued)

In preparing the non-statutory consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Non-Statutory Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-statutory consolidated 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 SSAs 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 non-statutory consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the non-statutory consolidated 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 Group'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 Group'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 Group to cease to continue as a going concern.

Independent Auditor's Report
to the member of IOCL Singapore Pte. Ltd. and its Subsidiary - continued
(Co. Reg. No. 201613003E)

Auditor's Responsibilities for the Audit of the Non-Statutory Consolidated Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the non-statutory consolidated financial statements, including the disclosures, and whether the non-statutory consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the non-statutory consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

Restriction on distribution and use

The non-statutory consolidated financial statements have been prepared for the purpose of processing information to enable the holding company, Indian Oil Corporation Limited to prepare the financial statements of holding company. As a result, it may not be suitable for another purpose.

HLB ATREDE LLP

HLB Atrede LLP
Public Accountants and
Chartered Accountants

Singapore
19 April 2024

IOCL Singapore Pte. Ltd. and its Subsidiary
(Co. Reg. No. 201613003E)

Consolidated Statement of Financial Position as at 31 March 2024

	Note	2024 US\$	2023 US\$
Non-current assets			
Property, plant and equipment	5	218,878,494	207,995,907
Intangible assets	6	66,040,729	77,308,751
Right-of-use assets	7	128,421	270,094
Investments in joint ventures	8	719,586,496	926,069,762
Other investments	9	18,649,734	23,379,957
Other receivables	10	243,950	22,592
Fixed deposits	11	53,000,000	–
		<u>1,076,527,824</u>	<u>1,235,047,063</u>
Current assets			
Inventories	12	46,752,451	48,814,760
Trade receivables	13	19,782,459	19,501,285
Other receivables	10	17,678,763	30,137,570
Fixed deposits	11	115,750,000	24,000,000
Cash and cash equivalents	14	63,290,109	42,661,567
Assets held for sale	15	–	1,725
		<u>263,253,782</u>	<u>165,116,907</u>
Total assets		<u>1,339,781,606</u>	<u>1,400,163,970</u>
Current liabilities			
Trade and other payables	16	25,982,531	43,906,670
Lease liabilities	17	130,465	142,548
Tax payable	18	1,355,977	250,734
		<u>27,468,973</u>	<u>44,299,952</u>
Non-current liabilities			
Lease liabilities	17	–	132,690
Provisions	19	47,186,355	44,124,169
Deferred taxation	20	119,579,997	116,424,054
		<u>166,766,352</u>	<u>160,680,913</u>
Total liabilities		<u>194,235,325</u>	<u>204,980,865</u>
Net current assets		235,784,809	120,816,955
Net assets		<u>1,145,546,281</u>	<u>1,195,183,105</u>
Equity attributable to owner of the Company			
Share capital	21	1,329,991,988	1,329,991,988
Accumulated profits/(losses)		29,826,827	(26,103,648)
Reserves of a disposal group held for sale	15	–	1,725
Foreign currency translation reserve	22	(205,344,691)	(104,509,340)
Fair value reserve	23	(8,927,843)	(4,197,620)
Total equity		<u>1,145,546,281</u>	<u>1,195,183,105</u>

The accompanying notes form an integral part of the financial statements.

IOCL Singapore Pte. Ltd. and its Subsidiary
(Co. Reg. No. 201613003E)

Consolidated Statement of Comprehensive Income for the financial year ended 31 March 2024

	Note	2024 US\$	2023 US\$
Revenue	24	264,171,315	274,276,589
Cost of sales	25	<u>(210,181,514)</u>	<u>(213,765,373)</u>
Gross profit		53,989,801	60,511,216
Other income	26	2,770	7,587,799
Finance income	27	7,737,889	1,981,980
Administrative expenses	28	(598,349)	(563,881)
Finance costs	29	(1,515,705)	(2,039,324)
Share of results of joint ventures	8	<u>68,377,085</u>	<u>(2,686,494)</u>
Profit before tax		127,993,491	64,791,296
Income tax expense	30	<u>(37,064,597)</u>	<u>(42,302,710)</u>
Profit from continuing operation		90,928,894	22,488,586
<i>Discontinued operation</i>			
Loss after tax for the year from discontinued operation	15	<u>(144)</u>	<u>(2,989)</u>
Profit for the year		90,928,750	22,485,597
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(100,835,351)	34,399,155
<i>Item that will not be reclassified subsequently to profit or loss</i>			
Net loss on fair value of equity investment at fair value through other comprehensive income		(4,730,223)	(38,317,603)
Total other comprehensive loss of the year		(105,565,574)	(3,918,448)
Total comprehensive (loss)/income for the year		<u>(14,636,824)</u>	<u>18,567,149</u>

The accompanying notes form an integral part of the financial statements.

IOCL Singapore Pte. Ltd. and its Subsidiary
(Co. Reg. No. 201613003E)

Consolidated Statement of Changes in Equity for the financial year ended 31 March 2024

	Share capital US\$	Accumulated profits/(losses) US\$	Reserves of a disposal group held for sale US\$	Foreign currency translation reserve US\$	Fair value reserve US\$	Total equity US\$
Balance at 1 April 2022	1,329,991,988	139,412,480	–	(138,908,495)	34,119,983	1,364,615,956
Profit for the year	–	22,485,597	–	–	–	22,485,597
Other comprehensive income						
- Share of foreign currency translation gain from joint ventures	–	–	–	34,399,155	–	34,399,155
- Net loss on fair value of equity investment at fair value through other comprehensive income	–	–	–	–	(38,317,603)	(38,317,603)
Total comprehensive income/(loss) for the year	–	22,485,597	–	34,399,155	(38,317,603)	18,567,149
Discontinued operations (Note 15)	–	(1,725)	1,725	–	–	–
Dividends declared (Note 31)	–	(188,000,000)	–	–	–	(188,000,000)
Balance at 31 March 2023	1,329,991,988	(26,103,648)	1,725	(104,509,340)	(4,197,620)	1,19,51,83,105
Profit for the year	–	90,928,894	(144)	–	–	90,928,750
Other comprehensive income						
- Share of foreign currency translation loss from joint ventures	–	–	–	(100,835,351)	–	(100,835,351)
- Net loss on fair value of equity investment at fair value through other comprehensive income	–	–	–	–	(4,730,223)	(4,730,223)
Total comprehensive income/(loss) for the year	–	90,928,894	(144)	(100,835,351)	(4,730,223)	(14,636,824)
Discontinued operations (Note 15)	–	1,581	(1,581)	–	–	–
Dividends declared (Note 31)	–	(35,000,000)	–	–	–	(35,000,000)
Balance at 31 March 2024	1,329,991,988	29,826,827	–	(205,344,691)	(8,927,843)	1,145,546,281

The accompanying notes form an integral part of the financial statements.

IOCL Singapore Pte. Ltd. and its Subsidiary
(Co. Reg. No. 201613003E)

