

An aerial night photograph of a city, likely Jerusalem, featuring a large, brightly lit cathedral with multiple towers and a central dome. The rest of the city is dimly lit, with scattered lights from buildings and streets. The sky is dark with some faint stars.

# Gulfsands

**ANNUAL REPORT  
AND ACCOUNTS 2025**



# Gulfsands<sup>★</sup>

**Gulfsands Petroleum plc is an independent, public energy company, incorporated in the United Kingdom, focused on material growth in the Middle East and North Africa region.**

Its Core Asset is Block 26 in North-East Syria – where production is back under the control of the Syrian Government, and Gulfsands has begun the process of recommencing operations following over 14 years of Force Majeure.

Gulfsands' ambition is to create a significant asset portfolio, through the acquisition of operated and non-operated interests in the MENA region.

[www.gulfsands.com](http://www.gulfsands.com)





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**Excluding the cover image, all images in this Annual Report were sourced by the Gulfsands team during visits to and within Syria, as part of our Re-Entry Process.**

# Strategic Report

## Highlights

### Gulfsands Has Returned to its Core Asset - Block 26 in North-East Syria

- Following the widespread lifting of international sanctions in 2025 and Syrian Petroleum Company (“SPC”) regaining control and custody of oil fields in the North-East of Syria, Gulfsands has begun the process of recommencing Oil and Gas operations in Block 26 in H1 2026.
- On 10th March 2026 Gulfsands’ management, together with a delegation from the SPC, set foot in Block 26 for the first time in over 14 years.
- On 23rd April 2026, Gulfsands’ Joint Operating Company, Dijla Petroleum Company (“Dijla”) was reconstituted and held its inaugural Board meeting attended by Gulfsands, SPC and Sinochem – launching a new era for the Block 26 project.

### The Potential of Block 26

- Though produced illegally and in an unsophisticated manner for many years by illicit parties, including poor reservoir management practices, production levels over recent years appear to demonstrate the reservoir quality and that the assets are materially undamaged and operationally fit.

### Block 26 During 2025 and Syria Re-Entry In 2026

- During 2025, Block 26 remained in Force Majeure as the area was under the control of the YPG/SDF.
- Block 26 production in 2025 (without the participation of Gulfsands) averaged approximately 12,700 boepd during 2025, tailing off during the year, and after year end, as oilfield practices deteriorated further.
- No revenues have been recognised by Gulfsands in 2025.
- Unsophisticated oilfield practices over recent years, have caused devastating pollution and damage to the local environment and health of local populations.
- Environmental, rehabilitation and remediation activities remain under ongoing operational and technical assessment as operations begin to resume. This will include an assessment of field conditions, environmental impacts, remediation scope and associated future costs.
- Gulfsands’ return to operations will help improve the environment and preserve the value of Syria’s natural resources. Our return to operations will also bring:
  - Significant investment.
  - Implementation of our validated FDP for our discovered Fields with a focus on Production Enhancement.
  - Implementation of an extensive, high-impact Exploration Programme over the coming two years.
  - Leading reservoir management and drilling techniques and technologies.
  - International standard oilfield practices.
  - Environmental assessment and appropriate remediation activities.
  - Employment, training and community programmes for the local population.

## Reserves and Resources

(as at 1 January 2026 - net to Gulfsands).



### 2C CONTINGENT RESOURCES:

# 105.7m boe\*

\* Oilfield Production Consultants ("OPC") believes that the vast majority of these 2C Contingent Resources will now be reclassified as 2P Reserves upon the commencement of Operations.

### UNRISKED, MID-CASE PROSPECTIVE RESOURCES:

# 545m boe



### RISKED, MID-CASE PROSPECTIVE RESOURCES:

# 134m boe

## Full Field Development Plan

Our validated\* Field Development Plan ("FDP") for Khurbet East, Yousefieh, and Al Khairat fields, envisions an investment programme to increase production from the existing fields.

## Exploration Programme

Further investment is planned to explore nine validated\* drill-ready prospects which could be targeted during an intensive drilling programme when circumstances allow.

\* Validated through Competent Persons Report by Oilfield Production Consultants ("OPC").

## Regional Business Development

- Gulfsands remains focused on building out its portfolio through material business development in the MENA region.
- Experienced technical, finance and administrative team with extensive regional expertise assembled to lead business development initiatives.
- Structured processes put in place to source, screen, analyse and evaluate potential opportunities.
- Gulfsands aims to be recognised as a credible partner of choice in the region.

## Share Trading Facility

The Company's shares continue to trade through the secondary trading auction facility provided by Asset Match ([www.assetmatch.com](http://www.assetmatch.com)).



# Strategic Report

## Chairman's Statement

### Dear Shareholder,

Syria now has a chance for greatness, and we at Gulfsands intend to do whatever we can to help it to achieve just that.

2025 was a remarkable year for everyone associated with Syria, and, by and large, the new Government, under the leadership of President Al Sharaa, has done an admirable job at navigating the many challenges faced during this period of transition. There is much work still to be done, but there is great cause for optimism.

We continue to encourage all those in positions of authority and those given the weighty task of charting the course to a better future for Syrians, to work together to continue to keep Syria on the course back to peace, inclusivity and prosperity.

In 2025, following the fall of the Assad regime in late 2024 and the installation of a new transitional Government, all major Syria sanctions were lifted on a step-by-step basis by the United Kingdom, the European Union and the United States. This was followed by the repeal of the Caesar Syria Civilian Protection Act (also known as the Caesar Act), by the US Congress in December 2025, which cleared the way for the international business community to embrace Syria again.

Gulfsands has always firmly believed that rebuilding a vibrant Oil and Gas sector, bringing together international best practice and investment, and nurturing local expertise and talent, can be a central pillar to helping Syria get back on its feet again. This is truer now than ever, and we now have a great opportunity to do just that.

Centralising and streamlining the leadership and oversight of Syria's Oil and Gas Sector under the newly formed Syrian Petroleum Company ("SPC") has brought the professionalism and structure required to rebuild this vital national industry, and we look forward to working closely with SPC over the coming years.

Things have accelerated since the year-end, with the so called "30th January Agreement" between the Syrian Government and the Syrian Democratic Forces ("SDF") regarding governance of the North-East of Syria, enabling us to regain access to our fields in Block 26. On 10th March 2026, together with our partners at SPC, Gulfsands' management stepped foot back into our facilities in Block 26 for the first time in over 14 years. On 23rd April 2026, the newly constituted Board of our Joint Operating Company,

Dijla Petroleum Company ("Dijla") held its first meeting in Damascus, with the entire Gulfsands senior management team present, launching an exciting new era for Block 26.

We now have a lot of work ahead us to re-establish operations to a standard that we can be proud of, and we embrace the challenge to do so. We will start with stabilising and then enhancing production and will then turn to expanding our footprint with a high impact exploration programme.

We take our responsibility to the country and the Syrian people very seriously. It is clear that training and increasing local content is a top priority for SPC, and we will embrace this. We also want to ensure that the communities in which we operate benefit from our presence in terms of economic activity, improvements in the environment that has been devastated by many years of malpractice by others, and, of course, our community and humanitarian activities.

In terms of Gulfsands' broader strategy, we remain focused on building a multi-asset portfolio within the MENA region, in parallel to resuming Block 26 operations. We continue to pursue new opportunities, and we will be sure to update shareholders as soon as things develop on this front.

I would like to close by thanking our shareholders and partners, including, in particular our joint venture partners, Sinochem and SPC, for their continued support, and express my gratitude to the entire Gulfsands team for their hard work and dedication. It is a small team (for now), but they are doing huge things. I would also like to thank other stakeholders including supporters and service providers who have kept the faith in Gulfsands and in Syria over the years.

We have significant work to do, but I believe that everyone's loyalty and dedication will be rewarded.

I wish you and all Syrians well for the year ahead and thank you for your faith in Gulfsands.

**Michael Kroupeev**  
Non-Executive Chairman  
26 May 2026



# Strategic Report Managing Director's Statement

Gulfsands is back in business in Syria and ready to play a key role in rebuilding Syria's Oil and Gas industry.

## Dear Shareholder,

I am delighted to write this statement to you, not only as Managing Director of Gulfsands Petroleum Plc, but also as a Director of the newly reconstituted board of Dijla Petroleum Company ("Dijla"). Dijla is the Joint Operating Company between Gulfsands, Sinochem and SPC, and is responsible for the Development and Production Operations in Block 26.

The remarkable developments in Syria since the fall of the Assad Regime in December 2024, including the installation of a new Government in Damascus and the widespread lifting of international sanctions on Syria, have meant that Gulfsands is now able to fully re-engage in Syria and support Dijla to recommence its operations in Block 26.

Importantly, during early 2026, as part of the so-called "30th January Agreement" between the Syrian Government and the SDF, the Syrian Government regained control of much of Block 26 and crucially our producing fields at Khurbet East and Yousefieh and related infrastructure.

This was the last major breakthrough that we required to re-engage in operations and on 10th March 2026, together with our partners at SPC, Gulfsands' management stepped foot into our facilities in Block 26 for the first time in over 14 years.

The inaugural Board meeting of the newly reconstituted Dijla Board (which also includes representatives from our partner, Sinochem) took place on 23rd April 2026 and marked a watershed moment for the Block 26 project, as this provided the legal and commercial framework to begin making material investments.

Activity and investment has accelerated since then, as we begin re-commencing operations, with an initial focus on stabilising production and attending to critical Health, Safety, Security and Environmental issues. We have a development plan ready to implement, focused on increasing production, through an intense workover and in-fill drilling programme. We will then turn to Exploration in the rest of Block 26 where we have identified a series of nine drill-ready prospects.

We are delighted to have built a strong working relationship with our partners at SPC and, of course, enjoy the continued support of our longstanding partner Sinochem. We are now in a transitional period to centralise all functions related to the Development project under the Dijla name, including preparing a new Dijla office in Damascus where all staff can be co-located.

### Business Development

Gulfsands' ambition continues to be to create a significant asset portfolio in the MENA region. While we have focused significant time on our re-entry planning for Syria, and Syria remains our main focus in the immediate term, we have also maintained momentum on our business development initiatives. Libya remains a key country of interest for us, and we continue to actively pursue opportunities there as well as other selected locations. We will inform shareholders of any developments as they occur.

### Environmental and Social Responsibilities

Central to our operations is a deep respect for our environmental and social obligations. Sustainability building blocks are at the centre of our thinking as we commence our return to operations. Key elements of our immediate plans are community outreach in and around the area of our production operations, as well as environment impact assessment and appropriate clean-up that will reduce the impact of many years of neglect and unsophisticated oilfield activities.

We are undertaking significant societal impact studies to ensure that Gulfsands has a positive influence in all the communities in which we operate: local content and training programmes will ensure that the local economy and communities will benefit directly from our return. We will also continue our targeted humanitarian initiatives, as we have in prior years, focused on youth education. For the first time in many years, we are now able to deliver such programmes directly into Syria, and have already delivered our first project there in 2025 (see page 14 of this Report).



We are delighted that we are now able to deliver on our longstanding belief that the oil and gas industry should be a force for good within Syria for the benefit of all Syrians, providing not only vital revenues and hydrocarbons for the Syrian people but also jobs, opportunity, training and economic activity for the communities in which we operate.

You can read more about this in our Strategic Report where we describe our Environmental, Social and Governance (“ESG”) strategy which adopts the UN’s Sustainable Development Goals (“SDG’s”) building blocks as core to its framework.

### Financial Results for the Year

The Group posted an Operating Loss for the year of \$3.6 million (2024: \$2.8 million), and an overall loss for the year of \$3.5 million (2024: \$2.9 million).

Our Core G&A increased to \$3.2 million (2024: \$2.4 million) reflecting the additional preparation work required as the situation in Syria developed throughout the year and our re-entry planning accelerated.

Funding for 2025 was once again provided by the Company’s Major Shareholders, this time through the “2025 Unsecured Bridge Financing Facility” (“Bridge Loan”) which is both convertible into Equity at the option of the Lenders, and extinguishable with Equity at the option of the Company. The year-end the Facility was for £5 million of which £2.5 million had been drawn down. The maturity is June 2027.

Going forward, we expect that our financial profile will change significantly as we recommence field operating costs and hope to return to revenue and significant capital investment programmes. We are currently working with our existing shareholders, and others, regarding our financing strategy for the Group going forward.

Further details of all the funding arrangements are included in the Financial Review on pages 24 - 26, and further discussion on Going Concern is included in Note 1.3a of this Annual Report.

In December 2025 the Company undertook a Share Capital Reorganisation to help prepare the Company for its

future corporate strategy. The impact of the Share Capital Reorganisation was an effective 1 for 20 share consolidation, while also providing liquidity to our smaller shareholders. The Share Capital Reorganisation was approved at a General Meeting on 18th December 2025 and completed prior to year end. A fractional share auction to sell the resulting fractional shares arising from the Share Capital Reorganisation was completed through a special Asset Match auction in February 2026, with resulting funds distributed to relevant shareholders.

Gulfsands’ shares continue to trade through the secondary trading auction facility provided by Asset Match. Anyone wishing to trade Gulfsands’ shares should contact Asset Match directly at [www.assetmatch.com](http://www.assetmatch.com).

### Outlook for 2026 and beyond

We hope that 2026 will be the year when Gulfsands returns to being a fully-fledged Oil and Gas Operating Company. It is an exciting journey that we are embarking on to build the structure and organisation required to deliver for our shareholders and the people of Syria.

It is a challenge that we relish, and together with our partners at SPC, Dijla, and Sinochem, we are confident that we can deliver for our shareholders and for the people of Syria.

We continue to explore other business opportunities in the region, in our quest to build Gulfsands into a major, multi-asset, multi-country energy company but our priority is ensuring our return to Syria is a success for all.

I would like to close by thanking our shareholders for their continued support and express my gratitude to the entire Gulfsands team, who continue to deliver on our strategic objectives with incredible dedication.

Yours sincerely,

**John Bell**  
Managing Director  
26 May 2026

# Strategic Report

## Our Business Model

Gulfsands has for many years been preparing for a return to operations in Syria. During that time, it has had to restructure the business, and maintain a key focus on fiscal discipline, during a period of no revenue. Gulfsands Group has however, maintained itself as a platform to deliver its core strategy of not only returning to operations in Syria but also building a strong, independent energy company focused on material growth in the Middle East and broader MENA region. Our ambition is to create a significant company with a portfolio of assets across the MENA region, with Syria at its core.

Our business model remains based on the principles of focusing on our Areas of Expertise, having a pro-active Business Development Strategy and ensuring Corporate and Fiscal discipline, while never forgetting that we must maintain the highest level of Business Conduct to ensure Sustainability. As we return to operations in Syria, we must now re-establish Operational Excellence as a key pillar of who we are.

## STAKEHOLDER VALUE



### AREAS OF EXPERTISE

- Extensive experience operating in our core area of the Middle East and broader MENA region
- Experienced and entrepreneurial leadership team
- Access to strong technical skills from our in-house team and our network of advisers
- Commitment to excellence in HSSE and Sustainability
- Emphasis on building strong local organisations and skill sets.



### BUSINESS DEVELOPMENT STRATEGY

- Utilise regional knowledge and relationships with partners, to identify new opportunities
- A disciplined approach to evaluating E&P opportunities
- To build a portfolio with a balance of producing assets with high impact upside
- Focus on growth in resources, reserves and sustainable production in Syria.



### CORPORATE AND FINANCIAL DISCIPLINE

- Careful stewardship of cash resources
- Strong emphasis on cost control and cost/benefit analysis
- Aim to make Gulfsands cashflow positive in the medium term
- Robust financial evaluation of all business development opportunities
- Rigorous approach to compliance and governance.



### BUSINESS CONDUCT AND SUSTAINABILITY

- Striving to be a partner of choice in the countries and regions in which we operate
- Establishing strong relationships with our partners
- Respecting the environment and the health and safety of our employees and the local communities
- Embracing new technologies, renewable energy and carbon reduction initiatives
- Respecting all relevant international and local legislation and regulations
- Being a good corporate citizen wherever we operate, in accordance with UN Sustainable Development Goals.



### OPERATIONAL EXCELLENCE

- Return to Operations in Syria
- Rebuild Dijla organisation with world class policies, procedures and structure
- Bring international leading practice to everything we do
- Promote leading technologies and techniques to enhance efficiency, safety and efficacy.

# Strategic Priorities

The following tables set out our strategic priorities and how we seek to progress towards their realisation:

<b>A Return to Operations in Syria</b>	<ul style="list-style-type: none"> <li>• Resume the development of Block 26 to build production and generate income in a safe and environmentally acceptable manner, and continue to explore Block 26 to realise its full oil and gas potential.</li> <li>• Build relationships with the Syrian Government and work with them, to be a chosen partner in rebuilding the energy sector in Syria.</li> <li>• Maintain the support of the international community to build their confidence and support for our return to operations in Syria, as well as complying with remaining applicable sanctions and other guidelines.</li> <li>• Ensuring ongoing compliance with the Block 26 PSC, and managing local relationships with relevant authorities to facilitate our return.</li> <li>• Maintain and build our local management team in Syria both within Gulfsands and within our Joint Operating Company, Dijla, ensuring strong local expertise and presence.</li> <li>• Build the support and confidence of the local communities in and around Block 26.</li> <li>• Monitor and manage the security situation to ensure a safe and secure environment for returning to operations.</li> </ul>
<b>Material Growth in the MENA Region</b>	<ul style="list-style-type: none"> <li>• Continue to spearhead regional business development.</li> <li>• Focus on assets with existing production with material embedded upside.</li> <li>• Increase and upgrade reserves and resources through acquisition and/or organic growth.</li> <li>• Identify deals which are value accretive and where Gulfsands has a competitive advantage to increase value.</li> <li>• Build a portfolio which can generate robust cash flow combined with potentially transformational upside.</li> <li>• Flexibility to move outside the MENA region if opportunities arise.</li> </ul>
<b>Maintain our Competitive Advantage</b>	<ul style="list-style-type: none"> <li>• Target our focus on our core area of expertise - the MENA region.</li> <li>• Build on our experience and knowledge in Syria to lead the rebuilding of Syria's oil and gas industry.</li> <li>• Use our regional network to identify opportunities before they become public.</li> <li>• Efficient screening and evaluation of growth opportunities, especially via our strong technical team with extensive regional expertise.</li> <li>• Rigorous, multi-faceted due diligence and business planning processes incorporating Technical, Financial, Political and Operational expertise.</li> </ul>
<b>Ensure the Group is well Financed and Efficiently run</b>	<ul style="list-style-type: none"> <li>• Increased focus on cash generation to ensure financial sustainability.</li> <li>• Implement our Development Plan for Block 26 within the financial resources available, prioritising investment where it can make the most difference.</li> <li>• Ensure discipline in capital investment programmes for both Development and Exploration projects.</li> <li>• Maintain the support of our Major Shareholder(s) and our Joint Venture partner Sinochem, to ensure ongoing financial support.</li> <li>• Extending outreach to identify new strategic partners and investors, who can bring financial, strategic and geo-political support to our projects.</li> <li>• Maintain control over costs and liquidity management.</li> </ul>
<b>To Build a Sustainable Business</b>	<ul style="list-style-type: none"> <li>• Maintain a focus on Sustainability and ESG factors in all business activities, including business development.</li> <li>• Build Community Outreach, Security, Health and Safety and Environmental considerations into all our operations including Syria re-entry, and business development proposals.</li> <li>• Key stakeholder engagement across government, community, regulatory and industry counterparties with an aim to being a preferred partner of choice.</li> <li>• Minimise energy wastage and incorporate GHG reduction initiatives into all operations and plans.</li> <li>• Embrace new technologies into existing and new operations.</li> <li>• Explore parallel renewable projects alongside traditional oil and gas projects.</li> </ul>

# Strategic Report

## Sustainability - Licence to Operate

It is imperative that Gulfsands ensures compliance with all laws and regulations of the countries in which we operate and maintains a good reputation and its “Licence to Operate” and therefore, throughout everything we do, we seek to maintain strong relationships with all the stakeholders with whom we interact. This is the only way to build a truly sustainable business model. Balancing the requirement of all constituents is critical to our success and central to our decision making.

Gulfsands seeks to maintain its “Licence to Operate” by being a responsible and reliable partner with all stakeholders.



