



ANNUAL REPORT & ACCOUNTS 2025

Building a sustainable energy future for Timor-Leste — through responsible stewardship, strengthened governance and long-term national value creation.

TIMOR  **RGAP**



FOREWORD

Message from the President & Chief Executive Officer

Dear Stakeholders,

As Timor-Leste's National Oil & Gas Company, TIMORGAP remains committed to transforming the country's natural resource potential into long-term economic opportunities, creating value for current and future generations.

In 2025, we advanced key strategic initiatives and projects across the upstream, downstream, and services sectors. During the year, TIMORGAP also reinforced its regional presence through its participation in ASCOPE.

The **upstream sector remains the cornerstone of our business and the primary driver of future growth.** Throughout the year, we continued to progress our exploration, appraisal and development activities across a portfolio of strategic assets. In addition to the commissioning of a 2D seismic survey on the onshore Pualaca Block, the offshore Chuditch Gas Field continues to mature as a promising gas resource for the country, while the Kuda Tasi and Jahal oil fields are progressing toward development, creating the prospect of additional near-term production and revenue generation, with the First Oil expected by the end of 2027.

At the same time, we have continued to assess opportunities associated with Bayu-Undan, recognizing its strategic role as a potential catalyst for future gas developments for nearby gas and oil fields and infrastructure integration.

The **Greater Sunrise Project also remained a priority for both the company and the nation**, with continued progress toward maturing the Timor-Leste LNG development concept and negotiations to conclude the fiscal and regulatory frameworks.

"Unlocking Timor-Leste's energy potential — and the company's long-term success — with the continued trust of our stakeholders."



Rui Soares

President & Chief Executive Officer
TIMORGAP, E.P.

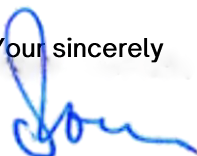
During the year, we continued to support the Government of Timor-Leste in advancing oil and gas key enabling infrastructure, including the Suai Supply Base, Suai – Natarbora Highway and studies supporting the future Natarbora Integrated Oil And Gas Development Hub. Additionally, TIMOR GAP continued to take part in the refurbishment of the Suai Airport hangar in 2025 as part of its commitment to supporting the establishment of a fully operational aviation base in Suai by 2026.

Beyond resource development, we continue to strengthen our presence across the energy value chain through strategic initiatives in offshore logistics, aviation, and downstream activities.

Looking ahead, our 2026-2030 Investment Plan will guide our efforts to position TIMOR GAP as one of the leading energy players in the region while generating long-term value for both the company and the nation.

With strong partnerships, sound governance, and a commitment to excellence across all aspects of our operations, we will work towards unlocking Timor-Leste's energy potential and promoting the company's long-term success, with the continued trust and support of our stakeholders.

Your sincerely



Rui Soares

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About this report. Consolidated review of TIMORGAP, E.P.'s strategy, operations, governance and financial performance for the year ended 31 December 2025. Prepared in alignment with IFRS and EITI disclosure principles. Detailed consolidated financial statements and the independent audit opinion are published in appendix separately.

01

SECTION 01 — OF 09

Corporate Overview

An integrated national energy company spanning the full value chain, underpinned by disciplined holding and SPV governance

- STRUCTURE & SEGMENTS
- SUBSIDIARIES
- FINANCIAL HIGHLIGHTS
- STRATEGIC POSITION

1.1 CORPORATE STRUCTURE

Corporate Structure & Business Segments

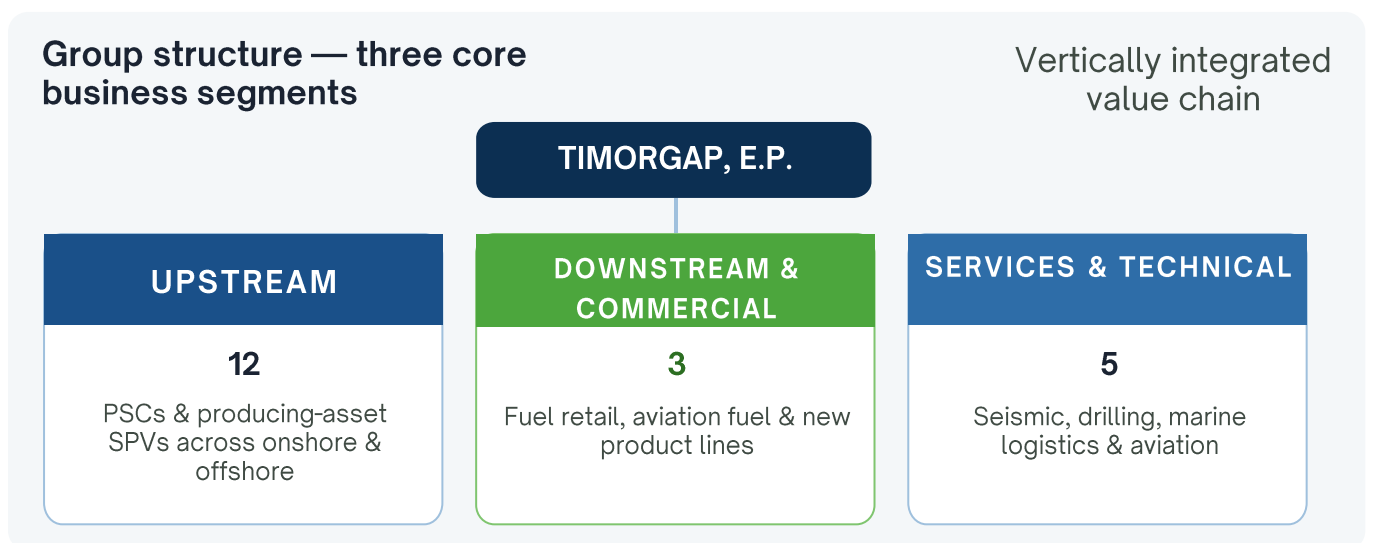
TIMORGAP, E.P. operates under an integrated corporate structure designed to support the development of Timor-Leste's petroleum sector across the full energy value chain — strengthening national capacity, commercial sustainability and long-term value creation.

A holding-company model

The Group is organised around a holding-company model, with TIMORGAP, E.P. providing strategic direction, capital allocation, governance oversight and shared corporate services to a portfolio of subsidiaries and joint ventures. This separates asset ownership, operational execution and service provision while maintaining strong central oversight.

Special-purpose vehicles

Subsidiaries are established primarily as special-purpose vehicles (SPVs) or service companies, each with a clearly defined mandate, asset focus and risk profile. This enhances transparency, supports project-level accountability and facilitates compliance with IFRS and the EITI.



Through this integrated structure, TIMORGAP balances its dual mandate — delivering commercial returns while advancing national energy security, industrial development and economic diversification.

1.1 CORPORATE STRUCTURE

Corporate Structure & Business Segments

TIMORGAP's activities are structured across three core business segments, each operating with focused technical management, partner alignment and ring-fenced financial accountability.

CORPORATE STRUCTURE & GOVERNANCE MODEL

The Company operates through a set of specialized business units reflecting a vertically integrated value chain. TIMORGAP's activities are structured across three core business segments: Upstream, Downstream & Commercial, and Services & Technical Support.

The alignment between business segments and major national projects enables the Company to capture synergies across the value chain, optimise resource utilisation, and progressively build a resilient, future-oriented energy portfolio.

THREE CORE BUSINESS SEGMENTS

01 Upstream

TIMOR GAP strategic to create, seize, develop and optimize the economic, commercial and strategic value of the upstream activities, beginning with the exploration phase (studies and surveys), continuing through drilling and production, and lasting through the decommissioning phase. TIMOR GAP's upstream activities comprise activities and projects developed onshore and offshore of the national territory and carried out by the company and its subsidiaries, both as an operator and joint venture partner. Offshore projects and activities are spread across different exploration stages, while onshore projects and activities are predominantly in the exploration stage.

02 Downstream & Commercial

Supports domestic energy security and revenue diversification, while laying the foundations for a scalable national downstream platform. Activities include fuel retail, aviation fuel supply and the progressive development of downstream infrastructure aligned with the Government's south-coast plans — complemented by commercial subsidiaries providing logistics, marine and aviation services to the oil & gas sector.

03 Services & Technical Support

Plays a critical role supporting both internal operations and the wider petroleum sector, positioned to enhance national technical capability, reduce dependency on external providers and generate third-party revenue over the medium term. TIMORGAP Drilling & Seismic Services (TGDSS), a wholly owned subsidiary, anchors this national technical-services platform across drilling and seismic services.

1.2 SUBSIDIARIES

Subsidiaries & Strategic Investments

A segmented, purpose-driven portfolio organised around three principal groups — aligning governance, funding and operational oversight with the risk profile and development horizon of each asset.

12

Upstream Exploration & SPVs

4

Greater Sunrise strategic subsidiaries

5

Services & support companies

Upstream Exploration & Production SPVs

TIMORGAP's Upstream subsidiaries constitute the operational core of the Group's petroleum activities. Structured as special-purpose vehicles, each holds specific contractual rights under Production Sharing Contracts or Sale & Purchase Deeds, providing broad geographic and geological exposure while ring-fencing risks, costs and obligations at project level.

UPSTREAM — EXPLORATION

TIMORGAP PSC 11-106, Unipessoal, Lda.	Exploration & production — PSC TL-SO-T-19-11
TIMORGAP Offshore Block, Unipessoal, Lda.	Exploration — TL-SO-15-01
TIMORGAP Chuditch, Unipessoal, Lda.	Appraisal — PSC TL-SO-19-16
TIMORGAP Onshore Block, Unipessoal, Lda.	Appraisal — PSC TL-OT-17-08
TIMORGAP Onshore Block B, Unipessoal, Lda.	Exploration — Onshore Block B (PSC TL-OT-25-24)
TIMORGAP Onshore Block C, Unipessoal, Lda.	Exploration C — PSC TL-OT-17-09
TIMORGAP Pualaca Block, Unipessoal, Lda.	Exploration — PSC TL-OT-21-17
TIMORGAP Rarahana Block, Unipessoal, Lda.	Exploration — PSC TL-OT-22-18
TIMORGAP Bayu-Undan 19-12, Unipessoal, Lda.	Participating interest — Bayu-Undan (Sale & Purchase Deed)
TIMORGAP Bayu-Undan 19-13, Unipessoal, Lda.	Participating interest — Bayu-Undan (Sale & Purchase Deed)
TIMORGAP PSC TL-OT-22-22, Unipessoal, Lda.	Exploration — Onshore PSC TL-OT-22-22
TIMORGAP PSC TL-SO-22-23, Unipessoal, Lda.	Exploration — Offshore PSC TL-SO-22-23

1.2 SUBSIDIARIES

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Upstream Exploration & SPVs

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Greater Sunrise strategic subsidiaries

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Services & support companies

Greater Sunrise strategic subsidiaries

The Greater Sunrise entities are designed not for short-term execution but to preserve sovereign rights , maintain development readiness under the Maritime Boundary Treaty's required frameworks of fiscal and legal which are being finalized, and enable future project execution once the development concept is finalised.

GREATER SUNRISE — STRATEGIC ASSETS

TIMORGAP Greater Sunrise RL2, Unipessoal, Lda.	Participating interests in Retention Lease NT/RL2 of the Greater Sunrise fields
TIMORGAP Greater Sunrise RL, Unipessoal, Lda.	Participating interests in Retention Lease NT/RL of the Greater Sunrise fields
TIMORGAP Greater Sunrise 03-19, Unipessoal, Lda.	Participating interests in PSC JPDA 03-19 — Greater Sunrise
TIMORGAP Greater Sunrise 03-20, Unipessoal, Lda.	Participating interests in PSC JPDA 03-20 — Greater Sunrise

Services and Support Subsidiaries

In parallel with its asset-holding entities, TIMORGAP has developed a portfolio of Services and Support subsidiaries to strengthen operational capability and reduce long-term dependence on external providers. These companies deliver specialised services across the upstream value chain, including seismic acquisition, drilling support, marine logistics and offshore aviation.

SERVICES & SUPPORT COMPANIES

TIMORGAP Seismic Services, Unipessoal, Lda.	Seismic services
TIMORGAP Drilling & Seismic Services, Unipessoal, Lda.	Drilling and seismic services
TIMORGAP Marine, Aviation & Logistic Services, Unipessoal, Lda.	Marine, aviation and logistics services
South Horizon Offshore Services, Unipessoal, Lda.	Offshore services
WESTSTAR-GAP Aviation, Lda.	Offshore helicopter services

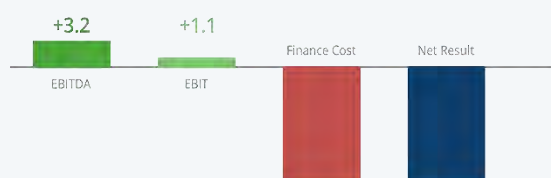
1.3 Financial Highlights

Financial Highlights Dashboard

In 2025 the Company continued to operate in a pre-production, investment-intensive phase. Revenues totalled USD 36.9M, driven mainly by government grants alongside growing downstream commercial activity. Operating expenditure was concentrated on exploration and evaluation; the Group nonetheless delivered a positive operating result and positive EBITDA before financing and impairment effects.

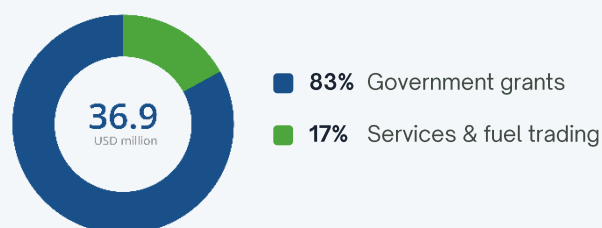
From operating result to net result

USD million — the net loss is a financing outcome, not an operating one.



Revenue composition

USD 36.9 M total — government grants remain the principal stream.



HEADLINE FIGURES

(36.7)

Net consolidated result,
USD M

37.8

Financial costs, USD M

874.1

BCTL long-term loan,
USD M

Neg.

Equity — pre-production
stage

Why equity is negative

A USD 874.1M loan from Banco Central de Timor-Leste, taken on behalf of the Petroleum Fund to finance the Greater Sunrise interest, drives the reported negative equity — a timing mismatch typical of pre-production national oil companies.

BALANCE-SHEET SNAPSHOT • 31 DEC 2025

Assets under development	USD 8.5M
Net debt	USD 779.9M
Equity	USD (868.6)M
Capital employed	USD (88.7)M

1.4 STRATEGIC POSITION

Strategic Positioning & Value Creation

The alignment between TIMORGAP's business segments and major national projects enables the Company to capture synergies across the value chain, optimise resource utilisation, and progressively build a resilient and future-oriented energy portfolio.

Strategic alignment & central oversight

TIMORGAP's corporate structure is designed to support strategic alignment between policy objectives and commercial execution. The holding-company model separates asset ownership, operational execution and service provision, while maintaining strong central oversight aligned with national policy objectives and international oil & gas governance standards.

This approach enhances transparency, supports project-level accountability and facilitates compliance with international reporting frameworks — including IFRS and the Extractive Industries Transparency Initiative (EITI).

A diversified, long-horizon portfolio

Taken together, TIMORGAP's subsidiaries and strategic investments reflect a deliberately diversified and long-horizon portfolio. The separation between Upstream execution, Greater Sunrise strategic stewardship and Services delivery enables the Company to manage complexity, allocate capital efficiently and align each activity with its appropriate risk-and-return profile.

Upstream subsidiaries operate as dedicated asset companies, supporting flexibility in farm-in / farm-out strategies, risk-sharing arrangements and future portfolio optimisation as projects mature.

Resource sovereignty

Preserving national participation and contractual interests across the upstream lifecycle.

Capacity building

Developing national technical competencies and reducing dependency on external providers.

Domestic value capture

Capturing additional value along the supply chain through integrated upstream-downstream synergies.

This structure supports TIMORGAP's overarching objective: to act as a **national platform for the responsible development of Timor-Leste's hydrocarbon resources**, balancing commercial discipline with strategic nation-building goals — delivering commercial returns while advancing national energy security, industrial development and economic diversification.

SECTION 02 — OF 09

Upstream Operations

Operating contractor across onshore and offshore PSCs, advancing exploration and development to unlock Timor-Leste's hydrocarbon potential

- UPSTREAM STRATEGIC OVERVIEW
- GREATER SUNRISE
- BAYU-UNDAN ASSET
- EXPLORATION & PRODUCTION PORTFOLIO
- TECHNICAL SERVICES & STRATEGIC PARTNERSHIPS
- TECHNICAL CAPABILITY, PARTNERSHIPS & OUTLOOK

2.1 UPSTREAM STRATEGIC OVERVIEW

Upstream Strategic Overview

Operating across the full upstream value chain — exploration, appraisal, development and participation in producing assets — TIMORGAP maintains a diversified asset base underpinned by a balanced mix of operatorship and strategic joint-venture participation.

PILLAR 01

Portfolio expansion & diversification

Multiple PSCs across maturity stages, balancing near-term capability building with long-term resource development.

PILLAR 02

Progression of strategic gas

A progressive shift toward large-scale gas development, aligned with LNG monetisation pathways and the TLNG concept.

PILLAR 03

Technical & operational capability

In-house geoscience and engineering, complemented by international partnerships and accelerated knowledge transfer.

STRATEGIC ASSETS

GREATER SUNRISE

56.56%

BAYU-UNDAN

16.00%

CHUDITCH (PSC TL-SO-19-16)

40.00%

Portfolio scale & positioning

Offshore PSCs

Deepwater & shallow-water exploration blocks with material gas potential, under operatorship and JV.

Onshore PSCs

Under-explored basins with long-term potential; exploration & appraisal activities advancing.

Anchor gas developments

Greater Sunrise & Chuditch underpin long-term monetisation and downstream integration.

Producing exposure — Bayu-Undan

Transitioned to post-production phase in June 2025; redevelopment & CCUS under study.

HYBRID OPERATING MODEL

The upstream portfolio is executed through a **hybrid operating model**, combining operatorship in selected assets with participation in joint ventures alongside established international partners — enabling TIMORGAP to share technical and financial risk, access global expertise and best practices, and strengthen its role as a credible partner in complex upstream developments.

2.2 GREATER SUNRISE DEVELOPMENT

Greater Sunrise Development

Greater Sunrise remains the cornerstone of TIMORGAP's upstream strategy and the most significant long-term value driver for the Company and the nation. Holding a **56.56% participating interest**, TIMORGAP plays a leading role within the Sunrise Joint Venture (SJV) through its dedicated subsidiaries.

The TLNG development concept

UPSTREAM

Subsea production

Subsea production systems & offshore processing facilities

MIDSTREAM

Submarine pipeline

A submarine gas pipeline routed to Timor-Leste

TLNG DEVELOPMENT

The asset is advanced under a fully integrated framework combining upstream gas production with midstream transportation and downstream processing — aligned with the national vision of Timor-Leste as a regional energy hub. The Timor-Leste LNG (TLNG) concept envisages subsea production systems and offshore processing, a submarine gas pipeline to Timor-Leste, and onshore LNG processing in Natarbora, integrated within the Tasi Mane Project.

Throughout 2025, TIMOR GAP together with the Sunrise Joint Venture (SJV) members advanced various works on upstream technical as well as legal and fiscal frameworks for the Greater Sunrise Special Regime Area (GSSRA). SJV and the States continued the trilateral discussions following the Australian federal elections, enabling further alignment on legal and fiscal frameworks, and continued progress toward a single Development Concept.

REGULATORY & COMMERCIAL PROGRESS

In 2025, activity centred on advancing the legal, fiscal and regulatory frameworks of the Greater Sunrise Special Regime Area (GSSRA), established under the Maritime Boundary Treaty between Timor-Leste and Australia.

56.56%

Participating interest held through dedicated subsidiaries — a leading role within the Sunrise Joint Venture

2.2 GREATER SUNRISE DEVELOPMENT

Greater Sunrise Development

In 2025, a primary focus of TIMORGAP's activities centred on advancing the legal, fiscal, and regulatory frameworks governing the Greater Sunrise Special Regime Area (GSSRA), as established under the Maritime Boundary Treaty between Timor-Leste and Australia.

Key areas of progress include:

Continued negotiations on the Petroleum Mining Code (PMC) and Production Sharing Contract (PSC)
Ongoing development of a dedicated fiscal regime, including a special tax framework for the GSSRA
Advancement of supporting regulatory instruments, including guidelines, directives, and framework agreements

Active economic modelling of fiscal scenarios, supporting investment decision-making

These negotiations involve close coordination between TIMORGAP, the Sunrise Joint Venture partners, and the Governments of Timor-Leste and Australia, reflecting the project's strategic and cross-border nature.

In addition, discussions are underway to harmonise and modernise existing Joint Operating Agreements (JOAs), ensuring alignment with current industry standards and future development requirements.

Technical Development and Concept Maturation

Beyond the regulatory dimension, 2025 also marked continued progress in the technical and commercial maturation of the project by developing the following activities:

Engagement of specialist technical consultants to support Concept Selection assessment, strengthening the evaluation of development options

Continued participation in pre-FEED and supporting technical studies, advancing readiness for future project phases

Assessment of potential accelerated upstream development scenarios, aimed at optimising project timelines and value realisation

Strategic Engagement and Stakeholder Alignment

TIMORGAP maintained an active role in high-level trilateral engagement processes.

Throughout 2025, TIMOR GAP together with the Sunrise Joint Venture (SJV) members advanced various works on upstream technical as well as legal and fiscal frameworks for the Greater Sunrise Special Regime Area (GSSRA). SJV and the States continued the trilateral discussions following the Australian federal elections, enabling further alignment on legal and fiscal frameworks, and continued progress toward a single Development Concept.

This sustained engagement underscores the importance of coordinated stakeholder alignment in advancing a project of this scale and complexity.

Development Enablers and Future Workstreams

In parallel with core upstream and regulatory activities, preparatory workstreams continued to support future project execution, including:

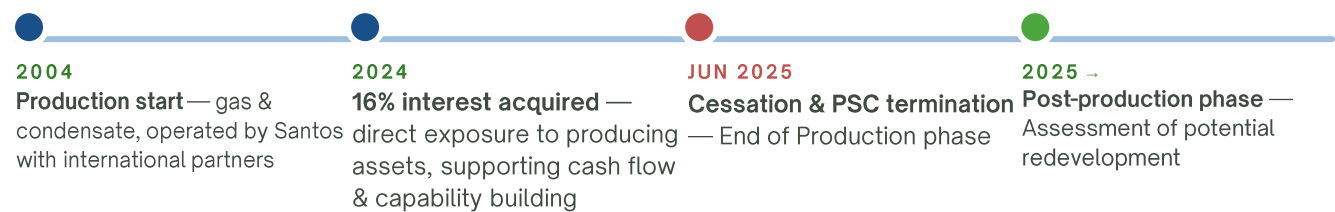
Early-stage planning for pipeline routing to Natarbora. Preliminary steps toward land identification and resettlement planning for onshore infrastructure. Initiatives to support capacity building and workforce development. While several of these activities remain in early stages, they represent critical enablers for transitioning the project into execution.

Ultimately, the Greater Sunrise development represents a transformational opportunity for TIMORGAP and Timor-Leste, with the potential to anchor the country's future energy landscape and deliver long-term socio-economic benefits.

2.3 BAYU-UNDAN ASSET PERFORMANCE

Bayu-Undan Asset Performance

Bayu-Undan marks TIMORGAP's first direct participation in a producing offshore field, signalling its transition toward a revenue-generating upstream player. Building on the strategic acquisition of a 16% participating interest in 2024, the Company continued to consolidate its role within the Joint Venture.



STRATEGIC REASSESSMENT & REDEVELOPMENT

A comprehensive subsurface reassessment programme was initiated in early 2025 with the support of an independent technical consultant to evaluate the remaining hydrocarbon potential of the Bayu-Undan field. The programme aimed to identify potential redevelopment opportunities, including infill drilling, while providing a robust technical basis for future strategic decisions. This work recognised that mature assets may continue to hold commercially viable resources that could be unlocked through targeted redevelopment initiatives.

BAYU-UNDAN: POTENTIAL REDEVELOPMENT OPPORTUNITY

Following the declaration of cessation of production, TIMOR GAP initiated a series of technical and feasibility studies to evaluate potential redevelopment pathways for the Bayu-Undan asset. These studies included preliminary assessments of surface facilities, reviews of existing infrastructure capabilities, and technical and economic evaluations of various development concepts. The objective was to assess whether the remaining resources and existing infrastructure could support future development opportunities and unlock additional value from the asset. The findings from these studies will provide an important foundation for future investment decisions and the long-term strategic direction of Bayu-Undan.

Strategic outlook

Bayu-Undan is being repositioned from a legacy producing asset into a **strategic development opportunity**. Currently, TIMOR GAP is focused on undertaking subsurface and redevelopment studies, evaluating potential future development options, and identifying pathways to maximise the asset's remaining value.

2.4 EXPLORATION & PRODUCTION PORTFOLIO

Exploration Portfolio

A central component of TIMORGAP's upstream growth strategy — building a diversified portfolio of onshore and offshore assets while strengthening technical capabilities and advancing resource development across multiple blocks through G&G studies, seismic acquisition and technical evaluation.

Progress across key assets — 2025

Chuditch (Offshore)

40% INTEREST

Consolidated via farm-up; advanced reservoir modelling & well planning. Chuditch-2 appraisal rescheduled to 2026. Ongoing collaboration with SundaGas.

Offshore Block TL-SO-15-01

Completed 3D seismic reprocessing & reinterpretation; continued economic evaluation; active farm-out & investor engagement.

PSC TL-SO-19-11

FINDER

Provided technical support during the operatorship transition to Finder Energy, including seismic reprocessing and reinterpretation, resource certification, and development concept studies. Contributed to the advancement of the Kuda Tasi and Jahal Oil Fields towards Final Investment Decision (FID) in 2026 and targeted First Oil by the end of 2027.

Onshore Blocks A & C

Appraisal & exploration planning; well reviews (Feto-Kmaus, Liurai, Lafaek); Block C volumetrics; drilling depths of 2,000–3,000 m indicated by gravity & magnetic studies.

New blocks B & F

Block B PSC (PSC TL-OT-25-24) signed November 2025.
Block F PSC (TL-SO-22-23) signed September 2025.

Pualaca & Rarahana

SEISMIC

2D seismic acquisition & processing (Pualaca); advanced geological mapping & non-seismic survey preparation (Rarahana); local-content & stakeholder engagement.

Offshore Block TL-SO-22-23

Ongoing activities include JOA negotiation for PSC TL-SO-22-23, internal technical assessment and G&G studies, 2D/3D seismic acquisition planning, and TCM & ECM meetings.