Consolidated Statement of Cash Flows for the financial year ended 31 March 2024

	2024 US\$	2023 US\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax for continuing operations	127,993,491	64,791,296
Adjustments for		
Amortisation of intangible assets	11,268,022	15,116,801
Depreciation of property, plant and equipment	31,409,512	35,473,076
Depreciation of right-of-use assets	141,673	191,426
Dividend income from other investments	–	(7,575,560)
Interest expense on lease liabilities	3,132	5,492
Interest income from fixed deposits	(7,737,564)	(1,981,558)
Interest income from security deposits	(325)	(422)
Share of results of joint ventures	(68,377,085)	2,686,494
Unrealised foreign exchange (gain)/loss, net	(2,110)	7,521
Unwinding of discount on provisions	1,512,573	2,033,832
Foreign tax as per Production Sharing Agreement	(32,515,486)	(31,461,238)
Operating profit before working capital changes	<u>63,695,833</u>	<u>79,287,160</u>
Decrease in inventories	2,062,309	276,270
Decrease/(increase) in trade and other receivables	12,857,903	(14,747,420)
(Decrease)/increase in trade and other payables	<u>(17,926,657)</u>	<u>10,393,976</u>
Cash generated from operations	60,689,388	75,209,986
Income tax paid	(287,925)	(154,939)
Net cash flows from operating activities	<u>60,401,463</u>	<u>75,055,047</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(40,742,486)	(47,317,510)
Increase in investments in joint ventures	(11,900,000)	(23,000,000)
Cash inflows/(outflows) from discontinued operation (Note 15)	1,581	(1,725)
Capital reduction from investments in joint ventures	164,150,000	–
Investment in fixed deposits	(168,750,000)	(24,000,000)
Proceeds from withdrawal of matured fixed deposits	24,000,000	–
Dividends income from joint ventures	21,775,000	207,499,000
Interest received	6,836,261	1,812,606
Net cash flows (used in)/from investing activities	<u>(4,629,644)</u>	<u>114,992,371</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(35,000,000)	(188,000,000)
Interest paid	(3,132)	(5,492)
Principal repayment of lease liabilities	(140,145)	(188,323)
Net cash flows used in financing activities	<u>(35,143,277)</u>	<u>(188,193,815)</u>
Net increase in cash and cash equivalents	20,628,542	1,853,603
Cash and cash equivalents at beginning of year	42,661,567	40,807,964
Cash and cash equivalents at end of year	<u>63,290,109</u>	<u>42,661,567</u>

The accompanying notes form an integral part of the financial statements.

Notes to the Financial Statements - 31 March 2024

These notes are an integral part of and should be read in conjunction with the accompanying financial statements.

1. FUNDAMENTAL ACCOUNTING CONCEPT

The Group holds significant investment in a joint venture with interests in the Russian Federation as disclosed in Note 8 of the financial statements. The commencement of the special military operations in Ukraine by the Russian Federation in February 2022 and severe sanctions imposed by the United States of America, the European Union and numerous other countries on the Russian Government is considered a significant event to the Company and the oil and gas industry as this may have an impact on the price of oil as supply may be limited globally.

Management has consulted its legal advisor and assessed that the sanctions imposed on Russia had no adverse effect on the Group's investments in the Russia Federation in the immediate term. The management has also engaged an external valuer and determined that no impairment is required for these investments as the valuation report indicated that the recoverable amounts exceeded the carrying amounts of these investments as at 31 December 2023 as disclosed in Note 8 to the financial statements.

As at the date of these financial statements, the operations of the joint ventures in Russia, JSC Vankorneft and TYNGD LLC were not immediately affected by the sanctions and continued uninterrupted as its key customers are based in China which did not imposed any sanctions on the Russian government.

Accordingly, management is of the view that the going concern basis is appropriate in the preparation of the financial statements as Company is profitable and has sufficient funds to meet its obligations as and when they fall due.

2. CORPORATE INFORMATION

The Company is a private limited by shares, incorporated and domiciled in Singapore. The Company's holding company is Indian Oil Corporation Limited, a company incorporated and listed in India.

The Company's registered office and principal place of business is located at 8 Cross Street #24-03/04 Manulife Tower Singapore 048424.

The principal activities of the Company are investments holding, trading of crude oil and to hold a 17% interest in the Mukhaizna Production Sharing Agreement ("PSA"), which is a field, in the Sultanate of Oman operated by Occidental Mukhaizna LLC ("the Operator").

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

(a) *Basis of preparation*

The non-statutory consolidated financial statements of the Group for the financial year ended 31 March 2024 have been prepared in accordance with the accounting policies of the Indian Oil Corporation Limited for purposes of providing information to enable it to prepare the financial statements of the Indian Oil Corporation Limited.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(a) *Basis of preparation (continued)*

The individual financial statements of each entity within the Group are measured and presented in the currency of primary economic environment in which the entity operates (its functional currency). The non-statutory consolidated financial statements of the Group are presented in United States Dollar (USD or US\$) which is the functional currency of the Company and the presentation currency for the non-statutory consolidated financial statements, and all values presented to the nearest dollar.

(b) *Adoption of new and amended standards and interpretations*

The accounting policies adopted are consistent with those of the previous financial year except that in current financial year, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial period beginning on or after 1 April 2023. The adoption of these standards did not have any material effect on the financial statements of the Group.

(c) *Standards issued but not yet effective*

A number of new standards and amendments to standard that have been issued are not yet effective and have not been applied in preparing these financial statements.

The directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application.

(d) *Basis of consolidation and business combinations*

The non-statutory consolidated financial statements comprise the financial statements of the Group and its subsidiary as at the end of the reporting period. The financial statements of the subsidiary used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Group. Consistent accounting policies are applied to like transactions and events in similar circumstances. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiary are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(d) *Basis of consolidation and business combinations (continued)*

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

(e) *Joint ventures*

Joint ventures are entities over which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the joint venture is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the joint venture's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the Group's share of the joint venture's profit or loss in the period in which the investment is acquired.

Investments in joint ventures are accounted for using the equity method. It is recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the non-statutory consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("OCI") of equity-accounted investee, after adjustments to align the accounting policies with those of the Group, from the date that joint control commences until the date that joint control ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognised in profit or loss, and is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(e) ***Joint ventures (continued)***

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the statement of profit or loss and other comprehensive income.

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in the statement of profit or loss and other comprehensive income.

(f) ***Joint operation***

The Group's exploration, development and production activities are generally conducted in joint arrangement with other companies. The contract between the parties of joint arrangement require all the parties to take all of the output at a price covering the costs of the arrangement and provides rights to the underlying assets and obligations for the liabilities of the arrangement. This determined classification as a joint operation.

The Group recognises its assets, liabilities and expenses relating to its interests in joint operations, including its share of assets held jointly and liabilities and expenses incurred jointly with other parties according to the applicable standards and accounting policies as per these non-statutory financial statements. Since, all of the output is taken by the parties and there is a joint operation, the Group only recognises revenue as and when it sells its share of output to third parties.

(g) ***Functional and foreign currency***

The management has determined the currency of the primary economic environment in which the Group operates i.e. functional currency, to be USD.

Foreign currency transactions

Transactions in foreign currencies are measured in USD and are recorded on initial recognition at exchange rates approximating those ruling at the transaction dates.

Monetary assets and liabilities denominated in foreign currencies are re-translated to the functional currency at the rate of exchange ruling at the end of the reporting period. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of initial recognition. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(g) *Functional and foreign currency (continued)*

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to at exchange rates USD at the reporting date. The income and expenses of foreign operations are translated to USD at the average exchange rates for the reporting period.

Foreign currency differences are recognised in OCI and presented in the foreign currency translated reserve (translation reserve) in equity. When a foreign operation is disposed of such that joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its investment in a joint venture that includes a foreign operation while retaining joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in OCI and are presented in the translation reserve in equity.

(h) *Property, plant and equipment*

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost includes the cost of replacing part of the property, plant and equipment that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognise such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation of development cost of facilities and development cost of wells are based on the unit of production method over developed reserves of the field.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(h) *Property, plant and equipment (continued)*

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

General property	–	5 years
Office equipment and furniture	–	3 to 10 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

The gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Decommissioning and restoration costs

At the end of the producing life of a field, costs are incurred in removing and decommissioning facilities, plugging and abandoning wells. The total estimated cost of decommissioning and restoration, discounted to its net present value, is provided for and also recognised as a cost of each oil well and facility and capitalised within cost of property, plant and equipment.

The capitalised cost is amortised on a unit-of-production basis based on proved reserve for offshore facilities and oil wells. The unwinding of the discount on the provision is included in finance costs.

Any revision in the estimated cost of decommissioning which alters the provision is adjusted in the cost of the associated asset. If a decrease in the provision exceeds the asset's carrying amount, the excess is recognised in the statement of profit and loss and comprehensive income. Changes in estimates of assets are depreciated prospectively over the remaining reserves of the field.

(i) *Intangible asset*

Mineral right

Mineral right is initially recognised at cost and is subsequently carried at cost less accumulated amortisation and accumulated impairment losses. The intangible asset is amortised based on unit of production method over proved developed reserves of the field.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(j) ***Exploration, appraisal and development cost***

Exploration and appraisal costs are accounted for under the successful efforts method.