Gulfsands is focused on building a sustainable business model that considers the social, environmental and governance impacts of all its projects. Gulfsands’ focus on Environmental, Social and Governance (“ESG”) matters, permeates our re-entry strategy for Syria as well as all our business development initiatives. Gulfsands has a proven track record of implementing extensive sustainability initiatives when it was last able to operate within Syria, and will do again as we return to operations. We are guided throughout by the principles outlined by the UN Global Compact and the UN’s Sustainable Development Goals (“SDG’s”).



# Strategic Report

## Sustainability - ESG

GulfSands' progress and performance in respect of sustainability and ESG is overseen and driven by the Sustainability Committee, chaired by the Managing Director. By adopting the UN's Sustainable Development Goals (SDG's) and applying a consultative mapping process specific to GulfSands business and culture, we have selected the SDG's that apply to the three sustainability pillars, Environmental, Social and Governance. The sustainability plan captures the key elements of the go-forward strategy that will be incorporated into our Syria Re-Entry, Field Development Plans, and all new business development initiatives.

### Environmental: Protecting the environment

<span style="font-size: 2em; font-weight: bold; color: #0056b3;">E</span> <span style="color: #0056b3;"> Producing hydrocarbons in an environmentally responsible way.</span>			
AMBITION	ACTION		POLICIES / PROCEDURES
Minimise the impact of its operations on the local environment	<ul style="list-style-type: none"> <li>No spills or pollution to the local area of its facilities</li> <li>Minimise impact to air quality, biodiversity and water around its facilities</li> <li>Any future seismic, drilling or facilities operations continue to be preceded by Socio- Environmental Impact Assessment ("SEIA") studies</li> <li>Focus on efficiency of operations and sustainable practices</li> </ul>		<ul style="list-style-type: none"> <li>Re-entry Strategy</li> <li>Field Development Plans</li> </ul>
Minimise its greenhouse gas emissions	<ul style="list-style-type: none"> <li>Reduce emissions from power and fuel consumption at its offices and facilities through increasing the use of low or zero carbon electricity</li> <li>Reduce routine flaring, aspire to Zero Routine Flaring</li> <li>Use the best available technology to improve energy efficiency at its facilities</li> <li>Seek usage of associated gas for power generation</li> <li>Prioritise gas for further power generation where appropriate</li> <li>Study CCS options on its current and future operations to reduce carbon footprint and move towards net zero</li> </ul>		<ul style="list-style-type: none"> <li>Field Development Plans</li> <li>Gas prioritisation</li> </ul>
Explore its next steps in the energy transition	<ul style="list-style-type: none"> <li>Evaluate renewable energy projects that could tie in with its current operations</li> <li>Prioritise gas for further power generation where appropriate</li> </ul>		<ul style="list-style-type: none"> <li>Renewable technologies</li> <li>Gas prioritisation</li> </ul>

### Social: Sharing the benefits

<span style="font-size: 2em; font-weight: bold; color: #0056b3;">S</span> <span style="color: #0056b3;"> Ensure our projects make a difference to local communities and make a positive impact on the socio-economic development of the country, alleviating poverty, improving quality of life while also building, training, developing a cohesive and strong local workforce.</span>			
AMBITION	ACTION		POLICIES / PROCEDURES
Champion positive impact on the local community	<ul style="list-style-type: none"> <li>Run community outreach programmes</li> <li>Support educational, medical/healthcare, archaeological, social objectives when GulfSands resumes as operator of Block 26</li> <li>Look to supply local industrial and domestic consumption directly to meet local energy needs</li> </ul>		<ul style="list-style-type: none"> <li>Integrated into re-entry</li> <li>Humanitarian Initiatives as part of re-entry</li> </ul>
Provide local economic opportunity	<ul style="list-style-type: none"> <li>Build local workforce with related education</li> <li>Fulfil operations with local companies, contractors and employees</li> <li>Ensure equal opportunities for all</li> <li>Fair wages and rewarding careers</li> </ul>		<ul style="list-style-type: none"> <li>Humanitarian Initiatives as part of re-entry</li> </ul>
Build a rewarding and fair workplace	<ul style="list-style-type: none"> <li>Ensure equal opportunities for all</li> <li>Adhere to labour rights and safe/secure working environments</li> <li>Invest to provide for employees:                             <ul style="list-style-type: none"> <li>Rewarding careers</li> <li>Fair pay and conditions</li> <li>Training</li> <li>Well-being</li> </ul> </li> <li>Adherence to Code of Conduct and Ethics</li> </ul>		<ul style="list-style-type: none"> <li>Training Programs</li> <li>Well-being</li> <li>Code of Conduct and Ethics</li> </ul>
Deliver a zero-harm workplace	<ul style="list-style-type: none"> <li>Ensure no injuries, lost workdays or work-related illnesses for our staff and communities</li> <li>Incorporate Health and Safety into all management choices, plans and operations</li> <li>Apply best industry practice policies and procedures in these areas and seek to manage its business and its contractors in accordance therewith</li> </ul>		<ul style="list-style-type: none"> <li>Health and Safety Policy</li> <li>Incorporation into Development Plans</li> </ul>

## Governance: Setting high standards and being transparent

**G** Sustainability begins at the top and permeates our entire Corporate Governance structure. We also operate under a range of regulations including sanctions and anti-bribery and corruption where we hold ourselves to the highest of standards through our Code of Conduct and Ethics policy.

AMBITION	ACTION	SUSTAINABLE DEVELOPMENT GOALS	POLICIES / PROCEDURES
Maintain good governance	<ul style="list-style-type: none"> <li>Maintain appropriate Corporate Governance standards</li> <li>Incorporate a focus on sustainability</li> <li>Ensure all stakeholders are considered in decision making</li> </ul>		<ul style="list-style-type: none"> <li>Independent Board Committees</li> <li>Stakeholder engagement</li> <li>See Corporate Governance Section</li> </ul>
Manage and mitigate risks	<ul style="list-style-type: none"> <li>Minimise the risk of breaches</li> <li>Maintain best practice on compliance</li> <li>Embed zero tolerance approach to bribery and money laundering</li> <li>Maintain good Government relationships</li> </ul>	 	<ul style="list-style-type: none"> <li>Sanctions Policy</li> <li>Anti-Bribery and Corruption Policy</li> </ul>
Meet regulatory and legal requirements	<ul style="list-style-type: none"> <li>Maintain Code of Conduct and Ethics policy</li> <li>Embrace zero tolerance approach to ethics breaches</li> <li>Maintain whistle-blower procedures</li> </ul>		<ul style="list-style-type: none"> <li>Code of Conduct and Ethics policy</li> </ul>
Government Relations	<ul style="list-style-type: none"> <li>Disclose relevant and appropriate information to stakeholders</li> <li>Maintain support of all relevant Governments</li> </ul>	 	<ul style="list-style-type: none"> <li>Strategic Advisory Board</li> </ul>

## Sustainability - Track Record

### Gulfsands' track record in sustainability

When Gulfsands was last able to operate in Syria between 2009–2011, Gulfsands supported a number of initiatives with a level of financial assistance, activities and logistical support in Syria, involving local communities and social and charitable organisations. Efforts were focused towards supporting programmes aimed to improve the health, welfare and prospects of children, women and the disadvantaged members of society, especially for people living in North-East Syria, and central Damascus. These initiatives included:

#### Education:

- Schools in villages local to the Khurbet East and Yousefieh oil fields: Including provision of internet access, computers, peripherals and supplies, as well as the refurbishment of dedicated classrooms and programmes to train teaching staff;
- Financial and logistical support for organisations (such as FIRDOS, BIDAYA, SHABAB, AWRD and the Syrian Young Scholars), which provide access to education and educational infrastructure such as mobile libraries, micro finance and assistance for the development of micro businesses.

#### Healthcare:

- Providing funding to BASMA (Children with Cancer) at the Al Buruni University Hospital in Damascus, and the Children's Hospital in Damascus;
- BANA (the Syrian institute for the Blind), where Gulfsands assisted to complete the construction of a facility and equipment for a computer-based Braille teaching programme and the construction and population of a digital audio library at BANA's Damascus headquarters;
- Support to AAMAL, the Syrian Organisation for the Disabled, the Syrian Association for Autistic Children which provides teaching and support facilities for children with learning difficulties, and the Light and Flowers Centre for Cerebral Palsy.

#### Culture:

- Funding for carbon dating and forensic work on discoveries made during the archaeological excavation of an ancient Urkesh Palace at the Tell Mozan site near to Block 26 in North-East Syria. Further details about this important work can be viewed at [www.urkesh.org](http://www.urkesh.org).

# Strategic Report

## Sustainability - Recent Initiatives

### Empowering Futures: Gulfsands' Community Initiatives in Syria and Beyond

Gulfsands has long recognised that energy development must go hand-in-hand with social progress, especially in fragile and conflict-affected regions. During the period of Force Majeure, Gulfsands was constrained in the way it could operate within Syria. Therefore, until recently, Gulfsands has focused its humanitarian activities on the refugee community both in the UK and most recently in Syria's nearest neighbours, most notably Jordan. Activities in the UK have included the provision of care packages to refugee families, and various fundraising activities.

Since 2022, the company has committed itself to empowering Syrian youth through education and innovation. Recognising that rebuilding communities starts with unlocking human potential. In partnership with **Phoenix Space, The Chaffinch Trust, Blumont, and UNHCR**, Gulfsands has launched a series of pioneering programmes that focus on equipping displaced Syrians with essential knowledge and skills for the modern era. These initiatives have evolved over the years, from foundational STEM education for children, to AI business training and humanitarian advocacy. Examples include:

#### 2022: Igniting a Spark Through STEM

In 2022 Gulfsands launched a pilot STEM education programme in partnership with Phoenix Space and The Chaffinch Trust. Designed for Syrian refugee children aged 14–16 in Amman, Jordan, the initiative introduced participants to key scientific disciplines in algebra, geometry, mechanics, programming, and space science through an engaging and creative curriculum.

#### 2023: Scaling Impact and Raising Awareness

Building on this momentum, Gulfsands significantly expanded the scope of its work in 2023, with the STEM programme returning to Amman with a broader curriculum and renewed commitment, again involving on-the-ground participation from Gulfsands' leadership. In August, the initiative reached a new milestone: nearly 200 children aged 8–14 participated in a large-scale deployment in Za'atari Refugee Camp, Jordan. This effort was coordinated with support from Blumont and UNHCR, adding vital logistical and institutional capacity.

#### 2024: Innovation Meets Empowerment - AI Business Fundamentals Programme

In 2024, Gulfsands expanded its community strategy to meet the evolving challenges of displaced youth in a digital world. Launched in September 2024, this cutting-edge programme equipped young Syrians aged 18–35 in Za'atari Refugee Camp with high-demand digital and AI-related skills. Co-developed with Phoenix Space and implemented by Blumont under UNHCR's Uplift Project, the course focuses on:

- Fundamentals of artificial intelligence and data literacy;
- Real-world AI business skills; and
- Employability and economic self-reliance.

Participants were provided with the tools required to access entry-level digital jobs and pursue careers in a globalised, tech-driven economy. The programme represents a strategic shift from basic education to upskilling, designed to foster economic resilience and long-term community sustainability.

### 2025: From Camps to Communities - Education Comes Home to Syria

In 2025, Gulfsands achieved a landmark milestone in its community programme: for the first time, its educational initiatives were delivered inside Syria itself. In partnership with Phoenix Space and the Syrian Society for Social Development ("SSSD"), Gulfsands funded the delivery of "STEM Spark" and "Digital Technologies in the Workplace" programmes at the Salihin Training Centre in Aleppo, a facility that provides children from some of the city's most disadvantaged families with safe spaces for creative activities, recreation, and advanced learning.

Gulfsands' General Manager, Omar Al Hamad, personally travelled to Aleppo to witness the impact of these programmes first hand, meeting with SSSD representatives and the children and young people taking part. The initiative reached at least 160 children and youth across Aleppo and surrounding rural areas, equipping them with vital STEM and digital skills for the future.

This marked a strategic evolution in Gulfsands' community work: having spent three years empowering Syrian refugee youth in Jordan's camps, Gulfsands is now able to bring these same transformative programmes to young people living within Syria, laying the foundations for the country's long-term recovery and development. Alongside its charitable programmes, Gulfsands continued its broader humanitarian advocacy in 2025, including calling for targeted sanctions relief to accelerate Syria's reconstruction and championing investment in Syria's energy sector as a driver of economic renewal and humanitarian recovery.

#### Looking Ahead

Gulfsands will continue to have societal and community-based projects at the heart of its operations. With the dawn of a new era for Syria, Gulfsands intends to reactivate societal and charitable programmes to improve the health, welfare and prospects of people living in the areas in which we operate. We have already undertaken extensive stakeholder mapping exercise and will supplement this with a comprehensive needs assessment as we return to operations. In particular, we will look to incorporate targeted initiatives such as the ones above, and others, into our re-entry plans.



# Strategic Report

## Principal Risks and Uncertainties

The Group's approach to risk management aims to identify material risks as early as possible, to reduce or eliminate the probability of those risks occurring, and to mitigate, to the greatest extent practicable, the impact on the Group if an event does occur.

All staff within the Group take an active responsibility for identification of potential risks to the Group, to ensure these are communicated to the appropriate person, and to participate in the mitigation processes.

The Group considers its current principal risks and uncertainties to be as follows:

### SYRIA GEOPOLITICAL RISKS AND RISKS OF RE-ENTRY

Nature of Risk	Mitigation
<p>The Group's core assets are based in Syria, bringing Syria specific risks discussed below but also risks related to the broader political tensions and conflicts in the wider Middle East region.</p> <p>Despite the fall of the Assad Regime in December 2024 and the installation of a new Syrian Government, the country continues to be subject to political uncertainty, and its society and infrastructure have been damaged significantly by civil war. Though we are in the process of returning to operations in 2026, and have reconstituted the Joint Operating Company, Dijla, significant political uncertainty persists which could delay or even reverse the progress made.</p> <p>In addition, as the country and oil and gas sector emerge from years of crisis, key services, including oil and gas operational and technical services and financial services such as banking and insurance, are not yet fully developed and will require some time before they are fully functional and operational.</p> <p>While the Khurbet East, and Yousefieh producing fields of Block 26 are now under the control of the Syrian Government, allowing us to begin the recommencement of the Development operations of Dijla, other areas remain under the control of the SDF, which restricts the use of certain infrastructure in the area as well as access to certain areas earmarked for Exploration activities.</p> <p>Gulfsands has not had control over the day-to-day operations of Block 26 for over 14 years, including long periods when unsophisticated and unauthorised production took place. As part of the re-entry process Gulfsands and Dijla will need to undertake a thorough risk assessment of the fields, the outcome of which is uncertain.</p>	<p>The Group's ability to mitigate these geopolitical risks of Syria and the region is limited. However, especially since December 2024, the Group has actively engaged with major stakeholders to help navigate these complexities where possible.</p> <p>The Group is not affiliated to any government, political party, religion, ethnic grouping or similar organisation, but seeks to maintain good relationships with communities and important local stakeholders.</p> <p>There is clear international support for the new Syrian Government as shown by the widespread lifting of many sanctions imposed by the UK, EU and US on Syria (and importantly all sanctions that were preventing Gulfsands from returning to operations). There was also the repeal of the Caesar Act in December 2025, which opened Syria to international businesses that were previously concerned about secondary sanctions.</p> <p>Gulfsands continues to step up its engagement with key stakeholders, including regional and international governments, to garner support for its return to operations.</p> <p>Risk appetite, however, always takes time to return and patience will be an important commodity over the coming period.</p> <p>More generally, Gulfsands has built a strong relationship with the new Syrian Government, and particularly the newly formed Syrian Petroleum Company. All parties are acting in accordance with the Block 26 PSC and Gulfsands expects that all terms and legal rights under the PSC will be fully respected by the new Government.</p> <p>The "30th January Agreement" between the Syrian Government and the SDF appears to be holding and has facilitated the handover of large areas of the North-East to the Syrian government. Negotiations continue for the full integration of the North-East into the greater sovereign Syria.</p> <p>Resolution of some of these remaining matters will be required before we can ensure security and access for our planned Exploration Activities in Block 26. We are in discussions with SPC regarding additional extensions to allow time for the situation to clarify itself before commencing Exploration Operations.</p>

### BUSINESS DEVELOPMENT RISKS

Nature of Risk	Mitigation
<p><b>Identification and Execution of the Right Deals</b></p> <p>Failure to select, secure and implement successful projects will impact the Group's financial performance and ability to finance the growth and development of the Group.</p> <p>The market for attractive oil and gas deals remains highly competitive. To be successful, deals must be attractive:</p> <ul style="list-style-type: none"> <li>• Technically;</li> <li>• Operationally;</li> <li>• Financial / Commercially; and</li> <li>• Politically.</li> </ul> <p>The Company must be able to secure sufficient, likeminded investors to secure and finance selected projects.</p> <p><b>Local Buy-In for Prospective New Projects</b></p> <p>New country entries require buy-in from governments, regulators, and local communities to ensure ongoing success of the projects.</p>	<ul style="list-style-type: none"> <li>• Use of our regional network to identify opportunities before they become public.</li> <li>• Key industry outreach to be a preferred partner of choice.</li> <li>• An integrated, multi-faceted approach to due diligence and business planning processes incorporating Technical, Financial, Political and Operational expertise.</li> <li>• Rigorous economic modelling based on chance of success and a range of possible outcomes.</li> <li>• Extensive outreach to identify new strategic investors (especially strategic MENA focused investors, aligned to our strategy).</li> <li>• Rigorous economic analysis to ensure appropriate investor return even in conservative, prudent scenarios (e.g. oil price environment).</li> <li>• Local integration and pre-deal liaison on all business development opportunities with local stakeholders is key part of project selection.</li> </ul>