STRATEGIC OUTLOOK

- Advance high-potential assets such as Chuditch toward development
- Expand the portfolio through new PSCs and licensing rounds
- Strengthen technical capabilities and digital transformation
- Deepen partnerships with international operators and investors
- Progress from exploration to drilling and development phases

2.4 EXPLORATION & PRODUCTION PORTFOLIO

Exploration Portfolio

Capabilities, development & digitalization

Technical resources, digital assets, advanced technologies, and an integrated data management system have been established to centralize and optimize subsurface and operational data. Industry-leading software, including Petrel, tNavigator, PipeSim, Intersect, Eclipse, Techlog, Interactive Petrophysics (IP), Petrosys, and Kingdom, support interpretation, reservoir characterization, wellbore modelling, production forecasting, and static and dynamic reservoir modeling, enabling integrated geoscience and engineering evaluations across the asset lifecycle.

Detail Progress Across Key Assets

Chuditch Block (Offshore – PSC TL-SO-19-16)

The Chuditch asset remains a high-priority development within the portfolio: TIMORGAP consolidated its position through a 40% participating interest following a farm-up agreement. Significant progress was achieved in technical evaluation, reservoir modelling, and well planning. Preparations for the Chuditch-2 appraisal drilling campaign continued, with scheduling adjusted to 2026 due to operational constraints

Offshore Block (PSC TL-SO-15-01)

Completion of 3D seismic reprocessing and reinterpretation, enhancing subsurface understanding. Continued economic evaluation studies to assess development viability
Active farm-out and investor engagement activities, including participation in international industry events

PSC TL-SO-19-11 (Finder Energy)

Provided technical support during the operatorship transition to Finder Energy.

- Supported seismic reprocessing and reinterpretation activities to enhance subsurface understanding of Kuda Tasi and Jahal oil fields for concept Development and resource
- Contributed to the evaluation and advancement of the Kuda Tasi and Jahal (KTJ) Oil Field Development Project.
- Supported project activities leading towards Final Investment Decision (FID) targeted for 2026.

Offshore Block TL-SO-22-23

Secured a 12.5% participating interest (free-carried during exploration) via a Deed of Assignment with ENI; bidding for 3D seismic acquisition.

Offshore Block TL-SO-22-22

TG has secured 10% Participation Interest with free carried for PSC TL-OT-22-22 through the execution of DOA signed in September 2025.

Onshore Blocks A and C

Progress in appraisal and exploration planning, including evaluation of drilling programmes
Technical review of wells (e.g., Feto-Kmaus, Liurai, Lafaek) and preparation for further appraisal drilling
For Block C, comprehensive prospect evaluation, including seismic interpretation and volumetric analysis
Identification of drilling depths supported by gravity and magnetic studies (2,000–3,000 metres)

New and Emerging Blocks (B and F)

Block B - PSC TL-OT-25-24 signed in November 2025. Block F - PSC TL OT 22 22 formalized its PSC membership through the execution of the DOA in September 2025. Negotiations for the Joint Operating Agreement (JOA) are currently ongoing. Marking progress in expanding the exploration portfolio.

2.4 EXPLORATION & PRODUCTION PORTFOLIO

Exploration Portfolio

Detail Progress Across Key Assets

Integrated Technical Support and Governance

Across all assets, the E&P function continued to provide cross-cutting technical, technology support, including:

Participation in Technical, Management and Operational Committees meeting.

Coordination with regulatory authorities (ANP) and international partners

Preparation and review of financial year Work Programs and Budgets (WP&B)

Contribution to environmental and regulatory processes, including public consultations

This governance framework ensures alignment with regulatory standards, operational integrity, and strategic objectives.

Investment and Execution

In 2025, the Exploration & Development programme was supported by an approved budget reflecting its critical role in portfolio growth.

G&G and Engineering study in preparation for resources and prospectivity evaluation, well drilling exploration & appraisal campaigns, production profile, economic modelling, field development plan and final investment decision. Including technical development capabilities.

Execution during the calendar year remained focused on advancing key assets and strengthening long-term development readiness.



Strategic outlook

The Exploration & Production segment is expected to remain a key growth engine for TIMORGAP, with priorities focused on:

Advancing high-potential exploration and development assets toward development

Expanding the portfolio through existing PCs, new PSCs and licensing rounds

Strengthening technical capabilities and digital transformation

Enhancing partnerships with international operators and investors

Progressing from exploration to drilling and development phases across selected assets

2.5 TECHNICAL SERVICES & STRATEGIC PARTNERSHIPS

Technical Services & Partnerships

Technical Services and Strategic Partnerships remain an integral component of TIMORGAP's upstream value chain, strengthening operational capabilities, supporting exploration and development activities, and fostering collaboration with international partners. Through its specialised subsidiaries and strategic alliances, the Company continues to expand its technical service offering while reinforcing its role in promoting investment, knowledge transfer and national capability development within Timor-Leste's petroleum sector.

Through its integrated technical services platform, TIMORGAP, exploration and development unit provides support across the full lifecycle of upstream operations, encompassing seismic acquisition, processing and interpretation, geological and geophysical studies, drilling support, well services and decommissioning activities. These capabilities enhance operational efficiency, facilitate continuity between exploration and development phases, and position the Group to deliver increasingly comprehensive technical solutions.

As a wholly owned subsidiary, TIMORGAP Drilling & Seismic Services (TGDSS) further strengthened its position as a nationally owned technical service provider. During 2025, TGDSS expanded its operational footprint through its involvement in offshore and onshore activities, including support to the Bayu-Undan operations and participation in the ongoing decommissioning programme. The subsidiary also secured specialised geophysical service contracts for onshore projects and continued to pursue new business opportunities through strategic partnerships and competitive bidding processes.

TGDSS's operating model, founded on collaboration with established international service providers, enables technology transfer, capability development and risk sharing while maintaining a strong focus on local content and national participation. As the subsidiary evolves from a capability-building vehicle into a commercially active service provider, it continues to enhance TIMORGAP's technical capacity and support the development of a sustainable and competitive petroleum services industry in Timor-Leste.

TGDSS exemplify TIMORGAP's commitment to building national expertise, strengthening institutional capabilities and creating long-term value through strategic partnerships and active participation across the upstream value chain.

2.5 TECHNICAL SERVICES & STRATEGIC PARTNERSHIPS

Technical Services & Partnerships

An integrated technical-services platform spans the full lifecycle of oil & gas operations — from early-stage exploration to drilling, production and decommissioning — reinforcing TIMORGAP's role as both operator and service provider.

TGDSS — DRILLING & SEISMIC SERVICES

A wholly owned subsidiary integrating drilling & seismic capabilities — drilling engineering, well intervention/completion/testing, seismic support and integrated upstream project delivery — evolving from a capability-building vehicle into a **commercially active service provider**.



TGDSS — 2025 commercial milestones

Santos Support Vessel Contract

Two-year contract (+ extension option) supporting Bayu-Undan, delivered as head contractor via subcontract with MMA Offshore Asia.

Rarahana MT / AMT survey

With PT Geoservices across Lospalos, Viqueque & Baucau — 154 MT & 144 AMT points over ~6 months.

Decommissioning & MoUs

Proposals for Bayu-Undan decommissioning packages; MoU with Altus Integrated Logistics (logistics, drilling fluids & chemicals).

Strategic outlook

TIMORGAP will expand its integrated service offering, deepen collaboration with international operators, and position its subsidiaries as competitive regional service providers — reinforcing its role as both operator and service provider while supporting local content and national participation.

2.6. TECHNICAL CAPABILITY, PARTNERSHIPS & OUTLOOK

Technical Capability, Partnerships & Outlook

An integrated technical-services platform spans the full lifecycle of oil & gas operations — from early-stage exploration to drilling, production and decommissioning — reinforcing TIMORGAP's role as both operator and service provider.

STRENGTHENING TECHNICAL CAPABILITIES

TIMORGAP continues to invest in building robust in-house technical capabilities, ensuring greater control over asset evaluation and development planning. The Exploration & Development unit function integrates multidisciplinary expertise across geology, geophysics & petrophysics; reservoir, drilling & production; and digital subsurface modelling & simulation tools — complemented by international partnerships that accelerate knowledge transfer.

PARTNERSHIPS & OPERATING MODEL

The upstream portfolio is executed through a hybrid operating model, combining operatorship in selected assets with participation in joint ventures alongside established international partners — major operators and independents, technical service providers in seismic, drilling & offshore operations, and capacity-building partners. This enables TIMORGAP to share technical and financial risk, access global best practice, and strengthen its role as a credible partner in complex developments.

GREATER SUNRISE — STAKEHOLDER ALIGNMENT & ENABLERS

Engagement

Throughout 2025, TIMOR GAP together with the Sunrise Joint Venture (SJV) members advanced various works on upstream technical as well as legal and fiscal frameworks for the Greater Sunrise Special Regime Area (GSSRA). SJV and the States continued the trilateral discussions following the Australian federal elections, enabling further alignment on legal and fiscal frameworks, and continued progress toward a single Development Concept.

Development enablers

Preparatory workstreams continued to support future execution — early-stage pipeline routing to Natarbora, preliminary land identification & resettlement planning for onshore infrastructure, and capacity-building & workforce-development initiatives.

Strategic outlook

Greater Sunrise is expected to transition progressively from framework definition to execution readiness, subject to the finalisation of legal, fiscal and commercial agreements. Priorities include finalisation of the GSSRA legal & fiscal framework, advancement toward development-concept selection and project sanctioning, continued alignment with national infrastructure planning (particularly Tasi Mane), and strengthening of project-delivery readiness across technical, commercial and institutional dimensions. Ultimately, the development represents a transformational opportunity with the potential to anchor the country's future energy landscape and deliver long-term socio-economic benefits.

SECTION 03 — OF 09

Downstream & Commercial

Building an integrated national energy value chain —
linking upstream resource development with
commercialisation, fuel retail and end-user delivery

- DOWNSTREAM STRATEGIC OVERVIEW
- RETAIL & COMMERCIAL EXPANSION
- COMMERCIAL GROWTH STRATEGY

3.1 DOWNSTREAM STRATEGIC OVERVIEW

Downstream Strategic Overview

A core component of TIMORGAP's strategy to build an integrated national energy value chain — responsible for storage, processing, import/export, transportation, distribution, marketing and sale of petroleum products, natural gas and other hydrocarbons.

STRATEGIC DIRECTION

1

Retail expansion

Grow fuel retail & distribution networks nationwide

2

Asset strengthening

Optimise existing operational assets & infrastructure

3

New product lines

Develop LPG & lubricants offerings

4

Service integration

Aviation, logistics & support via subsidiaries

The Downstream segment links upstream resource development with commercialisation and end-user delivery — covering storage, processing, import, export, transportation, distribution, marketing and sale of petroleum products, natural gas and other hydrocarbons.

In 2025, TIMORGAP consolidated its downstream position through market entry, infrastructure development and commercial diversification — building a domestic footprint in fuel and energy distribution while expanding into new product lines to create sustainable revenue streams and support national energy security.

This is underpinned by expansion of retail fuel and distribution networks, strengthening of existing operational assets, development of new product lines (LPG and lubricants), and integration of aviation, logistics and support services through subsidiaries.

OPERATIONAL FOCUS — CORE ASSETS

Suai Fuel Station (SFS)

The Company's primary retail and commercial fuel platform, anchoring market presence and operational experience.

Suai Aviation Fuel Facility (SAFF)

Jet A-1 supply for upstream oil & gas activities on the south coast.

Subsidiary support

WESTSTAR-GAP Aviation and South Horizon provide aviation, marine and logistics services that reinforce the integrated commercial model.

3.2 RETAIL & COMMERCIAL EXPANSION

Retail & Commercial Expansion

In 2025, TIMORGAP continued to strengthen its downstream business through the expansion of its retail network and the enhancement of its commercial operations, laying the foundations for sustainable revenue growth and a stronger presence in the domestic energy market.

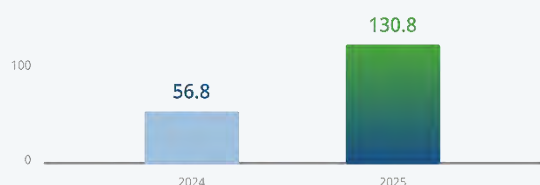
The Company progressed its strategy to develop a nationwide fuel retail footprint by advancing plans for new service stations in strategic locations, particularly in Manatuto (Natarbora) and Manufahi (Same), while continuing to assess opportunities for future expansion in collaboration with relevant stakeholders and regulatory authorities. Despite challenges related to land acquisition, infrastructure planning and site approvals, TIMORGAP maintained momentum by identifying alternative opportunities and adapting its development plans.

The Suai Fuel Station (SFS) remained the cornerstone of TIMORGAP's retail activities and a key contributor to commercial performance. Through a focus on operational efficiency, service quality and customer growth, the station recorded fuel sales exceeding USD 454 thousand during the year, representing a 63% increase compared with 2024. Investments to enhance distribution capacity and ensure supply reliability further supported this positive performance.

GROSS MARGIN RATE

Fuel retail margin growth

USD thousand — margin more than doubled year-on-year.



At the same time, TIMORGAP continued to develop the Suai Aviation Fuel Facility (SAFF), strengthening its capability to provide aviation fuel services to operators supporting offshore and onshore activities. Ongoing infrastructure improvements, specialised equipment procurement and the implementation of operational procedures reinforced SAFF's role as a strategic asset within the Company's downstream portfolio.

Together, these initiatives demonstrate TIMORGAP's commitment to building a scalable and resilient commercial platform capable of supporting both domestic market needs and the growing industrial and energy activities envisaged for Timor-Leste, particularly along the south coast region.

Expansion challenges

Land-acquisition constraints, infrastructure-planning factors (e.g. road development) and the need for regulatory coordination affected site confirmation. The Company adapted by identifying alternative locations and maintaining momentum.

3.3 COMMERCIAL GROWTH STRATEGY

Commercial Growth Strategy

In 2025, TIMORGAP continued to advance its commercial growth strategy through the expansion and consolidation of its downstream activities, strengthening its domestic market presence while creating the foundations for long-term financial resilience. As the Company's principal source of near-term commercial revenues, the downstream business remained instrumental in developing market-facing capabilities, enhancing brand recognition and diversifying income streams beyond the timing of upstream developments.

Fuel Retail Expansion and Network Development

Fuel retail operations remained at the core of this strategy. The Company maintained and optimised the performance of the Suai Fuel Station (SFS), while progressing plans to expand its retail footprint into strategically important locations, including Natarbora and Manufahi. Although land access and regulatory considerations affected the pace of implementation, TIMORGAP continued to adapt its approach by identifying alternative opportunities and maintaining momentum towards establishing a nationwide retail presence.

Aviation Fuel and SAFF Development

The Suai Aviation Fuel Facility (SAFF) also progressed during the year, reinforcing TIMORGAP's ambition to develop an integrated downstream offering capable of supporting future aviation and oil and gas activities along the south coast. Operational readiness initiatives and infrastructure enhancements continued to position SAFF as a strategic asset within the Company's commercial portfolio.

Other Development Projects and Initiatives

At the same time, TIMORGAP pursued opportunities to broaden its product offering through the assessment of new business lines. While the proposed LPG bottling initiative was discontinued following the inability to achieve the necessary contractual arrangements, the lubricants business advanced through market assessments and partner engagement, reflecting a disciplined and evidence-based approach to commercial diversification. Complementing these initiatives, the Company's downstream subsidiaries continued to support the development of specialised services and future growth opportunities.

Disciplined capital allocation

Together, these efforts demonstrate TIMORGAP's commitment to building a scalable and resilient commercial platform that supports national energy needs, enhances operational capabilities and contributes to the Company's long-term sustainability as Timor-Leste's national energy company.

Forward priorities

Scale fuel retail

Where economically & strategically justified

Operationalise SAFF

Aviation fuel services in Suai

New product lines

Following validated demand & partnerships

Financial resilience

Support the upstream development phase

Through this approach, TIMORGAP is positioning its downstream segment as a critical driver of commercial growth — contributing to the development of a more resilient, diversified and self-sufficient energy sector in Timor-Leste, while management maintained a disciplined approach to execution amid regulatory, land-access and market constraints.

SECTION 04 — OF 09

Strategic Infrastructure

Anchored in the Tasi Mane Project — integrated energy and industrial infrastructure along the south coast, enabling a fully functioning oil & gas value chain.

- NATIONAL STRATEGIC PROGRAM - TASI MANE
- SUAI INDUSTRIAL CLUSTER
- NATARBORA LNG & INDUSTRIAL HUB

4.1 NATIONAL INFRASTRUCTURE PROGRAM

National Infrastructure Program

The Tasi Mane Project is the cornerstone of Timor-Leste's national petroleum infrastructure strategy — a multi-cluster development along the south coast designed to anchor the downstream value chain, enable Greater Sunrise monetisation, and catalyse industrial diversification.

CLUSTER 01

SUAI

Supply Base & Logistics

Operational hub supporting offshore activities; ongoing refurbishment of the airport hangar; supply base infrastructure phased.

CLUSTER 02

NATARBORA

Integrated Oil & Gas Development Hub

A dedicated harbor for oil and gas industrial activities, including an LNG plant, refinery, petrochemical facilities, and other petroleum-related industrial developments.

The National Strategic Infrastructure Program represents a cornerstone of TIMORGAP's long-term vision to support the structural transformation of Timor-Leste's economy. Anchored in the Tasi Mane Project, this program aims to develop integrated energy and industrial infrastructure along the south coast, enabling the country to establish a fully functioning oil and gas value chain while fostering broader economic diversification and sustainable growth.

Strategic Vision and National Impact

The Tasi Mane Project is conceived as a national flagship initiative, designed to:

- Develop critical infrastructure to support the oil and gas industry
- Create new economic clusters and stimulate industrial development
- Promote job creation and local capacity building
- Enable diversification into sectors such as agriculture, tourism, and services

By integrating large-scale infrastructure with industrial development, the program is expected to play a transformative role in strengthening Timor-Leste's economic resilience and energy independence.

2025 PRIORITIES

- Land identification and resettlement planning for pipeline routing
- Pre-FEED studies and integration with Greater Sunrise development
- Workforce development and local content frameworks
- Stakeholder engagement and inter-ministerial coordination

4.1 NATIONAL INFRASTRUCTURE PROGRAM

National Infrastructure Program

Integrated Infrastructure Development Approach

The program adopts a comprehensive and integrated approach to infrastructure development, combining logistics, transport, industrial facilities, and community development projects. Key components include:

Suai Supply Base (SSB):

A critical logistics hub designed to support offshore and onshore petroleum operations. In 2025, significant progress was made in finalising tender documentation, launching international procurement processes, and evaluating technical and financial proposals for design, construction, and financing.

Suai Airport Project

In 2025, TIMOR GAP continued the refurbishment of the Suai Airport Hangar as part of its commitment to establishing a fully operational aviation base in Suai by 2026. This will support the relocation of helicopter operations from Dili to Suai and facilitate future fixed-wing crew transport services between Dili, Suai and Darwin.

Community Resettlement (Holbelis):

Infrastructure development includes the construction and resettlement of communities to support airport expansion, ensuring alignment with social development objectives and operational requirements. Construction progressed significantly during 2025 and is expected to continue into 2026.

TIMORGAP Operational Base in Suai:

The development of a dedicated operational base supports project coordination and execution, reinforcing TIMORGAP's presence in the region and enabling efficient management of infrastructure activities.

South Coast Highway (Suai–Natarbora):

A strategic transport corridor linking the main industrial poles along the south coast. This highway will connect Suai to Natarbora—enabling efficient movement of goods, equipment, and personnel between key infrastructure assets, including refining, petrochemical, and LNG facilities.

Land Acquisition and Corridor Development:

Processes continued throughout 2025, covering approximately 76 kilometres of corridor, ensuring the availability of land required for infrastructure development while engaging with communities and stakeholders.

Betano New Town Development

In alignment with the plan of the IX Constitutional Government, the Development Network for the south coast has been revised to be more cost-effective and more compact, thereby catalyzing economic activities throughout the region. This changes lead to the creation of the Natarbora cluster merging the industrial development initially plan for Beaco and Betano Clusters to Natabora. Despite this, the Betano Cluster is repurposed as petroleum city cluster.

The New City to be implemented in Betano, together with the new urban centres of Suai and Natarbora, will play a part in balancing the occupation of the territory. Nova Betano emerges as a counterpart to the attractiveness of Dili, seeking to densify the occupation of the South Coast of Timor-Leste."

4.1 NATIONAL INFRASTRUCTURE PROGRAM

National Infrastructure Program

The National Strategic Infrastructure Program reflects a long-term investment strategy aimed at unlocking the value of Timor-Leste's hydrocarbon resources while creating multiplier effects across the wider economy.

Investment Rationale

The National Strategic Infrastructure Program reflects a long-term investment strategy aimed at unlocking the value of Timor-Leste's hydrocarbon resources while creating multiplier effects across the wider economy.

The investment rationale includes:

- Facilitating the commercialisation of upstream resources through enabling infrastructure
- Reducing logistical constraints and improving operational efficiency
- Attracting foreign investment and strategic partners
- Supporting the development of industrial clusters and value-added industries
- Enhancing national connectivity and trade capabilities

The scale and integration of these investments are designed to generate both direct economic returns and broader socio-economic benefits.

Integration Strategy and Infrastructure Masterplan

A defining characteristic of the program is its masterplan-driven approach, ensuring that all infrastructure components are developed in a coordinated and mutually reinforcing manner.

The integration strategy connects:

- Upstream production activities with downstream processing and export infrastructure
- Industrial hubs such as Suai and Natarbora through transport and logistics corridors
- Energy infrastructure with supporting services, including aviation, logistics, and residential development

This integrated framework ensures that infrastructure investments contribute to a cohesive national energy ecosystem, rather than isolated projects



4.2 SUAI INDUSTRIAL CLUSTER

Suai Industrial Cluster

A national flagship initiative developing integrated energy and industrial infrastructure along the south coast — establishing a functioning oil & gas value chain while fostering economic diversification and sustainable growth.

The Suai Industrial Cluster constitutes a central component of TIMORGAP's strategic infrastructure development under the Tasi Mane Project, serving as the primary logistics and operational hub for the country's emerging petroleum industry. Building on the foundations established in previous years and further advanced in 2025, the cluster is designed to support both upstream and downstream activities, enabling the efficient delivery of services, materials, and infrastructure essential to large-scale oil and gas developments.

Strategic Role and Development Concept

The Suai Industrial Cluster is structured around an integrated development model that combines:

- Industrial logistics infrastructure
- Urban and community development
- Transport and aviation facilities

At the core of the cluster is the Suai Supply Base (SSB), which is envisioned as a comprehensive logistics and service centre for petroleum operations. The SSB is designed to support offshore and onshore activities by providing facilities such as:

- Fabrication yards and open storage areas
- Warehouses and logistics platforms
- Marine and operational support infrastructure
- Workforce development and training facilities

This integrated approach positions Suai as the entry point and operational backbone for materials and services required across the broader south coast development corridor, including future projects in Natarbora.

Infrastructure Integration and Supporting Developments

The Suai Industrial Cluster is supported by a range of complementary infrastructure projects that ensure its functionality as a multi-purpose industrial and economic hub:

Nova Suai (New Town Development):

Planned as a new urban centre, Nova Suai will accommodate workers, contractors, and their families, while also fostering a commercial ecosystem to support industrial activities and local businesses.

Suai Airport Upgrade and Supporting Facilities:

The expansion and upgrading of Suai Airport are critical to facilitating regional connectivity, logistics operations, and aviation services, including support for offshore petroleum activities.

Community Resettlement (Holbelis Project):

The development of new housing and public infrastructure for relocated communities underlines the program's commitment to social inclusion and sustainable development, while enabling the expansion of key infrastructure

South Coast Highway Integration:

The Suai cluster is physically connected to other strategic locations through the Suai–Natarbora highway, facilitating efficient transport of goods, equipment, and personnel along the south coast.

4.2 SUAI INDUSTRIAL CLUSTER

Suai Industrial Cluster

Progress and Key Achievements in 2025

During 2025, significant progress was achieved in advancing the Suai cluster, particularly in relation to the Suai Supply Base:

Completion and submission of technical tender documentation for the design, construction, and financing of the SSB

Launch of international procurement processes and evaluation of technical and financial proposals
Completion of geophysical, geotechnical, and topographical studies, with metocean surveys ongoing

Continued development of engineering designs, cost estimates, and master planning documentation

These steps have positioned the project to transition from planning into execution phases, marking a critical milestone in the realization of the cluster.

Investment Rationale and Economic Impact

The Suai Industrial Cluster is designed to generate significant economic value at both national and regional levels by:

Supporting the development and commercialisation of petroleum resources

Creating employment opportunities and local business participation

Encouraging the growth of small and medium-sized enterprises (SMEs) through industrial integration

Enhancing logistics efficiency and reducing operational costs for oil and gas activities

Acting as a catalyst for regional development along the south coast

By combining industrial, commercial, and social infrastructure, the cluster is expected to deliver long-term socio-economic benefits, contributing to GDP growth and national development objectives.

OVERVIEW

OPERATIONAL

Supply base status

AVIATION

Airport upgraded

CORRIDOR

Highway phased delivery

INTEGRATED

With Tasi Mane

STRATEGIC OUTLOOK

Suai will scale in tandem with Greater Sunrise development and the broader Tasi Mane corridor — evolving from a logistics hub into a fully integrated industrial cluster anchoring the national downstream value chain.

4.3 NATARBORA

Natarbora Integrated Oil & Gas Development Hub

The second major pillar of Tasi Mane and the primary downstream processing centre for Timor-Leste's hydrocarbon resources — directly linked to Greater Sunrise, integrating LNG, refining and petrochemical industries into a single coordinated ecosystem.

The Natarbora LNG & Industrial Hub represents the second major pillar of the Tasi Mane Project and a cornerstone of Timor-Leste's long-term energy and industrial strategy. Building on the framework outlined in the 2024 Annual Report and significantly advanced throughout 2025, the hub is designed to integrate LNG processing, refining, petrochemical industries, and supporting infrastructure into a single, coordinated industrial ecosystem.

Strategic Role within the National Energy System

The Natarbora Hub is envisioned as the primary downstream processing centre for Timor-Leste's hydrocarbon resources, directly linked to the development of the Greater Sunrise fields. Its strategic purpose is to:

Process natural gas through a Liquefied Natural Gas (LNG) plant (TLNG)

Host refinery and petrochemical facilities

Enable export of value-added products

Anchor the country's transition into a fully integrated petroleum value chain

The consolidation of LNG, refining, and petrochemical facilities into a single hub reflects a deliberate decision to optimize synergies, reduce infrastructure duplication, and enhance operational efficiency.

Pipeline Connectivity and Infrastructure Integration

A defining feature of the Natarbora Hub is its role as the onshore landing point and processing centre for gas transported from offshore fields.