Exploration costs are recognised under cost of sales in statement of profit and loss and comprehensive income when incurred, except that exploratory drilling costs are included in property plant and equipment pending determination of proved reserves.

Exploration costs capitalised in respect of exploration wells that are more than 12 months old are expensed unless (a) (i) they are in an area requiring major capital expenditure before production can begin and (ii) they have found commercially producible quantities of reserves and (iii) they are subject to further exploratory or appraisal activity in that either drilling of additional exploratory wells is under way or firmly planned for the near future, or (b) proved reserves are booked within 12 months following the completion of exploratory drilling.

The compensation payable to the non-Mukhaizna partners in respect of the blending of the Mukhaizna oil in the Main Oil Line in Oman is charged to exploration and production expenses.

(k) ***Underliftment and overliftment of crude oil***

The PSA binds the participating parties for the entitlement in the produced oil (usually in proportion to each party's equity interest). Under this, parties take their shares of output in a given period which are different from their entitlement. This results in underliftment/overliftment.

The under/overliftment quantity is valued at Official Selling Price (OSP) published by Ministry of Oil & Gas (MOG), Oman less quality adjustment price. The adjustment towards these under/over liftment is recognised against cost of sales in the statement of comprehensive income.

Underliftments are recorded in other receivables valued at market value, and overliftments are recorded in trade and other payables and accrued at the market value.

(l) ***Financial instruments***

(i) ***Financial assets***

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group 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 that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

(1) *Financial instruments (continued)*

(i) *Financial assets (continued)*

Initial recognition and measurement (continued)

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

▪ *Amortised cost*

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are de-recognised or impaired, and through amortisation process.

▪ *Fair value through other comprehensive income (FVOCI)*

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

▪ *Fair value through profit or loss*

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

(1) ***Financial instruments (continued)***

(i) ***Financial assets (continued)***

Subsequent measurement (continued)

Investments in equity instrument

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in profit or loss when the right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amounts and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(ii) ***Financial liabilities***

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On de-recognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(l) *Financial instruments (continued)*

(iii) *Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(m) *Impairment of financial assets*

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group 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).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(m) *Impairment of financial assets (continued)*

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events

- (i) significant financial difficulty of the issuer or the borrower;
- (ii) a breach of contract, such as a default or past due event;
- (iii) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (iv) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (v) the disappearance of an active market for that financial asset because of financial difficulties.

Write-off

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

(n) *Impairment of non-financial assets*

The Group assesses at the end of each reporting period whether there is an indication that a non-financial asset, other than investment property accounted for at fair value and inventories may be impaired. If any such an indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash generation unit to which the asset belongs.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(o) ***Inventories***

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Store and spares – weighted average basis

Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

The amount of any write-down of inventories to net realisable value and all losses of inventories shall be recognised as an expense in the period the write-down or loss occurs.

The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, shall be recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurred.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(p) ***Cash and cash equivalents***

Cash and cash equivalents comprise cash at bank and short-term deposits with a maturity of three months or less, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value.

(q) ***Trade and other payables***

Trade and other payables are non-interest bearing and trade payable are normally settled on 30 to 60 days' terms while other payables have an average term of six months.

(r) ***Provisions***

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Notes to the Financial Statements - 31 March 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (*continued*)

(s) ***Employee benefits***

(i) ***Defined contribution plans***

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

(ii) ***Employee leave entitlement***

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

(t) ***Leases***

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

(i) ***As lessee***

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

▪ ***Right-of-use assets***

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows

Office premises facility - 3 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

(t) *Leases (continued)*

(i) *As lessee (continued)*

▪ *Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

▪ *Short term and low value leases*

The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (*continued*)

(t) ***Leases (continued)***

(ii) *As lessor*

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from operating leases on the Group's investment properties is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in

negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(u) ***Revenue***

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Revenue is recognised when a performance obligation is satisfied. Revenue is measured based on consideration of which the Group expects to be entitled in exchange for transferring promised good or services to a customer, excluding amounts collected on behalf of third parties (i.e. sales related taxes). The consideration promised in the contracts with customers may include fixed amounts, variable amounts or both. The Group's revenue is derived from fixed price contracts and therefore, the amount of revenue earned for each contract is determined by reference to those fixed prices.

(i) ***Crude oil and related products***

Revenue from sale of crude oil and refine products is recognised at a point in time when the performance obligations are satisfied when the control of the products (i.e. risk of obsolescence and loss of shipment) are transferred to the customers. This generally occurs when the product is physically transferred into a vessel, pipe or other delivery mechanism, depending on the contractually agreed term. There is limited judgement needed to identify when the point of control passes to customers. There is no element of significant financing component in the Group's revenue transactions as customers are required to pay within a credit term of 30 days.

The profit oil sold and paid to the Government of Oman as a part of Profit Sharing Agreement has been excluded from revenue and the income tax on lifted share has been assumed and paid to the Government of Oman as part of profit oil. Same is considered as a tax expense with the corresponding receipt being included in revenue.

Notes to the Financial Statements - 31 March 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

(u) **Revenue *(continued)***

(ii) *Services income*

Revenue from services income pertains to income from services provided by Group in relation to assistance to carry out operations of one of its joint venture, URJA Bharat Pte Limited to facilitate its activities in Singapore. Revenue from sale of services is recognised at a point in time when the services are rendered.

(iii) *Interest income*

Interest income is recognised using the effective-interest method.

(iv) *Dividend income*

Dividend income is recognised when the Group right to receive payment is established.

(v) **Taxes**

(i) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period.

Current income taxes are recognised in the profit or loss except to the extent that tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

(v) ***Taxes (continued)***

(ii) ***Deferred tax (continued)***

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured using the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(iii) ***Foreign tax – production sharing agreement***

Income taxes at the rate of 55% are to be paid by the Government of Sultanate of Oman on behalf of the Group from the Government's share of production in accordance with the requirements of the Article XII of the production sharing agreement, as amended. The income tax assumed and paid to the Government of Oman is considered as a tax expense with the corresponding receipt being treated as income and included in revenue for the respective year.

(w) ***Related parties***

A related party is defined as follows

- (a) A person or a close member of that person's family is related to the Group if that person
- (i) Has control or joint control over the Group;
 - (ii) Has significant influence over the Group; or
 - (iii) Is a member of the key management personnel of the Group or of a parent of the Group.

Notes to the Financial Statements - 31 March 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

(w) ***Related parties (continued)***

- (b) An entity is related to the Group if any of the following conditions applies
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) Both entities are joint ventures of the same third party;
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group;
 - (vi) The entity is controlled or jointly controlled by a person identified in (a);
 - (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities, and the disclosure of contingent liabilities as at the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Impairment of investments in joint ventures

At the end of each financial year, an assessment is made on whether there is indication that the investments in joint ventures are impaired. The management's assessment on existence of impairment indicators associated with its investments in joint ventures and the carrying amounts of the investments in joint ventures as at 31 March 2024 are disclosed in Note 8 to the financial statements.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. For the purposes of determining fair value, the key assumptions management uses in estimating discounted risk-adjusted future cash flows are future oil and gas prices, expected production volumes, refining margins and weighted average cost of capital appropriate to the local circumstances and environment. These assumptions and the judgements of management that are based on them are subject to change as new information becomes available. Changes in economic conditions can also affect the rate used to discount future cash flow estimates.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Impairment of non-financial assets (continued)

Future price assumptions tend to be stable because management does not consider short-term increases or decreases in prices as being indicative of long-term levels, but they are nonetheless subject to change. Expected production volumes which comprise proved reserves and unproven volumes, are used for impairment testing because management believes this to be the most appropriate indicator of expected future cash flows. Reserves estimates are inherently imprecise. Furthermore, projections about unproved volumes are based on information that is necessarily less robust than that available for mature reservoirs. Due to the nature and geographical spread of the business activity in which those assets are used, it is typically not practicable to estimate the likelihood or extent of impairments under different sets of assumptions. The discount rate applied is reviewed annually.

Changes in assumptions could affect the carrying amounts of assets, and impairment charges and reversals will affect income. The carrying amounts of property, plant and equipment and intangible assets as at 31 March 2024 are disclosed in Notes 5 and 6 to the financial statements, respectively.