# Strategic Report

## Principal Risks and Uncertainties (cont.)

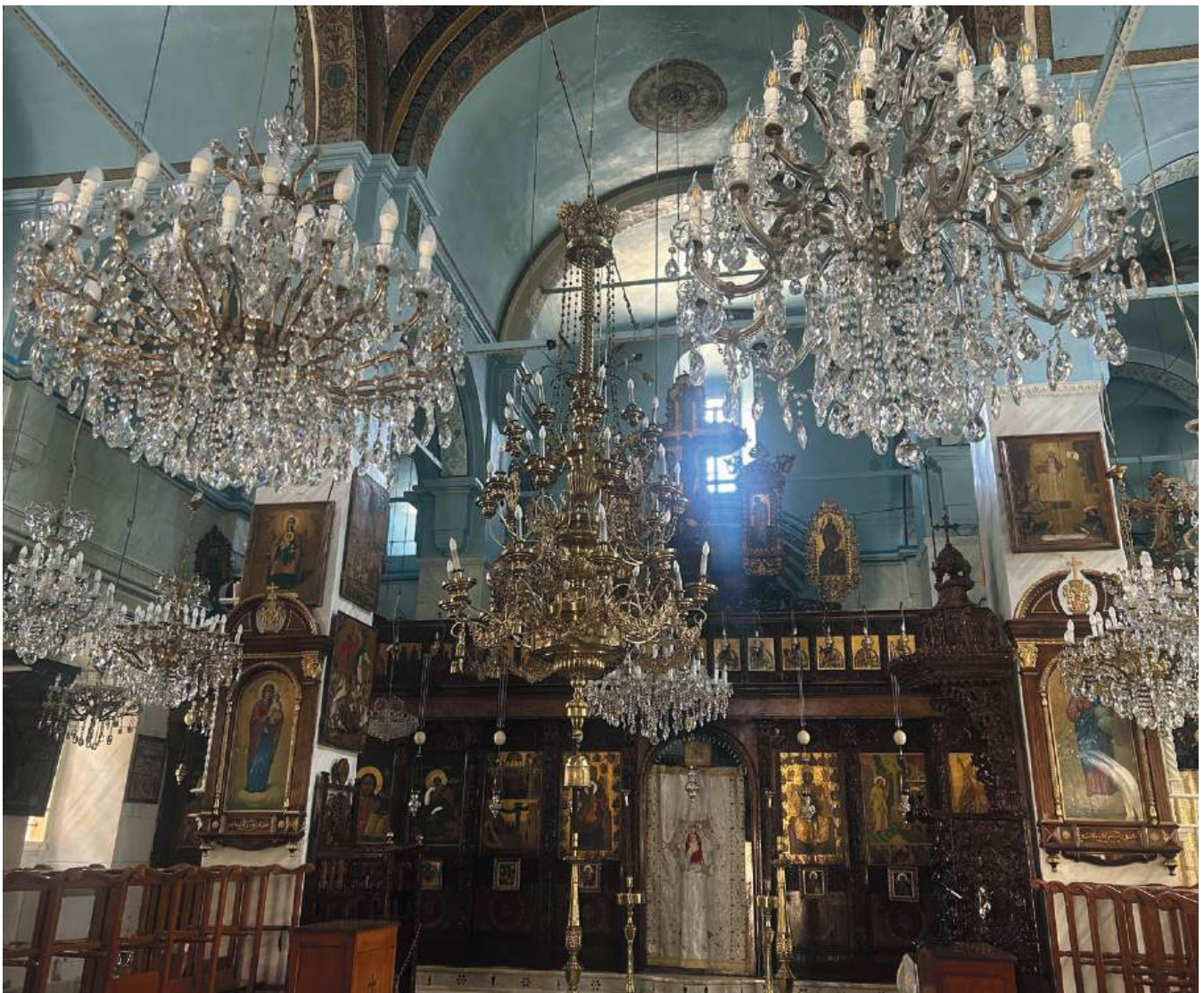
FINANCING AND SHAREHOLDER RISKS	
Nature of Risk	Mitigation
<p><b>Shareholder Concentration</b> As of the date of this report a large proportion of the shares in the Company are held by three significant shareholders holding approximately 38.16%, 28.25% and 24.01% respectively.</p> <p>This concentration could enable those significant shareholders to exert influence on the Board and management which may reflect their interests to the detriment of the minority shareholders. In particular, any two of these significant shareholders could propose and pass, or block, an ordinary resolution of the Company, and all three together could propose and pass a special resolution of the Company. In practice, any one of these shareholders could also block a special resolution.</p> <hr/> <p><b>Reliance on Major Shareholders For Financing</b> In recent years, in the absence of revenues, the Group has been entirely dependent upon external financing to support its ongoing activities. Indeed, its Major Shareholders have been the only sources of significant funding over the past 10 years.</p> <p>As the Group returns to operations it will need to diversify the sources of funding.</p> <p>As expenditures increase in Syria as we return to Operations, the Group will also increasingly rely on its Joint Venture partner Sinochem to provide its share of funding in accordance with the Joint Operating Agreement between the two of them, pursuant to which both Gulfsands and Sinochem are joint and severally liable for all "Contractor" costs under the PSC.</p> <p>The Group remains dependent on external financing, anticipated future revenues from Syria operations and support from strategic investors and shareholders to fund its ongoing operations and planned investment activities. Failure to secure sufficient funding, or delays in anticipated revenues, could impact the Group's ability to meet its obligations as they fall due and may affect its ability to continue as a going concern.</p>	<p>Even post delisting, the Board has sought to continue to maintain high levels of corporate governance.</p> <p>The Board maintains a close relationship with its Major Shareholders who support the strategy outlined in this Annual Report.</p> <p>General &amp; Administrative costs, including additional expenditure required to prepare for a re-entry into Syria, have been contained to a level acceptable to the Major Shareholders, who continue to support our strategy.</p> <hr/> <p>Initiatives are underway to identify new, like minded, strategic investors to support the re-entry costs and the Directors are exploring various funding alternatives for the period ahead in parallel to finalising the work program and budget for the initial re-entry period.</p> <p>Management have maintained a close relationship with Sinochem, who have continued to fund part of the costs incurred by the Joint Venture throughout the Force Majeure period.</p> <p>Now that operations are beginning to recommence it is expected that expenditures and funding requirements will increase significantly.</p> <p>Sinochem have been informed of the required expenditures and are active participants at the Dijla Board level and are expected to participate fully in their funding obligations in accordance with the Joint Operating Agreement.</p> <p>The Group monitors its cash position, cash forecasts and liquidity regularly and has a conservative approach to cash management. The Group's forecasts are reviewed regularly to ensure that activities are commensurate with capital availability.</p> <p>The Company is in active discussions with potential investors and existing shareholders to secure the necessary financing based on expected activity levels.</p> <p>Further discussion regarding the current funding situation is contained in the going concern note 1.3a to the Consolidated Financial Statements.</p>
ORGANISATIONAL RISKS	
Nature of Risk	Mitigation
<p><b>Reliance on Key Staff:</b> The Group has a small staff of experienced people and relies heavily on their knowledge and experience in developing and delivering the Group's strategic objectives.</p> <p>There is therefore a heightened risk of loss of management continuity and impairment of the business model.</p> <hr/> <p><b>IT Infrastructure:</b> Risk of systems failure or cyber-attacks, resulting in loss of data, breaches of security or business interruption.</p> <hr/> <p><b>Compliance: Bribery and Corruption, Sanctions</b> The Group's licence to operate depends on its continued compliance with a range of relevant regulations including those relating to sanctions, bribery and corruption.</p> <p>These regulations are complex, and interpretation of their implications requires the Group to seek advice which is sometimes not definitive.</p> <p>The Group's failure to comply with such regulations could have a significant impact on its ability to operate as a result of reputational damage, legal liability and financial loss.</p> <hr/> <p><b>Syria Re-entry Planning</b> Re-commencement of operations will require significant build out of the Gulfsands organisation, and the build out of our Joint Operating Company, Dijla Petroleum Company.</p>	<p>The Group undertakes internal succession planning where possible together with maintaining contact with a network of experienced people in the industry, including consultants on whom it may call if required.</p> <p>Contracts with key personnel have notice periods that allow sufficient time to source replacements.</p> <hr/> <p>All core, business critical systems are now cloud-based, providing state of the art security and in-built redundancy, back-up and business continuity protection. Frequent staff training regarding cyber-security threats.</p> <hr/> <p>The Group has a Code of Business Conduct which applies to all activities of the Group. This is complemented by specific sanction and anti-bribery guidance and policies. Business practices are reviewed against this code, guidance, and policies.</p> <p>Formal training and monitoring is provided across the Group particularly in respect of bribery, corruption and sanctions compliance.</p> <p>Professional advice is sought where required and periodic briefing is received to update the Board on developments in the regulatory framework.</p> <hr/> <p>The rebuilding of Dijla is underway following the inaugural Dijla Board meeting of the new era held on 23rd April 2026. Extensive work is being undertaken including operational planning, organisational design and active liaison with local stakeholders.</p>

## HEALTH, SAFETY, ENVIRONMENT, SECURITY AND SUSTAINABILITY

Nature of Risk	Mitigation
<p>The Group's licence to operate is critically dependent on:</p> <ul style="list-style-type: none"> <li>• the protection of the health and safety of its staff, its contractors and members of the community in which it operates;</li> <li>• the protection of the environment in which it operates; and</li> <li>• the security of its interests and assets.</li> </ul> <p>Failure in respect of these matters could severely impact on the Group's ability to work and obtain further business in its areas of operation as well as putting it at risk of legal and financial liabilities.</p>	<p>The Group maintains best practice policies and procedures in these areas and seeks to manage its business and its contractors in accordance therewith.</p> <p>The implementation of the Company's Sustainability framework and Sustainability Committee have increased the focus on this important area. Health, safety and security issues are a clear area of focus in our Syria re-entry activities.</p>

## CLIMATE CHANGE AND THE ENERGY TRANSITION

Nature of Risk	Mitigation
<p>Climate change concerns and the pursuit of a just energy transition may cause host governments to impose additional regulations upon Oil and Gas Operators.</p>	<p>The Board and management consider the impact of climate change and the energy transition on all potential acquisition projects.</p> <p>Incorporating energy transition targets and objectives (such as carbon capture, flaring reduction, and renewables) into dialogue with host government will help ensure common understanding of expectations and impact.</p>



# Strategic Report

## Operations Review

# SYRIA

Gulfsands is the Operator of the Block 26 Production Sharing Contract (“PSC”) and holds a 50% working interest in the PSC along with Sinochem Group (also 50% working interest).

During 2025 Gulfsands was not involved in any production or exploration activities on Block 26 as the PSC remained in Force Majeure (as it has since 2011) as a result of international sanctions and the security situation. During 2025 the Group did not exercise control over the Block 26 asset and therefore it was not in a position to consolidate the results into the financial statements.

Following the widespread lifting of international sanctions during 2025, and SPC obtaining control and custody of much of the North-East of Syria in early 2026, in accordance with the “30th January Agreement” between the Syrian Government and the SDF, SPC took control of the Khurbet East and Yousefieh producing fields in late February/early March 2026. This was closely followed by the visit of a senior delegation from SPC and Gulfsands to the fields on 10th March 2026. Extensive work has been undertaken to re-establish Dijla as the Joint Operating Company and an inaugural meeting of the reconstituted Board, attended by representative from SPC, Gulfsands and Sinochem, took place in Damascus on 23rd April 2026.



### Block 26 Assets

Block 26 is located in North-East Syria. The PSC grants to the Contractor Parties the exclusive right for the exploration, development and production in an area designated as “Block 26”. This includes the rights to the benefits of production from discovered fields for a minimum of 25 years from the date of initial commercial production from such development area, with an extension of a further ten years thereto at the partners’ option. Gulfsands’ joint venture partner in Block 26 is Sinochem Group, a Chinese conglomerate primarily engaged in the production and trading of chemicals and fertiliser, and exploration and production of oil.

Under the Group’s operatorship, two oil fields containing reservoirs of Cretaceous age have been discovered, appraised and approved for Development within the PSC area, Khurbet East (2008) and Yousefieh (2010). During 2011, combined production from these fields reached a level of just under 25,000 barrels of oil per day before the impact of EU/UK Sanctions resulted in the curtailing of production levels. Two additional oil and gas discoveries within reservoirs of Triassic age have been identified within the Kurrachine Dolomite and Butmah formations, beneath the Cretaceous aged oil producing reservoir in the Khurbet East field. Development approvals for these Triassic discoveries were granted in 2008 and 2011 respectively. A further oil discovery was made late in 2011 by Gulfsands in the Cretaceous aged reservoirs penetrated by the Al Khairat exploration well, a few kilometres east of the Yousefieh field. A Development Licence application for Al Khairat has been submitted in April 2026.

Operation of the Khurbet East and Yousefieh fields during the production phase has been undertaken by Dijla Petroleum

Company (“Dijla”), a joint operating company formed between Gulfsands, Sinochem and Syrian state oil company, General Petroleum Corporation (“GPC”), for the purpose of undertaking the management and control of petroleum production operations and related infrastructure on Block 26. Staff of both Gulfsands and GPC were previously seconded to Dijla.

In October 2025, the new SPC was established, consolidating a range of Government entities involved in the Oil and gas industry. Among other matters, SPC assumed the functions and responsibilities of GPC in respect of the Block 26 PSC.

As a consequence of the EU’s imposition of further sanctions on Syria which came into effect in early December 2011, Force Majeure was declared by Gulfsands in respect of the Block 26 PSC. Since then, and until the reconstitution of the Dijla Board in early 2026, Gulfsands has had no involvement in petroleum production operations in Syria, although it maintained an office in Damascus to monitor the situation and ensure ongoing compliance with local laws and the PSC.

The recent developments in Syria, including widespread lifting of international sanctions throughout 2025, and the Syrian Government retaking control of the Khurbet East and Yousefieh producing fields in late February/early March 2026, have paved the way for a return to Development and Production operations in Block 26, and the reconstitution of Dijla.

Under the terms of the PSC, Gulfsands expects that any time lost during the Force Majeure period, plus any time needed to remedy any damage done during the Force Majeure period will be added back to the term of the PSC and any related development or exploration periods.

**Production**

Since December 2011, Gulfsands has received periodic, infrequent/irregular updates from Dijla on hydrocarbon volumes produced from the Group’s Syrian fields under Dijla’s operation. In early 2017 the Company was informed by Dijla that the Group’s Syrian fields had returned to significant and regular production. The unauthorised production from the fields was described by GPC/Dijla as “stolen”. The Company has been unable to independently audit the precise production numbers from Dijla and was unable to visit the fields for several years due to an inability to get security clearance. In early-2026, SPC obtained custody and control of the Khurbet East and Yousefieh producing fields. In addition, Gulfsands General Manager in Syria, together with Dijla management, visited the fields for the first time in over 14 years.

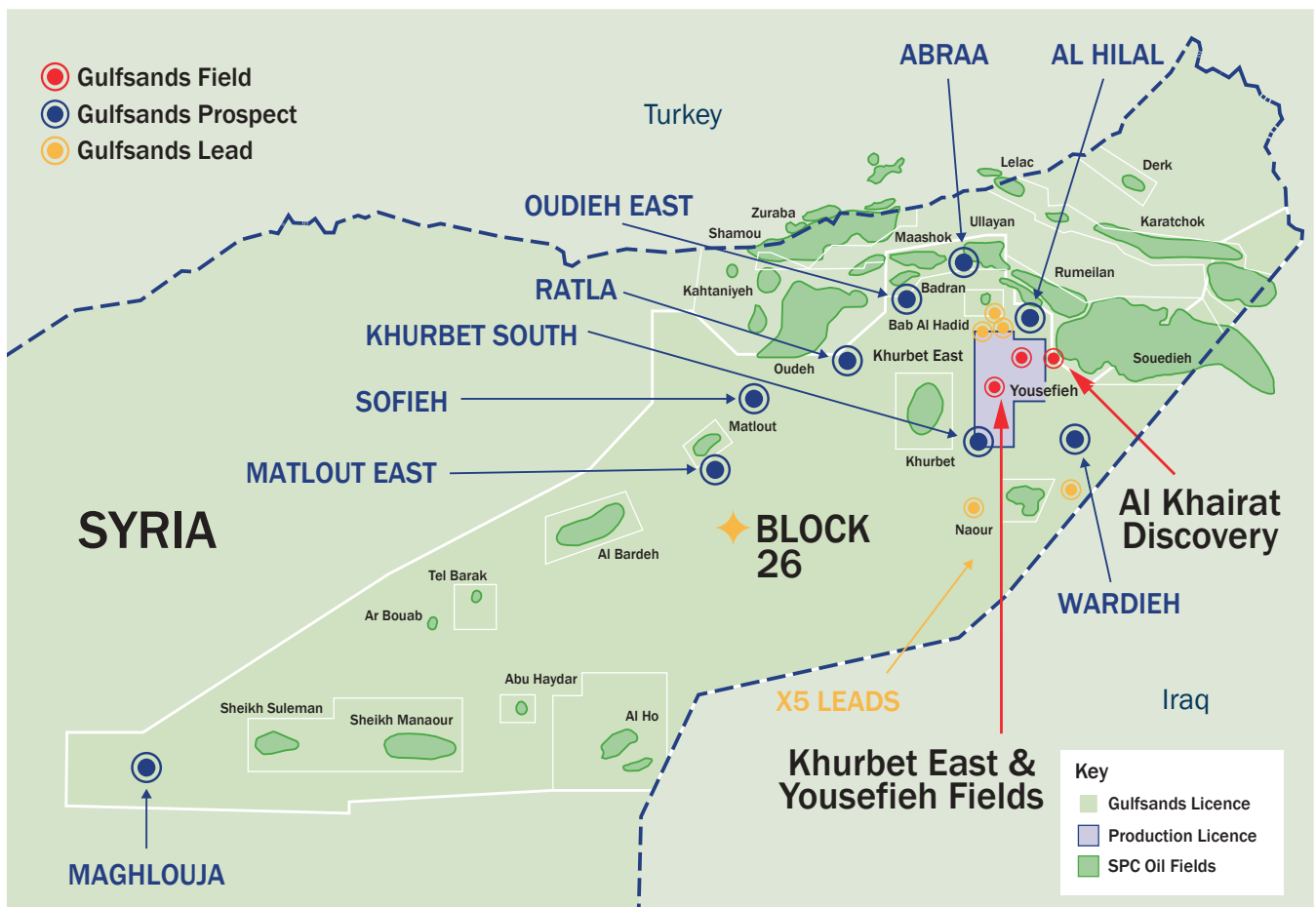
The average production rate from all fields combined during 2025 appears to be around 12,700 boepd (though this tailed off during the year, and after year end, as oilfield practices further deteriorated) giving total unauthorised production during

2025 of around 4.6 million barrels of oil equivalent made up of 4.1 million barrels of oil and 3.4 Bcf of gas (2024: 5.1 million boe). Since the date of the first commercial oil production from the Block 26 area by the Group, cumulative oil production from the Group’s fields is understood to have exceeded 81.9 million boe by year end 2025 (End of 2024: 77.3 million barrels), of which around 63.29 million barrels (2024: 58.65 million barrels), have been produced since Force Majeure was declared, and without the involvement of Gulfsands. Gulfsands considers this production to be unauthorised, unlawful and breaches the Company’s contractual rights. The Group has not recognised or received any revenue for this or indeed any production, post the imposition of EU Sanctions (later UK). It has however, updated its remaining recoverable resource volumes for these fields, based on the production information.

Gulfsands plans to implement a comprehensive Field Development Plan which can increase production from these existing resources.

**Exploration**

At the time of the declaration of Force Majeure in December 2011, the PSC had nine months remaining of the final exploration period under the terms of the contract. Gulfsands has undertaken significant work during the period of Force Majeure to identify a portfolio of nine potential exploration prospects. Upon the lifting of Force Majeure, Gulfsands plans to undertake an extensive exploration programme targeting these prospects. The Company believes it is well positioned to progress this significant exploration work programme and is in discussions with SPC to ensure that sufficient time will be made available for Gulfsands to undertake such a programme when it is secure and logistically possible to do so.



# Strategic Report

## Operations Review (cont.)

### Reserves and Resources

Up until 2015, hydrocarbons related to the known discoveries of Khurbet East and Yousefieh were classified as Reserves. During 2015 these Reserves were reclassified to Contingent Resources as a result of the continuing EU/UK Sanctions in Syria. In such a circumstance the SPE PRMS Guidelines suggest that if the (re)commencement of development cannot be guaranteed to be within five years from the date of evaluation then the volumes of hydrocarbons should be classified as Contingent Resources rather than Reserves. The Company therefore concluded in December 2015 that the uncertainty in any timeline over which EU/UK Sanctions in Syria may be lifted required that the volumes of oil, gas and condensate previously reported as Syrian Reserves be reclassified by the Company as Contingent Resources. Since 2015 this classification as Contingent Resources has continued. During 2026, in parallel to resuming Block 26 development and production, it is expected that a new CPR will be completed which is expected to confirm that the majority of the Contingent Resources are to be reclassified as 2P Reserves.

Over recent years, the Gulfsands team has undertaken significant internal technical work to review estimated resources as part of the preparation for its return to Syria. During 2019, and again in 2023, Independent consultants Oilfield Production Consultants (“OPC”) were commissioned to review, audit and validate this work, and prepare a Competent Persons Report

(“CPR”). This exercise included a comprehensive review of the Block 26 interests (Contingent Resources and Prospective Resources) in accordance with the definitions and guidelines set forth in the 2018 Petroleum Resources Management System (“PRMS”) approved by the Society of Petroleum Engineers (“SPE”).

In estimating the Resources, it has been assumed that the period of time elapsed during which the Group has declared Force Majeure on its Block 26 development and production activities, will ultimately be added as an equivalent time period extension to the contractually specified Exploration Period and Production Concession Periods, as is anticipated by the PSC. Discussions are underway with SPC to confirm the precise additional time that will be added.

### Contingent Resources

The Group’s Contingent Resources in the 2023 CPR, were reconfirmed by OPC as of 1 January 2025, and during 2025, the Company internally updated the economic model taking into account the production that has occurred during 2025, and other items. The 2C Contingent Resources in Khurbet East (Massive, Butmah and Kurrachine Dolomite), Yousefieh (Massive) and Al Khairat (Massive) fields as at 1 January 2026 were evaluated to be 105.7 million boe (net to Gulfsands), a 2.0% decrease in 2C Contingent resources compared to 108.0 million boe in the 2024 Annual Report, as follows:



## Unrisked working interest basis As at 1 January 2026

		1C	2C	3C
<b>Syria Block 26</b> (Working interest 50%)				
1 January 2025	Oil, Condensate and Gas, MMboe	57.8	108.0	179.6
<b>1 January 2026</b>	<b>Oil, Condensate and Gas, MMboe</b>	<b>55.6</b>	<b>105.7</b>	<b>177.4</b>
	<b>% decrease</b>	<b>3.8</b>	<b>2.2</b>	<b>1.2</b>

Please note, certain figures may not add up due to rounding.  
Gas is converted to MMboe at the conversion factor 1 bcf = 0.1667 MMboe.

OPC have confirmed that they believe the vast majority of the Contingent Resources will be reclassified as 2P Reserves upon the lifting of Force Majeure.