In 2025:

Initial activities were undertaken to confirm and study the gas pipeline route to Natarbora

Planning continued for the integration of subsea pipeline infrastructure with onshore processing facilities

Technical progress remained dependent on preliminary surveys and engineering studies, undertaken by the Ministry of Petroleum and Mineral Resources

This pipeline connectivity is central to the broader infrastructure masterplan, linking:

Upstream production (Greater Sunrise offshore fields)

Midstream transport (subsea pipeline system)

Downstream processing (Natarbora LNG and industrial facilities)

Investment Rationale and Economic Impact

The Natarbora LNG & Industrial Hub is a critical investment designed to unlock substantial national value by:

Stimulating the development of industrial value chains, including petrochemicals and refining

Generating employment opportunities across technical, industrial, and service sectors Driving technology transfer and capacity building for the local workforce

By shifting from raw resource export to value-added industrial production, the hub is expected to significantly enhance Timor-Leste's economic resilience.

4.3 NATARBORA

Natarbora Integrated Oil & Gas Development Hub

Progress and Key Achievements in 2025

Throughout 2025, notable progress was achieved in advancing the Natarbora Hub:

Ongoing negotiation and development of legal, fiscal, and regulatory frameworks for the Greater Sunrise Special Regime Area (GSSRA)

Advancement of technical and economic studies, including Pre-FEED and concept selection assessments

Engagement of specialized consultants and subject matter experts to support project development

Continued efforts toward harmonization of joint venture agreements and contractual frameworks

Submission of integrated fiscal proposals by the Sunrise Joint Venture partners to support the TLNG development concept

Despite progress, some technical activities—such as detailed pipeline route studies and on-site assessments—remain contingent on further data collection and engineering validation.



From offshore field to value-added export

UPSTREAM

Greater Sunrise

Offshore gas production — the primary feedstock



MIDSTREAM

Subsea pipeline

Gas transported via pipeline to Natarbora



DOWNSTREAM

Natarbora processing

TLNG, refining & petrochemical facilities

ECONOMIC IMPACT

By shifting from raw-resource export to value-added industrial production, the hub captures greater economic returns, stimulates petrochemical & refining value chains, generates employment, drives technology transfer, and enhances Timor-Leste's long-term economic resilience & energy security.

SECTION 05 — OF 09

Sustainability & ESG

Transparency, human capital and national value creation
at the centre of the mandate.

- ESG FRAMEWORK
- HUMAN CAPITAL
- NATIONAL VALUE

5.1 ESG FRAMEWORK

ESG Framework

Reflecting TIMORGAP's commitment to operating as a responsible national oil company — integrating ESG principles into corporate strategy, decision-making and operations across both upstream and downstream segments.

TIMORGAP's Environmental, Social and Governance (ESG) Framework reflects the company's commitment to operating as a responsible national oil company, aligned with international best practices while supporting Timor-Leste's sustainable development objectives. The framework integrates ESG principles into corporate strategy, decision-making processes and operational activities across both upstream and downstream business segments.

ESG Governance and Strategic Alignment

TIMORGAP's ESG approach is anchored in its mandate to create value from national resources while ensuring responsible management and long-term benefits for the country. The framework aligns with:

- The Government of Timor-Leste's strategic development priorities
- International oil and gas industry standards
- Global transparency and governance initiatives, including EITI

As a state-owned enterprise, TIMORGAP operates under strong institutional oversight and applies structured governance mechanisms through its Board of Directors, Executive Committee and internal control systems. This governance model ensures that ESG considerations are embedded across all levels of the organisation, from strategic planning to project execution.

ESG PILLARS

Environmental

Environmental stewardship, reforestation and responsible resource management.

Social

Local content, workforce development, community investment and inclusive growth.

Governance

EITI transparency, integrity, ethical conduct and accountability.

Integrated & evolving

ESG is embedded into the core business model — with progressively enhanced data collection, monitoring and reporting aligned with emerging global standards.

5.1 ESG FRAMEWORK

ESG Framework

Environmental governance

The environmental pillar of TIMORGAP's ESG Framework is guided by the principle of sustainable resource development, ensuring that petroleum and infrastructure activities are conducted in full compliance with national regulations and recognised international standards.



During 2025, the Company continued to strengthen its environmental governance through the implementation and continuous improvement of an Integrated Management System (IMS) aligned with ISO 14001 environmental management standards, as well as ISO 9001 and ISO 45001. External audits confirmed continued conformity with these standards, reinforcing TIMORGAP's commitment to internationally recognised environmental practices.

Key Commitments and Activities

TIMORGAP's core environmental commitments are supported by a structured and proactive set of actions, including:

Implementation of Environmental Impact Assessments (EIA), project documentation and environmental monitoring programmes across major projects, notably infrastructure and upstream activities;

Continuous environmental licensing compliance, including coordination with national regulators such as ANP and ANLA, and the preparation of mandatory documentation such as Project Documents (PDs), Environmental Management Plans and Environmental Performance Reports;

Integration of environmental considerations into project design, planning and execution, including support to major developments such as the Zumalai-Natarbora Highway Project, where environmental documentation and regulatory approval were successfully obtained;

Implementation of environmental management and restoration measures, including site rehabilitation and waste management actions for seismic projects such as Pualaca, ensuring that environmental impacts are mitigated and properly documented;

Strengthening of environmental reporting and compliance monitoring, including the ongoing review and enhancement of environmental performance reporting for seismic acquisition activities.

5.1 ESG FRAMEWORK

ESG Framework

In parallel, TIMORGAP continued to promote environmental stewardship initiatives, including responsible resource use, biodiversity protection and environmental restoration in operational areas.

Social Responsibility and Stakeholder Engagement

TIMORGAP places strong emphasis on social development, inclusion and stakeholder engagement, recognizing that the long-term success of the petroleum sector depends on delivering tangible benefits to local communities.

The social dimension of the ESG Framework includes:

Implementation of Corporate Social Responsibility (CSR) programmes focused on environmental sustainability, economic growth and social development

Promotion of local content and workforce development, prioritizing employment and capacity building for Timorese nationals. The company aims to build a high-performing, skilled and future-ready workforce, capable of supporting its transformation into a fully integrated energy company.

Active engagement with communities, government institutions and stakeholders, particularly in project areas

Support for community development initiatives, including housing, education, and livelihood programmes

Through these initiatives, TIMORGAP contributes to inclusive growth and national capacity building, ensuring that the benefits of resource development are broadly shared.

Transparency, Ethics and Accountability

Transparency and accountability are central to TIMORGAP's ESG Framework, particularly in the management of revenues and the governance of natural resources.

Key elements include:

- Active participation in the Extractive Industries Transparency Initiative (EITI), supporting full disclosure of payments and revenues in the extractive sector
- Engagement in multi-stakeholder platforms involving government, industry and civil society
- Contribution to the preparation and dissemination of EITI reports, enhancing public access to information
- Commitment to high standards of integrity, ethical conduct and compliance across all operations

In 2025, TIMORGAP continued to strengthen transparency practices as a responsible and accountable national oil company.

Integration and Continuous Improvement

TIMORGAP's ESG Framework is designed as an integrated and evolving system, ensuring continuous improvement and alignment with emerging global standards. The company is progressively:

- Enhancing ESG data collection, monitoring and reporting mechanisms
- Aligning internal systems with international ESG and sustainability reporting practices
- Strengthening cross-functional coordination between business units to ensure consistent ESG implementation
- Leveraging partnerships and expertise to support sustainable project development

This integrated approach ensures that ESG considerations are not treated as standalone initiatives but are embedded into the core business model and long-term strategy of TIMORGAP.

5.2 HUMAN CAPITAL DEVELOPMENT

Human Capital Development

WORKFORCE GROWTH & RECRUITMENT

In 2025 the Company strengthened organisational capacity through targeted recruitment, recruiting **59 employees** across procurement, legal, communications, community-liaison and technical-advisory roles. The multi-phase programme reached final stages by year-end, including interviews, psychometric testing and reference checks.

This workforce structure reflects a clear commitment to national workforce participation, while maintaining access to international expertise to support knowledge transfer and capability development.

RECRUITMENT AND TALENT ACQUISITION

Recruitment remained a key priority throughout 2025, aligned with the company's growth trajectory and project pipeline. Positions targeted included:

procurement, legal, communications, community liaison and technical advisory roles, supporting both core operations and strategic projects.

The 2025 recruitment programme was implemented in multiple phases, covering technical, operational and corporate roles. By year-end, the second batch of recruitment had reached the final stages, including interviews, psychometric testing and reference checks prior to job.

TOTAL WORKFORCE

211

NEW RECRUITS

59

EMPLOYEES TRAINED

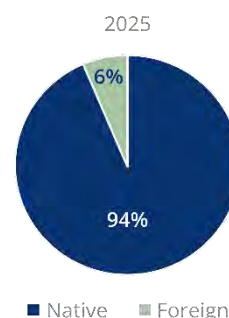
61



64%



36%



TRAINING PROGRAMMES

Petroleum geology and geophysics

Project and financial management

Contract management and joint operating agreements

Service station and downstream operations

Specialised engineering tools (e.g., PIPESIM)

TRAINING OVERVIEW

A total of 61 employees participated in international and local training initiatives during 2025, (promoting exposure to global best practices while strengthening local expertise. Looking ahead, recruitment will expand in line with Greater Sunrise and Tasi Mane, with deeper technical and leadership training and further integration of digital HR systems.

5.2 HUMAN CAPITAL DEVELOPMENT

Human Capital Development

PERFORMANCE MANAGEMENT AND ORGANISATIONAL SUPPORT

The Human Capital function continued to support the organisation through:

- Management of employment contracts, performance evaluation systems and reward structures
- Oversight of HR policies, procedures and compliance frameworks
- Provision of administrative, logistical and operational support to all business units

In addition, general administration and logistics functions ensured efficient working conditions, supporting staff across headquarters and field operations in key locations such as Suai, Same, Baucau and Lautém.

COMMITMENT TO NATIONAL DEVELOPMENT

TIMORGAP's human capital strategy is closely aligned with its role as a national oil company. The company is committed to:

- Promoting local employment and skills development
- Supporting technology transfer and knowledge sharing
- Building a national workforce capable of supporting the oil and gas industry value chain integrated energy company.

This approach ensures that the development of petroleum resources contributes directly to long-term socio-economic development and capacity building in Timor-Leste.



5.3 SUSTAINABILITY & NATIONAL VALUE

Sustainability & National Value

TIMORGAP's approach to Sustainability and National Value Creation is grounded in its mandate as a national oil company to transform Timor-Leste's natural resources into long-term socio-economic benefits. The company integrates sustainability principles into its core operations by promoting transparency, capacity building, local participation and responsible resource management, ensuring that the development of the petroleum sector contributes directly to national development.

TRANSPARENCY & GOOD GOVERNANCE

The Company actively supports the EITI, contributing to disclosure of revenues, payments and governance practices. Through the MSWG it strengthens trust between government, industry and civil society. In 2025 it engaged in international forums — notably the Asia Regional Workshop on SOE Transparency in Jakarta.

Livelihoods

Enhanced income generation

Resilience

Stronger community resilience

Inclusive growth

Sustainable economic growth

ENVIRONMENTAL & STAKEHOLDER ENGAGEMENT

Environmental sustainability is integrated into the ESG approach — partnerships with "Defesa Ambiental", monitoring of reforestation under the CSR "Ai-Kasi" programme, and continuous dialogue across government institutions, municipalities, communities and international partners.



From resource value to national value

Each pillar — transparency, local content, community investment and environmental engagement — converts upstream and downstream activity into measurable, durable benefits for Timor-Leste.

5.3 SUSTAINABILITY & NATIONAL VALUE

Sustainability & National Value

TIMORGAP's approach to Sustainability and National Value Creation is grounded in its mandate as a national oil company to transform Timor-Leste's natural resources into long-term socio-economic benefits. The company integrates sustainability principles into its core operations by promoting transparency, capacity building, local participation and responsible resource management, ensuring that the development of the petroleum sector contributes directly to national development.

National Value Creation through Local Content and Capacity Building

A core objective of TIMORGAP is to maximise national value creation by increasing local participation across the oil and gas value chain.

The company actively promotes:

Local employment, prioritising Timorese nationals across its workforce

Skills development and training programmes, including technical and managerial expertise

Technology transfer, supported through international partnerships and training initiatives

Development of local suppliers and service providers

Capacity building remains a key focus area, supported by partnerships with regional and international energy companies and organisations. Engagements with institutions such as PTT, Pertamina and ASCOPE contribute to strengthening technical capabilities and industry knowledge within Timor-Leste.

Through these efforts, TIMORGAP is building a national workforce and industrial base capable of supporting current and future energy projects.

Community Development and Social Investment

TIMORGAP contributes to sustainable development through **Corporate Social Responsibility (CSR)** initiatives that contribute to sustainable development, economic growth, and social progress in Timor-Leste. In 2025, the Company continued to implement programs that promoted environmental stewardship, community empowerment, youth development, and support for local enterprises, reinforcing TIMOR GAP's commitment to creating long-term value for communities and stakeholders.

Stakeholder engagement & national integration

Continuous dialogue with government institutions, local authorities, communities and international partners — engaging across municipalities to coordinate implementation, addressing community concerns related to large-scale developments, and strengthening engagement through regional & global energy forums.

5.3 SUSTAINABILITY & NATIONAL VALUE

Corporate Social Responsibility

Environmental and Sustainability Initiatives

TIMOR GAP continued its partnership with Defesa Ambiental to monitor and maintain trees previously planted at Tasi Tolu Beach under the Ai-Kasi CSR initiative. The collaboration includes ongoing monitoring and maintenance activities over a two-year period, demonstrating the Company's continued commitment to environmental conservation and community participation in sustainability initiatives.

The Company also promoted environmentally responsible practices through the implementation of paperless initiatives during international exhibitions and conferences. These efforts support more sustainable event management practices while encouraging efficient resource utilization.



Education, Research, and Youth Development

TIMOR GAP participated in academic interviews with students from Universidade Católica Timorese (UCT) regarding the Company's CSR initiatives and community development programs. The Company also supported research initiatives under the Timor-Leste and Australia Energy Program by providing relevant CSR-related information and data to researchers.

As part of its commitment to youth development, TIMOR GAP hosted an internship placement under the Australia Awards Timor-Leste Graduate Internship Program (GIP) within the CSR Department. The internship provided practical exposure and professional learning opportunities for emerging young professionals.



5.3 SUSTAINABILITY & NATIONAL VALUE

Corporate Social Responsibility

CSR Agricultural Initiative – Covalima Municipality

A key highlight of TIMOR GAP's CSR program in 2025 was the continued implementation of the CSR Agricultural Initiative in Suai, focusing on sustainable agriculture, food security, and community livelihood development. The initiative was implemented at two project sites — Sanfuk and Salele — with each site covering approximately one hectare of land. To strengthen community capacity, selected community representatives participated in agricultural training programs at Timor Nusantara Farm and GS Organic Farm. The training provided practical knowledge in horticulture, organic farming techniques, sustainable agriculture, and farm management practices.

In 2025, TIMOR GAP finalized and handed over key supporting infrastructure to the participating communities, including fencing, water towers, irrigation support systems, and additional farming tools and equipment. These facilities were provided to support the long-term sustainability and productivity of the project.



The initiative produced encouraging results throughout the year. In Sanfuk, communities cultivated and sold vegetables such as pok choy, water spinach (kangkung), cucumber, tomato, broccoli, spinach, and lettuce, while the Salele community cultivated and sold watermelon, tomatoes, and other produce.

TIMOR GAP also continued monitoring the progress of both project sites and facilitated market linkage opportunities within Covalima Municipality. This included engagement with the Presidente Autoridade Município Covalima regarding opportunities to supply vegetables to the school feeding program (Merenda Escolar).



5.3 SUSTAINABILITY & NATIONAL VALUE

Corporate Social Responsibility

Support for Local Products and SMEs

TIMOR GAP partnered with Café Letefoho to continue promoting Timorese products and supporting small and medium-sized enterprises (SMEs) through participation in international exhibitions and conferences. In 2025, Café Letefoho products were showcased at major international events, including EXA 2025, ADIPEC 2025, Japan Energy Summit 2025, and World Gas Conference 2025, contributing to greater international exposure and market visibility for Timor-Leste's local products and SMEs.

Through these initiatives, TIMOR GAP contributed to increasing international exposure and market visibility for Timor-Leste's local products and SMEs. The Company remains committed to supporting sustainable and inclusive development while strengthening community engagement and local economic participation.



5.4 QUALITY, HEALTH, SAFETY & ENVIRONMENT

Quality, Health, Safety & Environment

A core pillar of TIMORGAP's governance framework — fundamental to safeguarding people, protecting the environment and ensuring the long-term sustainability of petroleum operations across onshore and offshore activities.

Governance & management systems

QHSE Management Systems maintained alignment with international ISO standards for Quality, Health, Safety & Environment, embedded across institutional operations & subsidiaries — reinforcing a culture of prevention, compliance & accountability.

Environmental protection & compliance

Active participation in environmental consultations & regulatory processes, including public consultations for planned seismic & drilling. Technical teams supported environmental documentation aligned with national legislation.

ISO-ALIGNED SYSTEMS

9001
Quality

14001
Environment

45001
Safety

External audits confirmed continued conformity with ISO Standards

Operational safety & risk

Technical teams participated in technical & operational committees and coordination with regulators & JV partners, integrating QHSE into G&G fieldwork, drilling preparation, and work-programme review — enabling early identification of safety & environmental risks.

Capacity building & and Competency Development

TG recognizes that a competent workforce is fundamental to maintaining an effective Integrated Management System (IMS), enhancing operational performance and supporting sustainable business growth.

During 2025, TG strengthened organizational capability through targeted training and professional development programme in ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018, Internal and Lead Auditor Training, Hazard Identification and Risk Assessment (HIRADC, JSA and JHA), and Information Security Management System (ISMS) awareness aligned with ISO/IEC 27001 and ISACA best practices.

In addition, employees participated in national and international conferences, workshops, seminars and technical forums, including the Dili Petroleum Conference, to enhance technical knowledge, exchange oil and gas industry best practices and strengthen company capability.

These initiatives reinforced a proactive, risk-based culture and supported the effective implementation of TG's Integrated QHSE Management System while enhancing TG resilience in managing increasingly complex operations and strategic projects.

5.4 QUALITY, HEALTH, SAFETY & ENVIRONMENT

Quality, Health, Safety & Environment

TIMORGAP maintains a strong commitment to Quality, Health, Safety and Environmental (QHSE) performance, recognizing these areas as fundamental to responsible operations and long-term sustainability. The company integrates QHSE principles into all levels of its activities, ensuring alignment with international standards and best practices across the oil and gas industry.

QHSE Management Systems

During 2025, TIMORGAP continued to strengthen its QHSE MS, maintaining alignment with international ISO standards for Quality, Health, Safety and Environment. Continuous improvement of these systems was embedded across institutional operations and subsidiary activities, ensuring that QHSE considerations are systematically integrated into planning, execution and oversight of projects.

The Company's QHSE framework is applied consistently across its upstream subsidiaries, supported by internal procedures, monitoring mechanisms and coordination between corporate units and project teams. This approach reinforces a culture of prevention, compliance and accountability, particularly relevant in a portfolio characterized by exploration, appraisal and preparatory development activities.

Operational Safety and Risk Management

Given the technical complexity and inherent risks associated with upstream oil and gas activities, TIMORGAP places strong emphasis on risk identification, hazard assessment and operational preparedness.

In 2025, QHSE team provided their technical assistance to the associated subsidiaries actively participated in technical committees, operational committees and coordination meetings with regulators and joint-venture partners, ensuring that safety and environmental risks were addressed at each stage of project execution.

QHSE considerations were integrated into:

- Geological and geophysical fieldwork, including non-seismic surveys and seismic data acquisition;
- Preparatory activities for drilling campaigns, including appraisal wells and exploration wells;

This structured engagement supports the early identification of potential safety and environmental risks and ensures that mitigation measures are embedded before operational activities commence.

A strategic enabler of sustainability

As upstream activities advance and complexity increases, this established QHSE foundation positions TIMORGAP to manage risk effectively, maintain its social and regulatory license to operate, and support the safe, environmentally responsible development of Timor-Leste's hydrocarbon resources.

5.4 QUALITY, HEALTH, SAFETY & ENVIRONMENT

Quality, Health, Safety & Environment

QHSE Internal/External Audit, Inspection and Monitoring

To ensure the effectiveness of its Integrated Management System (IMS) and support continual improvement, TG conducted internal and external QHSE audits, inspections and monitoring activities throughout 2025.

The QHSE Internal Audit Programme evaluated compliance with the requirements of ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018, applicable legal and regulatory obligations, and TG's policies and procedures. The audits focused on key management system elements, including risk management, operational planning and control, legal compliance, monitoring, measurement, analysis and evaluation, emergency preparedness and response, and the implementation of corrective actions. Audit findings were reviewed by Management, and corrective actions were implemented to enhance the effectiveness of TG's Integrated Management System and support continual improvement.

TG also successfully completed the annual QHSE External Surveillance Audit conducted by DNV Singapore, TG's accredited certification body. The audit confirmed the continued conformity and effectiveness of TG's Integrated Management System (IMS), resulting in the successful maintenance of TG's ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certifications. This achievement reaffirmed TG's commitment to operational excellence, regulatory compliance and continual improvement.

Throughout 2025, TG conducted routine QHSE inspections and monitoring activities across its operational facilities and strategic projects to verify compliance with regulatory requirements, TG's standards and operational controls. Key activities included QHSE inspections and monitoring of the Pualaka Seismic Processing Project, Rarahana Onshore Exploration Project, Suai Fuel Station, and the National Highway Identification Project. In addition, TG carried out QHSE due diligence assessments of prospective contractors, consultants, business partners and other stakeholders prior to engagement to ensure compliance with TG's QHSE requirements, applicable legal obligations and corporate governance standards before the commencement of business activities.



5.5 DIGITAL TRANSFORMATION

Digital Transformation

Digital transformation remains a strategic enabler of TIMORGAP's mandate — supporting operational efficiency, governance, transparency and long-term institutional resilience across a complex, multi-subsidiary energy portfolio.

INFRASTRUCTURE Core ICT modernisation Cisco network & firewall project completed Starlink ISP — bandwidth & resilience New servers; endpoint protection & CCTV	PROCESS Systems & digitalisation SAP diagnostic & upgrade (finance & admin) e-Purchase requisitions & material requests Improved control & traceability	PLATFORMS Project & data management Omega 365 — due diligence & UAT completed GIS & specialised exploration software Data-driven decision-making
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A MORE INTEGRATED, DATA-DRIVEN ORGANISATION

During 2025 the Company continued to invest in modern digital infrastructure and integrated information systems, aligned with international best practice. These investments lay the foundation for scalable growth, improved operational oversight and enhanced institutional capacity.

CORE STRATEGY ALIGNMENT

Digital transformation is not a standalone technology initiative but a core component of the long-term strategy — supporting effective stewardship of national energy resources and the sustainable development of the petroleum sector.

DATA GOVERNANCE, TRANSPARENCY AND INSTITUTIONAL MATURITY

Digital transformation also plays a central role in reinforcing governance, transparency and accountability. Enhanced digital systems support compliance with external audit requirements and international transparency standards, including EITI reporting, by improving data accuracy, audit trails and reporting timeliness.

The progressive integration of data management tools contributes to a more structured and reliable information environment, enabling management and stakeholders to access consistent, high-quality data across operational, financial and strategic dimensions.

PLATFORMS & SYSTEMS

Enterprise resource planning	SAP
Project mgmt & reporting	Omega 365
Training-needs & skills	i-Trans
Subsurface interpretation	Geoteric · Kingdom
Technical data management	Centralised

Digital backbone for institutional resilience

Integrated platforms enable consistent reporting, faster decision-making, and stronger oversight — anchoring growth across upstream, downstream and corporate functions.

SECTION 06 — OF 09

Governance, Risk & Compliance

Public accountability combined with the discipline required to manage complex, long-term energy investments.

- GOVERNANCE STRUCTURE & BOARD
- BOARD & EXECUTIVE LEADERSHIP
- ENTERPRISE RISK MANAGEMENT
- COMPLIANCE, CONTROLS & PROCUREMENT
- INSTITUTIONAL & STAKEHOLDER RELATIONSHIPS

6.1 GOVERNANCE STRUCTURE

Governance Structure

TIMORGAP operates under a governance framework consistent with its status as a State-Owned Enterprise — combining public accountability with the requirements of managing complex, long-term energy investments, ensuring clear segregation of oversight, executive management and operational execution.

GOVERNANCE ARCHITECTURE

Board	Ultimate responsibility for strategy, oversight, accountability and compliance with the State mandate; approval of corporate strategy, annual plans, budgets and major investments.
President & CEO	Executive link between Board and organisation, with delegated authority to implement strategy and manage day-to-day operations.
Vice Presidents	Executive leadership over major domains (Upstream, Infrastructure, Greater Sunrise, Commercial, GRSE), aligning corporate strategy with execution.
Directors / Functional Heads	Lead specialised functions (Exploration & Development, Infrastructure, HRD & Administration, Legal, QHSE, Services), translating strategy into delivery and internal control.
Management & Technical Committees	Cross-functional forums supporting decision-making, risk assessment and technical validation before escalation.

Legal framework

Operating within the framework for Petroleum Activities (**Law No. 13/2005**) establishing sovereign rights over natural resources, and the Petroleum Fund Law (**Law No. 12/2011**) ensuring sound fiscal policy integrated into the State budget.

EITI oversight

The Board exercises oversight over commitments under the EITI, ensuring accurate, timely & comprehensive disclosure of financial & non-financial information aligned with statutory reporting & public-sector accountability standards.

LEGAL & REGULATORY FRAMEWORK

The governance framework operates within the legal framework for Petroleum Activities (**Law No. 13/2005**) and the Petroleum Fund Law (**Law No. 12/2011**). The Board's oversight covers approval of strategy and budgets, monitoring of financial performance and capital allocation, oversight of risk and internal control, and assurance of statutory reporting and disclosure obligations.

6.1 GOVERNANCE STRUCTURE

Governance Structure

Board Committees and Delegated Oversight

At the apex of the governance structure is the Board, which holds ultimate responsibility for strategic direction, oversight of management, approval of major investments, and assurance of compliance with applicable laws and regulations. The Board acts on behalf of the State, ensuring that TIMORGAP's activities are conducted in a manner consistent with its public mandate, long-term national interests and principles of sound corporate governance.

The Board's oversight role is exercised through:

- Approval of corporate strategy, annual plans and budgets;
- Monitoring of financial performance and capital allocation;
- Oversight of risk exposure and internal control systems;
- Ensuring compliance with statutory reporting and disclosure obligations.

The importance of governance discipline and legal compliance is reinforced by formal communications between the Company, the shareholder Ministry and oversight bodies, within the legal framework for Petroleum Activities (Law No. 13/2005) that states the sovereign rights for the exploration of natural resources including petroleum, and accordingly with the Petroleum Fun Law (Law No. 12/2011), that ensures sound fiscal policy and is integrated into the State budget. Executive authority is delegated by the Board to the President & CEO, who is responsible for the day-to-day management of the Company and for implementing Board-approved strategy. The President & CEO is supported by a structured executive team, comprising Vice Presidents and Directors responsible for key functional and operational areas. This structure enables specialised oversight of complex activities, while ensuring coordination across upstream, infrastructure, services and corporate functions.