Decommissioning and restoration provisions

Estimates of the amounts of decommissioning provisions recognised are based on current legal and constructive requirements, technology and price levels. Actual outflows can differ from estimates due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are regularly reviewed and adjusted to take account of such changes. The discount rate applied is reviewed annually. Impact of change in estimate and discount rate are disclosed in Note 19 to the financial statements.

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Notes to the Financial Statements - 31 March 2024

5. PROPERTY, PLANT AND EQUIPMENT

	Construction in progress* US\$	Development cost – facilities US\$	Development cost – wells** US\$	General property US\$	Office equipment and furniture US\$	Total US\$
Cost						
As at 1 April 2022	17,443,159	86,262,476	206,760,345	3,006,574	36,927	313,509,481
Additions	20,513,741	–	25,692,645	1,258,411	–	47,464,797
Transfers	(24,166,031)	24,166,031	–	–	–	–
Change in estimate of provision for decommissioning (Note 19)	–	(2,578,235)	(9,849,235)	–	–	(12,427,470)
As at 31 March 2023	13,790,869	107,850,272	222,603,755	4,264,985	36,927	348,546,808
Additions	21,461,187	–	18,841,265	609,746	–	40,912,198
Transfers	(9,769,113)	9,769,113	–	–	–	–
Change in estimate of provision for decommissioning (Note 19)	–	87,458	1,292,443	–	–	1,379,901
As at 31 March 2024	25,482,943	117,706,843	242,737,463	4,874,731	36,927	390,838,907
Accumulated depreciation						
As at 1 April 2022	–	27,499,779	75,820,585	1,729,052	28,409	105,077,825
Charge for the year	–	12,285,927	22,603,953	579,656	3,540	35,473,076
As at 31 March 2023	–	39,785,706	98,424,538	2,308,708	31,949	140,550,901
Charge for the year	–	11,012,198	19,706,419	688,975	1,920	31,409,512
As at 31 March 2024	–	50,797,904	118,130,957	2,997,683	33,869	171,960,413
Net carrying amount						
As at 31 March 2023	13,790,869	68,064,566	124,179,217	1,956,277	4,978	207,995,907
As at 31 March 2024	25,482,943	66,908,939	124,606,506	1,877,048	3,058	218,878,494

*Construction in progress includes capital expenditure incurred in relation to the development of wells and facilities.

** Included in the additions is an amount of US\$169,712 (2023: US\$147,287) relating to the capitalisation of asset retirement obligation (ARO).

Notes to the Financial Statements - 31 March 2024

6. INTANGIBLE ASSETS

	Mineral rights US\$
Cost	
At 1 April 2022, 31 March 2023 and 31 March 2024	<u>232,104,097</u>
Accumulated amortisation and impairment	
At 1 April 2022	139,678,545
Charge for the year	<u>15,116,801</u>
At 31 March 2023	154,795,346
Charge for the year	<u>11,268,022</u>
At 31 March 2024	<u>166,063,368</u>
Carrying amount	
At 31 March 2023	<u>77,308,751</u>
At 31 March 2024	<u>66,040,729</u>

7. RIGHT-OF-USE ASSETS

	Office premises facility US\$
Cost	
At 1 April 2022, 31 March 2023 and 31 March 2024	<u>943,679</u>
Accumulated depreciation	
At 1 April 2022	482,159
Charge for the year	<u>191,426</u>
At 31 March 2023	673,585
Charge for the year	<u>141,673</u>
At 31 March 2024	<u>815,258</u>
Net carrying amount	
At 31 March 2023	<u>270,094</u>
At 31 March 2024	<u>128,421</u>

The Group has lease contracts for office premises facility. The Group's obligations under these leases are secured by the lessor's title to the leased assets. The Group is restricted from assigning and subleasing the leased assets. The remaining lease term of the assets is less than one year (2023: two years).

Notes to the Financial Statements - 31 March 2024

7. RIGHT-OF-USE ASSETS (continued)

The carrying amounts of lease liabilities and maturity analysis of lease liabilities are presented in Note 17 to the financial statements.

	2024	2023
	US\$	US\$
(i) Amounts recognised in statement of profit or loss		
Depreciation of right-of-use assets	141,673	191,426
Interest expense on lease liabilities	3,132	5,492
Expenses related to short-term leases	67,182	12,234
	<u>211,987</u>	<u>209,152</u>

(ii) The Group's total cash outflow for all the leases amounted to US\$140,145 (2023: US\$188,323) in 2024.

8. INVESTMENTS IN JOINT VENTURES

Balance at beginning of the year	926,069,762	1,078,856,101
Share of results	68,377,085	(2,686,494)
Share of other comprehensive income	(100,835,351)	34,399,155
Additional investments	11,900,000	23,000,000
Dividends received	(21,775,000)	(207,499,000)
Capital reduction	(164,150,000)	–
At end of the year	<u>719,586,496</u>	<u>926,069,762</u>

The Group has four (2023: four) joint ventures. These joint ventures are structured as separate vehicles and the Group has rights to the net assets in TAAS India Pte. Ltd., Vankor India Pte. Ltd., URJA Bharat Pte. Ltd. and Bharat Energy Office LLC. The Group has classified its interests in the investment as joint ventures, which are equity accounted for.

URJA Bharat Pte. Limited is involved in the exploration of crude oil in Abu Dhabi and commenced exploration in 2019. In accordance with the Exploration Concession Agreement, the joint venture has a minimum work commitment consisting of seismic data acquisitions, drilling of five exploration wells and four appraisal wells. As of 31 December 2023, the drilling of two out of four of the appraisal wells and four out of five exploration wells have been completed.

During the financial year, there is a capital reduction of US\$77,00,000 and US\$87,100,000 received from TAAS India Pte. Ltd. and Vankor India Pte. Ltd. respectively.

Details of the joint ventures as at 31 March are as follows

Name of joint ventures	Country of incorporation	Principal activities	Proportion of ownership interest	
			2024	2023
			%	%
<i>Directly held</i>				
TAAS India Pte. Ltd.* ("TAAS India")	Singapore	Investment holding	33.5	33.5

Notes to the Financial Statements - 31 March 2024

8. INVESTMENTS IN JOINT VENTURES (continued)

Details of the joint ventures as at 31 March are as follows (continued)

Name of joint ventures	Country of incorporation	Principal activities	Proportion of ownership interest	
			2024 %	2023 %
<i>Directly held</i>				
Vankor India Pte. Ltd.* ("Vankor India")	Singapore	Investment holding	33.5	33.5
URJA Bharat Pte. Limited* ("URJA Bharat")	Singapore	Extraction of oil and gas	50	50
Bharat Energy Office LLC# ("Bharat Energy")	Russian Federation	Extraction of oil and gas	20	20

* Audited by HLB Atrede LLP

Audit is not required by law in country of incorporation

Details of the investee companies as at 31 March are as follows

Name of investee company	Country of incorporation	Principal activities	Proportion of ownership interest	
			2024 %	2023 %
<i>Held through TAAS India Pte. Ltd.</i>				
TYNGD LLC #	Russian Federation	Oil production and exploration	10	10
<i>Held through Vankor India Pte. Ltd.</i>				
JSC Vankorneft #	Russian Federation	Oil production and exploration	8	8

* Audited by other firm

The following summarises the financial information of the Group's joint ventures based on the financial statements for year ended 31 December 2023 prepared in accordance with SFRS(I). No audited financial information of the joint ventures were available for the period from 1 January 2024 to 31 March 2024. Management has assessed the changes in this period in respect of amounts of balances and transactions based on management accounts, changes in the business environment and any potential impairment indicators and concluded that no adjustment of share in net result of joint ventures is required.

Notes to the Financial Statements - 31 March 2024

8. INVESTMENTS IN JOINT VENTURES (continued)

Management has performed an impairment assessment of the joint ventures which includes assessing the impact of the sanctions as disclosed in Note 1 to the financial statements. Management concluded that no impairment of investment in joint ventures is required as the joint ventures are profitable and were not immediately affected by the sanctions and continued uninterrupted as its key customers are based in China which did not impose any sanctions on the Russian government.