### Prospective Resources

OPC also reviewed the portfolio of nine identified prospects within Block 26 and validated them as Prospects under PRMS definitions and also estimated associated Prospective Resources, on a risked and un-risked, pre-royalty basis, summarised below.

#### Prospective Resources (Unrisked working interest basis)

	Constituent	Low	Mid	High
Total Oil	MMstb	154	320	542
Total Gas	Bscf	877	1,355	1,945
<b>Total Resources</b>	<b>MMboe</b>	<b>300</b>	<b>545</b>	<b>866</b>

#### Prospective Resources (Risked working interest basis)

	Risked HCIP (MMboe)	Risked Prospective Resources (MMboe)
<b>Total</b>	<b>419</b>	<b>134</b>

### Economic Evaluation

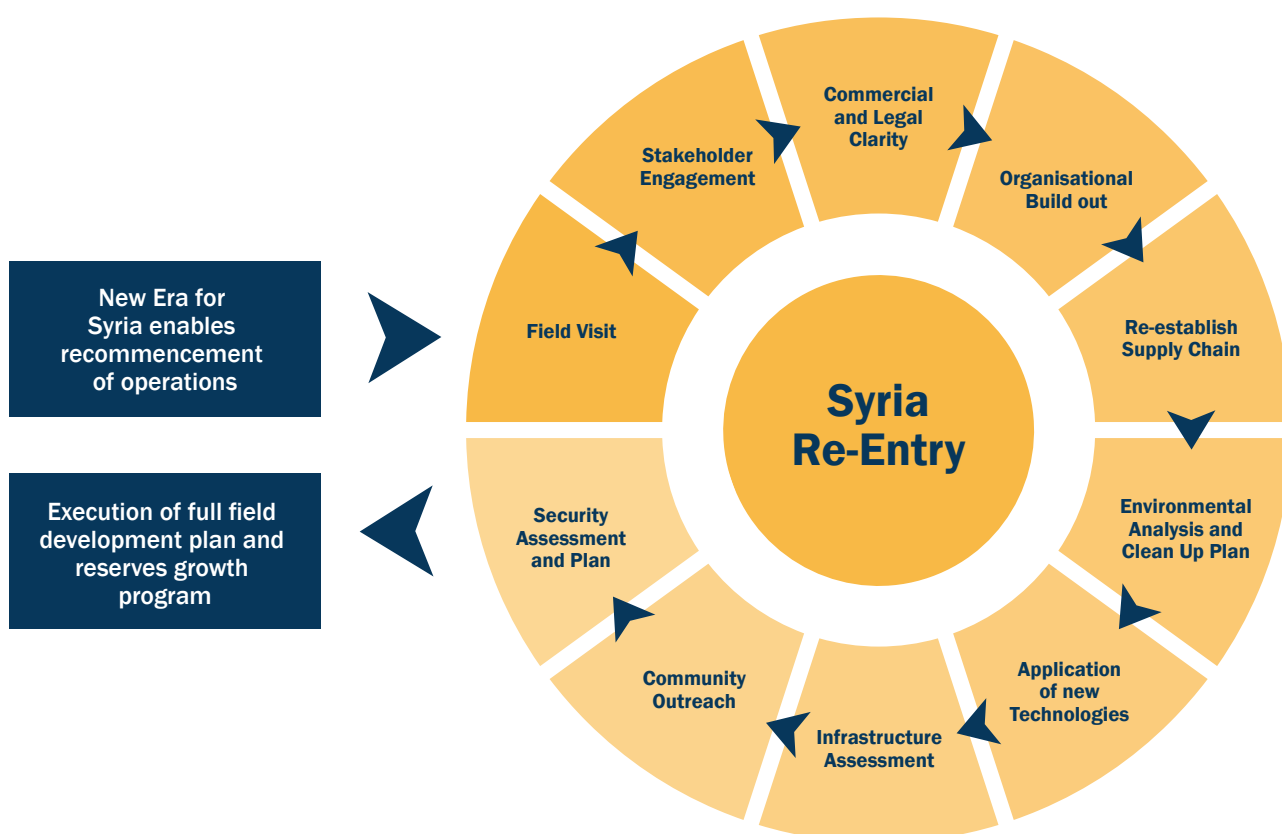
OPC also undertook an Economic Evaluation of the Block 26 project and have updated such evaluation periodically since, though this did not take into account any of the above-ground risks associated with the assets. Any valuation is sensitive to input assumptions including discount rates used, preservation of current PSC terms, oil price assumptions, timing of resumption of operations, and anticipated capex and opex costs including cost inflation. The OPC Economic Evaluation considered these factors, including related sensitivities. This sensitivity analysis indicates a central range of Expected Monetary Value ("EMV") of the Block 26 assets, including both Contingent and Prospective Resources, of \$1.25 billion - \$1.75 billion (net to Gulfsands). Note that this economic evaluation was independent of the impairment review undertaken for the valuation of the Investment in Dijla Petroleum Company, which is explained in more detail in note 4.2.

# Strategic Report

## Operations Review - Syria Re-Entry

Following the widespread lifting of International sanctions on Syria in 2025, and SPC obtaining control and custody of oil fields in the North-East of Syria in early 2026, in accordance with the “30th January Agreement” between the Syrian Government and the SDF, Gulfsands has been able to begin the resumption of Block 26 operations, and the Joint Operating Company, Dija, has been reconstituted.

Gulfsands intends to bring investment, expertise, human resources, and world-leading technologies and know-how to rehabilitate the fields, increase their production, and reduce environmental pollution. We anticipate that this will generate significant economic activity including jobs, training and commerce for the communities in which we operate.



Gulfsands technical team have undertaken a significant amount of technical work, formalising and analysing existing data, completing comprehensive technical studies of Block 26 to develop the existing discoveries, and define prospects/leads for nine high graded exploration wells to be drilled.

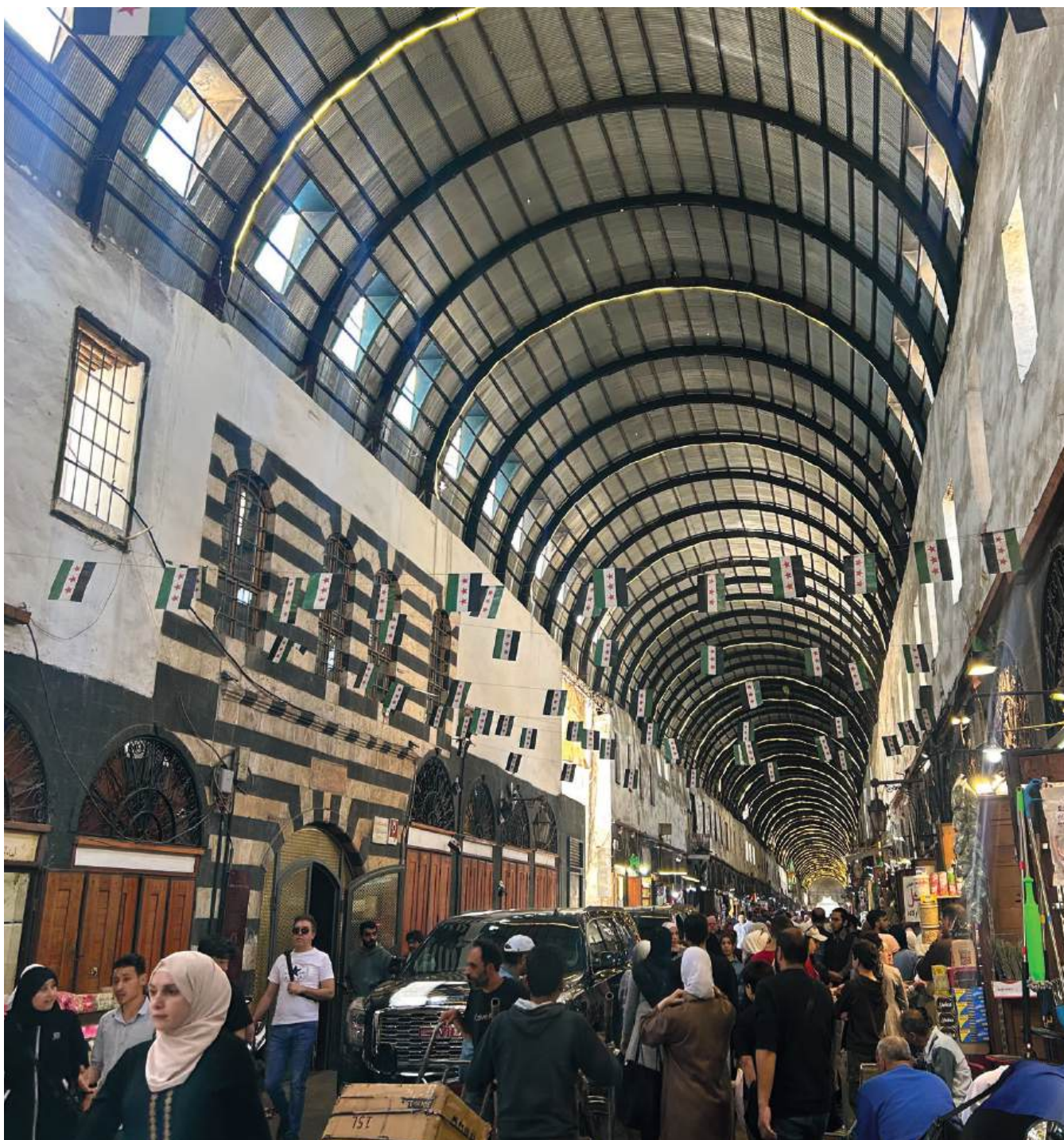
This has included the broad regional geology of North-East Syria, followed by interpretation of the 2011-reprocessed seismic data, and re-mapping existing Block 26 discoveries. Following which, static models have been constructed, reservoir facies have been modelled, and the results from studies undertaken on the seismic inversion data have been incorporated, with robust models built for use in dynamic modelling work. Based on the static models and available core and pressure, volume and temperature data, and production data from the fields, dynamic models have been initiated and matched for available pressure and production data. The history-matched models have then been used to forecast production profiles, along with a full field development plan.

Fields have been studied as a standalone basis first, then integrated together into one overall plan with a Central Processing Facility (“CPF”), and Gas Treatment Plant (“GTP”). Sensitivities have been done to optimize the processing capacity of the CPF and GTP.

Upon drilling the nine defined prospects and based on the exploration well results, the CPF and GTP capacity will again be optimised.

Production is currently through Early Production Facilities’ (“EPF”). The EPF is planned to be initially upgraded to increase liquid capacity, while the CPF will be considered and designed, taking into account increased production rates arising from the drilling campaign as per the FDP. Safety and environmental matters have been respected and considered in all FDP activities through all stages of the field life.

The above-mentioned studies have been subject to a Competent Persons Report (“CPR”) review by OPC as part of the re-entry preparation. The OPC review covered a comprehensive FDP of



the existing discoveries as well as a comprehensive Exploration Programme for Prospective Resources within the exploration portfolio of nine prospects. The Board remains of the view that, as the CPR has indicated, that on a gross basis, Block 26 could contain over a billion barrels of recoverable resource.

As the Block 26 fields have not been operated in line with international standards for the last 14 years, several remedial activities are expected to be required early in the re-entry process; specifically to improve safety standards, the environment, improve operations, increase production, and the FDP will be reassessed. This will include:

- Bringing the fields and employees to modern, standard environment, health and safety conditions.
- Rehabilitate and upgrade the existing EPF.
- Assuring reservoir and well data via production testing, reservoir and pressure monitoring and updating the reservoir studies accordingly.

- Well intervention and workover activities.
- Pilot project of new technologies.
- Building the organisation of Dijla, including adopting procedures, systems and processes.
- Build and develop procurement policies and procedures
- Sustain logistics required for the implementation of the planned activities.

Several production enhancement technologies are being evaluated. These technologies will be tested in the early stage after re-entry, with the objective that Block 26 becomes a guiding example for production enhancement in Syria.

# Strategic Report

## Financial Review

### Selected operational and financial data

	Year ended 31 December 2025 \$'000	Year ended 31 December 2024 \$'000
General and Administrative costs	(3,182)	(2,351)
Operating Loss	(3,602)	(2,797)
Loss before taxation	(3,456)	(2,860)
Cash and cash equivalents	968	495
Restricted cash balances	500	500

### Financial highlights for the year ended 31 December 2025

- The Operating Loss for the year of \$3.6 million (2024: \$2.8 million).
- The total loss before taxation for the year was \$3.5 million (2024: \$2.9 million).
- General and Administrative costs were \$3.2 million in 2025 (2024: \$2.4 million).
- The Group continues to hold its investment in its Syrian interest at a carrying value of \$102.0 million.
- During the year, funding for 2025, of £2.5 million, was provided by Major Shareholders, Waterford and Blake through the Unsecured Bridge Loan (“2025 Unsecured Bridge Loan”, “Bridge Loan”), of which, £1 million was drawn in January 2025, £1 million was drawn in July 2025, and £0.5 million was drawn in December 2025.
- Cash and cash equivalents were \$0.97 million at 31 December 2025 (2024: \$0.49 million).
- In December 2025, the Bridge Loan was expanded from £2.0 million to £5 million, to provide funding for further re-entry planning and core/base 2026 G&A costs.

### INCOME STATEMENT

The Group reported an Operating loss for the year of \$3.6 million (2024: \$2.8 million), and after taking into account non-cash items such as foreign exchange, imputed interest on the Bridge Loan, and imputed net derivative gain following extension of the Bridge Loan maturity date, a total loss before taxation for the year of \$3.5 million (2024: \$2.9 million).

General and Administrative Expenses for the year ended 31 December 2025 totalled \$3.2 million (2024: \$2.4 million).

### General and administrative expenses

	Year ended 31 December 2025 \$'000	Year ended 31 December 2024 \$'000
Gross General and Administrative Expenses	3,758	2,927
Partner recoveries	(576)	(576)
<b>General and Administrative Expenses</b>	<b>3,182</b>	<b>2,351</b>

Foreign exchange losses totalled \$0.05 million in 2025 (2024: \$0.03 million gain). Non-cash Interest on the Bridge Loan was \$0.4 million in 2025 (2024: \$nil).

### BALANCE SHEET

#### Exploration and Evaluation Assets

The Group's E&E assets are held at a net book value of \$nil at 31 December 2025 (2024: \$nil million). Certain Block 26 exploration licence costs which were in Force Majeure at the end of 2025, remain, but were fully impaired. These costs, and the potential impairment reversal will be considered in 2026.

#### Syria Investment

The Group's investment in Dijla, the entity established in Syria, pursuant to the Block 26 PSC, to administer the Group's Syrian oil and gas development and production assets (and which for valuation purposes is considered to also include the related rights to production under the PSC), is recorded as a “Financial asset held at fair value through other comprehensive income”. At the year-end, due to the unknown timing and nature of the return to operations and uncertainty over the eventual outcome of events

in the country, any valuation attributed to the investment is highly subjective and there are a wide range of possible fair value measurements. Management reviewed its internal valuation methodology and believes that as at 31 December 2025, as a result of the passage of time and the high degree of judgement required, it was not possible to reliably estimate the investment's fair value. As at 31 December 2025, management, continued to consider that the historical cost figure of \$102 million, represented an appropriate estimate of fair value, given there is a wide range of possible fair value measurements, being the last valuation which could be reliably determined. This value is reviewed at least annually for impairment and any impairment losses recognised through the Income Statement.

At 31 December 2025, management carried out an impairment review, using an economic model of the estimated future cash flows that could be generated in respect of the Group's entitlement volumes (Contingent Resources) in Block 26 (see note 4.2 for details). The Board continues to consider that its position in respect of its Block 26 interests remains strong and expects Gulfsands' and its partner's rights will be honoured.

Developments in Syria since the fall of Assad Regime in December 2024, and in particular the widespread lifting of international sanctions in 2025, and the Syrian Government regaining control of the Khurbet East and Yousefieh producing fields in Block 26, meant that Gulfsands could start planning its return to operations and notably the reconstitution of the Joint Operating Company, Dijla. As at the 2025 year-end, the return to operations was not certain and no definite timeline could be substantiated for the resumption of the full field development of these discovered fields in Block 26. An assessment did however need to be made as at 31st December 2025 as to the likely time of a return, and at that time the Board concluded, that its "base case" assumption for impairment calculation purposes should be a resumption of operations in one year (as at 31st December 2024 the assumption was two years).

The 'base case' economic model calculates, as at 31 December 2025, a gross contractor undiscounted NPV(0) of \$4.11 billion, meaning a Gulfsands 50% interest undiscounted NPV(0) of \$2.06 billion, as well as Gulfsands 50% interest discounted NPV(10) of \$806.0 million and Gulfsands 50% interest discounted NPV(15) of \$566.5 million. Therefore, management believes no impairment is necessary and has maintained the \$102 million carrying value on the Balance Sheet at year end. Following consideration, management conclude that it is premature to revalue the carrying value upwards to reflect the potential NPV values, given the ongoing risks and uncertainties associated with the Syrian assets. The accounting treatment for Dijla in 2026, will be considered by the Board during 2026 in light of the significant developments since year-end.

In parallel to OPC's CPR update, OPC undertook an economic evaluation of the Company's entire Block 26 assets including both Contingent and Prospective Resources. This evaluation, which did not take into account any of the above-ground risks associated with the assets, does consider a range of possible valuation scenarios and continues to indicate a central range of risked Expected Monetary Value ("EMV") of the Block 26 assets, including both Contingent and Prospective Resources, of \$1.25 billion - \$1.75 billion (net share to Gulfsands).

The Directors have reviewed the carrying value of this Financial Asset held at fair value through other comprehensive income, at 31 December 2025 and are of the opinion that the carrying value, although subject to significant uncertainty, remains appropriate in the circumstances.

## Financing

In early 2025, a £2 million Unsecured Bridge Loan financing ("2025 Unsecured Bridge Loan", "Bridge Loan") was agreed with Waterford and Blake, to provide baseline funding for 2025.

In late 2025, the 2025 Unsecured Bridge Loan was amended from £2 million, to £5 million. As at 31 December 2025, £2.5 million had been drawn (£1 million in January 2025, £1 million in July 2025, and £0.5 million in December 2025). As at the date of this Report, £4.0 million has been drawn under the 2025 Bridge Loan financing (i.e. a further £1.5 million has been drawn down post year-end) and one tranche of £1 million remains available (due in June/July 2026).

As at 31 December 2025, the Group had \$3.3 million (£2.5 million) (2024: \$nil) of debt outstanding under the Bridge Loan. However, under applicable accounting standards (IFRS 9) this debt is represented in the balance sheet as \$2.5 million debt liability and \$0.6 million derivative liability (net of derivative asset), totalling \$3.1 million, to reflect the split between the discounted value of the debt as at the time of the extension in December 2025, (which will be unwound over the loan period), and the value of the equity conversion options provided to the Major Shareholders and the Company. Although there is no interest payable under the terms of the Unsecured Bridge Loan, a non-cash effective interest rate of 12% is accrued on the discounted debt liability over the life of the facility, to reflect the Directors' view of the arm's length cost of funding of the business.

## Cash flow

The total change in cash and cash equivalents during the year was an in-flow of \$0.5 million (2024: \$0.1 million net out-flow). Net cash out-flow from operating activities during the period totalled \$2.9 million (2024: \$2.5 million). Net cash received from financing activities totalled \$3.4 million (2024: \$2.4 million), predominantly made up of cash received from the 2025 Unsecured Bridge Loan.

## Cash position

At 31 December 2025 the Group had total cash and cash equivalents of \$0.97 million (2024: \$0.49 million).

Restricted cash balances at the end of the year (which are presented as long-term financial assets in the Balance Sheet) represent funds held as collateral in respect of future work obligations. The net amount, totalled \$0.5 million (2024: \$0.5 million), and relates the Group's Syrian Block 26 interest.

## Going Concern and Liquidity

As at the date of this Report, the Group has free cash available for operations totalling approximately \$2.2 million. One further tranche of £1 million is available under the 2025 Unsecured Bridge Loan, to be drawn down in June/July 2026.

The Group monitors its cash position, cash forecasts and liquidity regularly and has a conservative approach to cash management.

# Strategic Report

## Financial review (cont.)

The Group's forecasts are reviewed regularly to ensure that activities are commensurate with capital availability. The Directors have reviewed cash flow forecasts for a period of 12 months from the date of signing these financial statements, including baseline day-to-day operating costs, incremental Block 26 operating costs and capital investment forecasts, to support the continued preparation of the Group's accounts on a going concern basis.