To enhance the effectiveness of governance and oversight, the Board is supported by management-level and technical committees, which operate within defined mandates and reporting lines.

These committees play a critical role in:

Reviewing technical and operational matters related to upstream projects;
Monitoring project execution against approved work programmes and budgets;
Supporting informed decision-making on investments, partnerships and risk exposure.

Committees are complemented by internal coordination forums involving technical, financial, legal and QHSE functions, ensuring that decisions are subject to multidisciplinary review before escalation to executive management or the Board.

Integration with Governance, Risk and Compliance.

The governance structure is closely integrated with risk management, compliance and internal control mechanisms, enabling early identification of risks and reinforcing accountability at all levels of the organisation. Governance arrangements also support compliance with:

Public finance and reporting requirements;
Grant funding conditions;
International standards applicable to the energy sector.

This integrated approach ensures that governance is not treated as a standalone function, but as a core enabler of strategic execution, risk management and public accountability.

6.1 GOVERNANCE STRUCTURE

Governance Structure

EITI - Extractive Industries Transparency Initiative

As the national oil company of Timor-Leste, TIMORGAP, E.P. operates within a heightened transparency and accountability framework. The Board of Directors exercises oversight over the Company's commitments under the EITI recognising it as a key instrument for promoting transparency, public accountability and good governance in the extractive sector.

Board oversight ensures that management establishes appropriate processes to support accurate, timely and comprehensive disclosure of financial and non-financial information required under the EITI framework, and that such disclosures are aligned with statutory reporting obligations and public-sector accountability standards.

This governance-level engagement reinforces TIMORGAP's role as a responsible steward of national resources and supports public confidence in the management of the country's extractive revenues.

Governance Maturity and Strategic Role

Overall, TIMORGAP's governance structure reflects the evolving maturity of the organisation, transitioning from a purely asset-holding entity towards a more complex operator and project sponsor. The combination of Board oversight, executive delegation and committee-based review provides a governance platform capable of supporting:

- Long-gestation upstream investments;
- High-value national infrastructure projects;
- Increasing engagement with international partners and regulators.

This governance model underpins TIMORGAP's ability to fulfil its mandate as the national oil company of Timor-Leste, ensuring that strategic decisions are taken transparently, responsibly and in alignment with the long-term interests of the State.

6.2 BOARD & EXECUTIVE LEADERSHIP

Board & Executive Team

The leadership team combines deep sector experience with strategic vision, driving TIMORGAP's growth across the energy value chain while upholding strong governance standards.

TIMORGAP, E.P. operates under a governance framework consistent with its status as a State-Owned Enterprise, combining public accountability with the requirements of managing complex, long-term energy investments. The governance structure is designed to ensure clear segregation of oversight, executive management and operational execution, while maintaining alignment with national energy policy and statutory obligations.

RS

Mr. Rui Soares

PRESIDENT & CEO

MBA, Aston University; B.Eng. (Petroleum), University of Adelaide. 19 years in oil & gas and in civil & marine construction — TSDA Technical Officer (Drilling & Production), then ANPM Director. Timor-Leste Commissioner for the JPDA & Greater Sunrise, succeeded by Member of the Governance Board for the Greater Sunrise Special Regime under the MBT; Head of the Tibar Port PPP Project Management Unit. Appointed President & CEO in 2023.

Vice Presidents

AA

Mrs. Aurélia Alves

VP, Government Relations & Stakeholder Engagement

B.Ed (UNTL); MBA (in progress), Robert Kennedy College. 20+ years across administration & stakeholder relations — UNDP, TSDA, ANP. Board Member & VP since 2023.

AC

Mr. Alexandre Cristovão

VP, Infrastructure Development

Civil Engineering, UNDIKNAS. 10+ years in civil construction — joined TIMORGAP 2012, Betano & Beaço Technical Team Leader. Board Member & VP since 2023.

Executive authority is delegated by the Board to the President & CEO, supported by a structured executive team of Vice Presidents and Directors — enabling specialised oversight of complex activities while ensuring coordination across upstream, infrastructure, services & corporate functions.

LM

Mr. Luís Martins

VP, Commercial, Trading and Corporate Services.

BSc Industrial Engineering; MSc Energy & Environmental Mgmt, ENI University, Milan. 15+ years; former Director, Business Development Unit. Appointed 2023.

DL

Mr. Domingos Lequisiga Maria

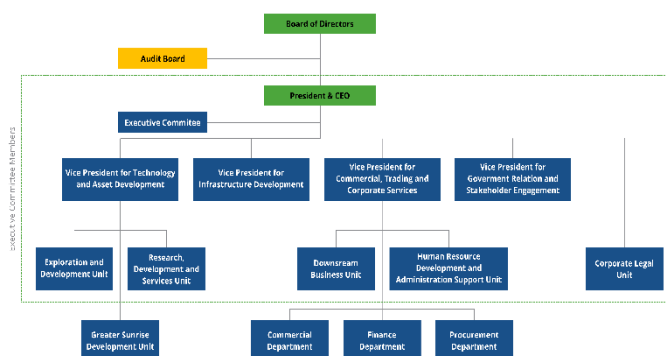
VP, Technology and Asset Development

BSc, University of Hawaii; MSc Energy Management (Fulbright), NYIT. 20+ years; former Director, Gas Business Unit; Head of Climate Change & Environment, UNDP. Board Member & VP since 2023.

6.2 BOARD & EXECUTIVE LEADERSHIP

Board & Executive Team

Board Committees and Delegated Oversight
To enhance the effectiveness of governance and oversight, the Board is supported by management-level and technical committees, which operate within defined mandates and reporting lines.



Functional Directors

AIA

Mr. Aleixo Alves
Director, Exploration & Development

B.Petroleum Eng, University Proclamation 45. 10+ years — PERTAMINA & TIMORGAP (since 2013) across project leadership & field operations. Appointed 2023.

TT

Mr. Tomas Talo
Director, Research, Development & Services

M. Eng Mechanical Engineering, Nagaoka University of Technology. 20+ years in pipeline management & LNG; former TLNG Project Manager. Appointed 2023.

VP

Mr. Vicente Pinto
Director, Downstream Business

M.Eng from Asian Institute of Technology (AIT), Bangkok. 20+ years in petroleum & mineral resources; former Director, Refinery & Petroleum Services Unit. Appointed 2023.

LA

Mrs. Ligia Aniceto
Director, HR Development & Admin Support

BA International Public Relations, UNTL; MBA, International University of Japan. 10+ years in office management & HR. Director since 2023.

HS

Mr. Helder Sarmiento
Director, Corporate Legal

LLM, University of Aberdeen. 21+ years in Timor-Leste's legal system; member of the East Timor Bar Association; 10+ years as Senior Legal Analyst at TIMORGAP.

6.3 ENTERPRISE RISK MANAGEMENT

Enterprise Risk Management

A structured, integrated framework supporting informed decision-making, safeguarding corporate value and ensuring the sustainable development of Timor-Leste's energy resources — with strategic risks overseen at Board level and operational risks managed by the Executive Committee.

Risk landscape

Operational Exploration, development & infrastructure projects	Financial Budget execution, cost control & investment decisions	Regulatory & compliance Evolving legal frameworks & reporting obligations
Project & execution Large-scale developments — Greater Sunrise & Tasi Mane	Reputational & stakeholder Community engagement & transparency	Cross-border Geopolitical risks in cross-border projects

RISK GOVERNANCE & FRAMEWORK

A structured, integrated approach ensures risks are systematically identified, assessed, monitored and mitigated. The framework aligns with corporate governance (Board and Audit Board oversight), national regulations and international oil & gas best practice — strategic risks at Board level, operational risks managed by the Executive Committee and functional units.

INTEGRATION WITH STRATEGIC PROJECTS

Risk management is fully integrated into major projects. For Greater Sunrise and Tasi Mane, the framework supports evaluation of technical, financial and commercial risks; management of stakeholder and geopolitical risks in cross-border projects; and alignment of investment decisions with long-term sustainability objectives.

RISK CATEGORIES MONITORED

Operational — exploration, development and infrastructure projects

Financial — budget execution, cost control, investment decisions

Regulatory & compliance — evolving legal frameworks and reporting

Project & geopolitical — cross-border and stakeholder risks

CONTINUOUS IMPROVEMENT

Real-time risk monitoring, improved data accuracy and transparency, ongoing training on compliance, QHSE and operational risk, and strengthened internal communication — reinforcing a strong, embedded risk culture.

Embedded risk culture

Risk awareness flows from Board oversight through executive decisions to operational practice — a continuous loop of identification, monitoring, mitigation and learning that protects corporate value and supports the long-term development of national energy resources.

6.3 ENTERPRISE RISK MANAGEMENT

Enterprise Risk Management

Risk Governance and Framework

TIMORGAP adopts a structured and integrated approach to risk management, ensuring that risks are systematically identified, assessed, monitored and mitigated across the organisation. The ERM framework is aligned with:

The company's corporate governance structure, including oversight by the Board of Directors and Audit Board

National regulatory requirements and public sector accountability standards

International best practices applicable to the oil and gas industry

Risk management responsibilities are clearly defined across governance layers, with strategic risks overseen at Board level and operational risks managed by the Executive Committee and functional units. This ensures a top-down and bottom-up integration of risk management processes, reinforcing organisational resilience.

Risk Mitigation and Control Measures

TIMORGAP implements a range of mitigation strategies to manage identified risks and ensure operational continuity.

Key measures include:

Strengthening internal control systems and governance procedures

Implementing risk-based planning and monitoring tools across business units

Aligning operational practices with international standards, particularly in QHSE and technical operations

Enhancing financial oversight and reporting systems, including the use of digital platforms such as SAP and integrated management tools

In addition, the company continues to promote a culture of accountability and compliance, reinforcing risk awareness at all organisational levels.

Risk Identification and Assessment

In 2025, TIMORGAP continued to enhance its ability to identify and assess risks across a wide range of operational and strategic areas, including:

Operational risks, associated with exploration, development and infrastructure projects

Financial risks, including budget execution, cost control and investment decisions

Regulatory and compliance risks, related to evolving legal frameworks and reporting obligations

Project and execution risks, particularly in large-scale developments such as Greater Sunrise and Tasi Mane

Reputational and stakeholder risks, linked to community engagement and transparency

Risk identification is supported by structured processes, including internal reviews, project assessments and cross-functional coordination, ensuring that potential risks are addressed proactively.

Continuous Improvement and Risk Culture

TIMORGAP continues to promote a strong risk management culture, ensuring that risk awareness is embedded across the organisation.

In 2025, this included:

Ongoing training and awareness programmes related to compliance, QHSE and operational risk

Strengthening of internal communication and reporting mechanisms

Continuous review and improvement of risk management policies and procedures

By fostering a proactive approach to risk, the company enhances its ability to respond effectively to emerging challenges and opportunities.

Through these initiatives, TIMORGAP aims to ensure that risks are effectively managed while supporting the company's growth and its mission to deliver sustainable value for Timor-Leste.

6.4 COMPLIANCE, ETHICS & PROCUREMENT

Compliance, Ethics & Procurement

Compliance is a fundamental pillar of TIMORGAP's governance model — subject to national legislation governing State-Owned Enterprises, public finance, grant funding and statutory reporting, reinforced through executive oversight, internal procedures and formal reporting.

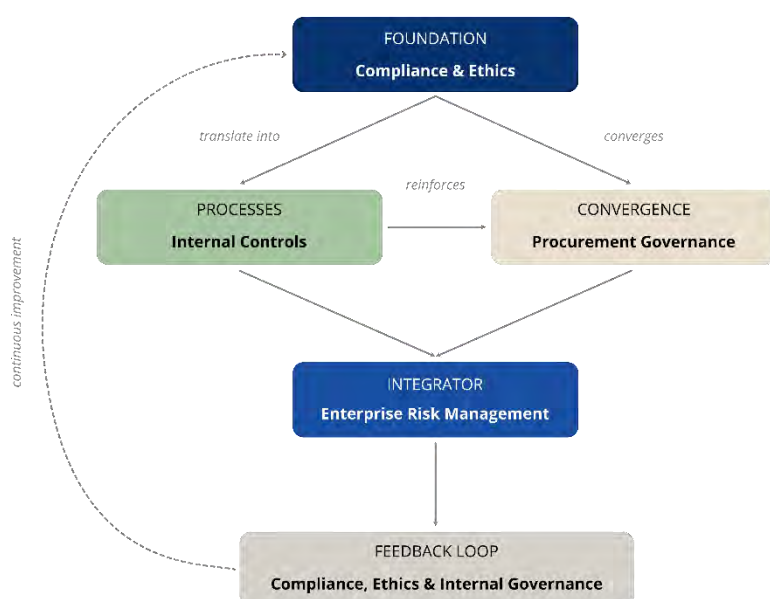
COMPLIANCE & ETHICS	INTERNAL CONTROL	PROCUREMENT
Adherence to legal requirements & broader principles of integrity, transparency & accountability. Ethical conduct guides interactions with government, JV partners, contractors, suppliers & communities — integrated into decisions involving public resources.	Defined roles, responsibilities & approval authorities; segregation of duties across financial, procurement & operational processes; budgetary controls against approved work programmes; periodic internal reviews & external audits.	Standardised processes aligned with budgets & work programmes; defined approval thresholds & escalation; coordination across technical, financial, legal & QHSE functions; oversight of contract execution & supplier performance.

Integration with the risk framework

Compliance risks are monitored alongside strategic, financial & operational risks.

Control weaknesses are identified early & addressed through corrective actions.

Procurement-related risks are mitigated through structured processes & oversight.



As activities expand in scale and complexity, ongoing investments in systems, procedures & capacity building support the transition from a predominantly grant-funded organisation to a more operationally diversified national energy company — providing a robust foundation for **risk-aware execution** and responsible management of public resources.

6.4 COMPLIANCE, ETHICS & PROCUREMENT

Compliance, Ethics & Procurement

COMPLIANCE & ETHICAL CONDUCT

The Company is subject to national legislation governing State-Owned Enterprises, public finance, grant funding and statutory reporting — including timely submission of annual accounts to the "Câmara de Contas". Compliance responsibilities are embedded across the organisation and reinforced through executive oversight, internal procedures and formal reporting. Ethical conduct guides interactions with government, JV partners, contractors, suppliers and communities.

INTERNAL CONTROL ENVIRONMENT

An internal control environment provides reasonable assurance over financial reporting, asset safeguarding, legal compliance and operational effectiveness — through clearly defined roles and approval authorities, segregation of duties across financial, procurement and operational processes, budgetary controls against approved work programmes, and periodic internal reviews and external audits, continuously strengthened through ICT and financial-management systems.

PROCUREMENT GOVERNANCE

A high-impact area for a capital-intensive organisation. Procurement is governed by defined policies ensuring fairness, transparency, value for money and compliance with public-sector rules — standardised processes aligned with approved budgets, defined approval thresholds and escalation, coordination across technical, financial, legal and QHSE functions, and oversight of contract execution and supplier performance. These controls are particularly relevant for grant-funded activities subject to heightened scrutiny.

EITI & TRANSPARENCY

As the national oil company, TIMORGAP operates within a heightened transparency framework. Board oversight ensures accurate, timely and comprehensive disclosure of financial and non-financial information under the EITI, reinforcing the Company's role as a responsible steward of national resources and supporting public confidence in the management of extractive revenues.

Governance maturity

The governance model reflects the Company's evolving maturity — transitioning from a purely asset-holding entity toward a complex operator and project sponsor, with a platform capable of supporting long-gestation upstream investments, high-value national infrastructure, and increasing engagement with international partners and regulators.

6.5 INSTITUTIONAL & STAKEHOLDER RELATIONSHIPS

Stakeholder Relationships

TIMORGAP operates within a dense web of institutional relationships — with the State as shareholder, with regulators and financing institutions, and with international partners. Managing these relationships transparently is central to the Company's governance and to its ability to execute long-term projects.

The State & Government

As a State-Owned Enterprise, TIMORGAP serves a public mandate, operating within national energy policy under the Ministry of Petroleum & Mineral Resources (MPRM) and the legal frameworks governing petroleum activities and the Petroleum Fund.

Regulator & financing

Engagement with the national petroleum authority (ANPM) on contracts and compliance, and with the Petroleum Fund through **Banco Central de Timor-Leste**, which provides the long-term financing for the Greater Sunrise participation.

Industry partners

Joint-venture and commercial relationships with international operators and partners — including the Sunrise JV, ENI, Santos, Finder Energy and SundaGas — enabling risk-sharing, technology transfer and access to global best practice.

Regional & multilateral

Participation in EITI and regional energy cooperation — ASCOPE, and engagements with PTT and Pertamina — supporting capacity building, transparency and Timor-Leste's integration following ASEAN accession.

Accountability to oversight bodies — statutory financial reporting includes the timely submission of annual accounts to the **Câmara de Contas**, in line with national laws governing public entities. Independent external audit of the consolidated financial statements provides additional assurance to the State and stakeholders.

Conclusion

The strength and transparency of these relationships are a strategic asset. As TIMORGAP transitions from an asset-holding entity toward an active operator and project sponsor, disciplined stakeholder management — across government, regulators, financiers and partners — underpins both the credibility and the deliverability of its long-term agenda.

07

SECTION 07 — OF 09

Financial Review

Performance, profitability, liquidity and capital allocation across the Group.

- FINANCIAL HIGHLIGHTS
- REVENUE & OPERATIONAL PERFORMANCE
- PROFITABILITY & EBITDA
- TAX & FISCAL POSITION
- FINANCIAL POSITION & LIQUIDITY

7.1 FINANCIAL HIGHLIGHTS

Financial Highlights

2025 reflects the continued execution of TIMORGAP's mandate as a national oil company — significant investment in long-term energy projects in a capital-intensive, pre-production phase, sustained government support, and the ongoing development of key assets.

REVENUE \$36.9M ▲ 31% vs 2024	NET RESULT \$(36.7)M Driven by financial costs	EBITDA Positive Operations resilient	GRANTS SHARE 83% of total revenue
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REVENUE & OPERATIONAL PERFORMANCE

Revenue performance was driven by growth in service-contract revenues within hydrocarbon-related activities, stable contributions from fuel-trading operations, and continued recognition of government grants (83% of total revenue). At an operating level, the Group continued to generate **positive EBITDA**, confirming the resilience of core activities before financing and impairment effects. **Cost structure** in 2025 remained aligned with TIMORGAP's strategic investment priorities, with expenditure concentrated on upstream exploration, Greater Sunrise development, Tasi Mane programme management, Bayu-Undan decommissioning and downstream activities.

FINANCIAL POSITION

The Group's upstream portfolio is largely at exploration, appraisal or pre-development stages therefore the CAPEX registered is associated with the increase in tangible assets. Considering the company's Upstream portfolio, only the Greater Sunrise project is registered as Assets Under Development. As a result, the balance sheet reflects capitalised and de-risked investments, while a significant portion of the Group's strategic and economic potential remains off-balance-sheet, pending future development milestones

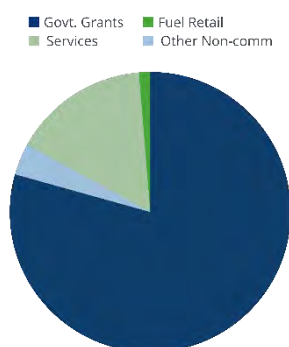
NON-COMM. INCOME 82.8% Other income USD 30.6M / Revenue USD 36.9M	SERVICES REVENUE +641% USD 5.9M vs USD 797K in 2024	FUEL RETAIL MARGIN +130% Gross margin rate: 29% (2025) vs 20% (2024)	IMPAIRMENT LOSSES -79% USD 1.1M vs USD 5.0M in 2024
--	--	---	--

The principal driver of the result

The net loss does not originate from operations. It is almost entirely attributable to **net financial costs of USD 37.8M** — interest accrued on long-term borrowings of c. **USD 874M** (a €650M facility) contracted to secure the State's majority participation in Greater Sunrise. Repayment is aligned with future value realisation rather than near-term cash generation.

7.2 REVENUE, COST & CAPEX ANALYSIS

Revenue & Operational Performance



Source	2025 (USD)	2024 (USD)	Var.
Revenue — Total	36,934,309	28,165,281	▲ 31.1%
Govt. Grants	29,243,671	27,009,451	▲ 8.3%
Services	5,904,323	797,109	▲ 640.7%
Fuel Retail	453,786	278,319	▲ 63.0%
Non-comm. inc. % Rev.	82.8%	96.2%	-13 pp
Commercial % of Rev.	17%	4%	+13 pp

TIMORGAP's Revenue in 2025 still reflects the continued execution of its strategic mandate as a national oil company, characterised by significant investments in long-term energy projects in a capital-intensive pre-production phase, sustained government support, and the ongoing development of key assets

Cost item	2025	2024	Var.
Employee exp.	6.8M	5.8M	▲ 17.7%
E&E costs	8.4M	41K	+20,482%
Other expenses	18.4M	13.5M	▲ 36.4%
Finance costs	37.8M	36.1M	▲ 4.7%
D&A	1.0M	1.0M	▲ 0.1%
Impairment	1.1M	5.0M	▼ 79.0%

Employee expenses

Capability building & institutional strengthening

6.8M
▲ 17.7%

Exploration & evaluation

Intensified upstream technical activity

8.4M
▲ ×205

Other expenses

Project-related & operational support costs

18.4M
▲ 36.4%

SEGMENT ACTIVITY PROFILE

UPSTREAM

Exploration, appraisal & pre-development across onshore and offshore blocks. E&E expenses rose from USD 40K to USD 8.4M — offshore & onshore exploration, Greater Sunrise, Bayu-Undan and Tasi Mane.

E&E costs: 40,715 → 8.4M
+20,482% YoY

Offshore & onshore exploration, Greater Sunrise, Bayu-Undan, Tasi Mane.

DOWNSTREAM

Primary source of near-term operational activity and internally generated revenue — fuel retailing, trading, logistics, aviation and marine support. Fuel trading and Group services recorded strong growth in 2025.

Total: 6.4M ▲ 491.2%
Services: 5.9M ▲ 640.7%
Fuel retail: 454K ▲ 63.0%
Gross margin rate: 20% → 29%
Fuel retail margin: +130% to USD 130.8K

Cost growth proportional, margin expanding

Cost growth remained proportionally lower than revenue growth, supporting margin expansion. The increase in exploration & evaluation costs underscores the Company's active progression of its upstream strategy, while higher employee expenses reflect reinforcement of organisational capacity and technical resources.

7.3 PROFITABILITY, EBITDA & TAX POSITION

Profitability & EBITDA

EBITDA declined to USD 3.2 M (2024: USD 8.6 M) — not a deterioration of core operating capability, but the deliberate acceleration of exploration and project-related expenditure during the year.

From revenue to EBITDA — 2025					P&L Item (USD '000)	2025	2024	Var.%
Revenue	36.9				Revenue	36,934	28,165	▲ 31.1%
Employee	-6.8				COGS + inv.	(323)	(222)	▲ 46%
Exploration	-8.4				Employee exp.	(6,833)	(5,805)	▲ 17.7%
Other Exp.	-18.4				E&E costs	(8,421)	(41)	+20,482%
EBITDA	3.2				Other expenses	(18,396)	(13,484)	▲ 36.4%
					Other gains	213	—	—
					EBITDA	3,175	8,614	▼ 63.1%
					D&A	(1,014)	(1,013)	▲ 0.1%
					Impairment	(1,052)	(5,017)	▼ 79.0%
					EBIT	1,109	2,584	▼ 57.1%
					Finance costs	(37,756)	(36,059)	▲ 4.7%
					EBT	(36,647)	(33,474)	▼ 9.5%
					Tax	(59)	(3)	—
					Net Result	(36,706)	(33,477)	▼ 9.6%

Despite revenue growth, the Group reported a net loss of **USD 36.7M**, up 9.6% year-on-year — driven by financial costs of USD 37.8M on long-term borrowings, the principal driver of the bottom-line result.

As a result of the above, EBITDA declined by 63.1%, from USD 8.6 million in 2024 to USD 3.2 million in 2025. This reduction does not reflect deterioration in core operating capability, but rather the deliberate acceleration of exploration and project-related expenditure during the year.

Profitability

The Group's results continued to be heavily influenced by its financial-cost structure. Net financial costs of USD 37.8 M — interest accrued on long-term borrowings of ~USD 876.7 M associated with strategic upstream assets, notably Greater Sunrise — remain the principal driver of the bottom line. Loss before tax was USD 36.6 M; the net result was a loss of USD 36.7 M (2024: USD 33.5 M).

7.3 PROFITABILITY, EBITDA & TAX POSITION

Tax & Fiscal Position

TAX FRAMEWORK

The Company and Group reported loss-making positions; accordingly, **no current corporate income tax** was recognised for the year, consistent with the prior year and applicable legislation. Deferred tax is accounted for under IFRS using the liability method — deferred tax assets on tax losses are not recognised, as their utilisation depends on future taxable profits that cannot yet be reliably demonstrated.

Current Income Tax

No current corporate income tax recognised in 2025 or 2024. The Company and Group were in loss-making positions throughout the year. Tax rate in Timor-Leste: 10%.

Deferred Tax

Accounted under IFRS using the liability method. Net deferred tax liability: USD 120K (2024: USD 148K). Deferred tax assets on tax losses not recognised — utilisation depends on future taxable profits not yet demonstrable.

Withholding Taxes & Contributions

TIMORGAP timely paid WHT to the Timor-Leste Tax Authority on: wages & salaries, rental payments, and payments to non-resident suppliers & consultants. Employer's statutory 6% social security contribution on local salaries also met.

Greater Sunrise — International Tax

Certain subsidiaries are permanent establishments under Australian taxation law. The applicable regime remains subject to uncertainty pending finalisation of the PSC and GSSRA-specific taxation law. No WHT has been recognised — any obligation is contingent on future regulatory outcomes.

Governance & risk

Tax compliance and tax-risk management are overseen within the broader governance and internal-control framework. Management periodically reviews tax positions taken in financial reporting and filings, particularly where interpretation is required, establishing provisions where appropriate.

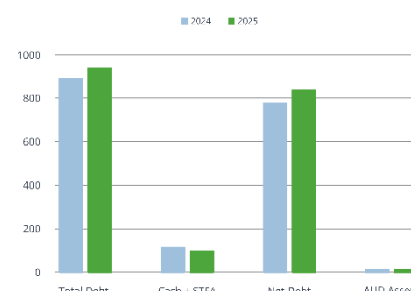
7.4 LIQUIDITY & FINANCIAL POSITION

Liquidity & Financial Position

The financial position reflects long-term strategic investments and their associated financing structure. Presented on a capital-employed basis, it shows how resources are invested and how those investments are financed.