Summarised financial information of joint ventures

Summarised statement of financial position

	TAAS India	Vankor India	URJA Bharat	Bharat Energy	Total
	US\$	US\$	US\$	US\$	US\$
31 December 2023					
Current assets	498,894,853	368,158,585	6,941,995	372,499	874,367,932
Non-current assets	464,255,258	907,605,507	83,283,977	180,646	1,455,325,388
Total assets	<u>963,150,111</u>	<u>1,275,764,092</u>	<u>90,225,972</u>	<u>553,145</u>	<u>2,329,693,320</u>
Current liabilities	(2,662,558)	(1,907,560)	(24,721,484)	(171,864)	(29,463,466)
Non-current liabilities	(19,327)	–	–	(148,292)	(167,619)
Total liabilities	<u>(2,681,885)</u>	<u>(1,907,560)</u>	<u>(24,721,484)</u>	<u>(320,156)</u>	<u>(29,631,085)</u>
Net assets	<u>960,468,226</u>	<u>1,273,856,532</u>	<u>65,504,488</u>	<u>232,989</u>	<u>2,300,062,235</u>
Proportion of the Company's ownership	33.5%	33.5%	50%	20%	
Company's share of net assets	321,756,855	426,741,938	32,752,244	46,598	781,297,635
Capital injection*	–	–	5,400,000	–	5,400,000
Capital reduction**	(30,150,000)	(36,850,000)	–	–	(67,000,000)
Others	(111,139)	–	–	–	(111,139)
Carrying amount of the investments	<u>291,495,716</u>	<u>389,891,938</u>	<u>38,152,244</u>	<u>46,598</u>	<u>719,586,496</u>
31 December 2022					
Current assets	660,386,855	528,760,647	16,046,139	435,448	1,205,629,089
Non-current assets	616,121,701	1,086,232,994	65,615,603	380,991	1,768,351,289
Total assets	<u>1,276,508,556</u>	<u>1,614,993,641</u>	<u>81,661,742</u>	<u>816,439</u>	<u>2,973,980,378</u>

Notes to the Financial Statements - 31 March 2024

8. INVESTMENT IN JOINT VENTURES (continued)

Summarised financial information of joint ventures

Summarised statement of financial position (continued)

	TAAS India US\$	Vankor India US\$	URJA Bharat US\$	Bharat Energy US\$	Total US\$
31 December 2022					
Current liabilities	(1,448,136)	(1,192,646)	(24,196,314)	(160,886)	(26,997,982)
Non-current liabilities	(64,263)	(41,878)	–	(329,710)	(435,851)
Total liabilities	<u>(1,512,399)</u>	<u>(1,234,524)</u>	<u>(24,196,314)</u>	<u>(490,596)</u>	<u>(27,433,833)</u>
Net assets	<u>1,274,996,157</u>	<u>1,613,759,117</u>	<u>57,465,428</u>	<u>325,843</u>	<u>2,946,546,545</u>
Proportion of the Company's ownership	33.5%	33.5%	50%	20%	
Company's share of net assets	427,123,714	540,609,305	28,732,714	65,168	996,530,901
Dividends paid	(53,600,000)	(16,750,000)	–	–	(70,350,000)
Others	(111,139)	–	–	–	(111,139)
Carrying amount of the investments	<u>373,412,575</u>	<u>523,859,305</u>	<u>28,732,714</u>	<u>65,168</u>	<u>926,069,762</u>

Summarised statement of comprehensive income

31 December 2023					
Share of profit in joint ventures, associate	165,272,607	120,917,266	–	994,270	287,184,143
Other income	19,735,545	18,288,743	28,820	199	38,053,307
Expenses	(46,771,906)	(31,359,497)	(4,989,760)	(1,000,169)	(84,121,332)
Profit/(loss) before tax	138,236,246	107,846,512	(4,960,940)	(5,700)	241,116,118
Tax expense	(22,633,768)	(11,911,080)	–	(32,513)	(34,577,361)
Profit/(loss) for the year	115,602,478	95,935,432	(4,960,940)	(38,213)	206,538,757
Other comprehensive loss	(110,130,409)	(190,838,017)	–	(54,641)	(301,023,067)
Total comprehensive income/(loss)	<u>5,472,069</u>	<u>(94,902,585)</u>	<u>(4,960,940)</u>	<u>(92,854)</u>	<u>(94,484,310)</u>

Notes to the Financial Statements - 31 March 2024

8. INVESTMENT IN JOINT VENTURES (continued)

Summarised financial information of joint ventures (continued)

Summarised statement of comprehensive income (continued)

	TAAS India	Vankor India	URJA Bharat	Bharat Energy	Total
	US\$	US\$	US\$	US\$	US\$
31 December 2022					
Share of profit in joint ventures, associate	72,620,743	49,656,681	–	610,193	122,887,617
Other income	7,767,102	8,580,131	–	–	16,347,233
Expenses	(52,888,899)	(33,108,788)	(25,488,164)	(983,381)	(112,469,232)
Profit/(loss) before tax	27,498,946	25,128,024	(25,488,164)	(373,188)	26,765,618
Tax expense	(16,268,030)	(6,156,607)	–	72,220	(22,352,417)
Profit/(loss) for the year	11,230,916	18,971,417	(25,488,164)	(300,968)	4,413,201
Other comprehensive income	62,079,247	40,529,089	–	126,811	102,735,147
Total comprehensive income/(loss)	73,310,163	59,500,506	(25,488,164)	(174,157)	107,148,348

Reconciliation of summarised financial information

31 December 2023

Net assets attributable to equity holders

At beginning of year	1,274,996,157	1,613,759,117	57,465,428	325,843	2,946,546,545
Capital injection	–	–	13,000,000	–	13,000,000
Profit/(loss) for the year	115,602,478	95,935,432	(4,960,940)	(38,213)	206,538,757
Other comprehensive loss	(110,130,409)	(190,838,017)	–	(54,641)	(301,023,067)
Dividends paid	(180,000,000)	(95,000,000)	–	–	(275,000,000)
Capital reduction	(140,000,000)	(150,000,000)	–	–	(290,000,000)
At end of year	960,468,226	1,273,856,532	65,504,488	232,989	2,300,062,235

Proportion of the Company's ownership

Carrying value	33.5%	33.5%	50%	20%	
Capital injection*	–	–	5,400,000	–	5,400,000
Others	(111,139)	–	–	–	(111,139)
Capital reduction**	(30,150,000)	(36,850,000)	–	–	(67,000,000)
Net carrying value	291,495,716	389,891,938	38,152,244	46,598	719,586,496

Notes to the Financial Statements - 31 March 2024

8. INVESTMENT IN JOINT VENTURES (continued)

Summarised financial information of joint ventures (continued)

Reconciliation of summarised financial information (continued)

	TAAS India US\$	Vankor India US\$	URJA Bharat US\$	Bharat Energy US\$	Total US\$
31 December 2022					
Net assets attributable to equity holders					
At beginning of year	1,361,685,994	1,803,658,611	36,953,592	500,000	3,202,798,197
Capital injection	–	–	46,000,000	–	46,000,000
Profit/(loss) for the year	11,230,916	18,971,417	(25,488,164)	(300,968)	4,413,201
Other comprehensive income	62,079,247	40,529,089	–	126,811	102,735,147
Dividends paid	(160,000,000)	(249,400,000)	–	–	(409,400,000)
At end of year	1,274,996,157	1,613,759,117	57,465,428	325,843	2,946,546,545
Proportion of the Company's ownership					
	33.5%	33.5%	50%	20%	
Carrying value	427,123,714	540,609,305	28,732,714	65,168	996,530,901
Dividends paid	(53,600,000)	(16,750,000)	–	–	(70,350,000)
Others	(111,139)	–	–	–	(111,139)
Net carrying value	373,412,575	523,859,305	28,732,714	65,168	926,069,762

* During the period between 1 January 2024 to 31 March 2024, the Company has made further investment of US\$,5400,000 in URJA Bharat. Therefore, the carrying value of the investment in joint ventures does not reconcile with the share of joint ventures' equity due to different year ends.