The process of re-commencement of Block 26 operations in 2026 will inevitably mean an increase in capital requirements. In parallel, the Directors anticipate that the increased investment and return to operations will also coincide with the receipt of oil sales revenues in accordance with the Block 26 PSC. Anticipated revenues from Block 26 are therefore now also built into cash flow forecasts.

The Directors acknowledge that Syria's oil and gas sector is rebuilding after a period of over 14 years and there may be delays, uncertainties and challenges experienced during the transition phase. Further, the Directors are conscious that oil prices have been volatile during the past few years and could rise or fall in the year ahead, and that production levels depend on both depletion rates from existing wells and the success of future drilling. As a result of these factors, a conservative approach has been taken to assumptions regarding the timing, quantum and receipt of potential future revenues from Syria operations for Going Concern purposes.

The Directors currently have access to the remainder of the £5.0 million 2025 Unsecured Bridge Loan which matures on 30 June 2027, when it is extinguishable by repayment or the issuance of equity at the election of either the Company or the Lenders. In mid-May 2026 the tranche of funding (of £0.5 million), originally scheduled for November 2026 was accelerated to cover short term re-entry costs and the final drawdown of £1 million is expected to be drawn down in June/July 2026. The Directors are now exploring various funding alternatives for the period ahead in parallel to finalising the work program and budget for the initial re-entry period.

The Directors note that to date the Company has been reliant on the support of its Major Shareholders, Waterford and Blake to fund the Company's operations. The Board maintains a good relationship with its Major Shareholders who continue to support the Company's strategy as outlined in this Report.

In respect of the increased investment required for the Syria re-entry, the Board acknowledges that this will need the support of additional strategic investors. The Company is in active discussions with potential investors and existing shareholders to secure the necessary financing based on expected activity levels. The Directors stated intention, facilitated in part by our return to operations in Syria, is to make the business sustainable and cash flow positive

in the medium term, in order to remove the reliance on external funding going forward.

In respect of Block 26, funding obligations fall jointly and severally on Gulfsands and its Joint Venture Partner, Sinochem, with whom the Company works closely through our Joint Operating Agreement. The Board and Management maintain a strong relationship with Sinochem, who support the strategy outlined in this Report and are actively involved in the governance of the Joint Operating company, Dijla, through their representation on its Board of Directors.

The Directors remain confident that the required sources of capital will be available to the Company. However, there are no firm funding commitments in place beyond the 2025 Unsecured Bridge Loan as at the date of this Report, and it is acknowledged that without the support of either the Major Shareholders, or other investors, the Company would be financially challenged.

Following completion of a review of the going concern position of the Company and Group at the meeting of the Board of Directors on 26 May 2026, including consideration of the uncertainties described above, the Board has concluded that it is of the opinion that, with its current resources as well as anticipated upcoming revenues and additional financing that will need to be sourced, the Company and the Group is likely to have sufficient resources to continue in operational existence for the foreseeable future, being a period not less than twelve months from the date of approval of this Financial Report. Accordingly, the Directors consider it appropriate to continue to adopt the going concern basis in preparing these Financial Statements.

Notwithstanding the belief that the Board has in its ability to finance the Group's business, the Directors, in accordance with Financial Reporting Council guidance in this area, conclude that at this time there is material uncertainty that finance could be procured to fund ongoing costs and liabilities, and failure to do so might cast significant doubt upon the Company's and the Group's ability to continue as a going concern and that the Company and the Group may therefore be unable to realise their assets and discharge their liabilities in the normal course of business. These Financial Statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

These Financial Statements consolidate the accounts of Gulfsands Petroleum plc and all its subsidiary undertakings drawn to 31 December each year.

This Strategic Report was approved by the Board of Directors on 26 May 2026.

**John Bell**  
Managing Director  
26 May 2026

### Cautionary statement

This Strategic Report has been prepared solely to provide additional information to shareholders to assess the Group's strategies and the potential for those strategies to succeed.

The Strategic Report contains certain forward-looking statements. These statements are made by the Directors in good faith based on the information available to them up to the time of their approval of this Report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

The Directors, in preparing this Strategic Report, have been guided by the requirements of section 414c of the Companies Act 2006. The Report has been prepared for the Group as a whole and therefore gives emphasis to those matters which are significant to the Group as a whole.

# Governance

## Board of Directors

### Michael Kroupeeov

#### Non-Executive Chairman

Mr Kroupeeov has 32 years' experience working within the exploration and production sector. After University in Moscow and MBA at London Business School, he began his career working for Dana Petroleum plc as a Director in 1994. In 1995, Mr Kroupeeov founded Waterford Finance and Investment Limited ("Waterford"). Waterford is an oil and gas focused vehicle, specialising in the financing of oil, gas and other energy related projects, and is a Major Shareholder of Gulfsands. He has been directly involved in the capital raising for natural resource projects and in acquiring, restructuring, developing and divesting such assets. Waterford has a number of substantial shareholdings in oil and gas companies with operations in Europe, Africa, Australasia and Former Soviet Union countries, and is a substantial shareholder of Gulfsands, holding a 38.16 percent interest in the Company. He was appointed a Non-Executive Director of Gulfsands in October 2016, and became Non-Executive Chairman in December 2020.

### John Bell

#### Managing Director

Mr Bell is a Chartered Engineer with over 35 years of experience in the energy sector having worked at Vice President or Managing Director level at BP plc, Equinor and Suncor Energy (Syria). He has spent a large part of his career in the Middle East, as well as time in North Africa, the Americas, the UK North Sea, Scandinavia and the Caribbean, where he has successfully been involved in developments, operations, corporate restructuring, refinancing and growing businesses to provide enhanced shareholder returns. He has a First-Class Honours Degree in Engineering from Strathclyde University in Scotland and studied Executive Leadership at Haas School of Business, University of California, Berkeley. Previous public company directorships include Gulf Keystone Petroleum, Tethys Petroleum where he was Executive Chairman and Aminex where he was Non-Executive Chairman. Mr Bell joined the Board as a Non-Executive Director of Gulfsands in August 2014 and assumed the role of Managing Director in July 2016.

### Andrew James Morris

#### Finance Director

Mr Morris has extensive international business experience and has advised and sat on the boards of companies, ranging from early-stage resource companies to emerging technology companies. He was founder and CEO of Persistency Capital, where he acted as both investor in, and adviser to, companies across a broad range of sectors and geographies. Previous directorships include Madagascar Oil Limited, Falcon Oil & Gas Ltd, SouthWest Energy Ltd, Kriisa Research Inc. and Direct Petroleum Exploration Inc. as well as Blake Oil and Gas Limited and various related parties. Previously, Mr Morris served as a director of Ernst & Young, where he advised a broad range of organisations on enterprise risk management including corporate governance, management reporting, financial control, operational risk and process improvement. Mr Morris holds a BSc (Hons) degree in Mathematics from Bristol University and is a Fellow of the Institute of Chartered Accountants in England and Wales. Mr Morris joined the Board of Gulfsands as a Non-Executive Director in April 2015 and became Finance Director in July 2016.

### Joseph Darby

#### Senior Independent Non-Executive Director

Mr Darby has over 50 years of experience in the energy sector, including eight years with Shell Petroleum before becoming managing director of Thomson North Sea Ltd and later the Chief Executive of LASMO plc. He has held non-executive roles at Nordaq Energy plc, British Nuclear Fuels plc, Mowlem plc, Centurion Energy Inc and Alkane Energy plc. Mr Darby was previously chairman of Mowlem plc (2005-06) and Faroe Petroleum plc (2003-07). Mr Darby was also more recently a Non-Executive Director of Bowleven plc and a Non-Executive Director of Premier Oil plc. He is currently also a Non-Executive Chairman at Orcadian Energy Ltd. He was appointed a Non-Executive Director of Gulfsands in November 2012.

### James Ede-Golightly

#### Non-Executive Director

James Ede-Golightly joined Gulfsands as a Non-Executive Director in February 2025, having previously served as Chairman of the Company between 2016 and 2020. Mr Ede-Golightly is currently Chairman of Oxehealth Ltd, EBP Holdings Ltd and ORA Global Ltd. Among other directorships, Mr Ede-Golightly is also Non-Executive Director of Silence Therapeutics Plc and C4X Discovery Holdings Ltd. Mr Ede-Golightly was a founder of ORA Capital Partners in 2006, having previously worked as an analyst at Merrill Lynch Investment Managers and Commerzbank. Mr Ede-Golightly is a CFA Charterholder and holds an M.A. degree in economics from Cambridge University. In 2012, he was awarded New Chartered Director of the Year by the Institute of Directors. Mr Ede-Golightly is affiliated with Gulfsands' Major Shareholder Blake Holdings Limited.

# Governance

## Directors' Report

The Directors present their Annual Report together with the audited Financial Statements of Gulfsands Petroleum plc and its subsidiary undertakings (the "Group" or the "Company" or "Gulfsands") for the year ended 31 December 2025.

Any significant events since the Balance Sheet date are detailed in the Consolidated Financial Statements, however an indication of possible future developments in the business of the Group are included in the Strategic Report on pages 2 - 26.

### Dividends

The Directors do not recommend payment of a dividend in respect of 2025 (2024: \$nil).

### Capital structure

#### Equity

Details of the issued share capital, together with details of the movements in the Company's issued share capital during the year are set out in note 6.1 to the Consolidated Financial Statements.

In December 2025 the Company undertook a Share Capital Reorganisation to help prepare the Company for its future corporate strategy. The impact of the Share Capital Reorganisation was an effective 1 for 20 share consolidation, while also providing liquidity to our smaller shareholders. The Share Capital Reorganisation was approved at a General Meeting on 18th December 2025 and completed prior to year end. A fractional share auction to sell the resulting fractional shares arising from the Share Capital Reorganisation was completed through a special Asset Match auction in February 2026, with resulting funds distributed to relevant shareholders. The outstanding number of Issued Ordinary Shares as at 31 December 2025 is 45,135,083.

The Company has both Ordinary and Deferred Shares outstanding as explained in note 6.1. The Ordinary and Deferred Shares carry no right to fixed income. Each Ordinary Share carries the right to one vote at general meetings of the Company. The Deferred Shares have no voting rights and are not entitled to dividends.

There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provisions of the Articles of Association and prevailing legislation. The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights. Details of employee share schemes are set out in note 6.1 to the Consolidated Financial Statements. No person has any special rights of control over the Company's share capital. As at 31 December 2025 all issued shares were fully paid.

#### Debt

Just prior to year-end the 2025 Unsecured Bridge Loan was expanded from £2 million to £5 million facility to fund the baseline requirements for 2026, including initial re-entry planning costs. As at 31st December 2025, the Group had £2.5 million of debt drawn under the 2025 Unsecured Bridge Loan. Subsequent to the year-end, £1.0 million was drawn in March 2026, and £0.5 million was drawn in May 2026. As at the date of this Report, £4.0 million has been drawn under the 2025 Unsecured Bridge Loan, with £1 million remaining to be drawn down.

### Substantial shareholders

The Company has been notified that as at 26 May 2026, Major Shareholders, holding more than 25% of the Ordinary Shares of the Company, held the following number of Ordinary Shares:

Name	Number of shares	% of shares in issue
Waterford Finance and Investment Limited <sup>(1)</sup>	17,245,246	38.16%
Blake / Ora / Richard Griffiths <sup>(2)</sup>	12,767,015	28.25%

(1) Company associated with Michael Kroupeev.

(2) Of which, 11,000,000 held by Blake Holdings Limited, 255,016 held by Ora Global Limited, and 1,511,999 held by Richard Griffiths, collectively Blake ("Blake").

### Qualifying third party indemnity provisions

The Company has previously made qualifying third-party indemnity provisions for the benefit of its directors. These provisions remain in force at the reporting date.

## Directors and their interests

The Directors who served during the year, except as noted, and their interests in the Company's ordinary shares/share options, were as follows:

	At 31 December 2025		At 31 December 2024 (as adjusted, (6))	
	Number of ordinary shares	Number of share options	Number of ordinary shares	Number of share options
A Morris <sup>(1)</sup>	203,375	407,500	6,500	561,875
J Darby <sup>(2)</sup>	5,012	75,000	5,012	75,000
J Bell <sup>(3)</sup>	274,077	710,000	11,577	882,500
J Ede-Golightly <sup>(4)</sup>	4,010	100,000	4,010	100,000
M Kroupeevev <sup>(5)</sup>	28,095,604	150,000	28,165,604	150,000

(1) Post year-end, in January 2026 Mr Morris exercised 12,500 share options, in February 2026 Mr Morris purchased 10,000 shares in the Fractional Share Auction, and in May 2026 Mr Morris exercised 50,000 share options.

(2) Post year-end, Mr Darby purchased 10,000 shares in the Fractional Share Auction in February 2026, after his nominee had automatically sold 536 of his shares as part of the Share Capital Reorganisation.

(3) Post year-end, in January 2026 Mr Bell exercised 50,000 share options, in February 2026 Mr Bell purchased 10,000 shares in the Fractional Share Auction. In April 2026 Mr Bell sold 135,000 shares, and in May 2026 Mr Bell exercised 100,000 share options.

(4) Appointed 3 February 2025. Post year-end, Mr Ede-Golightly purchased 30,000 shares in the Fractional Share Auction in February 2026, after his nominee had automatically sold 602 of his shares as part of the Share Capital Reorganisation. In May 2026 Mr Ede-Golightly exercised 100,000 share options.

(5) Mr Kroupeevev is an ultimate beneficial owner of Waterford Finance and Investment Limited. In April 2026 Waterford informed the Company that it had sold 10,850,358 shares.

(6) 31 December 2024 numbers are adjusted for the Share Capital Reorganisation of December 2025 (1 for 20 consolidation).

## Directors' interests in transactions

Details of transactions with Directors for the year ended 31 December 2025 are set out in note 6.4 to the Consolidated Financial Statements.

## Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic Report, Directors' Report and the Financial Statements in accordance with applicable laws and regulations, and International Financial Reporting Standards ("IFRS") as adopted by the United Kingdom of Great Britain and Northern Ireland.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the Group and Company financial statements in accordance with IFRS as adopted by the UK and IFRIC (IFRS Interpretations Committee) interpretations. Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the UK and IFRIC (IFRS Interpretations Committee) interpretations, subject to any material departures disclosed and explained in the financial statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure

that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Website publication

The Directors are responsible for ensuring the Annual Report and the Financial Statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

## Statement of disclosure to the auditor

So far as the Directors, at the time of approval of their Report, are aware:

- there is no relevant audit information of which the Company's auditor is unaware; and
- each Director has taken steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with section 418 of the Companies Act 2006.

## Auditor

A resolution to reappoint MHA as auditor and to authorise the Directors to fix their remuneration will be put to shareholders at the Annual General Meeting in accordance with section 485 of the Companies Act 2006.

By order of the Board,

## John Bell

Managing Director  
26 May 2026

# Governance

## Directors' Corporate Governance Report

for the year ended 31 December 2025

The Company delisted from the AIM market in April 2018 but remains a Public Limited Company ("PLC"). While non-listed companies are not subject to the requirements of the UK Corporate Governance Code on corporate governance, the Board has sought to continue to maintain appropriate standards of corporate governance, as it considers practicable for the size, stage of development and operations of the Group.

In order to communicate the Group's business conduct standards to employees, contract staff and contractor personnel across the Group, the Board has established a Code of Business Conduct and Ethics which is supported by detailed internal policies and procedures. Compliance with the Code of Business Conduct and Ethics is a contractual requirement for all personnel.

### The Gulfsands Board

#### The role of the Board

The Board sets the Group's strategic objectives taking into account the financial and human resources available within the Group to meet these objectives. The Board determines the Company's key policies, values and standards, effectively communicating these throughout the Group. Periodically, the Board reviews the potential risks to the Group and ensures the probability of these risks affecting the business are minimised via management and mitigation.

The Board's role is to provide entrepreneurial leadership of the Group within a framework of effective controls and periodic reporting; this enables operational and financial performance to be actively monitored and managed.

#### The composition of the Board

Gulfsands' business carries political, commercial and technical risks. Accordingly, particular attention is paid to the composition and balance of the Board to ensure that it has experience of the oil and gas industry, the regulatory environments in which the Group operates and has appropriate financial and risk management skills to lead the Group.

The Board considers that objectivity and integrity are prerequisites for all appointments, as are the skills, experience, ability and diversity that will assist the Board in its key functions and decision-making. The Board sees the role of the Non-Executive Directors to be to independently and constructively challenge the performance of the Executive Management and to offer assistance and mentor where their skills and experience can assist the performance of the Management team in the delivery of agreed objectives.

The Board of Directors currently comprises five Directors; the Non-Executive Chairman, the Managing Director, the Finance Director, and two Non-Executive Directors. The Board's independent Non-Executive Director is Joe Darby, who is also Senior Independent Director. Non-Executive Director James Ede-Golightly, who joined the Board in February 2025, is affiliated with Major

Shareholder Blake Holdings Limited ("Blake"). A brief description of each of the Directors' backgrounds and experience can be found on page 27. The Board continues to review its composition.

Terms and conditions of appointment of Non-Executive Directors are set out in appointment letters.

#### How the Board operates

A detailed schedule of matters reserved for the Board has been established and is periodically reviewed. The key matters reserved are the consideration and approval of:

- the Group's overall strategy and objectives;
- material acquisitions and disposals and major expenditure commitments;
- borrowing and hedging of oil and gas sales;
- the issuance of equity and options;
- annual work programme and budget;
- the Group's annual and, if prepared, half-yearly Financial Statements;
- Board appointments, remuneration and roles;
- corporate policies and corporate governance arrangements; and
- any transactions with related parties such as Major Shareholders.

Through the publication of regular announcements, and face-to-face meetings where appropriate, the Board has sought to communicate its strategy, objectives and performance to all shareholders on a timely basis.

The Board of Directors expects to hold face to face Board Meetings approximately six times per year. In addition, further meetings are convened by conference call to resolve urgent business matters.

#### Committees of the Board

The Company has established two sub-committees of the Board, an Audit Committee, and a Remuneration Committee; the purpose of which are to review areas of the business mandated by the Board and to present findings and recommendations to the Board for its decision. While the Board delegates certain of its duties, responsibilities and powers to the Committees, so that these can receive suitably focused attention, they both act on behalf of the full Board, and the matters reviewed and managed by the Committees remain the responsibility of the Board of Directors as a whole.

Each of the Committees has its own written terms of reference; copies of which are available on the Company's website.

## 1. Audit Committee

The Audit Committee is chaired by Joe Darby and its activities are governed by terms of reference that are available on the Company's website. The primary duties of the Audit Committee are:

- to review and consider the integrity of the Company's Financial Statements and regulatory announcements;
- to keep under review the effectiveness of the Company's internal controls;
- to assist the Board in ensuring that it receives appropriate financial and risk reporting to enable it to make its business decisions;
- to regularly review the Company's risk management processes and the risks to which the Company is exposed;
- to oversee the relationship with the external auditor;
- to review the Company's whistle-blowing processes; and
- to report to the Board on how the Audit Committee has discharged its responsibilities.

## 2. Remuneration Committee

The Remuneration Committee is chaired by James Ede-Golightly and its activities are governed by terms of reference that are available on the Company's website. It is responsible for considering and making recommendations to the Board in respect of remuneration for the Chairman and Executive Directors. The Committee also has oversight of the remuneration arrangements for the direct reports to the Executive Directors, the remuneration for whom is set by the Managing Director in conjunction with the Chairman. The remuneration of Non-Executive Directors is a matter for the Chairman in consultation with the Managing Director and the Chairman of the Remuneration Committee, with fees being determined by the Board excluding the Non-Executive Directors.

The number of meetings of the Board and its Committees during 2025, and individual attendance by Directors, is shown below:

	Board	Audit	Remuneration
<b>Number of meetings 2025</b>	12	2	8
<b>Attendance:</b>			
Andrew Morris	12	2	n/a
James Ede-Golightly <sup>(1)</sup>	7	2	8
Joe Darby	11	2	8
John Bell	11	2	n/a
Michael Kroupeeov	9	0	8

<sup>(1)</sup> Appointed 3 February 2025.



# Governance

## Directors' Corporate Governance Report (cont.)

for the year ended 31 December 2025

In addition to the formal Committees of the Board, the Company has established two additional Committees to help with the Governance of the Group:

### Strategic Advisory Board

Given the complex nature of managing the Group's Syrian assets and the process of returning to Block 26 operations, as well as the Group's business development initiatives, the Company has sought significant political, legal and strategic advice. While some of this support has come from lawyers and advisers, the Company has found great value in creating a Board of advisors made up of individuals with deep experience in the fields of diplomacy, international politics, and post conflict rehabilitation.