Balance Sheet (Group, USD)	2025	2024	Var.
Net fixed assets (PPE)	1,940,493	2,218,306	▼ 12.5%
Right-of-use assets	2,272,362	2,878,326	▼ 21.1%
Assets Under Development	8,514,079	6,898,378	▲ 23.4%
Total non-current assets	15,316,548	16,525,381	▼ 7.3%
Cash & cash equivalents	78,657,310	90,123,581	▼ 12.7%
Other financial assets	16,525,699	15,930,903	▲ 3.7%
Total current assets	96,884,679	106,898,178	▼ 9.4%
Total assets	112,201,227	123,423,559	▼ 9.1%
Total current liab.	(105,404,574)	(117,111,979)	▼ 10.0%
Long-term borrowings	(874,085,136)	(836,445,105)	▲ 4.5%
Total equity	(870,233,027)	(833,500,366)	▼ 4.4%

Cash Flow (USD '000)	2025	2024
Operating	(9,849)	(2,818)
Investing	(972)	(12,330)
Financing	(646)	(782)
Cash close	78,657	90,124



EQUITY & CAPITAL STRUCTURE

The Group's negative equity position of **USD (870.2)M** reflects the long-term financing structure adopted to secure the State's majority interest in Greater Sunrise. Long-term borrowings of c. **USD 874M** dominate the balance sheet — repayment is structured to align with future value realisation rather than near-term cash generation.

LIQUIDITY & FUNDING SOURCES

Liquidity is supported by sustained government grants (83% of total revenue), continued operational cash generation from downstream activities, and aligned debt-service profiling. The Company maintains active treasury management to ensure obligations are met in line with the development phase of its asset portfolio.

TOTAL DEBT - BCTL

874.1M

▲ 4% vs 836.5M — structural

CASH & ST FA

78.7M

▼ from 90.1M in 2024

NET DEBT

795.4M

▲ from 746.3M in 2024

ASSETS U/DEV.

8.5M

▲ from 6.9M in 2024

Strategic interpretation

Equity remained negative at USD (868.6) M, driven by finance costs exceeding operating earnings. The position should be read in the context of TIMORGAP's mandate as Timor-Leste's NOC — a State-backed, development-stage energy company where value realisation is expected over an extended horizon rather than through near-term cash generation. Despite a highly leveraged structure, the Group maintained a strong liquidity buffer.

SECTION 08 — OF 09

Financial Statements

Our IFRS Year End Financial Statements

- STATEMENT OF PROFIT OR LOSS
- STATEMENT OF FINANCIAL POSITION
- STATEMENT OF CHANGE IN EQUITY
- STATEMENT OF CASH FLOW
- NOTES TO FINANCIAL STATEMENTS

TIMOR GAP, E.P.

Statement of Profit or Loss and Other Comprehensive Income for the year ended 31st December, 2025

Amount in USD

Particulars	Notes	Group		Company	
		Year ended 31st December, 2025	Year ended 31st December, 2024	Year ended 31st December, 2025	Year ended 31st December, 2024
Revenue					
Revenue from contract with customers	4	6,358,109	1,075,428	453,786	278,319
Other income	5	30,576,200	27,089,853	17,507,108	17,683,817
Revenue (A)		36,934,309	28,165,281	17,960,894	17,962,136
Purchase of Stock of Fuel		324,352	237,070	324,352	237,070
(Increase)/decrease in inventory	6	(1,325)	(15,558)	(1,325)	(15,558)
Employee Benefit Expenses	7	6,832,551	5,804,976	5,624,785	5,019,724
Exploration and evaluation Cost	8	8,420,707	40,715	-	-
Finance Cost	9	37,755,823	36,058,773	115,793	39,606
Depreciation and amortization Expense	11	1,014,114	1,013,317	995,096	997,541
Impairment Losses	12	1,052,086	5,016,653	-	-
Other Expenses	10	18,396,177	13,483,637	29,568,045	11,648,163
Total Expense (B)		73,794,485	61,639,583	36,626,746	17,926,546
Profit/(Loss) Before Share of Profit / (Loss) of Equity Method Investments and Tax (C) = (A-B)		(36,860,176)	(33,474,302)	(18,665,852)	35,590
Share of Profit from Equity Method Investments (D)		213,158	-	-	-
Profit/(Loss) before tax (E) = (C+D)		(36,647,018)	(33,474,302)	(18,665,852)	35,590
Tax expense					
Income tax expense	20	83,125	-	-	-
Deferred tax charge/(Credit)	20	(24,262)	2,642	(24,262)	2,642
Total Tax Expense (F)		58,863	2,642	(24,262)	2,642
Profit/(Loss) for the year (G)= (E-F)		(36,705,881)	(33,476,944)	(18,641,590)	32,948
Other Comprehensive Income					
Items that will not be reclassified to profit or loss:					
Remeasurement gain/(loss) on defined benefit plans (net)		(29,756)	111,774	(29,756)	111,774
Income tax effect on above		2,976	(11,177)	2,976	(11,177)
Total Other Comprehensive Income (H)		(26,780)	100,597	(26,780)	100,597
Total Comprehensive Income/(Loss) (I)= (G+H)		(36,732,661)	(33,376,347)	(18,668,370)	133,545
Total Profit/(Loss) attributable to :					
TIMOR GAP, E.P		(36,705,895)	(33,476,962)	-	-
Non-Controlling Interest		14	18	-	-
Total Comprehensive Income/(Loss) attributable to :					
TIMOR GAP, E.P		(36,732,675)	(33,376,365)	-	-
Non-Controlling Interest		14	18	-	-

See accompanying notes to the financial statements

1-42

As per our report of even date

Grant Thornton Bharat LLP

For and on behalf of the Board of Directors

Place: Dili, Timor-Leste
Date: 30th April, 2026



President & CEO
Place: Dili, Timor-Leste
Date: 30th April, 2026

Board Member
Place: Dili, Timor-Leste
Date: 30th April, 2026

TIMOR GAP, E.P.
Statement of financial position as at 31st December, 2025
Amount in USD

Particulars	Notes	Group		Company	
		As at 31st December, 2025	As at 31st December, 2024	As at 31st December, 2025	As at 31st December, 2024
ASSETS					
Non-current assets					
Property, plant and equipment	11	1,940,493	2,218,306	1,838,315	2,160,381
Right-of-use assets	11	2,272,362	2,878,326	2,272,362	2,878,326
Capital Work in progress		308,490	187,224	308,490	187,224
Intangible assets	11	-	20,864	-	20,864
Intangible assets under development	12	8,514,079	6,898,378	-	-
Financial assets					
Investments	13	255,908	-	138,000	1,197,446
Loans	14	-	-	-	14,608,683
Other financial assets	18	2,016,490	4,001,754	-	-
Other non-current assets	19	8,726	320,529	-	-
Total non-current assets		15,316,548	16,525,381	4,557,167	21,052,924
Current assets					
Inventories	15	127,778	126,453	127,778	126,453
Financial assets					
Loans	14	179,000	112,630	179,000	3,243,601
Trade receivables	16	1,254,459	93,755	182,034	37,970
Cash and cash equivalents	17	78,657,310	90,123,581	38,142,967	39,711,461
Other financial assets	18	16,525,699	15,930,903	43,372,427	42,805,933
Other current assets	19	140,433	510,856	117,121	504,432
Total current assets		96,884,679	106,898,178	82,121,327	86,429,850
Total assets		112,201,227	123,423,559	86,678,494	107,482,774
LIABILITIES AND EQUITY					
Liabilities					
Non-current liabilities					
Deferred Tax Liability (Net)	20	120,346	147,583	120,346	147,583
Financial Liabilities					
Borrowings	21	874,085,136	836,445,105	-	-
Lease Liabilities	30	1,678,262	2,221,012	1,678,262	2,221,012
Provisions	22	1,145,936	998,246	1,145,936	998,246
Total non-current liabilities		877,029,680	839,811,946	2,944,544	3,366,841
Current liabilities					
Financial Liabilities					
Trade payables	23	4,246,321	2,592,509	1,584,508	2,204,734
Lease Liabilities	30	658,543	645,630	658,543	645,630
Other financial liabilities	24	308,316	579,843	240,672	80,909
Provisions	25	93,266	33,237	39,747	32,464
Other current liabilities	26	100,098,128	113,260,760	77,281,075	78,554,421
Total current liabilities		105,404,574	117,111,979	79,804,545	81,518,158
Total liabilities		982,434,254	956,923,925	82,749,089	84,884,999
Equity					
Contributed Capital	27	2,500,000	2,500,000	2,500,000	2,500,000
Retained Earnings	27	(872,808,001)	(836,075,326)	1,429,405	20,097,775
Non- Controlling Interest		74,974	74,960	-	-
Total equity		(870,233,027)	(833,500,366)	3,929,405	22,597,775
Total liabilities and equity		112,201,227	123,423,559	86,678,494	107,482,774

See accompanying notes to the financial statements

1-42

As per our report of even date
Grant Thornton Bharat LLP

For and on behalf of the Board of Directors

Grant Thornton Bharat LLP

Place: Dili, Timor-Leste
Date: 30th April, 2026



[Signature]
President & CEO

Place: Dili, Timor-Leste
Date: 30th April, 2026

[Signature]
Board Member

Place: Dili, Timor-Leste
Date: 30th April, 2026

TIMOR GAP, E.P.

Statement of changes in equity for the year ended 31st December, 2025

Amount in USD

A. Contributed Capital

Particulars	Group		Company	
	As at 31st December, 2025	As at 31st December, 2024	As at 31st December, 2025	As at 31st December, 2024
Contributed Capital as at the beginning of the year	2,500,000	2,500,000	2,500,000	2,500,000
Received during the year	-	-	-	-
Contributed Capital as at the end of the year	2,500,000	2,500,000	2,500,000	2,500,000

B. Retained Earnings

Particulars	Group		Company	
	As at 31st December, 2025	As at 31st December, 2024	As at 31st December, 2025	As at 31st December, 2024
Balance at the beginning of the year	(836,075,326)	(802,698,961)	20,097,775	19,964,230
Profit/(Loss) for the year	(36,705,895)	(33,476,962)	(18,641,590)	32,948
Other comprehensive income attributable to owners	(26,780)	100,597	(26,780)	100,597
Total comprehensive income for the year	(36,732,675)	(33,376,365)	(18,668,370)	133,545
Balance as at the end of the year	(872,808,001)	(836,075,326)	1,429,405	20,097,775

C. Non-Controlling Interest

Particulars	Group		Company	
	As at 31st December, 2025	As at 31st December, 2024	As at 31st December, 2025	As at 31st December, 2024
Balance at the beginning of the year	74,960	223,833	-	-
Total comprehensive income for the year	14	18	-	-
Payment to Non-Controlling Interests towards Dividend	-	(148,891)	-	-
Balance as at the end of the year	74,974	74,960	-	-

See accompanying notes to the financial statements

1-42

As per our report of even date
Grant Thornton Bharat LLP

For and on behalf of the Board of Directors

Place: Dili, Timor-Leste
Date: 30th April, 2026



President & CEO
Place: Dili, Timor-Leste
Date: 30th April, 2026

Board Member
Place: Dili, Timor-Leste
Date: 30th April, 2026

TIMOR GAP, E.P.
Statement of cash flows for the year ended 31st December, 2025
Amount in USD

Particulars	Group		Company	
	Year ended 31st December, 2025	Year ended 31st December, 2024	Year ended 31st December, 2025	Year ended 31st December, 2024
Cash flow from operating activities				
Profit/(Loss) before tax	(36,647,018)	(33,474,302)	(18,665,852)	35,590
Adjustments for:				
Depreciation and amortisation expenses	1,014,114	1,013,317	995,096	997,541
Impairment losses	1,052,086	5,016,653	-	-
Interest expenses	37,640,030	36,019,167	-	-
Finance Cost on lease liabilities	115,793	39,606	115,793	39,606
Loss on sale of PPE	-	2,469	-	2,469
Unrealised/Notional Interest income	(315,990)	(76,719)	(409,954)	(300,779)
Provision for doubtful receivables	163,275	-	163,275	-
Dividend income from subsidiaries	-	-	-	(223,336)
Share of Profit from Equity Method Investments	(213,158)	-	-	-
Non-cash adjustments (Refer Note 37)	-	-	18,994,136	-
Increase / (Decrease) in trade payables	1,653,812	(2,045,979)	(620,226)	233,665
Increase / (Decrease) in other financial liabilities	4,536	(832)	3,174	10,104
Increase / (Decrease) in provisions	125,217	102,242	125,217	102,242
Increase / (Decrease) in other liabilities	(13,162,632)	(8,321,054)	(1,273,345)	(8,004,454)
(Increase) / Decrease in trade receivables	(1,160,704)	(27,370)	(144,065)	(27,369)
(Increase) / Decrease in other financial assets	(456,815)	(543,642)	(695,438)	(17,075,667)
(Increase) / Decrease in inventory	(1,325)	(15,558)	(1,325)	(15,558)
(Increase) / Decrease in other assets	370,423	(499,355)	387,311	(504,432)
Income tax paid	(30,378)	(6,485)	-	-
Net cash flows from/(used in) operating activities (A)	(9,848,734)	(2,817,842)	(1,026,203)	(24,730,378)
Cash flow from Investing activities				
Payment for property, plant and equipment and intangible assets	(111,899)	(533,781)	(48,627)	(529,176)
Payment for Intangible under Developments	(2,793,638)	(11,731,849)	-	-
Investment in subsidiaries	-	-	(5,000)	(15,000)
Interest income	-	3,482	-	1,677
Dividend from subsidiary	-	-	223,336	-
Proceed from sale of property, plant and equipment	-	44,600	-	44,600
Loan given	(66,370)	(112,630)	(66,370)	(112,630)
Realisation of term deposits on redemption	2,000,000	-	-	-
Net cash flow from/(used in) investing activities (B)	(971,907)	(12,330,178)	103,339	(610,529)
Cash flow from Financing activities				
Payment of lease liabilities	(645,630)	(632,971)	(645,630)	(632,971)
Payment of Dividend to Non-Controlling Interest shareholders	-	(148,891)	-	-
Net cash flow (used in) financing activities (C)	(645,630)	(781,862)	(645,630)	(632,971)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(11,466,271)	(15,929,882)	(1,568,494)	(25,973,878)
Cash and cash equivalents at the beginning of the year	90,123,581	106,053,463	39,711,461	65,685,339
Cash and cash equivalents at the end of the year	78,657,310	90,123,581	38,142,967	39,711,461

See accompanying notes to the financial statements

1-42

As per our report of even date
Grant Thornton Bharat LLP

Grant Thornton Bharat LLP

Place: Dili, Timor-Leste
Date: 30th April, 2026



For and on behalf of the Board of Directors

[Signature]

President & CEO
Place: Dili, Timor-Leste
Date: 30th April, 2026

[Signature]

Board Member
Place: Dili, Timor-Leste
Date: 30th April, 2026

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

1 **Corporate and Group Information**

a) **Corporate Information**

TIMOR GAP, E.P. ('the Company', 'the Parent') is a limited liability company by quotas ("Sociedade por Quotas") incorporated and domiciled in the Democratic Republic of Timor Leste whose registered office is located at Timor Plaza, Level 3, Rua Presidente, Nicolao Lobato, Comoro, Dili, Timor-Leste.

TIMOR GAP, E.P. is incorporated with the object to explore and develop hydrocarbon resources through its subsidiaries and market petroleum products.

The standalone and consolidated financial statements of TIMOR GAP, E.P and its subsidiaries (collectively, the Group) and its associate for the year ended 31st December, 2025 were authorised for issue in accordance with a resolution of the directors on 30th April, 2026.

b) **Group Information**

The Consolidated financial statements of the Group and its associate includes:

Subsidiaries:

Name	Principal Activities	Place of incorporation	Ownership interest	
			As at 31st December, 2025	As at 31st December, 2024
TIMOR GAP PSC 11-106, Unipessoal Lda.	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP Marine, Aviation & Logistic Services, Unipessoal, Lda. (Formerly TIMOR GAP Marine Oil & Gas and Logistic Services, Unipessoal, Lda.)	Logistic and Support services	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP OFFSHORE BLOCK, Unipessoal, Lda.	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP ONSHORE BLOCK, Unipessoal, Lda.	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP ONSHORE BLOCK B, Unipessoal, Lda.	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP ONSHORE BLOCK C, Unipessoal, Lda.	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP Drilling & Seismic Services, Unipessoal, Lda. (Formerly TIMOR GAP Drilling & Services, Unipessoal, Lda.)	Drilling and Support Services	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP Chuditch, Unipessoal, Lda.	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP GREATER SUNRISE RL2, Unipessoal, Lda.*	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP GREATER SUNRISE RL, Unipessoal, Lda.*	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP GREATER SUNRISE 03-19, Unipessoal, Lda.*	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP GREATER SUNRISE 03-20, Unipessoal, Lda.*	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	100%
South Horizon Offshore Services, Unipessoal, Lda.	Support services	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP Seismic Services, Unipessoal, Lda.	Seismic Survey Services	Democratic Republic of Timor Leste	60%	60%
TIMOR GAP Pualaca, Unipessoal Lda.	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP Rarahana Block, Unipessoal, Lda.	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP BAYU-UNDAN 19-12, Unipessoal, Lda.^	Hydrocarbons Production	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP BAYU-UNDAN 19-13, Unipessoal, Lda.^	Hydrocarbons Production	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP PSC TL-OT-22-22, Unipessoal, Lda.^	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP PSC TL-SO-22-23, Unipessoal, Lda.^	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	100%

* referred as Greater Sunrise Group

^ Incorporated on 19th August, 2024



Equity Method Investments:

Name	Principal Activities	Place of incorporation	Ownership interest	
			As at 31st December, 2025	As at 31st December, 2024
Weststar-GAP Aviation, Lda.	Support Services	Democratic Republic of Timor Leste	45%	45%

2 Summary of material accounting policies

a) Basis of preparation and consolidation

Basis of preparation :

The financial statements of the Company & Group have been prepared in accordance with International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations applicable to companies reporting under IFRS issued by International Accounting Standards Board (IASB) and effective for the year ended 31st December, 2025. The accounting policies have been consistently applied to all years presented, except where otherwise indicated.

The financial statements have been prepared on an accrual and historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in US dollars (USD), which is the Company's functional and reporting currency and all values are rounded to the nearest USD (\$), except where otherwise indicated.

Basis of Consolidation :

The consolidated financial statements comprise the financial statements of the Group and its associate as at 31st December, 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee;
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses, transactions, unrealized gains and losses resulting from intra-group transactions, dividends and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

Investment in Equity Method Investments :

Under the equity method, the investment in an associate or a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

b) Current versus non-current classification

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

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period or
- the Company/Group has no right to defer the settlement of the liability for at least twelve months after the reporting period.



The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

c) (i) Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

Revenue from contract fixed service fee is recognized by reference to the stage of completion of the contract as a percentage of actual expenditure incurred on the project of the total contracted amount.

Revenues from the production of hydrocarbon properties, in which the group has an interest with other contractors, are recognized based on group's participating interest in the Production Sharing Contract.

Revenues from the sale of petroleum products are recognized at the time when performance obligations are satisfied. Performance obligations are satisfied at a point in time when the control of the goods have passed to the buyer, usually on delivery of the goods.

Revenue from seismic and drilling service are recognised over the time with reference to stage of completion of activity at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

(ii) Other Income

Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

d) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in Timor-Leste where the company operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. 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.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised 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.

The carrying amount of deferred tax assets is reviewed at each reporting date 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 re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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 OCI or directly in equity.

e) Foreign Currencies

The management has determined the currency of the primary economic environment in which the Company operates i.e. functional currency, to be the United States Dollars. The financial statements are presented in United States Dollars.

Transactions and balances

Transactions in foreign currencies are initially recorded by the company's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the company initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the company determines the transaction date for each payment or receipt of advance consideration.



f) **Property, plant and equipment**

Construction in progress is stated at cost, net of accumulated impairment losses, if any. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the 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. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

When significant parts of plant and equipment are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the 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. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Expenditure on the construction, installation and completion of infrastructure facilities such as platforms, pipelines and the drilling of development wells, including service and unsuccessful development or delineation wells, is capitalized within property, plant and equipment and is depreciated from the commencement of production.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. The useful life is determined based on technical estimate and align with the public ruling issued by Ministry of Finance, Republic of Timor Leste, which are as follows:

Asset Class	Useful Life (Years)	Residual Value
Building	20	20%
Leasehold Improvements	7	20%
Machinery & Equipment	10	20%
Furnitures & Fittings	8	NIL
Vehicles	6	20%
Computer Hardware	3	NIL
Computer Software	3	NIL
Office Equipment	4	NIL
Other Intangible Assets	4	NIL

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

g) **Lease**

The company 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.

Company as an lessee

The company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets i.e. below USD 5,000 per month. The company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) **Right-of-use assets**

The company 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.

ii) **Lease liabilities**

At the commencement date of the lease, the company 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.

In calculating the present value of lease payments, the company 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 assets.



h) Intangible assets

Intangible assets include expenditure on the exploration for and evaluation of oil and natural gas resources and are stated at the amount initially recognized, less accumulated amortization and accumulated impairment losses.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives other than capitalized exploration and appraisal costs as described below, are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

Exploration and Evaluation, Development and Production cost

Geological and geophysical exploration costs are recognized as an expense as incurred. Costs directly associated with acquisition of license/participating rights or an exploration well are initially capitalized as an intangible asset until the drilling of the well is complete and the results have been evaluated. These costs include employee remuneration, materials and fuel used, rig costs and payments made to contractors. If potentially commercial quantities of hydrocarbons are not found, the exploration well costs are written off. If hydrocarbons are found and, subject to further appraisal activity, are likely to be capable of commercial development, the costs continue to be carried as an asset. If it is determined that development will not occur, that is, the efforts are not successful, then the costs are expensed.

Costs directly associated with appraisal activity undertaken to determine the size, characteristics and commercial potential of a reservoir following the initial discovery of hydrocarbons, including the costs of appraisal wells where hydrocarbons were not found, are initially capitalized as an intangible asset. Upon internal approval for development and recognition of proved or sanctioned probable reserves, the relevant expenditure is transferred to property, plant and equipment. If development is not approved and no further activity is expected to occur, then the costs are expensed.

The determination of whether potentially economic oil and natural gas reserves have been discovered by an exploration well is usually made within one year of well completion, but can take longer, depending on the complexity of the geological structure. Exploration wells that discover potentially economic quantities of oil and natural gas and are in areas where major capital expenditure (e.g. an offshore platform or a pipeline) would be required before production could begin, and where the economic viability of that major capital expenditure depends on the successful completion of further exploration or appraisal work in the area, remain capitalized on the balance sheet as long as such work is under way or firmly planned.

i) Financial instruments - initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the company has applied the practical expedient, the company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the company has applied the practical expedient are measured at the transaction price as disclosed in section Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss



Financial assets at amortised cost (debt instruments)

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

The company's financial assets at amortised cost includes trade receivables, and loan to an associate and loan to a director included under other non-current financial assets.

The other three categories of Subsequent measurement of financial asset are not applicable to any financial asset of the company.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognised (i.e., removed from the company's statement of financial position) when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party along with the rights to receive cash flows from the asset have expired.

Impairment of Financial Assets

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

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument.

ii) Financial Liabilities

Initial recognition and measurement

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

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

The company's financial liabilities include trade and other payables, lease liabilities and borrowings.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss (not applicable at any of the financial instrument of the company);
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at amortised cost (loans and borrowings)

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings.

Derecognition

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

j) Impairment of non-financial assets

The company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or company's of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

The Company estimates of recoverable value of hydrocarbon reserves in line with the principles contained in the Petroleum Resources Management Reporting System (PRMS) framework.



The company assesses at each reporting date, whether any previously recognized impairment loss may be reversed either wholly or partially, if there exists any indication of reversals such as certainty of fiscal & regulatory framework of Greater Sunrise Special Regime, certainty of the agreed development concept approved by Greater Sunrise Special Regime Governance Board, favourable macro-economic factors, rising commodity prices etc. In such a case, the Company formally estimates the asset's recoverable amount and recognizes the assets at recoverable value / reverses the past impairment. There are constraints on the amount of a reversal of an impairment loss that can be recognised. A reversal is limited to the lower of the:

- recoverable amount;
- carrying amount of the asset, net of amortisation or depreciation, had no impairment been recognised.

A reversal of an impairment loss for an asset measured at cost is recognised in P/L. In contrast, the reversal of an impairment loss for an asset measured at a revalued amount (such as property, plant and equipment measured at fair value) is recognised as a reversal of a revaluation decrement.

k) **Cash and short-term deposits**

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

l) **Inventories**

Inventories include Traded Goods are valued at the lower of cost and net realisable value.

Cost of inventories include cost of purchase, freight charges and other costs incurred in bringing the inventories to their present location and condition. Cost of traded goods is determined on a weighted average basis.

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

The comparison of cost and net realizable value is made on item by item basis.

m) **Provisions**

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

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

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting its obligations under the contract.

n) **Employee Benefits**

i) **Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii) **Other long-term employee benefit obligations**

ii(a) **Defined contribution plan**

Social Security: Contribution towards social security is made to the regulatory authorities, where the group and Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

ii(b) **Other long term benefits**

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

Leaves can be encashed only on discontinuation of service by employee.

Long Term Remuneration Service:

The company has a defined benefit obligation plan. Every employee who has completed five years or more of service is entitled to Long Term Service Remuneration. This is an unfunded plan.



o) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company.

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

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

p) Changes in accounting policies and disclosures

Impact of new International Financial Reporting Standards- Adopted

Standards, interpretations, and amendments that are effective for the first time in 2025 are:

- Lack of Exchangeability (Amendments to IAS 21)

These standards, amendments and interpretations do not have a material impact on these financial statements and, therefore, the disclosures have not been made.

q) Material accounting policy information: Use of judgements, estimates and assumptions

The preparation of the company/group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of company's, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The areas requiring the most significant judgement and estimation in the preparation of the consolidated financial statements are recoverability of asset carrying values; leases- determination of appropriate discount rate; provisions and contingencies; post-retirement benefits; recognition of deferred tax assets; useful life of property, plant and equipment and impairment of financial assets.

The areas requiring the most significant judgement and estimation in the preparation of the standalone financial statements are leases- determination of appropriate discount rate; provisions and contingencies; post-retirement benefits; recognition of deferred tax assets; useful life of property, plant and equipment and impairment of financial assets.

3 Impact of new International Financial Reporting Standards- Not yet Adopted

At the date of authorisation of these consolidated financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB or IFRIC. None of these Standards or amendments to existing Standards have been adopted early by the Group/Company and no Interpretations have been issued that are applicable and need to be taken into consideration by the Group/Company at either reporting date. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement.