** During the period between 1 January 2024 to 31 March 2024, there is capital reduction of US\$30,150,000 and US\$36,850,000 received from TAAS India and Vankor India respectively. Therefore, the carrying value of the investment in joint ventures does not reconcile with the share of joint ventures' equity due to different year ends.

IOCL Singapore Pte. Ltd. and its Subsidiary
(Co. Reg. No. 201613003E)

Notes to the Financial Statements - 31 March 2024

8. INVESTMENTS IN JOINT VENTURES (continued)

Summarised financial information of joint ventures (continued)

Name of joint venture	Nature of relationship with Company	Effective interest held by the Company	31 December 2023		31 December 2022	
			Total capital expenditure incurred by the joint venture	Company's proportionate share of capital expenditure incurred by the joint venture	Total capital expenditure incurred by the joint venture	Company's proportionate share of capital expenditure incurred by the joint venture
			US\$	US\$	US\$	US\$
TAAS India Pte. Ltd	Joint venture	33.5%	1,223	410	–	–
TYNGD LLC	Step-down joint venture	10%	188,662,799	18,866,280	251,027,128	25,144,132
Vankor India Pte. Ltd.	Joint venture	33.5%	–	–	–	–
JSC Vankoneft	Associate of joint venture	8%	28,825,342	2,306,027	285,259,190	22,839,277
URJA Bharat Pte. Limited	Joint venture	50%	17,671,068	8,835,534	34,338,710	17,169,355
Bharat Energy Office LLC	Joint venture	20%	–	–	–	–

Notes to the Financial Statements - 31 March 2024

9. OTHER INVESTMENTS

	2024 US\$	2023 US\$
<i>Quoted equity investment at FVOCI</i>		
At the beginning of the year	23,379,957	–
Transfer from unquoted equity investment	–	54,122,000
Dividend received in the form of shares	–	7,575,560
Net loss from fair value adjustment	(4,730,223)	(38,317,603)
At the end of the year	<u>18,649,734</u>	<u>23,379,957</u>

The investment represents the 6,025,762 shares of LanzaTech Global, Inc., a company listed on Nasdaq. The Company has designated this listed equity instrument to be measured at fair value through other comprehensive income ("FVOCI"). The Group intends to hold these investments for long-term for appreciation in value as well as strategic investments purposes.

10. OTHER RECEIVABLES

<i>Non-current</i>		
Interest receivables from bank deposits	243,910	–
Prepayments	40	–
Security deposits	–	22,592
	<u>243,950</u>	<u>22,592</u>
<i>Current</i>		
Advances to operators	3,277,667	10,977,383
Amount due from holding company	–	23,728
Amounts due from third parties	1,028,136	976,416
Interest receivables from bank deposits	829,484	172,091
Prepayments	18,225	19,905
Security deposits	34,568	12,343
Underliftment	12,490,683	17,955,704
	<u>17,678,763</u>	<u>30,137,570</u>

11. FIXED DEPOSITS

<i>Non-current</i>		
Deposits placed with maturity more than 12 months	53,000,000	–
	<u>53,000,000</u>	<u>–</u>
<i>Current</i>		
Deposits placed with maturity more than 3 months and up to 12 months	115,750,000	24,000,000
	<u>115,750,000</u>	<u>24,000,000</u>

Fixed deposits are placed for a period of three to more than twelve months depending on the immediate and future cash requirements of the Group and earn interest at the respective deposit rates.

The weighted-average effective interest rate per annum for the fixed deposits ranged from 5% to 6.02% (2023: 5.2% to 5.4%) per annum.

Notes to the Financial Statements - 31 March 2024

12. INVENTORIES

	2024 US\$	2023 US\$
Store and spares	<u>46,752,451</u>	<u>48,814,760</u>

13. TRADE RECEIVABLES

Third parties	19,767,579	19,485,925
Amount due from a joint venture	<u>14,880</u>	<u>15,360</u>
	<u>19,782,459</u>	<u>19,501,285</u>

Trade receivables are non-interest bearing and are generally on 30 days' terms. They are recognised at their original invoice amounts which represents their fair values on initial recognition. They are current and not past due as at 31 March 2024 and 2023.

The amount due from a joint venture is unsecured, interest-free, repayable upon demand and is to be settled in cash.

14. CASH AND CASH EQUIVALENTS

Cash at banks	31,790,109	19,661,567
Short-term deposits	<u>31,500,000</u>	<u>23,000,000</u>
	<u>63,290,109</u>	<u>42,661,567</u>

Short-term deposits are placed for a period of up to three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates which ranged from 5.90% to 6.02% (2023: 4.9% to 5.07%) per annum.

Cash and cash equivalents denominated in foreign currency as at 31 March is as follows:

Singapore Dollar	<u>203,137</u>	<u>217,255</u>
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15. ASSETS HELD FOR SALE

IOCL Exploration and Production Oman Limited (the "Subsidiary") has transferred its interest in Mukhaizna oil field, Oman (PI) to its holding company, IOCL Singapore Pte. Ltd. ("ISPL") with effect from 1 January 2022 pursuant to a Business Transfer Agreement dated 31 January 2022.

Accordingly, the net assets of the Subsidiary which were transferred were considered as held for sale as at 31 December 2022 as management was of the opinion that they will make an application to His Majesty's Revenue & Customs for voluntary winding up in next year and expects to get strike off in near future. It is on account of consideration receivable from ISPL in relation to PI transfer amounted to US\$227 million.

Notes to the Financial Statements - 31 March 2024

15. ASSETS HELD FOR SALE (continued)

With business of the subsidiary being classified as discontinued operations, the results of the business are classified as discontinued operations in the profit and loss and accounts as presented below.

	2024 US\$
Revenue	–
Cost of sales	–
Gross profit	–
Finance income	68
Administrative expenses	(212)
Loss before tax from discontinued operations	(144)
Income tax expense	–
Loss for the year from discontinuing operation	(144)

Assets and liabilities of disposal group held for sale

The fair value of disposal group is higher than the cost of disposal group. Hence, there are no impairment losses, and the disposal group is shown at cost in the financial statements as follows.

Assets

Cash and cash equivalents	–
Assets held for sale	–

Net assets directly associated with discontinued operations

Reserves of discontinued operations classified as held for sale	–
---	---

Cash flows related to discontinued operations

OPERATING ACTIVITIES

Loss before tax for discontinuing operations	(144)
Adjustments for	
Interest income from fixed deposits	(68)
Cash used in operations	(212)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received	68
Net cash flows from investing activities	68

CASH FLOWS FROM FINANCING ACTIVITIES

Transfer to continued operation	(1,581)
Net cash used in from financing activities	(1,581)

Net decrease in cash and cash equivalents	(1,725)
Cash and cash equivalents at beginning of year	1,725
Cash and cash equivalents at end of year	–

Notes to the Financial Statements - 31 March 2024

15. ASSETS HELD FOR SALE (continued)

Statement of changes in equity for discontinued operation

	Reserves of a disposal group held for sales
Balance at 1 April 2023	1,725
Loss for the year	(144)
Transfer to continued operations	(1,581)
Balance at 31 March 2024	<u>–</u>

16. TRADE AND OTHER PAYABLES

	2024 US\$	2023 US\$
<i>Trade payables</i>		
Third parties	5,126,594	21,442,962
Accrued expenses	20,234,673	20,631,579
Amount due to holding company	16,208	–
<i>Other payables</i>		
Sundry payables	<u>605,056</u>	<u>1,832,129</u>
	<u>25,982,531</u>	<u>43,906,670</u>

The amount due to holding company is unsecured, interest-free, repayable upon demand and is to be settled in cash.

17. LEASE LIABILITIES

Current	130,465	142,548
Non-current	–	132,690
	<u>130,465</u>	<u>275,238</u>
Balance at beginning of year	275,238	461,686
Accretion of interest	3,132	5,492
Lease payments		
- Principle portion	(140,145)	(188,323)
- Interest portion	(3,132)	(5,492)
Foreign exchange difference	(4,628)	1,875
Balance at end of year	<u>130,465</u>	<u>275,238</u>
<i>Maturity analysis</i>		
Year 1	131,337	145,720
Year 2	–	133,577
	<u>131,337</u>	<u>279,297</u>
Less: Unearned interest	(872)	(4,059)
	<u>130,465</u>	<u>275,238</u>

Notes to the Financial Statements - 31 March 2024

17. LEASE LIABILITIES (continued)

The Group does not face a significant liquidity risk with regard to its lease liabilities.