Members of the Strategic Advisory Board include:

#### The Rt Hon Sir Alan Duncan KCMG

Sir Alan Duncan has had a career in both oil and politics. After studying at Oxford and Harvard he worked first for Shell, and then for ten years as a crude oil trader with Marc Rich & Co (now Glencore). He spent 27 years as a Member of Parliament, during which he was Minister for International Development and later Foreign Minister. In January 2020 he left Parliament and returned to the energy sector. After leaving Parliament he worked for Vitol from 2020-24.

#### The Rt. Hon. Charles Hendry, CBE

Charles Hendry was Conservative MP for Wealden from 2001-2015 and was Minister of State for Energy from May 2010 until September 2012. He was previously the Conservative Party's spokesman on energy issues, from 2005-2010. On leaving Ministerial office, Prime Minister David Cameron appointed him as his Trade Envoy to Azerbaijan, Kazakhstan and Turkmenistan, a role he continued until leaving Parliament in 2015.

He was awarded the CBE in Her Majesty The Queen's 2019 Birthday Honours for his work in supporting British Trade in Russia and Central Asia. He is an Honorary Professor at the University of Edinburgh Business School and has held various other prestigious roles including being a Distinguished Fellow at the Atlantic Council, Vice President of the Energy Institute and Patron of the Nuclear Institute. He lectures and works extensively across the energy and trade sectors primarily focusing on energy security and the energy transition.

#### Mark Nicolas Cutis

Mark Cutis is also Vice Chairman of our Abu Dhabi Subsidiary GMEL. He is a seasoned banking and capital markets executive with extensive global market experience spanning 40+ years. He has actively managed portfolios as CIO and CEO on behalf of both private as well as multilateral (EBRD) and sovereign wealth funds (ADIC) in multiple geographical locations.

Most recently, he was CEO of Abu Dhabi Global Market, the international financial centre of Abu Dhabi. Prior to that, he was Group CFO, and Chief Advisor of Abu Dhabi National Oil Company (2018 – 2021), and immediately prior to that was the founding CIO of Global Special Situations at Abu Dhabi Investment Council (2008 – 2018) now part of Mubadala. He has also run investment managers and financial institutions in London, Tokyo, and New York and has had work stints in Frankfurt and Moscow as well. Mark holds a BA in Monetary Economics and History from Emory University and an MBA in Finance from Wharton Business School.

### Sustainability Committee

As explained on pages 12 - 13 in the Strategic Report, Gulfsands is focused on building a sustainable business model that considers the social, environmental and governance impacts of all its projects. This is guided throughout by the principles outlined by the UN Global Compact and the UN's Sustainable Development Goals ("SDG's"). Gulfsands' progress and performance on its strategic approach to Sustainability is overseen and driven by the Sustainability Committee, chaired by the Managing Director and comprises a combination of line managers and members of the Board and Strategic Advisory Board.

## Remuneration of Directors

The remuneration of the Directors for the year ended 31 December 2025 was as follows:

	Annual Remuneration (£'000)							
	Salary and fees		Bonuses		Benefits in kind		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
A Morris <sup>(1)</sup>	195	195	27	20	3	2	225	217
J Darby <sup>(2)</sup>	33	34	—	—	—	—	33	34
J Bell <sup>(3)</sup>	260	260	65	26	3	2	328	288
J Ede-Golightly <sup>(4)</sup>	29	—	—	—	—	—	29	—
M Kroupeev <sup>(5)</sup>	45	45	—	—	—	—	45	45
	<b>562</b>	534	<b>92</b>	46	<b>6</b>	4	<b>660</b>	584

(1) Finance Director.

(2) Non-Executive Director, Senior Independent Director.

(3) Managing Director.

(4) Non-Executive Director (Appointed 3 February 2025).

(5) Non-Executive Chairman.

## Share Options

The interests of the Directors, who held office during 2025, in options over the Company's ordinary shares are set out in the table below. All amounts have been adjusted to reflect the Share Capital Reorganisation ('1 for 20' share consolidation):

	Number of options							
	At 1 January 2025	Granted/ (Exercised)	At 31 December 2025	Exercise price (£)	Exercisable at 31 December 2025	Grant date	Expiry date	
J Bell	100,000	(100,000)	—	0.20	—	11/11/2016	11/11/2029	
	340,000	—	<b>340,000</b>	1.00	—	28/06/2018	26/06/2028	
	60,000	—	<b>60,000</b>	1.00	60,000	30/06/2020	30/06/2030	
	30,000	(30,000)	—	0.20	—	31/12/2022	31/12/2032	
	60,000	(60,000)	—	0.20	—	31/12/2023	31/12/2033	
	260,000	—	<b>260,000</b>	1.00	173,333	12/02/2024	12/02/2034	
	32,500	(32,500)	—	0.20	—	31/12/2024	31/12/2034	
	—	50,000	<b>50,000</b>	0.20	50,000	31/12/2025	31/12/2035	
A Morris	75,000	(75,000)	—	0.20	—	11/11/2016	11/11/2029	
	140,000	—	<b>140,000</b>	1.00	—	28/06/2018	28/06/2028	
	60,000	—	<b>60,000</b>	1.00	60,000	30/06/2020	30/06/2030	
	22,500	(22,500)	—	0.20	—	31/12/2022	31/12/2032	
	45,000	(45,000)	—	0.20	—	31/12/2023	31/12/2033	
	195,000	—	<b>195,000</b>	1.00	130,000	12/02/2034	12/02/2034	
	24,375	(24,375)	—	0.20	—	31/12/2024	31/12/2034	
	—	12,500	<b>12,500</b>	0.20	12,500	31/12/2025	31/12/2035	
M Kroupeev	50,000	—	<b>50,000</b>	67.5	50,000	11/11/2016	11/11/2029	
	100,000	—	<b>100,000</b>	100	66,667	31/08/2024	31/08/2034	
J Darby	75,000	—	<b>75,000</b>	100	50,000	31/08/2024	31/08/2034	
J Ede-Golightly	100,000	—	<b>100,000</b>	67.5	100,000	11/11/2016	11/11/2029	

This Report was approved by the Board of Directors on 26 May 2026.

# Independent Auditor's Report

to the members of Gulfsands Petroleum plc

## Opinion

We have audited the financial statements of Gulfsands Petroleum plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2025 which comprise:

- the Consolidated Income Statement
- the Consolidated Balance Sheet
- the Consolidated Statement of Changes in Equity
- the Consolidated Cash Flow Statement
- the related Group Notes 1 to 6.6 including material accounting policies
- the Company Balance Sheet
- the Company Statement of Changes in Equity
- the Company Cash Flow Statement
- the related Parent Company Notes 1 to 5.7 including material accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International Financial Reporting Standards ("UK adopted IFRS").

### In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2025 and of the group's loss for the year then ended;
- have been properly prepared in accordance with UK adopted IFRS; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Material uncertainty relating to going concern

We draw attention to Note 1.3a of the financial statements on page 41 of the financial statements, which indicates that the Group may need to secure additional funding to support future obligations and business plans and there is no guarantee that the required funding will be available. As noted in Note 1.3a, this indicates that a material uncertainty exists that may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

## Emphasis of matter – carrying value of Group's Syrian Assets

We draw attention to note 4.2 of the Consolidated Financial Statements concerning the valuation of the Group's investment relating to its Syrian operations, which remained subject to force majeure at the reporting date. As described in note 4.2, significant estimation uncertainty and management judgement exist in determining the fair value of this investment, and management has concluded that as at 31 December 2025 it was not possible to reliably estimate fair value. Our opinion is not modified in respect of this matter.

## Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor responsibilities for the audit of the financial statements

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

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management to identify any instances of non-compliance with laws and regulations.
- Enquiry of management around actual and potential litigation and claims.
- Enquiry of management to identify any instances of known or suspected instances of fraud.
- Discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.
- Reviewing minutes of meetings of those charged with governance.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Andrew Moyser FCA FCCA (Senior Statutory Auditor)

for and on behalf of MHA, Statutory Auditor

London, United Kingdom  
26 May 2026

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542)

# Financial Statements

## Consolidated Financial Statements

and Notes to the Consolidated Financial Statements

Primary Statements	<p><b>Consolidated Primary Statements</b></p> <p>This section contains the Group's primary Financial Statements and the independent auditor's report.</p>	<p>p37 Consolidated Income Statement</p> <p>p38 Consolidated Balance Sheet</p> <p>p39 Consolidated Statement of Changes in Equity</p> <p>p40 Consolidated Cash Flow Statement</p> <p>p41 Notes to the Consolidated Financial Statements</p>
Basis of Preparation	<p><b>Section 1 Basis of Preparation</b></p> <p>This section contains the Group's significant accounting policies that relate to the Financial Statements as a whole. Significant accounting policies specific to one note have been included in that note. Accounting policies determined non-significant are not included in these Financial Statements. There have been no changes to the Group's accounting policies that are not disclosed in the Financial Statements.</p>	<p>1.1 Authorisation of Financial Statements and statement of compliance with IFRS</p> <p>1.2 Adoption of International Financial Reporting Standards</p> <p>1.3 Material accounting policies</p> <p>1.4 Critical accounting judgements and key sources of estimation uncertainty</p>
Oil and Gas Assets	<p><b>Section 2 Oil and Gas Assets</b></p> <p>This section focuses on the oil and gas assets which form the core of our business, including details of exploration costs incurred in the year, those written-off or impaired.</p>	<p>2.1 Property, plant and equipment</p> <p>2.2 Intangible assets</p> <p>2.3 Work obligation commitments</p>
Working Capital	<p><b>Section 3 Working Capital</b></p> <p>This section focuses on the working capital position of the Group supporting our business.</p>	<p>3.1 Trade and other receivables</p> <p>3.2 Cash and cash equivalents</p> <p>3.3 Long-term financial assets</p> <p>3.4 Trade and other payables</p> <p>3.5 Inventory</p> <p>3.6 Loans and borrowings</p>
Other Assets/Liabilities	<p><b>Section 4 Other Assets and Liabilities</b></p> <p>This section details the Group's investments.</p>	<p>4.1 Investments</p> <p>4.2 Financial asset held at fair value through other comprehensive income</p>
Results for the Year	<p><b>Section 5 Results for the Year</b></p> <p>This section focuses on the results and performance of the Group, with disclosures including segmental information, components of the operating loss, taxation and earnings per share.</p>	<p>5.1 Segmental analysis of continuing operations</p> <p>5.2 Operating loss</p> <p>5.3 Share-based payments</p> <p>5.4 Auditor's remuneration</p> <p>5.5 Staff costs</p> <p>5.6 Directors' emoluments</p> <p>5.7 Taxation</p>
Capital Structure	<p><b>Section 6 Capital Structure and Other Disclosures</b></p> <p>The disclosures in this section focus on the issued share capital, the share schemes in operation and other mandatory disclosures.</p>	<p>6.1 Share capital</p> <p>6.2 Derivative Financial Instruments</p> <p>6.3 Financial instruments, derivatives and capital management</p> <p>6.4 Related party transactions and key management</p> <p>6.5 Obligations under leases</p> <p>6.6 Post balance sheet events</p>

# Financial Statements

## Consolidated Income Statement

for the year ended 31 December 2025

	Notes	2025 \$'000	2024 \$'000
<b>Continuing operations</b>			
General administrative expenses		(3,182)	(2,351)
Share-based payments	5.3	(420)	(446)
<b>Operating loss</b>	5.2	<b>(3,602)</b>	(2,797)
Foreign exchange (losses)/gains		(53)	29
Bridge loan interest cost	3.6	(357)	—
Adjustment to reflect loan modification	6.2	631	—
Interest received		7	—
Other finance expenses		(82)	(92)
<b>Loss before taxation</b>		<b>(3,456)</b>	(2,860)
Taxation	5.7	—	—
<b>Loss for the year</b>		<b>(3,456)</b>	(2,860)

There are no items of comprehensive income outside of the Consolidated Income Statement.

Primary Statements

Basis of Preparation

Oil and Gas Assets

Working Capital

Other Assets/Liabilities

Results for the Year

Capital Structure

# Financial Statements

## Consolidated Balance Sheet

as at 31 December 2025

	Notes	2025 \$'000	2024 \$'000
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	2.2	—	—
Long-term financial assets	3.3	500	500
Investments	4.2	102,000	102,000
Derivative financial assets	6.2	300	—
		<b>102,800</b>	102,500
<b>Current assets</b>			
Trade and other receivables	3.1	219	173
Cash and cash equivalents	3.2	968	495
Inventory	3.5	—	—
		<b>1,187</b>	668
<b>Total assets</b>		<b>103,987</b>	103,168
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	3.4	505	237
Loans and borrowings	3.6	—	—
		<b>505</b>	237
<b>Non-current liabilities</b>			
Trade and other payables	3.4	3,996	3,973
Loans and borrowings	3.6	2,501	—
Derivative financial liabilities	6.2	886	—
		<b>7,383</b>	3,973
<b>Total liabilities</b>		<b>7,888</b>	4,210
<b>Net assets</b>		<b>96,099</b>	98,958
<b>Equity</b>			
<b>Capital and reserves attributable to equity holders</b>			
Share capital	6.1	23,673	23,552
Share premium		129,210	129,154
Merger reserve		11,709	11,709
Retained loss		(68,493)	(65,457)
<b>Total equity</b>		<b>96,099</b>	98,958

These Consolidated Financial Statements were approved and authorised by the Board of Directors on 26 May 2026 and signed on its behalf by:

**Andrew James Morris**  
Finance Director  
26 May 2026

# Financial Statements

## Consolidated Statement of Changes in Equity

for the year ended 31 December 2025

	Share capital \$'000	Share premium \$'000	Merger reserve \$'000	Retained loss \$'000	Total equity \$'000
At 1 January 2024	21,934	122,684	11,709	(63,043)	93,284
Loss for 2024	—	—	—	(2,860)	(2,860)
<b>Transactions with owners</b>					
Share-based payment charge	—	—	—	446	446
Shares issued	1,618	6,470	—	—	8,088
At 31 December 2024	23,552	129,154	11,709	(65,457)	98,958
Loss for 2025	—	—	—	(3,456)	(3,456)
<b>Transactions with owners</b>					
Share-based payment charge	—	—	—	420	420
Shares issued	121	56	—	—	177
<b>At 31 December 2025</b>	<b>23,673</b>	<b>129,210</b>	<b>11,709</b>	<b>(68,493)</b>	<b>96,099</b>

The merger reserve arose on the acquisition of Gulfsands Petroleum Ltd and its subsidiaries by the Company by way of a share-for-share exchange in April 2005, in conjunction with the flotation of the Company on the Alternative Investment Market of the London Stock Exchange.

Primary Statements

Basis of Preparation

Oil and Gas Assets

Working Capital

Other Assets/Liabilities

Results for the Year

Capital Structure

# Financial Statements

## Consolidated Cash Flow Statement

for the year ended 31 December 2025

	Notes	2025 \$'000	2024 \$'000
<b>Cash flows from operating activities</b>			
Operating loss from continuing operations		(3,602)	(2,797)
Share-based payment charge	5.3	420	446
(Increase)/decrease in receivables	3.1	(46)	65
Interest received		7	—
Increase/(decrease) in payables	3.4	291	(251)
Foreign exchange gains		43	28
<b>Net cash used in operating activities</b>		<b>(2,887)</b>	<b>(2,509)</b>
<b>Financing activities</b>			
Equity issued		177	2,460
Loan draw-down		3,265	—
Other finance expenses		(82)	(92)
<b>Net cash provided by financing activities</b>		<b>3,360</b>	<b>2,368</b>
<b>Increase/(decrease) in cash and cash equivalents</b>		<b>473</b>	<b>(141)</b>
Cash and cash equivalents at beginning of year		495	636
<b>Cash and cash equivalents at end of year</b>	3.2	<b>968</b>	<b>495</b>

Primary Statements

Basis of Preparation

Oil and Gas Assets

Working Capital

Other Assets/Liabilities

Results for the Year

Capital Structure

# Financial Statements

## Notes to the Consolidated Financial Statements

for the year ended 31 December 2025

### Section 1 – Basis of Preparation

#### 1.1 Authorisation of Financial Statements and statement of compliance with IFRS

Gulf sands Petroleum plc is a public limited company which was quoted on the Alternative Investment Market of the London Stock Exchange (“AIM”) until 23 April 2018 and is incorporated in the United Kingdom. The Company’s shares now trade through periodic auction through the Asset Match platform. The principal activities of the Company and its subsidiaries (the “Group”) are that of oil and gas production, exploration and development.

The Consolidated Financial Statements for the year ended 31 December 2025 were authorised for issue by the Board of Directors on 26 May 2026 and the Balance Sheets were signed on the Board’s behalf by Andrew James Morris, Finance Director. The principal accounting policies adopted are set out in note 1.3.

#### 1.2 Adoption of International Financial Reporting Standards

The Consolidated Financial Statements for the year ended 31 December 2025 and for the comparative year ended 31 December 2024 have been prepared in accordance with United Kingdom adopted International Financial Reporting Standards (UK adopted IFRS) and those parts of the Companies Act 2006 that are applicable to companies which apply UK adopted IFRS.

#### 1.3 Material accounting policies

##### a) Basis of preparation, measurement and accounting standards

The Consolidated Financial Statements have been prepared in accordance with United Kingdom adopted International Financial Reporting Standards (UK adopted IFRS) and those parts of the Companies Act 2006 that are applicable to companies which apply UK adopted IFRS. The consolidated financial statements have been prepared on a historical cost basis. The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group’s accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in note 1.4.

##### Going Concern and Liquidity

As at the date of this Report, the Group has free cash available for operations totalling approximately \$2.2 million. One further tranche of £1 million is available under the 2025 Unsecured Bridge Loan, to be drawn down in June/July 2026.

The Group monitors its cash position, cash forecasts and liquidity regularly and has a conservative approach to cash management. The Group’s forecasts are reviewed regularly to ensure that activities are commensurate with capital availability. The Directors have reviewed cash flow forecasts for a period of 12 months from the date of signing these financial statements, including baseline day-to-day operating costs, incremental Block 26 operating costs and capital investment forecasts, to support the continued preparation of the Group’s accounts on a going concern basis.

The process of re-commencement of Block 26 operations in 2026 will inevitably mean an increase in capital requirements. In parallel, the Directors anticipate that the increased investment and return to operations will also coincide with the receipt of oil sales revenues in accordance with the Block 26 PSC. Anticipated revenues from Block 26 are therefore now also built into cash flow forecasts.

The Directors acknowledge that Syria’s oil and gas sector is rebuilding after a period of over 14 years and there may be delays, uncertainties and challenges experienced during the transition phase. Further, the Directors are conscious that oil prices have been volatile during the past few years and could rise or fall in the year ahead, and that production levels depend on both depletion rates from existing wells and the success of future drilling. As a result of these factors, a conservative approach has been taken to assumptions regarding the timing, quantum and receipt of potential future revenues from Syria operations for Going Concern purposes.

The Directors currently have access to the remainder of the £5.0 million 2025 Unsecured Bridge Loan which matures on 30 June 2027, when it is extinguishable by repayment or the issuance of equity at the election of either the Company or the Lenders. In mid-May 2026 the tranche of funding (of £0.5 million), originally scheduled for November 2026 was accelerated to cover short term re-entry costs and the final drawdown of £1 million is expected to be drawn down in June/July 2026. The Directors are now exploring various funding alternatives for the period ahead in parallel to finalising the work program and budget for the initial re-entry period.

The Directors note that to date the Company has been reliant on the support of its Major Shareholders, Waterford and Blake to fund the Company’s operations. The Board maintains a good relationship with its Major Shareholders who continue to support the Company’s strategy as outlined in this Report. In respect of the increased investment required for the Syria re-entry, the Board acknowledges that this will need the support of additional strategic investors. The Company is in active discussions with potential investors and existing shareholders to secure the necessary financing based on expected activity levels. The Directors stated intention, facilitated in part by our return to operations in Syria, is to make the business sustainable and cash flow positive in the medium term, in order to remove the reliance on external funding going forward.