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 'Presentation of Financial Statements'. Although IFRS 18 includes many of the requirements of IAS 1, it introduces new requirements to better structure financial statements and to provide more detailed and useful information to investors. Some of the disclosure requirements previously contained in IAS 1 have been transferred to IAS 8 without any material changes. The publication of IFRS 18 also results in consequential amendments to other IFRS Accounting Standards, including IAS 7. IFRS 18 is effective for annual periods beginning on or after 1 January 2027, with earlier application permitted. IFRS 18 will be applied retrospectively with specific transitional provisions. The Group/Company is currently working to identify all of the impacts that IFRS 18 will have on the primary financial statements and notes to the financial statements.

Other new Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Group's/Company's consolidated financial statements.

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4 Revenue from Contracts with Customers

Particulars	Group		Company	
	For the year ended 31st December, 2025	For the year ended 31st December, 2024	For the year ended 31st December, 2025	For the year ended 31st December, 2024
Income from fuel trading business	453,786	278,319	453,786	278,319
Income from service contracts	5,904,323	797,109	-	-
Total	6,358,109	1,075,428	453,786	278,319

5 Other Income

Particulars	Group		Company	
	For the year ended 31st December, 2025	For the year ended 31st December, 2024	For the year ended 31st December, 2025	For the year ended 31st December, 2024
Assistance received from Government	29,243,671	27,009,451	16,423,983	17,159,702
Dividend Income from subsidiary	-	-	-	223,336
Interest Income	1,332,529	76,719	904,073	300,779
Miscellaneous Income	-	3,683	179,052	-
Total	30,576,200	27,089,853	17,507,108	17,683,817

6 (Increase)/decrease in inventory

Particulars	Group		Company	
	For the year ended 31st December, 2025	For the year ended 31st December, 2024	For the year ended 31st December, 2025	For the year ended 31st December, 2024
Opening stock of fuel	126,453	110,895	126,453	110,895
Closing stock of fuel	127,778	126,453	127,778	126,453
Total	(1,325)	(15,558)	(1,325)	(15,558)

7 Employee Benefit Expenses

Particulars	Group		Company	
	For the year ended 31st December, 2025	For the year ended 31st December, 2024	For the year ended 31st December, 2025	For the year ended 31st December, 2024
Wages and salaries	6,582,725	5,648,651	5,384,128	4,866,154
Other long-term employee benefits	126,308	84,350	126,308	84,350
Staff Welfare	123,518	71,975	114,349	69,220
Total	6,832,551	5,804,976	5,624,785	5,019,724

8 Exploration and evaluation costs

Particulars	Group		Company	
	For the year ended 31st December, 2025	For the year ended 31st December, 2024	For the year ended 31st December, 2025	For the year ended 31st December, 2024
Exploration and evaluation costs	8,420,707	40,715	-	-
Total	8,420,707	40,715	-	-

The following financial information represents the amounts included within the Company relating to activity

Particulars	Group		Company	
	For the year ended 31st December, 2025	For the year ended 31st December, 2024	For the year ended 31st December, 2025	For the year ended 31st December, 2024
Exploration and evaluation costs				
Statement of Profit or Loss				
Exploration expense for the year	8,420,707	40,715	-	-
Impairment losses	1,052,086	5,016,653	-	-
Statement of Financial Position				
Intangible assets - exploration and evaluation expenditure	8,514,079	6,898,378	-	-
Capital Advances	8,726	320,529	-	-
Liabilities	66,056	503,711	-	-
Net assets	8,456,749	6,715,196	-	-
Statement of Cash Flows				
Cash used in operating activities	8,420,707	2,374,051	-	-
Cash used in investing activities	2,793,638	11,731,849	-	-



TIMOR GAP, E.P.

Notes to Financial Statements as at and for the year ended 31st December, 2025

(Amount in USD)

9 Finance Cost

Particulars	Group		Company	
	For the year ended 31st December, 2025	For the year ended 31st December, 2024	For the year ended 31st December, 2025	For the year ended 31st December, 2024
Interest Expense	37,640,030	36,019,167	-	-
Finance Cost on Lease Liabilities	115,793	39,606	115,793	39,606
Total	37,755,823	36,058,773	115,793	39,606

10 Other Expenses

Particulars	Group		Company	
	For the year ended 31st December, 2025	For the year ended 31st December, 2024	For the year ended 31st December, 2025	For the year ended 31st December, 2024
Grant to subsidiaries (including adjustments of investments written off)*	-	-	18,994,136	-
Legal and Consultant Expenses	6,498,765	7,852,661	5,568,428	6,714,635
Travel Expenses	2,489,588	2,048,503	1,884,067	1,870,620
Contractual Expenses	5,596,306	23,440	-	-
Repairs & Maintenance	801,905	606,632	789,182	588,272
Subscription Charges	651,055	734,463	608,863	685,584
Training & Development Expenses	572,723	713,736	399,629	682,809
Meeting & Conferences	387,082	355,178	318,827	341,282
Office Maintenance	384,442	386,184	383,757	386,183
Subsurface Rental Fee	225,081	225,081	-	-
General Overhead Expenses	222,724	171,943	158,884	139,748
Provision for doubtful receivables	163,275	-	163,275	-
Rental Expenses	184,511	109,530	139,073	66,571
Telephone & Internet Expenses	150,190	145,663	149,194	145,663
Bank Charges	68,530	108,154	10,730	24,327
Loss on Sale of Property, plant and equipment	-	2,469	-	2,469
Total	18,396,177	13,483,637	29,568,045	11,648,163

* The above amount includes conversion of loan given to subsidiaries into grant. Refer Note 37 for details.

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11 Property, plant and equipment

Group

Particulars	Tangibles						Intangibles		Right-of-use assets #		
	Leasehold Improvements	Machinery & Equipment	Motor Vehicles	Buildings	Office Equipment	Fixtures & Fittings	IT Hardware	Total Tangibles		IT Software	Total Intangibles
Gross block											
Opening Balance as at 1st January, 2025	545,430	810,632	940,000	547,503	484,229	527,315	1,654,184	5,509,293	2,232,435	2,232,435	6,159,647
Additions	-	-	55,100	-	18,605	19,473	16,295	109,473	-	-	-
Deductions/ adjustments	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st December, 2025	545,430	810,632	995,100	547,503	502,834	546,788	1,670,479	5,618,766	2,232,435	2,232,435	6,159,647
Accumulated depreciation/amortisation/impairment											
Opening Balance as at 1st January, 2025	504,348	360,491	291,823	189,960	311,298	459,313	1,173,754	3,290,987	2,211,571	2,211,571	3,281,321
Charge for the year	7,200	57,558	119,047	21,900	66,806	16,563	98,212	387,286	20,864	20,864	605,964
Deductions/ adjustments	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st December, 2025	511,548	418,049	410,870	211,860	378,104	475,876	1,271,966	3,678,273	2,232,435	2,232,435	3,887,285
Net Book Value:											
31st December, 2025	33,882	392,583	584,230	335,643	124,730	70,912	398,513	1,940,493	-	-	2,272,362

Particulars	Tangibles						Intangibles		Right-of-use assets #		
	Leasehold Improvements	Machinery & Equipment	Motor Vehicles	Buildings	Office Equipment	Fixtures & Fittings	IT Hardware	Total Tangibles		IT Software	Total Intangibles
Gross block											
Opening Balance as at 1st January, 2024	539,463	810,632	1,076,345	547,503	297,629	491,064	1,448,221	5,210,857	2,232,435	2,232,435	3,129,831
Additions	5,967	-	99,000	-	186,600	36,251	205,963	533,781	-	-	3,029,816
Deductions/ adjustments	-	-	235,345	-	-	-	-	235,345	-	-	-
Balance as at 31st December, 2024	545,430	810,632	940,000	547,503	484,229	527,315	1,654,184	5,509,293	2,232,435	2,232,435	6,159,647
Accumulated depreciation/amortisation/impairment											
Opening Balance as at 1st January, 2024	497,148	302,933	364,799	168,060	264,789	446,954	1,105,372	3,150,055	2,102,803	2,102,803	2,705,980
Charge for the year	7,200	57,558	115,300	21,900	46,509	12,359	68,382	329,208	108,768	108,768	575,341
Deductions/ adjustments	-	-	188,276	-	-	-	-	188,276	-	-	-
Balance as at 31st December, 2024	504,348	360,491	291,823	189,960	311,298	459,313	1,173,754	3,290,987	2,211,571	2,211,571	3,281,321
Net Book Value:											
31st December, 2024	41,082	450,141	648,177	357,543	172,931	68,002	480,430	2,218,306	20,864	20,864	2,878,326

For the year ended 31 December, 2025 and 2024, assets arising from leases where the Group is a lessee have been accounted for under IFRS 16. The Group has taken office premises on lease. Initial lease term for the same is 5 years with renewable clause. Refer Note 30.

Depreciation and amortization expense

Particulars	For the year ended 31st December, 2025	For the year ended 31st December, 2024
Depreciation on Tangible Assets	387,286	329,208
Depreciation on Right-of-use assets	605,964	575,341
Amortisation on Intangible Assets	20,864	108,768
Total	1,014,114	1,013,317



11 Property, plant and equipment

Company

Particulars	Tangibles						Intangibles		Right-of-use assets#	
	Leasehold Improvements	Machinery & Equipment	Motor Vehicles	Buildings	Office Equipment	Fixtures & Fittings	IT Hardware	Total Tangibles		IT Software
Gross block										
Opening balance as at 1st January, 2025	545,430	810,632	841,800	547,503	477,493	516,110	1,630,784	5,369,752	2,232,435	2,232,435
Additions	-	-	8,200	-	15,416	18,836	3,750	46,202	-	-
Deductions/ adjustments	-	-	-	-	-	-	-	-	-	-
Balance as at 31st December, 2025	545,430	810,632	850,000	547,503	492,909	534,946	1,634,534	5,415,954	2,232,435	6,159,647
Accumulated depreciation/amortisation/impairment										
Opening balance as at 1st January, 2025	504,348	360,491	239,664	189,960	305,777	456,144	1,152,987	3,209,371	2,211,571	3,281,321
Charge for the year	7,200	57,558	105,493	21,900	65,598	15,133	95,386	368,268	20,864	605,964
Deductions/ adjustments	-	-	-	-	-	-	-	-	-	-
Balance as at 31st December, 2025	511,548	418,049	345,157	211,860	371,375	471,277	1,248,373	3,577,639	2,232,435	3,887,285
Net Book Value:										
31st December, 2025	33,882	392,583	504,843	335,643	121,534	63,669	386,161	1,838,315	-	2,272,362

Particulars	Tangibles						Intangibles		Right-of-use assets#	
	Leasehold Improvements	Machinery & Equipment	Motor Vehicles	Buildings	Office Equipment	Fixtures & Fittings	IT Hardware	Total Tangibles		IT Software
Gross block										
Opening Balance as at 1st January, 2024	539,463	810,632	978,145	547,503	293,862	481,005	1,425,311	5,075,921	2,232,435	3,129,831
Additions	5,967	-	99,000	-	183,631	35,105	205,473	529,176	-	3,029,816
Deductions/ adjustments	-	-	235,345	-	-	-	-	235,345	-	-
Balance as at 31st December, 2024	545,430	810,632	841,800	547,503	477,493	516,110	1,630,784	5,369,752	2,232,435	6,159,647
Accumulated depreciation/amortisation/impairment										
Opening Balance as at 1st January, 2024	497,148	302,933	325,747	168,060	259,392	445,115	1,085,820	3,084,215	2,102,803	2,705,980
Charge for the year	7,200	57,558	102,193	21,900	46,385	11,029	67,167	313,432	108,768	575,341
Deductions/ adjustments	-	-	188,276	-	-	-	-	188,276	-	-
Balance as at 31st December, 2024	504,348	360,491	239,664	189,960	305,777	456,144	1,152,987	3,209,371	2,211,571	3,281,321
Net Book Value:										
31st December, 2024	41,082	450,141	602,136	357,543	171,716	59,966	477,797	2,160,381	20,864	2,878,326

For the year ended 31 December, 2025 and 2024, assets arising from leases where the company is a lessee have been accounted for under IFRS 16. The company has taken office premises on lease. Initial lease term for the same is 5 years with renewable clause. Refer Note 30.

Depreciation and amortization expense		For the year ended 31st December, 2025		For the year ended 31st December, 2024	
Particulars					
Depreciation on Tangible Assets		368,268	313,432		
Depreciation on Right-of-use assets		605,964	575,341		
Amortisation on Intangible Assets		20,864	108,768		
Total		995,096	997,541		



12 Intangible Assets Under Development

Particulars	Group		Company	
	As at 31st December, 2025	As at 31st December, 2024	As at 31st December, 2025	As at 31st December, 2024
Exploration and Appraisal Expenditure*				
Cost (Refer Note 34 and Note 38)				
Opening Balance	689,317,310	681,569,484	-	-
Expenditure during the year	2,667,787	7,747,826	-	-
Closing Balance	691,985,097	689,317,310	-	-
Accumulated Impairment				
Opening Balance	682,418,932	677,402,279	-	-
Provided during the year	1,052,086	5,016,653	-	-
Closing Balance	683,471,018	682,418,932	-	-
Carrying Amount	8,514,079	6,898,378	-	-

* For further information refer intangible assets within Note 2.

The above cost includes acquisition cost relating to acquiring of property or mineral rights of proved or unproved oil and gas properties which are currently under Exploration/Development stage; such cost will be transferred to Oil and gas assets on commencement of commercial production from the project or written off in case of relinquishment of exploration project. Refer Note 38.

Impairment Testing and Calculation

The Carrying amount of the intangible assets under development of Subsidiary Companies' are assessed by the management through a third-party valuer to determine whether there is any indication of Impairment. As per IAS 36 - Impairment of Assets, Recoverable amount of an asset is higher of its Fair Value Less Cost of Disposal and its Value in Use. If the Carrying amount of the asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss is recognised in the Statement of Profit and Loss.

Impairment losses in relation to Intangible Assets under Development of subsidiary companies' (Greater Sunrise Group) were triggered in financial year 2020 by uncertainty of fiscal and regulatory regime of the Greater Sunrise Special Regime, uncertainty on the Joint Venture Partners (JVs) agreed development concept necessary for commercial development of the Greater Sunrise field, revision of the mid and long-term oil/gases prices, refining margin outlook reflecting the expected effects of the macroeconomic environment and energy market demand and supply fundamentals. As per the third party valuation report, the recoverable value from the asset is negative and hence the entire amount of intangible asset was impaired.

For the Financial Year 2025, the management has reviewed the status of the project by considering both external and internal factors and has observed no significant updates which would result in a change in the recoverable amount of the assets.

Hence, management has not reversed the earlier impairment charge recognised. Further, in the current year capitalisation of USD 1,052,086 (Previous Year: USD 5,016,653) has been impaired and recognised in statement of profit or loss.

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13 Investments

Particulars	Group		Company	
	As at 31st December, 2025	As at 31st December, 2024	As at 31st December, 2025	As at 31st December, 2024
Investment in subsidiaries, valued at cost				
TIMOR GAP PSC 11-106, Unipessoal, Lda.	-	-	5,000	5,000
TIMOR GAP Marine, Aviation & Logistic Services, Unipessoal, Lda. (Formerly TIMOR GAP Marine Oil & Gas and Logistic Services, Unipessoal, Lda.)	-	-	5,000	5,000
TIMOR GAP Seismic Services, Unipessoal, Lda.	-	-	3,000	3,000
TIMOR GAP OFFSHORE BLOCK, Unipessoal, Lda.	-	-	5,000	5,000
TIMOR GAP ONSHORE BLOCK, Unipessoal, Lda.	-	-	5,000	5,000
TIMOR GAP ONSHORE BLOCK B, Unipessoal, Lda.	-	-	5,000	5,000
TIMOR GAP ONSHORE BLOCK C, Unipessoal, Lda.	-	-	5,000	5,000
TIMOR GAP Drilling & Seismic Services, Unipessoal, Lda. (Formerly TIMOR GAP Drilling & Services, Unipessoal, Lda.)	-	-	5,000	5,000
TIMOR GAP Chuditch, Unipessoal, Lda.	-	-	5,000	5,000
TIMOR GAP GREATER SUNRISE RL2, Unipessoal, Lda.	-	-	5,000	5,000
TIMOR GAP GREATER SUNRISE RL, Unipessoal, Lda.	-	-	5,000	5,000
TIMOR GAP GREATER SUNRISE 03-19, Unipessoal, Lda.	-	-	5,000	5,000
TIMOR GAP GREATER SUNRISE 03-20, Unipessoal, Lda.	-	-	5,000	5,000
TIMOR GAP Pualaca, Unipessoal, Lda.	-	-	5,000	5,000
TIMOR GAP Rarahana Block, Unipessoal, Lda.	-	-	5,000	5,000
TIMOR GAP BAYU-UNDAN 19-12, Unipessoal, Lda.	-	-	5,000	5,000
TIMOR GAP BAYU-UNDAN 19-13, Unipessoal, Lda.	-	-	5,000	5,000
TIMOR GAP PSC TL-OT-22-22, Unipessoal, Lda.	-	-	5,000	5,000
TIMOR GAP PSC TL-SO-22-23, Unipessoal, Lda.	-	-	5,000	5,000
Investment in Subsidiaries on Fair Value Accounting*				
TIMOR GAP ONSHORE BLOCK, Unipessoal, Lda.	-	-	-	398,844
TIMOR GAP OFFSHORE BLOCK, Unipessoal, Lda.	-	-	-	703,352
Investment in associate, valued at cost				
Weststar-GAP Aviation, Lda. ^{#A}	255,908	-	45,000	2,250
Total	255,908	-	138,000	1,197,446

* The parent company had given loan to TIMOR GAP ONSHORE BLOCK, Unipessoal Lda and TIMOR GAP OFFSHORE BLOCK, Unipessoal, Lda (SPV). The loans were interest free and repayable when the latter starts generating revenue from respective block. Thus the investment is on account of fair valuation accounting of loan given. The loan has been converted to grant and, hence, the balance has been charged off to Statement of Profit & Loss.

The Parent Company has entered into a Joint Venture Agreement with PT WESTSTAR Aviation Indonesia on 19th September, 2019 for the provision of offshore aviation services to meet the demands of various oil and gas exploration and production companies and any other similar projects mutually agreed upon between the parties. As per the terms of the agreement, the other party has the exclusive rights to manage the operations of the associate company for 10 years from the date of agreement and accordingly management has assessed that the Parent Company holds only significant influence on the said company in accordance with relevant IFRS standards.

^A Since the Group's share of losses from its associate exceeds its interest in the associate, the Group has discontinued recognising its share of further losses and, therefore, the carrying value of the investment in associate has been provided for in accordance with paragraph 38 of IAS 28 till 2024.

14 Loans

Non-Current

Particulars	Group		Company	
	As at 31st December, 2025	As at 31st December, 2024	As at 31st December, 2025	As at 31st December, 2024
Loans to subsidiaries*	-	-	-	14,877,637
Less: Impairment on loan	-	-	-	(268,954)
Total	-	-	-	14,608,683

* The above loans have been given to subsidiaries and is repayable when they start generating revenue from their respective blocks. The loans do not carry any interest. Refer note 37 for details.

Current

Particulars	Group		Company	
	As at 31st December, 2025	As at 31st December, 2024	As at 31st December, 2025	As at 31st December, 2024
Loans to subsidiaries*	-	-	-	3,130,971
Loan to associate*	179,000	112,630	179,000	112,630
Less: Impairment on loan	-	-	-	-
Total	179,000	112,630	179,000	3,243,601

* The above loans have been given to subsidiaries and associates is repayable on demand. The loans do not carry any interest. Refer note 37 for details.

Movements in the impairment allowance on loan are as follows:

Particulars	Group		Company	
	As at 31st December, 2025	As at 31st December, 2024	As at 31st December, 2025	As at 31st December, 2024
Opening provision for impairment on loan	-	-	(268,954)	(268,954)
Add: Increase During the year	-	-	-	-
Less: Reversed during the year	-	-	268,954	-
Closing provision for impairment on loan	-	-	-	(268,954)



15 Inventory

Particulars	Group		Company	
	As at 31st December, 2025	As at 31st December, 2024	As at 31st December, 2025	As at 31st December, 2024
Inventory - Fuel	127,778	126,453	127,778	126,453
Total	127,778	126,453	127,778	126,453

16 Trade receivables (at amortised cost)

Particulars	Group		Company	
	As at 31st December, 2025	As at 31st December, 2024	As at 31st December, 2025	As at 31st December, 2024
Trade receivables	4,937,209	3,776,505	3,864,784	3,720,720
Less: Provision for impairment of Trade Receivables	(3,682,750)	(3,682,750)	(3,682,750)	(3,682,750)
Total	1,254,459	93,755	182,034	37,970

Movements in the impairment allowance for trade receivables are as follows:

Particulars	Group		Company	
	As at 31st December, 2025	As at 31st December, 2024	As at 31st December, 2025	As at 31st December, 2024
Opening provision for impairment of Trade Receivables	3,682,750	3,682,750	3,682,750	3,682,750
Add: Increase/(decrease) during the year	-	-	-	-
Less: Receivables written off during the year as uncollectible	-	-	-	-
Closing provision for impairment of Trade Receivables	3,682,750	3,682,750	3,682,750	3,682,750

17 Cash and cash equivalents

Particulars	Group		Company	
	As at 31st December, 2025	As at 31st December, 2024	As at 31st December, 2025	As at 31st December, 2024
Cash in hand	15,691	15,013	5,813	5,809
Cash in Bank	8,818,417	90,108,568	3,125,906	39,705,652
Deposits with banks having original maturity of less than three months	69,823,202	-	35,011,248	-
Total	78,657,310	90,123,581	38,142,967	39,711,461

18 Other financial assets

Non-Current

Particulars	Group		Company	
	As at 31st December, 2025	As at 31st December, 2024	As at 31st December, 2025	As at 31st December, 2024
Margin Money Deposits	2,016,490	4,001,754	-	-
Total	2,016,490	4,001,754	-	-

* The above balance represent margin money deposits placed against bank guarantees and are restricted in use. These balances are not available for day-to-day liquidity until the related guarantees expire or are released.

Current

Particulars	Group		Company	
	As at 31st December, 2025	As at 31st December, 2024	As at 31st December, 2025	As at 31st December, 2024
Bank Deposits	15,389,594	15,088,340	15,346,006	15,088,340
Staff Advances	644,182	447,656	368,144	382,932
Other receivables (net of provisions)*	126,397	42,760	27,299,896	26,763,443
Dividend Receivable	-	-	-	223,336
Refundable Deposits - Security Deposits	162,346	148,967	155,201	144,702
Refundable Deposits - Others	203,180	203,180	203,180	203,180
Total	16,525,699	15,930,903	43,372,427	42,805,933

*Refer related party disclosures. Other receivables are generally receivable on demand and are non-interest bearing.

Particulars	Group		Company	
	As at 31st December, 2025	As at 31st December, 2024	As at 31st December, 2025	As at 31st December, 2024
Other receivables	289,672	42,760	27,463,171	26,763,443
Less: Provision for impairment of Receivables	(163,275)	-	(163,275)	-
Total	126,397	42,760	27,299,896	26,763,443



19 Other Assets

Non-Current

Particulars	Group		Company	
	As at 31st December, 2025	As at 31st December, 2024	As at 31st December, 2025	As at 31st December, 2024
Capital Advances	8,726	320,529	-	-
Total	8,726	320,529	-	-

Current

Particulars	Group		Company	
	As at 31st December, 2025	As at 31st December, 2024	As at 31st December, 2025	As at 31st December, 2024
Prepaid Expenses	137,284	508,882	117,121	504,432
Balance with government authorities	3,149	1,974	-	-
Total	140,433	510,856	117,121	504,432

20 Deferred Tax (Asset) / Liability

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 10%.

The balance comprises temporary differences attributable to:

Particulars	Group		Company	
	As at 31st December, 2025	As at 31st December, 2024	As at 31st December, 2025	As at 31st December, 2024
Deferred tax Liabilities:				
- Net Block of Property, Plant & Equipments	214,681	236,847	214,681	236,847
- Others	12,778	12,645	12,778	12,645
	227,459	249,492	227,459	249,492
Deferred tax Assets:				
- Provisions	(118,568)	(103,071)	(118,568)	(103,071)
- Others	11,455	1,162	11,455	1,162
	(107,113)	(101,909)	(107,113)	(101,909)
Deferred tax (Asset)/Liability	120,346	147,583	120,346	147,583

Deferred tax assets is recognized when it is probable that future taxable profits or taxable temporary differences will be available against which carried forward tax losses can be utilized. In absence of reasonable certainty with convincing evidence of future taxable profits, the Company/Group has not recognized deferred tax assets on losses incurred in current and previous years. These unused tax losses can be carried forward for indefinite period as per current Income Tax laws for set off against future taxable income.

Reconciliation of Income Tax expense and accounting profit multiplied by Company's Tax rate:

Particulars	Group		Company	
	As at 31st December, 2025	As at 31st December, 2024	As at 31st December, 2025	As at 31st December, 2024
Profit Before Tax	(36,705,881)	(33,476,944)	(18,665,852)	35,590
Enacted Tax Rate in Timor Leste	10.00%	10.00%	10.00%	10.00%
Computed Expected Tax Payable	(3,670,588)	(3,347,694)	(1,866,585)	3,559
Add: Expenses disallowed under Income Tax Act	172,740	85,759	172,740	85,759
Add: Difference between tax depreciation and book depreciation	29,868	(9,580)	34,293	(10,698)
Add: Tax on current year losses not recognised	3,467,980	3,271,515	1,659,552	(78,620)
Add: Income tax expense of subsidiaries	83,125	-	-	-
Income Tax Expense	83,125	-	-	-

21 Non-Current Borrowings (at amortized cost)

Particulars	Group		Company	
	As at 31st December, 2025	As at 31st December, 2024	As at 31st December, 2025	As at 31st December, 2024
Loan from Banco Central de Timor Leste (BCTL)*	874,085,136	836,445,105	-	-
Total	874,085,136	836,445,105	-	-

* Loan is taken from Banco Central de Timor-Leste (BCTL) on behalf of Petroleum Fund of Timor Leste for the purpose of acquiring participating interests and rights in the Greater Sunrise oil and gas field as fully explained in Note 34. The loan is unsecured and carrying interest rate of 4.5 % compounded annually. The loan is carrying an interest rate of 4.5% compounded annually. The original loan tenure was 18 years, with the first annual repayment due on 9 April 2028. Pursuant to an amendment to the existing loan agreement approved by the Ministry of Petroleum and Mineral Resources, which is effective during the current reporting period, the repayment schedule has been revised to align with the expected timing of cash inflows from the Greater Sunrise project. Accordingly, the grace period has been extended by five years, with the first annual repayment now due on 10 April 2033 and the final repayment due on 10 April 2042, while the interest rate remains unchanged. The amendment is consistent with the original objective of the loan to support the development of the Greater Sunrise project.



22 Non-Current Provisions

Particulars	Group		Company	
	As at 31st December, 2025	As at 31st December, 2024	As at 31st December, 2025	As at 31st December, 2024
Provision for employee benefits				
- long-term service benefit*	904,651	787,052	904,651	787,052
- compensated absences	241,285	211,194	241,285	211,194
Total	1,145,936	998,246	1,145,936	998,246

* Refer note 36.