18. TAX PAYABLE

	2024 US\$	2023 US\$
Balance at beginning of year	250,734	154,990
Current year's tax expense on profit	1,355,977	250,734
Income tax paid	(287,925)	(154,939)
Under/(over) provision in respect of prior years	37,191	(51)
Balance at end of year	<u>1,355,977</u>	<u>250,734</u>

19. PROVISIONS

Balance at beginning of year	44,124,169	54,370,520
Additions during the year	169,712	147,287
Unwinding of discount	1,512,573	2,033,832
Effects of changes in discount rate	389,040	4,560,164
Increase/(decrease) due to change in estimate	990,861	(16,987,634)
Balance at end of year	<u>47,186,355</u>	<u>44,124,169</u>

The provision in respect of the decommissioning and restoration obligation for wells is estimated at US\$113,114 (2023: US\$113,114) per well as at 31 March 2024. The Group considered 17% of its share of the abandonment cost confirmed by the Operator for facilities. The year of abandonment is 2035. Management expects that the present value of the provision is sufficient to meet the Group's obligations at the end of the useful life of the project for the assets put to use as at 31 March 2024.

The provision as at 31 March 2024 is determined by discounting the expected obligation at a discount rate of 5.85% (2023: 5.97%) and is expected to be utilised from 2031 (2023: 2026). The real discount rate used for discounting the expected obligation is subject to review on an annual basis.

20. DEFERRED TAXATION

Deferred tax assets

Accrued expenses and others	6,204,055	6,288,462
Provisions	25,952,495	24,268,291
	<u>32,156,550</u>	<u>30,556,753</u>

Deferred tax liabilities

Differences in depreciation and underliftment	(151,736,547)	(146,980,807)
Net deferred tax liabilities	<u>(119,579,997)</u>	<u>(116,424,054)</u>

Notes to the Financial Statements - 31 March 2024

21. SHARE CAPITAL

	2024		2023	
	Number of shares	US\$	Number of shares	US\$
<i>Issued and fully paid</i>				
Ordinary shares	<u>1,329,991,988</u>	<u>1,329,991,988</u>	<u>1,329,991,988</u>	<u>1,329,991,988</u>

The holder of ordinary shares is entitled to receive dividends as and when declared by the Group. All ordinary shares have no par value and carry one vote per share without restrictions.

22. FOREIGN CURRENCY TRANSLATION RESERVE

Foreign currency translation reserve comprises the Group's share of translation reserve from equity-accounted joint ventures. Refer to statement of change in equity for the movements in reserve.

23. FAIR VALUE RESERVE

Fair value reserve relates to the cumulative fair value changes of equity instruments where the Group have elected irrevocably to present the fair value changes in other comprehensive income.

24. REVENUE

	2024 US\$	2023 US\$
Sale of crude oil	264,114,195	274,218,509
Services income	57,120	58,080
	<u>264,171,315</u>	<u>274,276,589</u>
<i>Geographical markets</i>		
Oman	32,515,486	31,461,238
Singapore	231,655,829	242,815,351
	<u>264,171,315</u>	<u>274,276,589</u>

The timing of the transferred goods and services is at a point in time when the performance obligation is satisfied. The Group does not have any amount of unsatisfied performance obligation as at the end of the reporting period.

25. COST OF SALES

Amortisation of intangible assets	11,268,022	15,116,801
Depreciation of property, plant and equipment	31,407,592	35,469,536
Exploration and production expenses	167,505,900	163,179,036
	<u>210,181,514</u>	<u>213,765,373</u>

Notes to the Financial Statements - 31 March 2024

26. OTHER INCOME

	2024 US\$	2023 US\$
Dividend income from other investments	–	7,575,560
Foreign exchange gain, net	2,770	12,239
	<u>2,770</u>	<u>7,587,799</u>

27. FINANCE INCOME

Interest income from fixed deposits	7,737,564	1,981,558
Interest income from security deposits	325	422
	<u>7,737,889</u>	<u>1,981,980</u>

28. ADMINISTRATIVE EXPENSES

Audit fee	58,021	47,050
Depreciation of property, plant and equipment	1,920	3,540
Depreciation of right-of-use assets	141,673	191,426
Employee benefits (i)	171,422	162,523
Legal and professional fee	83,901	82,461
Others	74,230	64,647
Rental on short-term operating leases	67,182	12,234
	<u>598,349</u>	<u>563,881</u>

(i) Employee benefits

Wages, salaries and allowances	170,166	161,289
Other benefits	1,256	1,234
	<u>171,422</u>	<u>162,523</u>

29. FINANCE COSTS

Interest expense on lease liabilities	3,132	5,492
Unwinding of discount on provisions	1,512,573	2,033,832
	<u>1,515,705</u>	<u>2,039,324</u>

30. INCOME TAX EXPENSE

(i) Major components of income tax expense

The major component of income tax expense for the years ended 31 March 2024 and 2023 are

Statement of comprehensive income

Current tax expense	1,355,977	250,734
Under/(over) provision of tax in respect of prior years	37,191	(51)
Foreign tax	32,515,486	31,461,238
Deferred taxation	3,155,943	10,590,789
	<u>37,064,597</u>	<u>42,302,710</u>

Notes to the Financial Statements - 31 March 2024

30. INCOME TAX EXPENSE

(ii) *Relationship between tax expense and accounting profit*

The reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rate for the years ended 31 March 2024 and 2023 are as follows

	2024 US\$	2023 US\$
Profit before tax	<u>127,993,491</u>	<u>64,791,296</u>
Tax expense on profit before tax at 17%	21,758,893	11,014,520
Adjustments		
Share of results of joint ventures	(11,624,104)	456,704
Income not subjected to tax	(269)	(1,356,616)
Non-deductible expenses	4,214	71,536
Tax exemptions	(12,954)	(12,695)
Effects of differences in foreign taxation	26,895,784	32,121,578
Under/(over) provision of tax in respect of prior years	37,191	(51)
Others	5,842	7,734
	<u>37,064,597</u>	<u>42,302,710</u>

31. DIVIDENDS DECLARED

Interim tax exempt (one-tier) dividend declared and paid		
– Ordinary shares 14.13 cents per share for financial year ended 31 March 2023	–	188,000,000
– Ordinary shares 2.63 cents per share for financial year ended 31 March 2024	<u>35,000,000</u>	–
	<u>35,000,000</u>	<u>188,000,000</u>

32. RELATED PARTY DISCLOSURES

In addition to related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and its related parties that took place at terms agreed between the parties during the financial year:

(i) *Significant related party transactions*

<i>Holding company</i>		
Employee benefits to	35,280	38,451
Interim dividend declared and paid to	35,000,000	188,000,000
Legal and professional fee to	2,620	2,650
Reimbursement of road show to	–	55,675
Subscription charges to	<u>42,228</u>	<u>39,670</u>

Notes to the Financial Statements - 31 March 2024

32. RELATED PARTY DISCLOSURES (continued)

(i) *Significant related party transactions (continued)*

	2024 US\$	2023 US\$
<i>Joint ventures</i>		
Additional capital injection in	11,900,000	23,000,000
Capital reduction received from	164,150,000	–
Dividend income from	21,775,000	207,499,000
Services income from	57,120	58,080
	<u> </u>	<u> </u>

(ii) *Outstanding balances*

<i> Holding company</i>		
Trade payables	16,208	–
Other receivables	–	23,728
	<u> </u>	<u> </u>
<i> Joint ventures</i>		
Trade receivables	14,880	15,360
	<u> </u>	<u> </u>

(iii) *Compensation of key management personnel*

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities, directly or indirectly, of the Group. The director of the Group and the general management of the Group are considered as key management personnel of the Group. There is no key management personnel's compensation which is required for disclosure as the directors did not receive any remuneration from the Group.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include foreign currency risk, credit risk and liquidity risk. The Group's risk management policies focus on the unpredictability of financial markets and seek to, where appropriate, minimise potential adverse effects on the financial performance of the Group. The Group does not have any written financial risk management policies and guidelines and there has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

The following sections provide details regarding the Group's exposure to the financial risks associated with financial instruments held in the ordinary course of business and the objectives, policies and processes for the management of these risks.