# Financial Statements

## Notes to the Consolidated Financial Statements (cont.)

for the year ended 31 December 2025

### 1.3 Material accounting policies (continued)

#### a) Basis of preparation, measurement and accounting standards (continued)

##### Going Concern and Liquidity (continued)

In respect of Block 26, funding obligations fall jointly and severally on Gulfsands and its Joint Venture Partner, Sinochem, with whom the Company works closely through our Joint Operating Agreement. The Board and Management maintain a strong relationship with Sinochem, who support the strategy outlined in this Report and are actively involved in the governance of the Joint Operating company, Dijla, through their representation on its Board of Directors.

The Directors remain confident that the required sources of capital will be available to the Company. However, there are no firm funding commitments in place beyond the 2025 Unsecured Bridge Loan as at the date of this Report, and it is acknowledged that without the support of either the Major Shareholders, or other investors, the Company would be financially challenged.

Following completion of a review of the going concern position of the Company and Group at the meeting of the Board of Directors on 26 May 2026, including consideration of the uncertainties described above, the Board has concluded that it is of the opinion that, with its current resources as well as anticipated upcoming revenues and additional financing that will need to be sourced, the Company and the Group is likely to have sufficient resources to continue in operational existence for the foreseeable future, being a period not less than twelve months from the date of approval of this Financial Report. Accordingly, the Directors consider it appropriate to continue to adopt the going concern basis in preparing these Financial Statements.

Notwithstanding the belief that the Board has in its ability to finance the Group's business, the Directors, in accordance with Financial Reporting Council guidance in this area, conclude that at this time there is material uncertainty that finance could be procured to fund ongoing costs and liabilities, and failure to do so might cast significant doubt upon the Company's and the Group's ability to continue as a going concern and that the Company and the Group may therefore be unable to realise their assets and discharge their liabilities in the normal course of business. These Financial Statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

#### b) Accounting standards, amendments and interpretations effective in 2025

Other Accounting standards that have come into effect as of 1 January 2025 have been:

- Amendments to Lease liability in a sale and leaseback transaction (Amendments to IFRS 16), Classification of Liabilities as Current or Non-current (Amendments to IAS 1), Non-Current Liabilities with Covenants (Amendments to IAS 1), and Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7).

The adoption of these standards has had no effect on the financial results of the Group.

#### c) Standards, amendments and interpretations, which are effective for reporting periods beginning after the date of these financial statements which have not been adopted early:

There are a number of standards, amendments to standards, and interpretations which have been issued that are effective in future periods and which the Group has chosen not to adopt early, in particular:

- Presentation and Disclosure in Financial Statements (IFRS 18);
- Subsidiaries without Public Accountability: Disclosures (IFRS 19);
- Amendments to classification and measurement requirements for financial instruments (Amendments to IFRS 9 and IFRS 7);
- Contracts referencing Nature-dependent Electricity (IFRS 9 & IFRS 7 amendments).

None of these are expected to have a significant effect on the Group.

#### d) Basis of consolidation

Intra-group sales, profits and balances are eliminated fully on consolidation.

The results of subsidiaries acquired or sold are consolidated for the periods from, or to, the date when control passed. Acquisitions are accounted for under the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for the control of the acquiree. Acquisition related costs are recognised in the Income Statement as incurred. At the acquisition date the identifiable assets acquired, and the liabilities assumed are recognised at their fair value.

The Consolidated Financial Statements include the accounts of subsidiary undertakings when the Company has the control over the undertaking. The Company controls an investee if all three of the following elements are present: power over the investee; exposure to variable returns from the investee; and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

The Group is engaged in oil and gas exploration, development and production through joint operations. A joint operation is whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the

arrangement. A joint operator recognises its assets, including its share of any assets incurred jointly; its liabilities, including its share of any liabilities incurred jointly; its revenues, including its share of revenue from the sale of the output by the joint operation; and its expenses, including its share of any expenses jointly incurred.

When the Group loses control or joint control of a subsidiary or joint operation, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary or joint operation and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary or joint operation are accounted for in the same manner as would be required if the relevant assets or liabilities are disposed of. The fair value of any investment retained in the former subsidiary or joint operation at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 'Financial Instruments: Recognition and Measurement' or, when applicable, the costs on initial recognition of an investment in an associate or jointly controlled entity.

#### e) Embedded Derivatives

Embedded derivatives are components of hybrid contracts that cause certain cash flows of the combined instrument to vary in a manner similar to a standalone derivative.

For hybrid contracts containing a host that is not a financial asset within the scope of IFRS 9, embedded derivatives are separated from the host contract where:

- their economic characteristics and risks are not closely related to those of the host contract;
- they meet the definition of a derivative; and
- the hybrid contract is not measured at fair value through profit or loss.

Separated embedded derivatives are recognised initially at fair value and subsequently remeasured at fair value through profit or loss, with gains and losses recognised in profit or loss.

Where conversion or settlement features linked to the Company's own equity instruments meet the definition of a derivative and fail the fixed-for-fixed criterion in IAS 32, they are recognised separately as derivative financial assets or derivative financial liabilities, as appropriate.

Derivative financial assets and derivative financial liabilities are presented separately in the statement of financial position unless the offsetting criteria in IAS 32 are met. The host financial liability is accounted for separately and subsequently measured at amortised cost using the effective interest method.

#### f) Foreign and reporting currency

These Consolidated Financial Statements are presented in US Dollars. The functional and presentational currency of the Company is the US Dollar, and the functional currency of all subsidiaries is also the US Dollar. Gains and losses from foreign currency transactions, if any, are recognised in the Income Statement for the year. The effective exchange rate to the Pound Sterling for the year ended 31 December 2025 was £1: \$1.32 (2024: £1: \$1.27). The exchange rate to the Pound Sterling as at 31 December 2025 was £1: \$1.34 (2024: £1: \$1.25).

Foreign currency transactions of individual companies within the Group are translated to the functional and reporting currency of US Dollars at the rates prevailing when the transactions occurred. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange at the Balance Sheet date. All differences are taken to the Income Statement.

### 1.4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The following sets out the critical judgements and estimations that the Directors have made in the process of applying the Group's accounting policies and the key assumptions concerning the future and other key sources of estimation uncertainty at the Balance Sheet date that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year:

- going concern (judgement) – for further details see note 1.3a;
- recoverability of restricted cash balances (judgement) – for further details see note 3.3; and
- carrying value of the Group's Syrian Assets (i.e. investment in Dijla) (estimation) – for further details see note 4.2.

# Financial Statements

## Notes to the Consolidated Financial Statements (cont.)

for the year ended 31 December 2025

Primary Statements

Basis of Preparation

Oil and Gas Assets

Working Capital

Other Assets/Liabilities

Results for the Year

Capital Structure

### Section 2 – Oil and Gas Assets

#### 2.1 Property, plant and equipment

The Group applies the requirements of IFRS 6 'Exploration for and Evaluation of Mineral Resources' and where additional guidance is needed IAS 16 'Property, Plant and Equipment' and IAS 36 'Impairment of Assets' noting that several items in the latter two standards are exempted for assets at the exploration and evaluation stage due to the application of IFRS 6. Set out below is our interpretation of the principles set out in IFRS 6 and other IFRS.

#### Recognition and measurement

Development and production assets are accumulated on a cash generating unit basis and represent the cost of developing the Proved plus Probable Reserves discovered and bringing them into production, together with the exploration and evaluation ("E&E") asset expenditures incurred in finding Proved plus Probable Reserves, transferred from intangible E&E assets.

The cost of development and production assets also includes the cost of acquisitions and purchases of such assets, directly attributable overheads.

#### Depletion of producing assets

Expenditure within each cash generating unit is depleted by a unit of production method using the ratio of oil and gas production in the year compared to the estimated quantity of Proved and Probable Reserves at the beginning of the year. Costs used in the unit of production calculation comprise the net book value of capitalised costs plus the estimated future field development costs for Proved and Probable Reserves. Changes in estimates of commercial reserves or future development costs are dealt with prospectively.

#### Impairment

An impairment test is performed whenever events and circumstances arising during the development or production phase indicate that the carrying value of a development or production asset may exceed its recoverable amount. The aggregate carrying value is compared against the recoverable amount of the cash generating unit, generally by reference to the present value of the future net cash flows expected to be derived from production of commercial reserves.

The Company currently has no tangible Oil and Gas Assets, following the reclassification of its Syrian assets to Investments (see note 4.2). This treatment will be reassessed and may change in 2026 following the developments in respect of Block 26 post year-end.

### 2.2 Intangible assets

#### Key accounting judgements, estimates and assumptions

#### Recoverability of intangible oil and gas exploration and evaluation assets

If there are indicators of impairment, the carrying values of E&E assets are assessed for impairment which involves judgement as to the (i) likely commerciality of the assets, (ii) future revenues and costs pertaining and (iii) the discount rate to be applied for the purpose of deriving a recoverable value. Additional judgements apply to the Group's E&E assets affected by sanctions in Syria. See note 4.2 for further details.

The Group applies the requirements of IFRS 6 'Exploration for and Evaluation of Mineral Resources', set out below is our interpretation of the principles set out in IFRS 6.

#### Recognition and measurement

The Group follows the successful efforts method of accounting whereby costs for unsuccessful exploration activities are expensed. All licence acquisition, exploration and evaluation costs are initially capitalised as intangible fixed assets in cost centres by licence or contract, as appropriate, pending determination of commerciality of the relevant property. Directly attributable administration costs are capitalised insofar as they relate to specific exploration activities. Pre-licence costs and general exploration costs not directly attributable to any particular licence or prospect are expensed as incurred.

E&E assets relating to each exploration licence/prospect are not amortised but are carried forward until the existence or otherwise of commercial reserves has been determined. If commercial reserves have been discovered, the related E&E assets are assessed for impairment on a cash generating unit basis as set out below and any impairment loss is recognised in the Income Statement. The carrying value of the E&E assets, after any impairment loss, is then reclassified as development and production assets in property, plant and equipment. Costs of unsuccessful exploration efforts are expensed at the time that a determination is made that the exploration has failed to locate commercially recoverable hydrocarbons.

## Impairment

As the Group does not hold any intangibles with an indefinite useful life, non-current assets are assessed for impairment on a cash generating unit basis when facts and circumstances suggest that the carrying amount may exceed its recoverable amount. Such triggering events in respect of E&E assets include: the point at which final determination is made as to whether commercial reserves exist; actual or imminent expiry of exploration licence/contract without expectation of renewal; and/or no further plans to explore the licence/contract area.

Where there has been an indication of a possible impairment, Management assesses the recoverability of the carrying value of the cash generating unit by comparison with the estimated discounted future net cash flows based on Management's expectation of the future production, hydrocarbon prices and costs. Any identified impairment is charged to the Income Statement.

Where conditions giving rise to impairment subsequently reverse, the effect of the impairment charge is also reversed as a credit to the Income Statement, net of any amortisation that would have been charged since the impairment.

The accumulated costs of E&E assets in Syria represent the Group's share of the drilling costs of the Al Khairat, Twaiba and Wardieh wells and certain 3D seismic surveys. The Al Khairat well was successfully tested although commercial development approval is yet to be granted by the government of the Syrian Arab Republic since Force Majeure was declared prior to application for a Production Licence. An application has now been prepared and has been submitted to SPC post year-end. Contingent Resources have been allocated to this discovery. The Twaiba and Wardieh wells are still under evaluation. Following the declaration of Force Majeure, an impairment test was conducted and the carrying value of all E&E assets in Syria was impaired to nil as a result of the uncertainty arising at that time. The E&E assets remain impaired as at the date of this Report though this treatment will be reassessed and may change in 2026 following the developments in respect of Block 26 post year-end.

	Syria \$'000	Total \$'000
<b>Cost:</b>		
At 1 January 2024	10,505	10,505
Additions	—	—
At 31 December 2024	10,505	10,505
Additions	—	—
Disposals	—	—
<b>At 31 December 2025</b>	<b>10,505</b>	<b>10,505</b>
<b>Accumulated impairment:</b>		
At 1 January 2024	(10,505)	(10,505)
Exploration expenditure impaired	—	—
At 31 December 2024	(10,505)	(10,505)
Disposals	—	—
<b>At 31 December 2025</b>	<b>(10,505)</b>	<b>(10,505)</b>
Net book value at 31 December 2024	—	—
<b>Net book value at 31 December 2025</b>	<b>—</b>	<b>—</b>

The above intangible assets table is for information purposes only and illustrates the historical value of E&E costs less accumulated impairment prior to the declaration of Force Majeure in 2011. The Group did not exercise control of these assets as at 31 December 2025, with the E&E costs currently impaired to \$nil. This treatment will be reassessed and may change in 2026 following the developments in respect of Block 26 post year-end.

## 2.3 Work obligation commitments

As at 31 December 2025 the Group had no capital commitments. There were no material obligations or contracts outstanding in relation to ongoing projects not provided for or disclosed in these Consolidated Financial Statements.

# Financial Statements

## Notes to the Consolidated Financial Statements (cont.)

for the year ended 31 December 2025

### Section 3 – Working Capital

#### 3.1 Trade and other receivables

Trade receivables are carried at original invoice amounts less any provision made for impairment of receivables. A provision for impairment of trade receivables is made when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the debt.

	2025 \$'000	2024 \$'000
Other receivables	37	59
Prepayments	182	114
	<b>219</b>	173

At 31 December 2025 and 2024 the Group was owed \$25.3 million by the government of the Syrian Arab Republic relating to oil delivered during the period of August to November 2011. The total amount invoiced was \$31.2 million and to November 2011 an amount of \$5.9 million had been paid. This asset was fully provided against in 2011 due to the uncertainties of recovery but will be reassessed in 2026 following the developments in respect of Block 26 post year-end. The recovery of this amount is included within the impairment calculations modelled when reviewing the Syrian investment for any impairment, see note 4.2 for further details.

#### 3.2 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and deposits repayable on demand by banks and other short-term investments with original maturities of three months or less. Balances held in bank accounts subject to escrow agreements as collateral for performance bonds issued are excluded from cash and cash equivalents and are shown as long-term financial assets.

	2025 \$'000	2024 \$'000
Cash at bank and in hand	968	495
Restricted cash balances	500	500
Total cash and bank resources	<b>1,468</b>	995
Included in long-term financial assets (note 3.3)	<b>(500)</b>	(500)
Total cash and cash equivalents	<b>968</b>	495

### 3.3 Long-term financial assets

Long-term financial assets comprise balances held in bank accounts subject to escrow agreements as collateral for performance bonds issued.

#### Key accounting judgements, estimates and assumptions:

	2025 \$'000	2024 \$'000
Restricted cash balances	500	500
Total cash and cash equivalents	500	500

The amount of \$0.5 million (2024: \$0.5 million) relates to the Group's Syrian Block 26 interest. Upon return, half of this amount would be attributable to Gulfsands joint venture partner, Sinochem Group, and so a payable of \$0.25 million has been included for this in non-current liabilities (note 3.4).

### 3.4 Trade and other payables

Trade payables are not interest-bearing and are stated at their nominal values.

	2025 \$'000	2024 \$'000
<b>Current liabilities</b>		
Trade payables	83	36
Accruals and other payables	422	201
	505	237
<b>Non-current liabilities</b>		
Trade payables, accruals and other payables	3,996	3,973
	3,996	3,973

Non-current liabilities include predominantly legacy items relating to the Syria business prior to the declaration of Force Majeure in 2011. This includes certain amounts that were in dispute at the time and certain amounts relating to parties subject to asset freezing regulations under the UK Sanctions regime. It is unclear if and when these amounts may become payable, and hence are treated as non-current liabilities. No discounting has been applied. These amounts will be re-assessed as the Company resumes operations in Block 26.

### 3.5 Inventory

Inventories comprise materials and equipment, which are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing the materials and equipment to its present condition and location.

	2025 \$'000	2024 \$'000
Drilling and production inventory	514	514
Provisions	(514)	(514)
	—	—

Drilling and production inventory of \$0.51 million (2024: \$0.51 million) relates to Syrian operations. Given the uncertainties that remain around access to the inventory and ability to use it in the near term as a result of current Force Majeure status, the Group continues to fully provide against this value. This treatment will be reassessed and may change in 2026 following the developments in respect of Block 26 post year-end.

# Financial Statements

## Notes to the Consolidated Financial Statements (cont.)

for the year ended 31 December 2025

### 3.6 Loans and borrowings

#### Group and Company

##### Recognition and measurement

Equity and debt instruments are classified as either equity or as financial liabilities in accordance with the substance of the contractual arrangement.

##### 2025 Unsecured Bridge Loan

In early 2025, £2 million Unsecured Bridge Loan financing ("2025 Unsecured Bridge Loan") was agreed with Waterford and Blake, to provide funding for 2025. £2 million was drawn in January 2025 (£1 million) and July 2025 (£1 million).

In late 2025, the 2025 Unsecured Bridge Loan agreement was modified, with the facility size increasing from £2 million, to £5 million, along with other terms, with the facility maturity date amended from 30 June 2026 to 30 June 2027 (see below for further details). Following which, a further £0.5 million was drawn in December 2025.

##### Optional Conversion by the Lenders

The Lenders, have the option, but not the obligation, to request at any time that the Company satisfy the Outstanding Amount by immediately converting it into the number of fully-paid Ordinary Shares of the Company as calculated by dividing the Outstanding Amount by the Lenders' Conversion Price of £1.00 per Ordinary Share (price adjusted for the 1 for 20 Share Capital reorganisation) and by the Company applying the Outstanding Amount in paying up in full the relevant number of Ordinary Shares and allotting and issuing those Ordinary Shares, fully paid, to the Lender.

##### Borrowers Option on Repayment Date

On the Repayment date (30 June 2027), as an alternative to repaying the Outstanding Amount in cash, the Company will have the option, but not the obligation, to extinguish the Outstanding Amount by issuing such number of fully paid Ordinary Shares of the Company to the Lenders, as calculated, by dividing the Outstanding Amount by a price of £0.60 per Ordinary Share.

As at 31 December 2025, the Group had \$3,361,000 (£2,500,000) (2024: \$nil [£nil]) of debt outstanding. £2.5 million is available for 2026 funding requirements. Under applicable accounting standards (IFRS 9) this debt is represented in the balance sheet as \$2.5 million debt liability and \$0.6 million derivative liability (net of derivative asset), totalling \$3.1 million, to reflect the split between the discounted value of the debt as at the time of the extension in December 2025 (which will be unwound over the loan period), and the value of the equity conversion options provided to the Major Shareholders and the Company. Although there is no interest payable under the new terms of the 2025 Unsecured Bridge Loan, a non-cash effective interest rate of 12% is accrued on the discounted debt liability over the life of the facility, to reflect the Directors' view of the arm's length cost of funding of the business. The Unsecured Bridge Loan facility matures on 30 June 2027.

The movement on the loan balance in the year is represented as follows:

	2025 \$'000
Loan balance at 1 January	—
Loan draw-downs	3,265
Interest expense during the year	357
Foreign exchange loss	96
Net derivative asset/(liability) - see note 6.2	(586)
Adjustment to reflect modification of loan (Discount at 12%)	(631)
<b>Loan Balance at 31 December</b>	<b>2,501</b>

Subsequent to the year-end, £1 million was drawn in March 2026 and £0.5 million was drawn in mid-May 2026, with £1.0 million available in June/July 2026.

## Section 4 – Other Assets and Liabilities

### 4.1 Investments

The Company's investments in subsidiary undertakings are shown below. All investments are in ordinary shares and are directly or indirectly owned by the Company as stated below:

Name of company	Proportion of voting shares at 31 December 2025	Nature of business	Country of incorporation
<b>Directly held by the Company:</b>			
Gulfsands Petroleum Ltd. <sup>(a)</sup>	100%	Holding company	Cayman Islands
<b>Indirectly held by the Company:</b>			
Gulfsands Petroleum Holdings Ltd <sup>(a)</sup>	100%	Holding company	Cayman Islands
Gulfsands Energy UK Limited <sup>(b)</sup>	100%	Management services	United Kingdom
Gulfsands Middle East Limited <sup>(c)</sup>	100%	Management services	Abu Dhabi
Gulfsands Petroleum Levant Ltd <sup>(a)</sup>	100%	Oil and gas exploration	Cayman Islands
Gulfsands Petroleum Iraq Ltd <sup>(a)</sup>	100%	Oil and gas exploration	Cayman Islands
Gulfsands Petroleum (MENA) Ltd <sup>(a)</sup>	100%	Oil and gas exploration	Cayman Islands

(a) Company registered address: 2nd Floor, Strathvale House, 90 North Church Street, Georgetown, Grand Cayman KY1-1102, Cayman Islands

(b) Company registered address: c/o Arch Law, 8 Bishopsgate, London, EC2N 4BQ

(c) The Company's registered address is: 24th Floor, 2461 Al Sila Tower, ADGM Square, Al Maryah Island, Abu Dhabi, UAE.