23 Trade payables

Particulars	Group		Company	
	As at 31st December, 2025	As at 31st December, 2024	As at 31st December, 2025	As at 31st December, 2024
Trade payables	4,246,321	2,592,509	1,584,508	2,204,734
Total	4,246,321	2,592,509	1,584,508	2,204,734

Trade payable are generally payable on demand and are non-interest bearing.

24 Other Financial Liabilities

Particulars	Group		Company	
	As at 31st December, 2025	As at 31st December, 2024	As at 31st December, 2025	As at 31st December, 2024
Payable to employees	78,419	73,883	71,831	68,659
Capital Creditors	184,897	503,710	118,841	-
Payable to Related Party*	45,000	2,250	50,000	12,250
Total	308,316	579,843	240,672	80,909

* Refer related party disclosures in Note 37. Other payable are generally payable on demand and are non-interest bearing.

25 Provisions

Particulars	Group		Company	
	As at 31st December, 2025	As at 31st December, 2024	As at 31st December, 2025	As at 31st December, 2024
Provision for employee benefits				
- long-term service benefit	27,460	21,486	27,460	21,486
- compensated absences	12,287	10,978	12,287	10,978
Provision for Income Tax	53,519	773	-	-
Total	93,266	33,237	39,747	32,464

26 Other Current Liabilities

Particulars	Group		Company	
	As at 31st December, 2025	As at 31st December, 2024	As at 31st December, 2025	As at 31st December, 2024
Dues payable to Government	626,928	1,001,488	284,257	833,619
Deferred Grant*	99,021,200	112,259,272	76,996,818	77,720,802
Other liabilities	450,000	-	-	-
Total	100,098,128	113,260,760	77,281,075	78,554,421

* Refer Note 40.

27 Contributed Capital and Retained Earning

Contributed Capital and Retained earnings are as stated in the Statement of Changes of Equity.

28 Contingent Liability

Particulars	Group		Company	
	As at 31st December, 2025	As at 31st December, 2024	As at 31st December, 2025	As at 31st December, 2024
Claims against the Company/Group not acknowledged as debts*	86,868	1,383,986	86,868	1,383,986
Total	86,868	1,383,986	86,868	1,383,986

*As on 31st December 2024, the Company/Group had disclosed a contingent liability of USD 1,297,118 towards a claim made against the Company/Group by a vendor. In FY 2025, via a Final Award dated 8 July 2025, the Sole Arbitrator dismissed the vendor's claims in entirety. The Sole Arbitrator further directed the vendor to pay USD 443,927 plus 6% annual interest from the date of the Final Award until full payment as a one-time settlement compensation. Consequently, as on 31 December 2025, the Company has not carried a contingent liability against the said dispute. The Company is in the process of recovering the amount due from the vendor as per the Award. However, due to uncertainty regarding the recoverability of the amount from the vendor, the Company/Group has not recognized the amount receivable by the Company/Group from the vendor.



29 Financial Instrument Risk Management

Group

The Group financial assets includes trade and other receivables, investments and cash & cash equivalents. Financial liabilities includes borrowings, lease liabilities, trade and other payables. The Group is exposed to credit risk and liquidity risk.

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. For the purposes of financial reporting the group calculates expected loss allowances based on the maximum contractual period over which the group is exposed to credit risk. Lifetime expected credit losses are recognized for trade receivables and the credit risk associated with the significant majority of financial assets measured at amortized cost is considered to be low. Since the tenor of substantially all of the group's in scope financial assets is less than 12 months there is no significant difference between the measurement of 12-month and lifetime expected credit losses. As on date, the Group does not expect any loss on account of credit loss except those recognised in books of accounts.

Liquidity risk is the risk that the Group will not able to meet its obligations. To mitigate the risk the Group has borrowed the fund from the Petroleum fund of Timor Leste with longer moratorium period and expects to generate revenue by then to meet its obligation. The Group also receives support from the government of Timor Leste to fund its operations and is hopeful of continuous support in future also.

Company

The Company's financial assets includes trade receivables, other receivables, loans, investments and cash and cash equivalents. Financial liabilities includes Lease liabilities, trade payables and other payables. The Company is exposed to credit risk and liquidity risk.

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company gives loan only to the subsidiaries and other receivable are also due from the subsidiaries. Other Receivables also includes Contract Assets and Advance given to employees. The Company regularly monitors the operations of the subsidiaries to mitigate the risk. As on date, Company does not expect any loss on account credit loss except those recognised in books of accounts.

Liquidity risk is the risk that the Company will not able to meet its obligations. The Company receives the support from the Government of Timor Leste to fund its operations and is hopeful of continuous support in future also.

The maturity profile of the financial liabilities included in the balance sheet at 31 December, 2025 is shown in the table below:

Group:

Period	Group			
	Trade Payables	Lease liability	Borrowings	Other Financial Liabilities
Less than 1 year	4,246,321	658,543	-	308,316
1-5 years	-	1,678,262	-	-
More than 5 years	-	-	1,170,004,489	-

Company:

Period	Company			
	Trade Payables	Lease liability	Borrowings	Other Financial Liabilities
Less than 1 year	1,584,508	658,543	-	240,672
1-5 years	-	1,678,262	-	-
More than 5 years	-	-	-	-

The maturity profile of the financial liabilities included in the balance sheet at 31 December, 2024 is shown in the table below:

Group:

Period	Group			
	Trade Payables	Lease liability	Borrowings	Other Financial Liabilities
Less than 1 year	2,592,445	645,630	-	579,483
1-5 years	-	2,221,012	235,442,910	-
More than 5 years	-	-	934,561,679	-

Company:

Period	Company			
	Trade Payables	Lease liability	Borrowings	Other Financial Liabilities
Less than 1 year	2,204,670	645,630	-	80,909
1-5 years	-	2,221,012	-	-
More than 5 years	-	-	-	-

* The Cash Outflows on account of repayment of loan from BCTL as disclosed above is as per existing terms and conditions of the loan agreement between the Group and lenders. The loan has been taken specifically for the purpose of acquiring participating interest in the Greater Sunrise Oilfields and the loan repayment start date of 2033 was also agreed upon based on expected production commencement date of Greater Sunrise Oilfields. However, as the expected production commencement date of the Greater Sunrise Oilfields has been delayed, the Group management may consider initiating a discussion with the lender and external stakeholders to restructure the loan.



30 Leases where Group and Company are lessee

(ia) Changes in the carrying value of Right-of-use Assets

Particulars	Group		Company	
	As at 31st December, 2025	As at 31st December, 2024	As at 31st December, 2025	As at 31st December, 2024
Opening Balance	2,878,326	423,851	2,878,326	423,851
Add: Additions/Modifications*	-	3,029,816	-	3,029,816
Less: Deletion	-	-	-	-
Less: Depreciation	605,964	575,341	605,964	575,341
Closing Balance	2,272,362	2,878,326	2,272,362	2,878,326

* includes USD 35,178 towards fair value accounting of Security Deposits

(ib) Changes in the Lease liabilities

Particulars	Group		Company	
	As at 31st December, 2025	As at 31st December, 2024	As at 31st December, 2025	As at 31st December, 2024
Opening Balance	2,866,642	465,369	2,866,642	465,369
Add: Additions/Modifications	-	2,994,638	-	2,994,638
Add: Interest Expense	115,793	39,606	115,793	39,606
Less: Lease Payments	645,630	632,971	645,630	632,971
Closing Balance	2,336,805	2,866,642	2,336,805	2,866,642

(ii) Break-up of current and non-current lease liabilities

Particulars	Group		Company	
	As at 31st December, 2025	As at 31st December, 2024	As at 31st December, 2025	As at 31st December, 2024
Current Lease Liabilities	658,543	645,630	658,543	645,630
Non-current Lease Liabilities	1,678,262	2,221,012	1,678,262	2,221,012
Total	2,336,805	2,866,642	2,336,805	2,866,642

(iii) Amounts recognised in Statement of Profit and Loss Account

Particulars	Group		Company	
	As at 31st December, 2025	As at 31st December, 2024	As at 31st December, 2025	As at 31st December, 2024
Interest on Lease Liabilities	115,793	39,606	115,793	39,606
Low-value leases expensed	184,511	109,530	139,073	66,571

31 Fair Value Hierarchy

i) The following table shows the carrying amounts and fair values of the Group's financial assets and financial liabilities, including their levels in the fair value hierarchy:

31st December, 2025	Carrying amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial Assets					
a) Measured at amortized cost					
Trade receivables	1,254,459	-	-	1,254,459	1,254,459
Cash and cash equivalents	78,657,310	78,657,310	-	-	78,657,310
Investments in Associate Company	255,908	-	-	255,908	255,908
Other financial assets	18,542,190	-	-	18,542,190	18,542,190
Total	98,709,867	78,657,310	-	20,052,557	98,709,867
Financial Liabilities					
a) Measured at amortized cost					
Borrowings	874,085,136	-	-	874,085,136	874,085,136
Lease Liabilities	2,336,805	-	-	2,336,805	2,336,805
Trade payables	4,246,321	-	-	4,246,321	4,246,321
Other financial liabilities	308,316	-	-	308,316	308,316
Total	880,976,578	-	-	880,976,578	880,976,578

31st December, 2024	Carrying amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial Assets					
a) Measured at amortized cost					
Trade receivables	93,755	-	-	93,755	93,755
Cash and cash equivalents	90,123,581	90,123,581	-	-	90,123,581
Investments in Associate Company	-	-	-	-	-
Other financial assets	19,932,657	-	-	19,932,657	19,932,657
Total	110,149,993	90,123,581	-	20,026,412	110,149,993
Financial Liabilities					
a) Measured at amortized cost					
Borrowings	836,445,105	-	-	836,445,105	836,445,105
Lease Liabilities	2,866,642	-	-	2,866,642	2,866,642
Trade payables	2,592,509	-	-	2,592,509	2,592,509
Other financial liabilities	579,843	-	-	579,843	579,843
Total	842,484,099	-	-	842,484,099	842,484,099



ii) The following table shows the carrying amounts and fair values of Company's financial assets and financial liabilities, including their levels in the fair value hierarchy:

31st December, 2025	Carrying amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial Assets					
a) Measured at amortized cost					
Trade receivables	182,034	-	-	182,034	182,034
Cash and cash equivalents	38,142,967	38,142,967	-	-	38,142,967
Loans	179,000	-	-	179,000	179,000
Investments in Associate Company	45,000	-	-	45,000	45,000
Other financial assets	43,372,427	-	-	43,372,427	43,372,427
Total	81,921,428	38,142,967	-	43,778,461	81,921,428
Financial Liabilities					
a) Measured at amortized cost					
Borrowings	-	-	-	-	-
Lease Liabilities	2,336,805	-	-	2,336,805	2,336,805
Trade payables	1,584,508	-	-	1,584,508	1,584,508
Other financial liabilities	240,672	-	-	240,672	240,672
Total	4,161,985	-	-	4,161,985	4,161,985

31st December, 2024	Carrying amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial Assets					
a) Measured at amortized cost					
Trade receivables	37,970	-	-	37,970	37,970
Cash and cash equivalents	39,711,461	39,711,461	-	-	39,711,461
Loans	17,852,283	-	-	17,852,283	17,852,283
Investments in Associate Company	2,250	-	-	2,250	2,250
Other financial assets	42,805,933	-	-	42,805,933	42,805,933
Total	100,409,897	39,711,461	-	60,698,436	100,409,897
Financial Liabilities					
a) Measured at amortized cost					
Borrowings	-	-	-	-	-
Lease Liabilities	2,866,642	-	-	2,866,642	2,866,642
Trade payables	2,204,734	-	-	2,204,734	2,204,734
Other financial liabilities	80,909	-	-	80,909	80,909
Total	5,152,285	-	-	5,152,285	5,152,285

Equity investment in subsidiaries included in Note 13 are carried at cost as per IAS 27 "Separate Financial Statement" and hence are not required to be disclosed as per IFRS 7 "Financial Instruments Disclosure". Hence, the same has not been disclosed in the above table.

32 Going Concern Group

The Group is in the business of developing hydrocarbon reserves, which has long gestation period and in business of marketing petroleum products. The Group has obtained exploration rights of various onshore and offshore oil fields and has entered into Joint Petroleum sharing contract with various oil and gas companies. The hydrocarbon reserves are in various stages of exploration, appraisal and development of hydrocarbon block. The Group's expenditure primarily consists of Group's share of expenditure in the exploration and evaluation cost, employee cost, consultant costs, staff training and related expenses. The Holding Company and its subsidiaries have incurred losses either during the current year or previous year or both and as on 31 December 2025, the Group's current liabilities have exceeded its current assets by USD 8,519,895. Further on account of recognition of impairment of entire acquisition value of participating interest in Greater Sunrise Oil fields in previous years, the net worth of the Group has been eroded. The aforesaid conditions, indicate existence of material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern due to which the Group may not be able to realize the assets and discharge its liabilities in the normal course of business.

The Management of the Group, basis expected additional government grants to be received and the projected cashflows of the Group, believes that the Group will be able make payment of its liabilities as and when they fall due from the cash flows in next 12 months from the date of signing of the financial statements. Hence, Management is of the view that the Group will be able to continue as a going concern for at least a period of one year from the date of the financial statements. Accordingly, these consolidated financial statements have been prepared on a going concern basis.

Company

The Company is in the business of marketing petroleum products and providing managerial and financial support to the Subsidiary Companies. Hence, the Company's expenditure primarily consists of employee cost, consultant costs and staff training and related overhead expenses. The Company has incurred losses in the current year. Further, the Company has granted unconditional financial support to its subsidiaries and is dependent on government grants to meet its cash flow requirements. The aforesaid conditions, indicate existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern due to which the Company may not be able to realize the assets and discharge its liabilities in the normal course of business.

The Management of the Company, basis the expected additional government grants to be received and the projected cashflows of the Company believes that the Company will be able make payment of its liabilities as and when they fall due from the cash flows in next 12 months from the date of signing of the financial statements. Hence, Management is of the view that the Company will be able to continue as a going concern for at least a period of one year from the date of the financial statements. Accordingly, these standalone financial statements have been prepared on a going concern basis.



TIMOR GAP, E.P.

Notes to Financial Statements as at and for the year ended 31st December, 2025
(Amount in USD)

33 Segment Reporting

The Group is organised into business units based on its products and services and has two reportable segments as below :

- i. Hydrocarbon- Developing hydrocarbon reserves and production of hydrocarbons and support activities
- ii. Trading of Fuel

There are no reportable geographical segments since all business is in Timor-Leste.

Particulars	Year ended 31st December, 2025	Year ended 31st December, 2024
1. Segment Revenue (Gross)		
a) Hydrocarbon and support activities	5,904,323	797,109
b) Trading of Fuel	453,786	278,319
Total Segmental Revenue	6,358,109	1,075,428
Add : Un-Allocated Revenue	-	-
Less : Inter-Segmental Revenue	-	-
Total Revenue	6,358,109	1,075,428
2. Other Income		
a) Hydrocarbon and support activities	30,576,200	27,089,853
b) Trading of Fuel	-	-
Total Other Income	30,576,200	27,089,853
Add : Un-Allocated Income	-	-
Total Other Income	30,576,200	27,089,853
3. Segment Expenses		
a) Hydrocarbon and support activities	34,701,521	24,345,980
b) Trading of Fuel	323,027	221,512
Total Expenses	35,024,548	24,567,492
Add : Un-Allocated Expenses	38,769,937	37,072,091
Total Expenses	73,794,485	61,639,583
4. Segment profit / (loss) (before tax and finance cost)		
a) Hydrocarbon and support activities	1,779,002	3,540,982
b) Trading of Fuel	130,759	56,807
Total Segment profit / (loss) (before tax and finance cost)	1,909,761	3,597,789
Add : Un-allocated Profit & Loss	(38,769,937)	(37,072,091)
Profit/(Loss) before Tax	(36,860,176)	(33,474,302)
5. Segment Assets		
a) Hydrocarbon and support activities	25,928,889	26,309,001
b) Trading of Fuel	1,382,237	220,209
Total Segment Assets	27,311,126	26,529,210
Add : Un-allocated Assets	84,890,101	96,894,349
Total Assets	112,201,227	123,423,559
6. Segment Liabilities		
a) Hydrocarbon and support activities	66,056	503,711
b) Trading of Fuel	-	64
Total Segment Liabilities	66,056	503,775
Add : Un-allocated Liabilities	982,368,198	956,420,150
Total Liabilities	982,434,254	956,923,925

34 Acquisition of participating interest in Greater Sunrise Oil Fields

Few subsidiaries had entered into an agreement with ConocoPhillips's and Shell Australia in 2018 for acquisition of their respective participating interest, totaling to 56.56%, in Greater Sunrise Oil Fields at a total consideration of \$ 651,677,600. The transaction was completed during the financial year 2019 with effective date of April 16, 2019.

Refer Note 12 for details with respect to impairment.

35 Capital Management

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

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 shareholders, return capital to shareholders or issue new shares. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and short-term deposits.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December, 2025 and 2024.



TIMOR GAP, E.P.

Notes to Financial Statements as at and for the year ended 31st December, 2025

(Amount in USD)

36 Employee Benefits

The company has a defined benefit obligation plan. Every employee who has completed five years or more of service is entitled to Long Term Service Benefit. This is an unfunded plan.

Details of the Long Term Service Benefit are as follows:

(i) Changes in the present value of Defined Benefit Obligations are as follows :

Particulars	For the year ended 31st December, 2025	For the year ended 31st December, 2024
Opening Balance	808,537	835,962
Current Service Cost	55,438	50,003
Interest Cost	38,378	34,346
Benefits paid	-	-
Actuarial (gains)/losses from financial assumptions	19,271	(80,032)
Actuarial (gains)/losses from demographic assumptions	-	-
Actuarial (gains)/losses from experience assumptions	10,485	(31,742)
Closing Balance	932,109	808,537
Current Liability	27,458	21,485
Non-Current Liability	904,651	787,052

(ii) Changes in the fair value of plan assets

As the company's Long Service Benefit obligation is unfunded, disclosures related to plan assets and its reconciliation to present value of defined benefit obligation are not applicable.

(iii) Expense Recognized in Statement of Profit and Loss

Particulars	For the year ended 31st December, 2025	For the year ended 31st December, 2024
a. Current service cost	55,438	50,003
b. Interest cost	38,378	34,346
Benefit Cost (Expense Recognized in Statement of Profit/loss)	93,816	84,349

(iii) Expense Recognized in Other Comprehensive Income

Particulars	For the year ended 31st December, 2025	For the year ended 31st December, 2024
Re-Measurement (Gain)/Loss		
- Due to Financial Assumptions	19,271	(80,032)
- Due to Demographic Assumptions	-	-
- Due to Experience Variance	10,485	(31,742)
Benefit Cost (Expense Recognized in Other Comprehensive income)	29,756	(111,774)

(iv) Actuarial Assumptions

Particulars	For the year ended 31st December, 2025	For the year ended 31st December, 2024
a. Discount Rate(per annum) %	4.60%	4.75%
b. Expected Rate for salary increases %	2.00%	2.00%
c. Average expected future service (Remaining working Life) in years	26.29	25.17
d. Withdrawal Rate (Upto 40 years)	3.00%	3.00%
e. Withdrawal Rate (40 years and above)	NIL	NIL

(This space has been intentionally left blank)



(v) The basis of various assumptions used in actuarial valuations and their quantitative sensitivity analysis is as shown below:

Particulars	For the year ended 31st December, 2025	For the year ended 31st December, 2024
Impact of change in discount rate		
Present value of obligation at the end of the year		
a) Impact due to increase of 0.25 %	900,356	780,490
b) Impact due to decrease of 0.25 %	965,467	838,026
Impact of change in salary increase		
Present value of obligation at the end of the year		
a) Impact due to increase of 0.25 %	966,253	838,766
b) Impact due to decrease of 0.25 %	899,489	779,684
Impact of change in withdrawal rate		
Present value of obligation at the end of the year		
a) Impact due to increase of 50%	930,005	808,285
b) Impact due to decrease of 50%	932,130	806,103
Impact of change in mortality rate		
Present value of obligation at the end of the year		
a) Impact due to increase of 10%	932,189	808,670
b) Impact due to decrease of 10%	932,028	808,402

(vi) Estimated cash flows (undiscounted) in subsequent years

Particulars	For the year ended 31st December, 2025	For the year ended 31st December, 2024
Less than a year	-	-
Between 1-2 years	27,458	21,485
Between 2-5 years	161,887	127,416
Between 6-10 years	294,823	275,452
More than 10 years	1,452,825	1,328,851

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37 Related party disclosures

Information about Subsidiaries

Name	Principal Activities	Place of incorporation	Ownership interest	
			As at 31st December, 2025	As at 31st December, 2024
TIMOR GAP PSC 11-106, Unipessoal, Lda.	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP Marine, Aviation & Logistic Services, Unipessoal, Lda. (Formerly TIMOR GAP Marine Oil & Gas and Logistic Services, Unipessoal, Lda.)	Logistic and Support services	Democratic Republic of Timor Leste	100%	100%
South Horizon Offshore Services, Unipessoal, Lda. (Formerly South Horizon Offshore Services, Lda.)	Support services	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP Seismic Services, Lda.	Seismic Survey services	Democratic Republic of Timor Leste	60%	60%
TIMOR GAP OFFSHORE BLOCK, Unipessoal, Lda.	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP ONSHORE BLOCK, Unipessoal, Lda.	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP ONSHORE BLOCK B, Unipessoal, Lda.	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP ONSHORE BLOCK C, Unipessoal, Lda.	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP Drilling & Seismic Services, Unipessoal, Lda. (Formerly TIMOR GAP Drilling & Services, Unipessoal, Lda.)	Drilling Service	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP Chuditch, Unipessoal, Lda.	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP GREATER SUNRISE RL 2, Unipessoal, Lda.	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP GREATER SUNRISE RL, Unipessoal, Lda.	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP GREATER SUNRISE 03-19, Unipessoal, Lda.	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP GREATER SUNRISE 03-20, Unipessoal, Lda.	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP Pualaca Block, Unipessoal, Lda.	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP Rarahana Block, Unipessoal, Lda.	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP BAYU-UNDAN 19-12, Unipessoal, Lda*	Hydrocarbons Production	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP BAYU-UNDAN 19-13, Unipessoal, Lda*	Hydrocarbons Production	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP PSC TL-OT-22-22, Unipessoal, Lda*	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP PSC TL-SO-22-23, Unipessoal, Lda*	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	100%

* Incorporated on 19th August, 2024

Related parties under IAS 24 with whom transactions have taken place during the year:

Name	Type	Place of incorporation
Weststar-GAP Aviation, Lda.	Equity Method Investments	Democratic Republic of Timor Leste

Key Management Personnel (KMP):

Name	Designation
Rui Maria Alves Soares	President & Chief Executive Officer & Chairman
Domingos L.S.Maria	Vice President for the Greater Sunrise Development
Alexandre Cristovao	Vice President for Infrastructure
Aurelia Alves	Vice President for Government Relations and Stakeholders Engagement
Vicente Pinto	Director of Downstream Business
Luis Martins	Director of Finance and Commercial
Tomas Talo	Director of Research, Development and Services
Helder Sarmento	Director of Corporate Legal
Aleixo Alves	Director of Exploration and Development
Ligia Aniceto	Director of Human Resources Development and Administration Support



TIMOR GAP, E.P.
Notes to Financial Statements as at and for the year ended 31st December, 2025
(Amount in USD)

Transactions with related parties

The following transactions occurred with related parties:

Particulars	Group		Company	
	For the year ended 31st December, 2025	For the year ended 31st December, 2024	For the year ended 31st December, 2025	For the year ended 31st December, 2024
Investment in Subsidiaries				
- TIMOR GAP BAYU-UNDAN 19-12, Unipessoal, Lda	-	-	-	5,000
- TIMOR GAP BAYU-UNDAN 19-13, Unipessoal, Lda	-	-	-	5,000
- TIMOR GAP PSC TL-OT-22-22, Unipessoal, Lda	-	-	-	5,000
- TIMOR GAP PSC TL-SO-22-23, Unipessoal, Lda	-	-	-	5,000
Investment in Equity Method Investments				
- Weststar-GAP Aviation, Lda.	42,750	-	42,750	-
Payment made on behalf of Subsidiaries net of settlements				
- TIMOR GAP OFFSHORE BLOCK, Unipessoal, Lda.	-	-	3,310	785,148
- TIMOR GAP PSC 11-106, Unipessoal, Lda.	-	-	49,878	99,104
- TIMOR GAP ONSHORE BLOCK, Unipessoal, Lda.	-	-	4,540	6,449,368
- TIMOR GAP ONSHORE BLOCK B, Unipessoal, Lda.	-	-	3,830	-
- TIMOR GAP ONSHORE BLOCK C, Unipessoal, Lda.	-	-	4,142	1,441,520
- TIMOR GAP GREATER SUNRISE RL, Unipessoal, Lda.	-	-	1,373	2,234,567
- TIMOR GAP GREATER SUNRISE RL 2, Unipessoal, Lda.	-	-	-	1,559,043
- TIMOR GAP GREATER SUNRISE 03-19, Unipessoal, Lda.	-	-	-	1,003,928
- TIMOR GAP GREATER SUNRISE 03-20, Unipessoal, Lda.	-	-	-	105,053
- TIMOR GAP Drilling & Seismic Services, Unipessoal, Lda. (Formerly TIMOR GAP Drilling & Services, Unipessoal, Lda.)	-	-	53,379	59,041
- TIMOR GAP Chuditch, Unipessoal, Lda.	-	-	2,943	1,926,635
- TIMOR GAP Pualaca Block, Unipessoal, Lda.	-	-	167,954	340,728
- TIMOR GAP Rarahana Block, Unipessoal, Lda.	-	-	-	244,750
- South Horizon Offshore Services, Lda.	-	-	-	16,626
- TIMOR GAP Seismic Services, Unipessoal, Lda.	-	-	(372,227)	148,891
- TIMOR GAP Marine, Aviation & Logistic Services, Unipessoal, Lda. (Formerly TIMOR GAP Marine Oil & Gas and Logistic Services, Unipessoal, Lda.)	-	-	15,000	-
- TIMOR GAP BAYU-UNDAN 19-12, Unipessoal, Lda	-	-	249,328	75,203
- TIMOR GAP BAYU-UNDAN 19-13, Unipessoal, Lda	-	-	200	-
- TIMOR GAP PSC TL-OT-22-22, Unipessoal, Lda	-	-	15,193	47,873
- TIMOR GAP PSC TL-SO-22-23, Unipessoal, Lda	-	-	30,703	27,206
Income from subsidiary				
- TIMOR GAP Pualaca Block, Unipessoal, Lda.	-	-	179,052	-
Dividend				
- TIMOR GAP Seismic Services, Unipessoal, Lda	-	-	-	223,336
Payment made on behalf of Equity Method Investments				
- Weststar-GAP Aviation, Lda.	246,847	26,512	246,847	26,512
Loan given to Equity Method Investments				
- Weststar-GAP Aviation, Lda.	66,370	112,630	66,370	112,630
Interest Income from Subsidiary				
- TIMOR GAP ONSHORE BLOCK, Unipessoal, Lda.	-	-	24,860	76,282
- TIMOR GAP OFFSHORE BLOCK, Unipessoal, Lda.	-	-	127,427	149,583
Assistance provided to Subsidiaries :				
- TIMOR GAP Chuditch, Unipessoal, Lda.	-	-	-	9,260,460
- TIMOR GAP PSC TL-OT-22-22, Unipessoal, Lda.	-	-	50,000	-
- TIMOR GAP PSC TL-SO-22-23, Unipessoal, Lda.	-	-	250,000	-
Payment to KMPs	950,528	935,907	950,528	935,907