(i) *Foreign currency risk*

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(i) **Foreign currency risk** *(continued)*

The Group has currency exposures arising from balances that are denominated in a currency other than the functional currency. The foreign currencies in which these transactions are denominated are mainly Singapore Dollar (SGD). The Group also holds cash at bank denominated in foreign currencies for working capital purposes.

However, the Group does not use any financial derivatives such as foreign currency forward contracts, foreign currency options or swaps for hedging purposes.

Sensitivity analysis for foreign currency risk

No sensitivity analysis is prepared as the Group does not expect any material effect on the Group's profit or loss and equity arising from the effects of reasonable possible changes in the SGD with all other variables held constant.

(ii) **Credit risk**

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other assets. Guidelines on credit terms provided to trade customers are established and continually monitored. For other financial assets (including cash and cash equivalents), the Group minimises credit risk by dealing exclusively with reputable and well-established local and foreign banks, and companies with high credit ratings and no history of defaults.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposures. Credit policies with guidelines on credit terms and limits set the basis for risk control. New customers are subject to credit evaluation while the Group continues to monitor existing customers, especially those with repayment issues. In addition, appropriate allowances are made for probable losses when necessary for identified debtors.

The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

In order to minimise credit risk, the Group has developed and maintain the credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly-available financial information and the Group's own trading records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Notes to the Financial Statements - 31 March 2024

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(ii) *Credit risk (continued)*

The Group's current credit risk grading framework comprises the following categories.

Category	Description	Basis for recognising expected credit losses (ECL)
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

The tables below detail the credit quality of the Group's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades.

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount US\$	Loss allowance US\$	Net carrying amount US\$
2024						
Trade receivables	13	(a)	Lifetime ECL (simplified approach)	19,782,459	–	19,782,459
Other receivables	10	Performing	12-month ECL	2,136,098	–	2,136,098
					–	
2023						
Trade receivables	13	(a)	Lifetime ECL (simplified approach)	19,501,285	–	19,501,285
Other receivables	10	Performing	12-month ECL	1,207,170	–	1,207,170
					–	

Notes to the Financial Statements - 31 March 2024

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(ii) ***Credit risk (continued)***

The tables below detail the credit quality of the Group's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades (continued):

- (a) For trade receivables and contract assets, the Group has applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime. The Group determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix (Note 13 to the financial statements).

▪ ***Exposure to credit risk***

As at the end of the reporting period, the Group's maximum exposure to credit risk is represented by the carrying amounts of each class of financial assets recognised in the statement of financial position.

▪ ***Credit risk concentration profile***

As at the end of the reporting period, there were no significant concentrations of credit risk.

It is the Group's policy to sell to a diversity of creditworthy customers so as to reduce concentration of credit risk.

▪ ***Financial assets that are neither past due nor impaired***

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and cash equivalents that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

▪ ***Financial assets that are either past due or impaired***

Information regarding financial assets that are either past due or impaired is disclosed in Note 13 (Trade receivables) to the financial statements.

(iii) ***Liquidity risk***

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from possible mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of standby credit facilities.

Notes to the Financial Statements - 31 March 2024

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) *Liquidity risk (continued)*

Analysis of financial instruments by remaining contractual maturities

The table below analyses the maturity profile of the Group's financial assets and financial liabilities as at the end of the reporting period based on contractual undiscounted repayment obligations:

	Total US\$	Within one year US\$	Within two to five years US\$	More than five years US\$
2024				
<i>Financial assets</i>				
Other investments	18,649,734	–	–	18,649,734
Trade receivables	19,782,459	19,782,459	–	–
Other receivables	2,136,098	1,892,188	243,910	–
Fixed deposits	168,750,000	115,750,000	53,000,000	–
Cash and cash equivalents	63,290,109	63,290,109	–	–
Total undiscounted financial assets	272,608,400	200,714,756	53,243,910	18,649,734
<i>Financial liabilities</i>				
Trade and other payables	25,982,531	25,982,531	–	–
Lease liabilities	131,337	131,337	–	–
Total undiscounted financial liabilities	26,113,868	26,113,868	–	–
Total net undiscounted financial assets	246,494,532	174,600,888	53,243,910	18,649,734
2023				
<i>Financial assets</i>				
Other investments	23,379,957	–	–	23,379,957
Trade receivables	19,501,285	19,501,285	–	–
Other receivables	1,207,170	1,184,578	22,592	–
Fixed deposits	24,000,000	24,000,000	–	–
Cash and cash equivalents	42,661,567	42,661,567	–	–
Total undiscounted financial assets	110,749,979	87,347,430	22,592	23,379,957

Notes to the Financial Statements - 31 March 2024

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) *Liquidity risk (continued)*

Analysis of financial instruments by remaining contractual maturities (continued)

	Total US\$	Within one year US\$	Within two to five years US\$	More than five years US\$
2023				
<i>Financial liabilities</i>				
Trade and other payables	43,906,670	43,906,670	–	–
Lease liabilities	279,297	145,720	133,577	–
Total undiscounted financial liabilities	<u>44,185,967</u>	<u>44,052,390</u>	<u>133,577</u>	<u>–</u>
Total net undiscounted financial assets/(liabilities)	<u>66,564,012</u>	<u>43,295,040</u>	<u>(110,985)</u>	<u>23,379,957</u>

34. CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

The following table summarises the carrying amounts of financial assets and liabilities recorded as at the end of the reporting period by SFRS(I) 9 categories.

	2024 US\$	2023 US\$
<i>Financial assets at fair value through other comprehensive income</i>		
Other investments	<u>18,649,734</u>	<u>23,379,957</u>
<i>Financial assets at amortised cost</i>		
Trade receivables	19,782,459	19,501,285
Other receivables	2,136,098	1,207,170
Fixed deposits	168,750,000	24,000,000
Cash and cash equivalents	<u>63,290,109</u>	<u>42,661,567</u>
	<u>253,958,666</u>	<u>87,370,022</u>
<i>Financial liabilities at amortised cost</i>		
Trade and other payables	25,982,531	43,906,670
Lease liabilities	<u>130,465</u>	<u>275,238</u>
	<u>26,112,996</u>	<u>44,181,908</u>

Notes to the Financial Statements - 31 March 2024

35. FAIR VALUE OF ASSETS AND LIABILITIES

The fair value of a financial instrument 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 Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Fair value hierarchy

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Company can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(a) ***Fair value of financial instruments that are carried at fair value***

The following tables show an analysis of financial instruments carried at fair value by level of fair value hierarchy.

	Quoted prices in active markets for identical instruments (Level 1) 2024 US\$	Quoted prices in active markets for identical instruments (Level 1) 2023 US\$
Financial assets		
<i>At fair value through other comprehensive income (FVOCI) (Note 9 to the financial statements)</i>		
Other investments	18,649,734	23,379,957

(b) ***Fair value of assets and liabilities by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value***

Current trade and other receivables and payables

The carrying amounts of these assets and liabilities are reasonable approximation of fair values due to their short-term nature.

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

35. FAIR VALUE OF ASSETS AND LIABILITIES (continued)

- (b) *Fair value of assets and liabilities by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value (continued)*

The Group does not anticipate that the carrying amounts recorded as at the end of the reporting period would be significantly different from the values that would eventually be received or settled.

As at the end of the reporting period, the Group does not have any other financial instruments carried at fair value.

36. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to its shareholder, return capital to its shareholder or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 March 2024 and 2023.

The Group monitors its cash flow, debt maturity profile, and overall liquidity position on a regular basis. It is not subject to any externally-imposed capital management.

37. AUTHORISATION OF FINANCIAL STATEMENTS

The non-statutory consolidated financial statements for the year ended 31 March 2024 were authorised for issue in accordance with a directors' resolution which was dated on the same date as the directors' statement.