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TIMOR GAP, E.P.
Notes to Financial Statements as at and for the year ended 31st December, 2025
(Amount in USD)

Outstanding balances arising from sales/purchases of goods and services

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

Particulars	Group		Company	
	As at 31st December, 2025	As at 31st December, 2024	As at 31st December, 2025	As at 31st December, 2024
Other Receivable				
- TIMOR GAP OFFSHORE BLOCK, Unipessoal, Lda.	-	-	2,465,969	2,462,659
- TIMOR GAP Marine, Aviation & Logistic Services, Unipessoal, Lda. (Formerly TIMOR GAP Marine Oil & Gas and Logistic Services, Unipessoal, Lda.)	-	-	20,500	5,500
- South Horizon Offshore Services, Lda.	-	-	48,494	48,494
- TIMOR GAP PSC 11-106, Unipessoal, Lda.	-	-	354,859	304,981
- TIMOR GAP Seismic Services, Unipessoal, Lda.	-	-	410	149,301
- TIMOR GAP ONSHORE BLOCK, Unipessoal, Lda.	-	-	6,703,020	6,698,480
- TIMOR GAP ONSHORE BLOCK B, Unipessoal, Lda.	-	-	3,830	-
- TIMOR GAP ONSHORE BLOCK C, Unipessoal, Lda.	-	-	1,509,397	1,505,256
- TIMOR GAP GREATER SUNRISE RL, Unipessoal, Lda.	-	-	7,403,786	7,402,411
- TIMOR GAP GREATER SUNRISE RL 2, Unipessoal, Lda.	-	-	2,452,821	2,452,821
- TIMOR GAP GREATER SUNRISE 03-19, Unipessoal, Lda.	-	-	1,972,907	1,972,908
- TIMOR GAP GREATER SUNRISE 03-20, Unipessoal, Lda.	-	-	688,741	688,742
- TIMOR GAP Drilling & Seismic Services, Unipessoal, Lda. (Formerly TIMOR GAP Drilling & Services, Unipessoal, Lda.)	-	-	152,467	99,088
- TIMOR GAP Chuditch, Unipessoal, Lda.	-	-	2,049,504	2,046,561
- TIMOR GAP Pualaca Block, Unipessoal, Lda.	-	-	611,850	443,897
- TIMOR GAP Rarahana Block, Unipessoal, Lda.	-	-	289,303	289,303
- TIMOR GAP BAYU-UNDAN 19-12, Unipessoal, Lda.	-	-	324,531	75,203
- TIMOR GAP BAYU-UNDAN 19-13, Unipessoal, Lda.	-	-	200	-
- TIMOR GAP PSC TL-OT-22-22, Unipessoal, Lda.	-	-	63,066	47,873
- TIMOR GAP PSC TL-SO-22-23, Unipessoal, Lda.	-	-	57,909	27,206
- Weststar-GAP Aviation, Lda.	289,607	42,760	289,607	42,760
Dividend Receivable				
- TIMOR GAP Seismic Services, Unipessoal, Lda.	-	-	-	223,336
Other Financial Liabilities				
- TIMOR GAP ONSHORE BLOCK B, Unipessoal, Lda.	-	-	5,000	5,000
- TIMOR GAP PSC TL-OT-22-23, Unipessoal, Lda.	-	-	-	5,000
- Weststar-GAP Aviation, Unipessoal, Lda.	45,000	2,250	45,000	2,250
Loan Given*				
- TIMOR GAP OFFSHORE BLOCK, Unipessoal, Lda.	-	-	-	13,115,637
- TIMOR GAP PSC 11-106, Unipessoal, Lda.	-	-	-	800,116
- TIMOR GAP ONSHORE BLOCK , Unipessoal, Lda.	-	-	-	1,762,000
- TIMOR GAP ONSHORE BLOCK B, Unipessoal, Lda.	-	-	-	361,201
- TIMOR GAP ONSHORE BLOCK C, Unipessoal, Lda.	-	-	-	117,265
- TIMOR GAP Chuditch, Unipessoal, Lda.	-	-	-	50,000
- TIMOR GAP GREATER SUNRISE RL, Unipessoal, Lda.	-	-	-	815,859
- TIMOR GAP GREATER SUNRISE RL2, Unipessoal, Lda.	-	-	-	641,028
- TIMOR GAP GREATER SUNRISE 03-19, Unipessoal, Lda.	-	-	-	333,196
- TIMOR GAP GREATER SUNRISE 03-20, Unipessoal, Lda.	-	-	-	12,307
- Weststar-GAP Aviation, Lda.	179,000	112,630	179,000	112,630

*The current year transaction relates to conversion of outstanding loan from Holding Company into grant with effect from 1st January 2025. This is a non cash transaction and no actual cash inflow has taken place. Hence, the same has been recognised as an expense.

Terms and condition relating to related party transactions

Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

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TIMOR GAP, E.P.

Notes to Financial Statements as at and for the year ended 31st December, 2025
(Amount in USD)

38 Current Status of Material Projects:

Greater Sunrise Project:

The Minimum Exploration Work Program for Greater Sunrise Fields has been completed, and the Development concept for the project is underway. Once approved as per the Treaty, Greater Sunrise JV partners will progress towards Field Development Plan for submission to the designated authorities.

In 2024, Greater Sunrise JV partners ('SJV') conducted a Concept Study for development of Greater Sunrise Fields with the help of a third party consultant. The study evaluated four main development options - Timor Leste Liquefied Natural Gas (TLNG), Darwin LNG (DLNG), Ichthys LNG and a new greenfield LNG development facility in Australia.

The outcome of the concept study shows that all the options were technically feasible, however, the TLNG is commercially the most viable option as it provides the highest economic return not only to SJV but also to the respective States. It also shows that TLNG option will generate maximum socio economic impacts and job creations for Timor Leste which is in accordance with the requirement of the Maritime Boundary Treaty.

To progress to the Concept Selection stage gate, Woodside executed a collaboration agreement in late 2025 with MPRM, the TLNG downstream proponent, to further mature the TLNG concept, including the undertaking of new pipeline geophysical and geotechnical surveys. In parallel, SJV executed a confidentiality agreement with both MPRM and Woodside to facilitate structured data sharing and to ensure alignment and transparency between upstream and downstream development activities.

Woodside Energy Limited is the Operator of the Production Sharing Contract (PSC). TIMOR GAP, as the major shareholder in the Greater Sunrise Field, along with other JV Partners is actively progressing on the negotiation of the new Production Sharing Contract (PSC), Petroleum Mining Code (PMC) and associated agreements with the Timor Leste and Australian Governments. Upon finalization, will provide the fiscal and regulatory certainty for the development of the Greater Sunrise Field.

In 2026, efforts will be dedicated in finalizing the PMC, PSC and taxation, as well as selecting one single Development concept based on the Concept Study carried out in 2024. In view of above progress on the project, production is expected to commence in 2032/2033.

Onshore Block:

In 2017, TIMOR GAP Onshore Block, Unipessoal, Lda. ('subsidiary Company') has signed Timor's GAP's first onshore contract PSC-TL-OT-17-08 in partnership with Timor Resources Pty Ltd, a company incorporated in Australia and affiliate of the NEPEAN Engineering group of Companies. The PSC establish a 50:50 joint venture between TIMOR GAP Onshore Block and its partner Timor Resources, and Timor Resources assuming the operatorship. The PSC is committed with 7-year exploration work program. The onshore Vibrosis Fafulu 2D Seismic acquisition survey was conducted and concluded in 2018/2019. The Fafulu 2D Seismic Interpretation was completed in 2020. After the first exploration well, Feto Kmaus-1 (Karau-1) which was drilled in late 2021, there were two exploration wells drilled in 2022, namely, the second exploration well, Liurai (Kumbili-1), and the third exploration well, Lafaek-1. The drilling activity of second and third exploration well was completed in 2022 and 2023 respectively. An independent third party was engaged by the Operator to do the resource classification of the wells drilled, and the results were made available in September 2022.

In November 2023, Autoridade Nacional do Petróleo (ANP) of Timor Leste announced the results of the wells drilled in PSC TL-OT-17-08 as "Technical Discovery".

In the year 2024 and 2025, preliminary activities for appraisal drilling campaign was carried out including entering into rig contracts and the appraisal of wells is planned to be carried out in 2026. Additionally, there are two new exploration wells Kmaus 2 & Weda's 2 for which appraisal is planned for FY 2026.

Until 2022, the subsidiary Company's participating interest was being freely carried by the Operator. Hence, the subsidiary Company had not incurred and accounted for its share of exploration and appraisal expenses till 2022. In 2023, pursuant to amended Joint Operating Agreement (JOA) with the Operator, the subsidiary Company agreed to bear 30% of the project expenses with balance 20% of participating interest of the subsidiary Company being free carried by the Operator.

In accordance with the above agreement, the Management has recognized the relevant expenditures incurred on the project in its consolidated financial statements in accordance with its accounting policies.



Onshore Block C:

In 2017, TIMOR GAP Onshore Block C, Unipessoal, Lda. ('subsidiary Company') has signed TIMOR GAP's first onshore contract PSC-TL-OT-17-09 in partnership with Timor Resources Pty Ltd, a company incorporated in Australia and affiliate of the NEPEAN Engineering group of Companies. The PSC establish a 50:50 joint venture between TIMOR GAP Onshore Block and its partner Timor Resources, and Timor Resources assuming the operatorship. The PSC is committed with 7-year exploration work program. Since the signing of the PSC TL-OT-17-09, the operator and Joint Venture have completed several G&G and other technical studies or evaluations. In 2022, preparation for drilling of first exploration well was being conducted and drilling activity was planned to begin in 2023. However, there has been no exploration activity carry out on the contract area in 2023, 2024 & 2025. The main activities carried out in during the year were carried over activities from previous year in relation to discussion with the Ministry Public Works, through the National Directorate for Roads, Bridges and Flood Control (Direção Nacional das Estradas, Pontes e Controlo de Cheias-DNEPCC) regarding the building of Public Road access upto the project site and study of technical review of previous technical data and reports.

In 2026, main activities to be carried out is seismic reprocessing and interpretation including integrated interpretation, re-evaluating plays-prospects, volumetric calculation and POS ranking which would support in carrying out exploration drilling activities in upcoming years.

Until 2022, the subsidiary Company's participating interest was being freely carried by the Operator. Hence, the subsidiary Company had not incurred and accounted for its share of exploration and appraisal expenses till 2022. In 2023, pursuant to amended Joint Operating Agreement (JOA) with the Operator, the subsidiary Company agreed to bear 30% of the project expenses with balance 20% of participating interest of the subsidiary Company being free carried by the Operator.

In accordance with the above agreement, the Management has recognized the relevant expenditures incurred on the project in its consolidated financial statements in accordance with its accounting policies.

Chuditch

TIMOR GAP Chuditch was established in 2019 to represent the company with SundaGas to carry out exploration and production activities in the Chuditch undeveloped gas discovery (PSC TL -SO -19-16). The PSC established a 25:75 joint venture between TIMOR GAP Chuditch at 25% and SundaGas at 75%.

The reprocessed 3D seismic data was completed in 2022 and its evaluation, in tandem with a number of geological and engineering studies, was completed during 2023. In 2024, the processing and interpretation of seismic data and several detailed geological and geophysical studies have been performed for the appraisal well Chuditch-2. Further, In 2023 and 2024, the Operator requested for extension to Contract Year Two of the Chuditch PSC with ANPM. The ANPM approved extensions till June 2025. These extensions were granted to provide additional time to complete detailed further technical studies on the Chuditch field and to have sufficient time to prepare for appraisal drilling.

In 2025, the Operator issued a Request for Information (RFI) to identify a suitable vendor to initiate the rig contracting and the same is currently in process. Due to delays in the execution of the planned wells, ANP granted an extension of the contract period until 18 June 2026 on the request of the Operator. In addition, the Operator applied for the environmental permit for the drilling and testing of the Chuditch-2 well, which was subsequently granted by ANP on 9 March 2026.

In 2026, the Operator plans to propose a rig-sharing approach with Finder (operator of PSC-11-106), under which both parties shall execute a Letter of Intent (LOI) to jointly explore opportunities to contract a suitable Mobile Offshore Drilling Unit (MODU) for their respective drilling campaigns. Accordingly, the primary focus for 2026 is on securing a suitable MODU, progressing the contracting of key long-lead items (LLIs), and continuing coordination between the joint ventures to ensure operational readiness for the Chuditch-2 appraisal well. The next targeted spud date for the well is 2027.

As Contract Year 3 is due to expire on 18 June 2026, the Operator submitted a request for a further extension to ANP on 9 March 2026 and is currently awaiting a response.



TIMOR GAP, E.P.
Notes to Financial Statements as at and for the year ended 31st December, 2025
(Amount in USD)

Until 2024, the Company's participating interest was being freely carried by the Operator. Hence, the subsidiary Company had not incurred and accounted for its share of exploration and appraisal expenses till 2024. In 2024, pursuant to Farm-up Agreement with the Operator, the subsidiary Company agreed to increase its participation in the Chuditch PSC from a 25% to a 40% working interest. The incremental 15% interest assigned included a share of the obligation to carry the costs of the initial TIMOR GAP 25% interest and accordingly the subsidiary Company 40% share is now responsible for 20% of the costs of the Chuditch project and SundaGas would carry the remaining 80% share of the costs of the Chuditch project.

In accordance with the above agreement, the Management has recognized the relevant expenditures incurred on the project in its consolidated financial statements in accordance with its accounting policies.

Pualaca Block

On December 07, 2021, TIMORGAP Pualaca Block, Unipessoal Lda. ('subsidiary Company'), entered into a Production Sharing Contract (PSC) with the regulatory authority of ANPM. The PSC became effective on February 24, 2022, and its purpose is to identify opportunities and discover hydrocarbon reserves in the PSC TL-OT-21-17 Block contract area. The subsidiary Company, TG Pualaca Block, Unipessoal Lda, is the sole operator of the block. The subsidiary Company has successfully completed a Full Tensor gravity (FTG) survey covering a total of 3149 LKM in 2022. This vital work paved the way for through phase 1 surface geological mapping, which was carried out in 2023 and 2024.

In 2025, the subsidiary Company successfully completed the seismic acquisition in mid of October 2025 and seismic processing by December 2025 while carrying over the interpretation scope to year 2026.

In 2026, the subsidiary Company shall focus on completing seismic data interpretation up to prospect ranking, identifying potential drilling prospects and drill one exploration drilling campaigns.

On 9 July 2025, the subsidiary Company entered into a commercial arrangement with Guangdong Fushan Tengfei International Tourism Co., Ltd., pursuant to which Guangdong acquired a 50% participating interest in the block, with the remaining 50% participating interest retained by the subsidiary Company. In accordance with the Commercial Agreement, all future capital contributions are to be made by the parties in proportion to their respective participating interests.

As at the balance sheet date, certain terms and conditions precedent under the Commercial Agreement remain unfulfilled. Consequently, the required submission to the ANPM and the execution of the Joint Operating Agreement between the parties are yet to be completed.

- 39 Two subsidiaries, TIMOR GAP Greater Sunrise RL Unipessoal Lda. and TIMOR GAP Greater Sunrise RL2 Unipessoal Lda. ('subsidiaries') own a participating interest in Greater Sunrise project ('the Gas field'), which is located in territorial waters of both Timor Leste and Australia and these subsidiaries are registered as a permanent establishment as per Australian taxation laws. However, a Maritime Boundary Treaty (the 'Treaty') has been signed between the Government of Timor Leste and Government of Australia which stipulates that the applicable taxation laws on the Gas field would be determined in conjunction with Production Sharing Contract to be entered as per the terms of the Treaty. The two States have agreed in principle that a specific taxation law of Timor Leste will be created for and applied in the Greater Sunrise Regime Area (GSSRA). As of date, the Production Sharing Contract and the said taxation law have not yet been finalised and accordingly, at present, an uncertainty exists with respect to applicability of Australian taxation laws on the Gas field. Accordingly, these subsidiaries have not deducted any withholding tax under the Australian Tax laws on the interest accrued during the year and in earlier years on loans taken by the subsidiaries from Banco Central de Timor Leste as described in Note 21. These subsidiaries have complied with all the taxation laws as per local laws of Timor Leste. Additionally, the management of these subsidiaries have also obtained an independent view from a tax expert on the above matter and based on the views of the tax expert and management's internal assessment, any tax obligation arising from any past event is contingent on future course of action, being the finalisation of the Production Sharing Contract and the specific Timor-Leste taxation law on GSSRA. Accordingly, no adjustments have been made to the financial statements in respect of any withholding tax liability which is uncertain as on date.
- 40 The Board of Directors of the Company has mutually decided to provide financial support as is necessary to the subsidiary companies in order to enable the subsidiary companies to continue as a Going Concern without curtailment of scale of operations and to meet their liabilities as and when they fall due and at least for a period of one year from the date of the financial statements.
- 41 The company has received grants from the Government of Republic of Timor-Leste during the year. However, as the same has not been entirely spent during the year on expenses towards which the grants have been received, the company has deferred it as per the provisions of IAS 20.



TIMOR GAP, E.P.
Notes to Financial Statements as at and for the year ended 31st December, 2025
(Amount in USD)

42 The previous year figures have been reclassified/regrouped, wherever applicable to make them comparable.

As per our report of even date
Grant Thornton Bharat LLP

Grant Thornton Bharat LLP

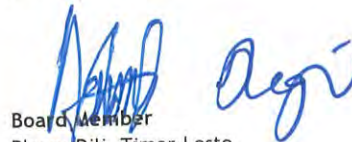
Place: Dili, Timor-Leste
Date: 30th April, 2026



For and on behalf of the Board of Directors



President & CEO
Place: Dili, Timor-Leste
Date: 30th April, 2026



Board Member
Place: Dili, Timor-Leste
Date: 30th April, 2026

SECTION 09 — OF 09

Audit Opinion

Our AUDIT REVIEW conclusion

■ AUDIT REPORT

Grant Thornton Bharat LLP

Unit 1603 & 1604, EcoCentre,
Plot No 4, Street No 13,
EM Block, Sector V,
Bidhannagar,
Kolkata - 700 091
West Bengal, India

T +91 334 444 9300

Independent Auditor's Report

To the Board of Directors of **TIMOR GAP, E.P.**

Opinion

1. We have audited the accompanying consolidated financial statements of TIMOR GAP, E.P. ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and associate, which comprise the Consolidated Statement of Financial Position as at 31 December 2025, the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information.
2. In our opinion and to the best of our information and according to the explanations given to us, the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2025, and of its consolidated financial performance and consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

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

Material Uncertainty Related to Going Concern

4. We draw attention to Note 32 of the accompanying consolidated financial statements as on 31 December 2025, which states that the Group has incurred losses amounting to USD 36,705,881 for the year ended 31 December 2025, and as on that date, the Group's current liabilities have exceeded its current assets by USD 8,519,895 and the Group's net worth is eroded. The said conditions indicate existence of material uncertainty that may cause significant doubt about the Group's ability to continue as going concern. However, for reasons more fully described in the aforesaid note, the going concern basis of accounting is appropriate for preparation of these consolidated financial statements.

Our opinion is not modified in respect of this matter.



Emphasis of Matter

5. We draw attention to Note 39 of the accompanying consolidated financial statement which describes the uncertainty involved with respect to applicability of Withholding Tax Liability on interest accrued on loans taken for the Greater Sunrise project under the Australian taxation laws. Two subsidiaries, TIMOR GAP Greater Sunrise RL, Unipessoal, Lda. and TIMOR GAP Greater Sunrise RL2, Unipessoal, Lda. own a participating interest in the Project which is located in territorial waters of both Timor Leste and Australia and accordingly, a Maritime Boundary Treaty (the 'treaty') has been signed which stipulates that the applicable taxation regime would be determined in conjunction with Production Sharing Contract ('PSC') to be entered into as part of the terms of treaty. As of date, the PSC is yet to be signed and consequently, no adjustments have been made to the accompanying consolidated financial statements in respect of any withholding tax liability which is uncertain as on date.

Our opinion is not modified in respect of this matter.

Information other than the Financial Statements and Auditor's Report thereon

6. Management is responsible for the other information. Other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. Reporting under this section is not applicable as no other information is obtained at the date of this auditor's report.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

7. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
8. In preparing the 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.
9. Those charged with governance are responsible for overseeing the Group's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the 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 consolidated 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.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For Grant Thornton Bharat LLP

Place: Dili, Timor-Leste
Date: 30 April 2026

Grant Thornton Bharat LLP

Unit 1603 & 1604, EcoCentre,
Plot No 4, Street No 13,
EM Block, Sector V,
Bidhannagar,
Kolkata - 700 091
West Bengal, India

T +91 334 444 9300

Independent Auditor's Report

To the Board of Directors of **TIMOR GAP, E.P.**

Opinion

1. We have audited the accompanying financial statements of TIMOR GAP, E.P. ('the Company'), which comprise the Statement of Financial Position as at 31 December 2025, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information.
2. In our opinion and to the best of our information and according to the explanations given to us, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, and of its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

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

Material Uncertainty Related to Going Concern

4. We draw attention to Note 32 of the accompanying standalone financial statements as on 31 December 2025, which states that the Company has incurred losses amounting to USD 18,641,590 in the current year. Further, the Company has granted unconditional financial support to its subsidiary companies and is dependent on government grants to meet its cash flow requirements. The said conditions indicate existence of material uncertainty that may cause significant doubt about the Company's ability to continue as going concern. However, for reasons more fully described in the aforesaid note, the going concern basis of accounting is appropriate for preparation of these standalone financial statements.

Our opinion is not modified in respect of this matter.



Information other than the Financial Statements and Auditor's Report thereon

5. Management is responsible for the other information. Other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. Reporting under this section is not applicable as no other information is obtained at the date of this auditor's report.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

6. Management is responsible for the preparation of these financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
8. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
10. As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.



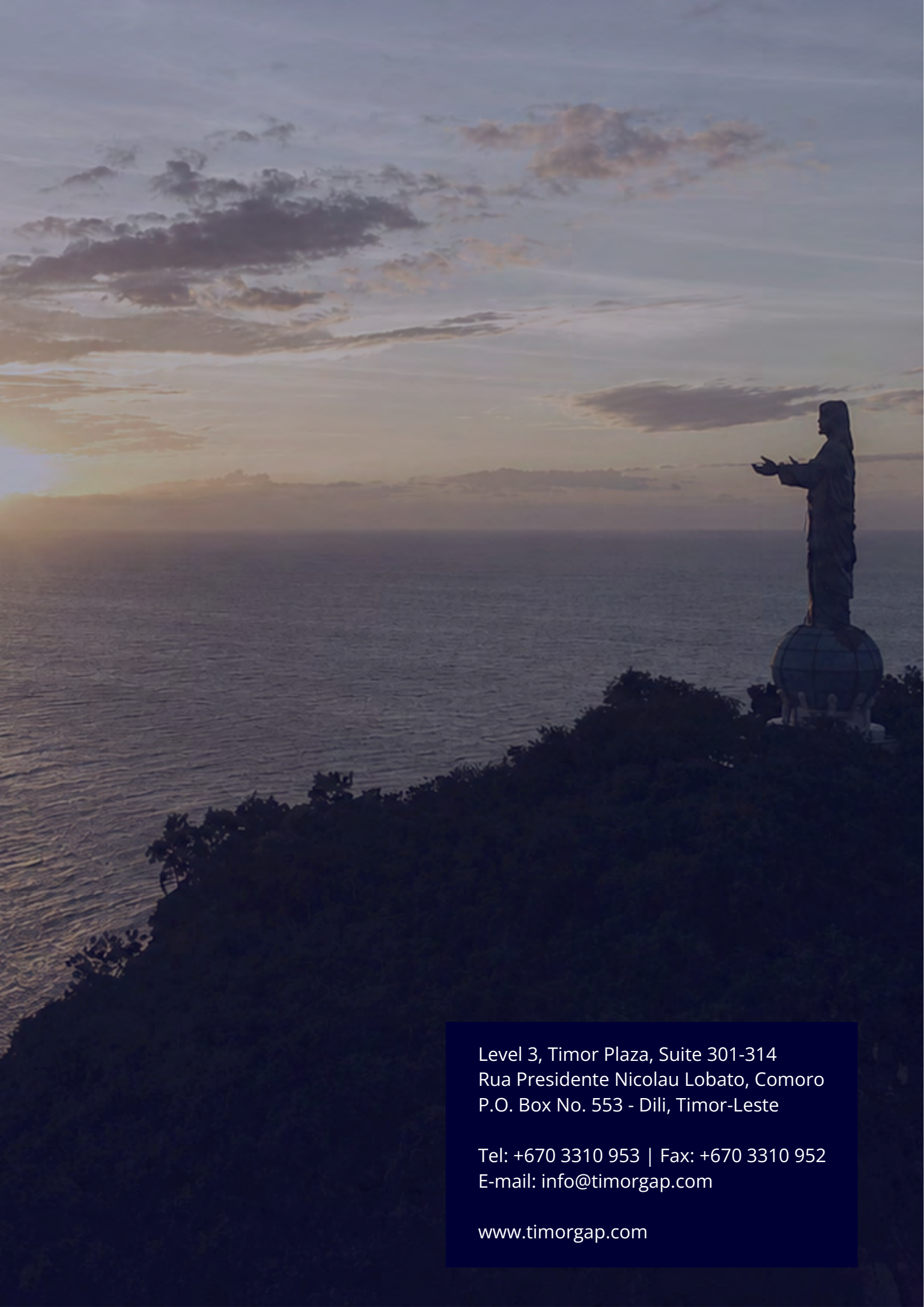
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For Grant Thornton Bharat LLP

Grant Thornton Bharat LLP

Place: Dili, Timor-Leste
Date: 30 April 2026





Level 3, Timor Plaza, Suite 301-314
Rua Presidente Nicolau Lobato, Comoro
P.O. Box No. 553 - Dili, Timor-Leste

Tel: +670 3310 953 | Fax: +670 3310 952
E-mail: info@timorgap.com

www.timorgap.com