### 4.2 Financial asset held at fair value through other comprehensive income

#### Key accounting judgements, estimates and assumptions

#### Fair value of the Group's investment in Dijla Petroleum Company ("Dijla")

The Group's investment in Dijla, the entity established in Syria, pursuant to the Block 26 PSC, to administer the Group's Syrian oil and gas development and production assets (and which for this purpose is considered to also include the related rights to production under the PSC), is recorded as a "Financial asset held at fair value through other comprehensive income" investment.

Due to the Force Majeure status of Block 26, over recent years and throughout 2025 the Group has not exercised control over Dijla and therefore it has not been in a position to treat Dijla as a subsidiary, nor to consolidate the results of Dijla into the financial statements. This treatment will be reassessed and may change in 2026 following the developments in respect of Block 26 post year-end.

Due to the unknown duration of Force Majeure as at year-end and uncertainty over the eventual outcome of events in the country, any valuation attributed to the investment is highly subjective and there are a wide range of possible fair value measurements. Notwithstanding recent developments in Syria, management reviewed their internal valuation methodology in 2025 (as it has in prior years) and continued to believe, as at year-end, that as a result of the further passage of time, the significant future uncertainty and the high degree of judgement required, it was not possible to reliably estimate the investment's fair value. As part of Managements internal valuation exercise, they have identified a range of valuations for the investment. Management have completed an assessment against the criteria outlined in IFRS 9 and have concluded that, as at 31 December 2025, for the aforementioned reasons the historical cost of \$102 million represents the most appropriate fair value, with it being the last valuation which could be reliably determined. The investment cost of \$102 million is within the wide range of potential outcomes calculated as part of the internal valuation method.

Financial assets held at fair value through other comprehensive income should be stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investment's revaluation reserve.

#### Competent Person Report on the Block 26 Assets

In 2023 the Company's technical team updated their analysis of Block 26 assets including estimates of the oil and gas resources and the proposed Field Development Plan, incorporating recent production data and previously un-analysed reprocessed seismic collated prior to the declaration of Force Majeure. Following the completion of this work, the Company commissioned independent consulting firm Oilfield Production Consultants ("OPC") to prepare a new Competent Person's Report ("CPR") and economic evaluation of this revised analysis. The CPR, effective 1 January 2025 reiterated that Block 26 could still contain over a billion barrels of recoverable resource.

# Financial Statements

## Notes to the Consolidated Financial Statements (cont.)

for the year ended 31 December 2025

Primary Statements

During 2025, the Company internally updated the economic model taking into account the production that has occurred during 2025, and other items. Details of the updated Resources estimates, and a further description of the Block 26 assets can be found in the Strategic Report on pages 18 – 21.

### Impairment review of the Group's investment in Dijla

For accounting purposes, as part of an internal review process, management assess the recoverability of the carrying value of the Financial asset held at fair value through other comprehensive income investment by comparison with the estimated discounted future net cash flows based on Management's expectation of the future production, hydrocarbon prices, estimated time to resumption of production and costs.

Basis of Preparation

The Group is party to a PSC for the exploitation of hydrocarbon production in Block 26 in Syria. Pursuant to the PSC the Group operates its Syrian oil and gas production assets through a joint venture administered by Dijla in which the Group has a 25% equity interest. The Group lost joint control of Dijla on 1 December 2011 following the publication of European Union Council Decision 2011/782/CFSP. For the purposes of UK Sanctions, Dijla was a Designated Entity and was considered to be controlled by General Petroleum Corporation ("GPC"). Since the Group has neither joint control nor significant influence over the financial and operating policy decisions of the entity, it carries its investment in Dijla and the associated rights under the Block 26 PSC as Financial asset held at fair value through other comprehensive income. The carrying value of the Financial asset held at fair value through other comprehensive income investment at 31 December 2025 is \$102 million (2024: \$102 million). In March 2025 both Dijla and GPC were removed from the Designated List by the UK Government's Office of Financial Sanction Implementation, although this did not impact the valuation analysis as at 31 December 2025.

Oil and Gas Assets

In order to carry out an internal impairment review, Management use an economic model of the estimated future cash flows that could be generated in respect of the Group's entitlement volumes in Block 26, based upon the Resources validated by the recent CPR. The Management team have reviewed this in detail and believe due to the high degree of subjectivity inherent in the valuation it is imperative that the valuation model and its key drivers and assumptions are as transparent as possible. Management assessed the key drivers to be:

- the oil price; and
- the delay to resumption of production.

Working Capital

### 1. Oil price

For the year ended 31 December 2025 Management have used Sproule-ERCE (Independent Energy Experts) Q1 2026 "base oil price deck" for the period from 2026 (\$62/bbl) to 2034 (\$84/bbl), and then a 2% per annum escalation factor applied thereafter as the forecast for the 'base case' comparative valuation for the impairment review. Given the other sources of oil price data reviewed, Management considers this to be an appropriate approach. However, sensitivities are provided below showing the impact that a 25% and 50% rise and fall in oil price would have on the impairment calculation.

Other Assets/Liabilities

### 2. Delay to resumption of production

At year-end, Gulfsands could not give a definite timeline for the resumption of the full field development of the discovered fields within Block 26 that was suspended under the declaration of Force Majeure in 2011. During 2025, the UK completed the lifting of all relevant financial and trade sanctions regarding Gulfsands' business. An assessment did however need to be made as at 31st December 2025 as to the likely time of a return, and, acknowledging the inherent uncertainty in any assumption, at that time the Board concluded, that its "base case" assumption for impairment calculation purposes to be a resumption of operations in one year (as at 31st December 2024 the assumption was two years).

Results for the Year

### Other model assumptions

The model uses the production profiles based upon 2C contingent resources at Khurbet East (Massive, Butmah and Kurrachine Dolomite), Yousefieh (Massive) and Al Khairat (Massive). As part of OPC's CPR and FDP work (rolled forward/effective 1 January 2025), production profiles were reanalysed and confirmed and incorporated into the model accordingly. Receivables are included in relation to oil produced and invoiced but not yet received, and oil produced and not yet invoiced, on the expectation that these amounts will be recovered once Force Majeure is lifted.

Capital Structure

The economic model calculates:

- a Gross Contractor undiscounted NPV(0) of \$4.11 billion;
- Gulfsands 50% interest, undiscounted NPV(0) of \$2.06 billion; and
- Gulfsands 50% interest discounted NPV(10) of \$806.0 million; and
- Gulfsands 50% interest discounted NPV(15) of \$566.5 million.

The Group has used the NPV(15) of \$566.5 million (2024: \$540.0 million) to conclude that no impairment is necessary but the following table sets out the NPV(15) calculated when adjusting the two key drivers: oil price and time delay to resumption of production. All figures are presented in \$ million:

	Delay to first production
<b>Oil price</b>	one-year delay
50% decrease	219.0
25% decrease	393.5
<b>Sproule-ERCE's Q1 2026 base oil price deck</b>	<b>566.5</b>
25% increase	739.0
50% increase	911.0

The following table sets out the impact that changes in the key variables would have on the comparative valuation of the asset, \$566.5 million, for the impairment review.

	Change in comparative valuation of investment from \$566.5 million (\$ million)
<b>Oil price</b>	
50% decrease	(347.5)
25% decrease	(173.0)
25% increase	172.5
50% increase	344.5
<b>Change in discount rate to</b>	
20%	(148.0)
10%	240.0
<b>Change in forecast capex</b>	
25% increase	(31.5)
25% decrease	31.5
<b>Change in forecast opex</b>	
25% increase	(8.0)
25% decrease	8.5

The Directors have reviewed the carrying value of this Financial asset held at fair value through other comprehensive income at 31 December 2025 and are of the opinion that no impairment is required to the carrying value. Although the carrying value is subject to significant uncertainty, Management believes it remains appropriate in the circumstances, although not necessarily reflective of the value of the Group's investments in its Syrian operations over the long term once re-entry into Syria is completed. Management reiterate that there is a high degree of subjectivity inherent in the valuation calculated for impairment purposes, due to the unknown duration of the sanctions and the eventual outcome of events in Syria. Accordingly, it may change materially in future periods depending on a wide range of factors and an impairment may then be required.

In a separate exercise to the valuation analysis above, as part of the recent CPR, OPC undertook an economic evaluation of the Company's entire Block 26 assets including both Contingent and Prospective Resources, as of 1 January 2025 (during 2025, the Company internally updated the economic model taking into account the production that has occurred during 2025, and other items). This evaluation did not take into account any of the above-ground risks associated with the assets, but they did consider a range of possible valuation scenarios and indicated a central range of risked Expected Monetary Value ("EMV") of the Block 26 assets, including both Contingent and Prospective Resources, of \$1.25 billion - \$1.75 billion (net share to Gulfsands).

# Financial Statements

## Notes to the Consolidated Financial Statements (cont.)

for the year ended 31 December 2025

### Section 5 – Results for the Year

#### 5.1 Segmental analysis of continuing operations

For management purposes, during 2025 (and 2024) the Group operated in two geographical areas: Suspended operations in Syria (as discussed in note 4.2) and Abu Dhabi. Syria segment is involved with the production of, and exploration for Oil and Gas. Abu Dhabi segment relates to Management services relating to the Group's MENA business. The "Other" segment represents corporate and head office costs.

The Group's results and certain asset and liability information for the year are analysed by reportable segment as follows:

#### Year ended 31 December 2025

	Syria \$'000	Abu Dhabi \$'000	Other \$'000	Total \$'000
Total administrative expenditure	(1,567)	(680)	(1,355)	(3,602)
Operating loss	(1,567)	(680)	(1,355)	(3,602)
Financing income				146
Net loss from continuing operations				(3,456)
Total assets	102,595	3	1,389	103,987
Total liabilities	(4,070)	—	(3,818)	(7,888)
E&E capital expenditure	—	—	—	—

#### Year ended 31 December 2024

	Syria \$'000	Abu Dhabi \$'000	Other \$'000	Total \$'000
Total administrative expenditure	(576)	(758)	(1,463)	(2,797)
Operating loss	(576)	(758)	(1,463)	(2,797)
Financing cost				(63)
Net loss from continuing operations				(2,860)
Total assets	102,592	7	569	103,168
Total liabilities	(4,062)	—	(148)	(4,210)
E&E capital expenditure	—	—	—	—

#### 5.2 Operating loss

The Group's operating loss for continuing operations is stated after charging:

	2025 \$'000	2024 \$'000
Share-based payment charges (note 5.3)	420	446
Staff costs excluding share-based payments (note 5.5)	1,226	1,082
Lease rentals:		
Buildings	165	153

#### Leases

Rentals payable under leases are charged to the Income Statement on a straight-line basis over the lease term.

### 5.3 Share-based payments

The Company has made equity-settled share-based payments to certain employees, advisers and/or Directors by way of issues of share options. The fair value of these payments is calculated at grant date by the Company using the Black-Scholes option pricing model excluding the effect of non-market-based vesting conditions. The expense is recognised on a straight-line basis over the period from the date of award to the date of vesting, based on the Company's best estimate of the number of options that will eventually vest. At each Balance Sheet date, the Company revises its estimates of the number of options expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to retained profit.

The only share-based plan currently in operation is the Gulfsands Restricted Share Plan which was introduced in 2010 and was due to expire in 2020 but has been extended to 2030. Under this plan, share awards may be granted to Directors and members of staff and may be based upon length of service and/or linked to achievement of performance criteria. Awards to advisers are issued under similar terms. All instruments outstanding and issued during the year under this plan are share options to purchase Ordinary Shares in the Company.

Share options are issued with an exercise price generally equivalent to an estimate of the underlying share price at the date of grant, or such other exercise price as the Remuneration Committee may determine. Share options will usually have a deferred vesting period and a maximum validity period of ten years. The share-based payment charge for the period is based upon the requirements of IFRS 2 'Share-based Payment'. For this purpose, the estimated fair value of the share options granted was calculated using a Black-Scholes option pricing model. No dividends were factored into the model and volatility was estimated based on a combination of historic and anticipated price performance. The estimated fair value of share options with a deferred vesting period is charged to the Income Statement over the vesting period of the options concerned. The estimated fair value of options exercisable immediately is expensed at the time of issuance of the award. The charge for the year was **\$420,000** (2024: \$446,000) and further details are provided in note 6.1.

The movement of share options during the year were (see note 6.1):

	Number of 2010 Restricted Share Plan options	Weighted average exercise price of options (pence)
At 31 December 2024 <sup>(*)</sup>	2,324,375	84.00
Options exercised during the year <sup>(*)</sup>	(454,375)	29.20
Share options granted at 100 pence <sup>(*)</sup>	75,000	100.00
Share options granted at 20 pence <sup>(*)</sup>	62,500	20.00
Share options lapsing unexercised	—	—
<b>At 31 December 2025</b>	<b>2,007,500</b>	<b>95.08</b>

<sup>(\*)</sup> All numbers presented reflect the impact of the Share Capital Reorganisation ("1 for 20 consolidation").

During 2018, the Board issued additional options to Mr Bell and Mr Morris to vest based upon strategic goals in relation to Syria. Mr Bell was issued 8 million (now 400,000) such options and Mr. Morris was issued 4 million (now 200,000) such options ("2018 Executive Options"). These 2018 Executive Options accumulated to the holders over a period of 3 years but will only vest upon the achievement of key strategic milestones in respect of Syria. Once vested, the 2018 Executive Options are exercisable for a period of 10 years (from July 2018) and have a strike price of 5 pence (now 100 pence). These options have been fully charged to the profit and loss account based upon their accumulation schedule. During 2020 Mr Bell and Mr. Morris agreed to surrender 1,200,000 (now 60,000) each of their 2018 Executive Options.

During 2025 all outstanding options with an exercise price of 20 pence per share, and all outstanding options with an exercise price of 85 pence per share (being 454,375 options) were exercised.

During 2025, 75,000 (as restated following the 1 for 20 Share Capital Reorganisation) stock options were issued to specific consultants to vest based upon strategic goals in relation to Syria/strategic business development opportunities. As at 31 December 2025, 37,500 of these options have vested. These options have a maturity of 10 years from issuance and a strike price of 100 pence per share (as adjusted following the 1 for 20 Share Capital Reorganisation).

Also, in late 2025, subsequent to the Share Capital Reorganisation, 62,500 stock options were issued to John Bell and Andrew Morris, which options were not subject to performance criteria and vested immediately. These options had a maturity of 10 years from issuance and a strike price of 20 pence per share.

# Financial Statements

## Notes to the Consolidated Financial Statements (cont.)

for the year ended 31 December 2025

Primary Statements

### Fair value of share options granted

The fair value of options granted under the share options scheme is estimated as at the date of grant using a variant of the Black Scholes model, taking into account the terms and conditions upon which the options are granted, which includes the performance conditions. The following table lists the inputs to the model used for the options granted in the year ended 31 December 2025 and the year ended 31 December 2024.

Year Issued:	2025	2024 (*restated)
Dividend yield	n/a	n/a
Expected share price volatility	50.0%	50.0%
Risk free interest rate	5.0%	5.0%
Share price	100 pence	100 pence (*)
Exercise price	20 pence / 100 pence	20 pence / 100 pence (*)
Expected / maximum life of option (years)	10	10

(\*) as adjusted/restated following the 1 for 20 Share Capital Reorganisation.

Basis of Preparation

Oil and Gas Assets

### 5.4 Auditor's remuneration

Details of the auditor's remuneration is set out in the table below:

	2025 \$'000	2024 \$'000
<b>Fees payable to the Company's principal auditor for the audit of:</b>		
Company's accounts	114	108
Company's subsidiaries	—	—
Total audit fees	114	108
Audit related assurance services	6	—
Other taxation advisory services	6	—
Total non-audit fees	12	—
<b>Fees payable to other auditors for the audit of:</b>		
Company's subsidiaries	5	5
Total audit fees	5	5
Taxation compliance services	8	8
Other taxation advisory services	—	—
Total non-audit fees	8	8

Working Capital

Other Assets/Liabilities

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## 5.5 Staff costs

The aggregate payroll costs of Employees and Executive Directors were as follows:

	2025 \$'000	2024 \$'000
Salaries	1,064	958
Pension costs	5	5
Social security costs	137	99
Share-based payment charges	227	285
Other benefits in kind	20	20
	<b>1,453</b>	<b>1,367</b>

The average number of employees and Executive Directors was 9 (2024: 9).

## 5.6 Directors' emoluments

Details of the remuneration of Directors are included in the Directors' Corporate Governance Report on page 33.

## 5.7 Taxation

### Current tax

Current tax, including UK Corporation Tax and overseas tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

Where current or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

	2025 \$'000	2024 \$'000
Current Corporation Tax:		
UK Corporation Tax	—	—
Overseas Corporation Tax	—	—
Total credit	—	—

The Group's effective tax rate differs from the theoretical amount that would arise using the UK domestic corporation tax rate applicable to profits of the consolidated companies as follows:

	2025 \$'000	2024 \$'000
<b>Total loss before tax from continuing operations</b>	<b>(3,456)</b>	<b>(2,860)</b>
Tax calculated at domestic rate of 25% (2024: 25%)	(864)	(715)
Effects of:		
Expenses not deductible for tax purposes	111	—
PSC expenses not subject to corporation tax <sup>(1)</sup>	336	174
Tax losses utilised	—	—
Tax losses for which no deferred tax asset was recognised	413	601
Impact of local tax rates	4	(60)
	—	—

(1) The Group's tax liabilities in Syria are settled on its behalf by the national oil companies out of the latter's share of royalties and profit oil and, as such, are not reflected in the Group's tax charge for the year.

# Financial Statements

## Notes to the Consolidated Financial Statements (cont.)

for the year ended 31 December 2025

### Deferred tax

Deferred tax assets and liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted, or substantively enacted, tax rates and laws that will be in effect when the differences are expected to reverse. The recoverability of deferred tax assets is evaluated annually, and an impairment provision is made if it is more likely than not that the deferred tax asset will not give rise to future benefits in the Group's tax returns. Deferred tax assets are not provided where the Group does not consider it probable that sufficient future taxable profits will be made to offset the deductions represented by those deferred tax assets. In performing this calculation, the Group considers deferred tax balances relating to each tax authority separately. No deferred tax assets have been provided in respect of losses carried forward and other temporary timing differences as the Board does not consider it probable that sufficient future taxable profits will be made to offset the deductions represented by those deferred tax assets.

The tax effect of amounts for which no deferred tax asset has been recognised is as follows:

	2025 \$'000	2024 \$'000
DD&A and impairment in excess of tax allowances	—	190
Tax losses carried forward	15,212	15,185
Unrecognised deferred tax asset	(15,212)	(15,375)
Deferred tax asset/(liability) at 31 December	—	—

Primary Statements

Basis of Preparation

Oil and Gas Assets

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Capital Structure

## Section 6 – Capital Structure and Other Disclosures

### Equity instruments

#### Group and Company

Equity instruments issued by the Company, being any instruments with a residual interest in the assets of the Company after deducting all its liabilities, are recorded at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

#### Share premium account

The share premium account represents the amounts received by the Company (net of any costs) on the issue of its shares which were in excess of the nominal value of the shares.

#### Retained earnings

Cumulative net gains and losses recognised in the Statement of Comprehensive Income less any amounts reflected directly in other reserves. The share option reserve has been included within the retained deficit and is a non-distributable reserve.

### 6.1 Share capital

#### Group and Company

	2025 \$'000	2024 \$'000
<b>Allotted, called up and fully paid:</b>		
45,135,083 Ordinary Shares of 2 pence (2024: 893,614,156 Ordinary Shares of 1 pence)	23,673	23,552

In December 2025 the Company undertook a Share Capital Reorganisation to help prepare the Company for its future corporate strategy. The impact of the Share Capital Reorganisation was an effective 1 for 20 share consolidation, while also providing liquidity to our smaller shareholders. The Share Capital Reorganisation was approved at a General Meeting on 18th December 2025 and completed prior to year end. A fractional share auction to sell the resulting fractional shares arising from the Share Capital Reorganisation completed through a special Asset Match auction in February 2026, with resulting funds distributed to relevant shareholders.

On 17 September 2015, each of the Company's existing ordinary shares were subdivided into one ordinary share of 1 pence and one deferred share of 4.7142865 pence ("Original Deferred Shares"). This resulted in the issuance of 121,989,500 deferred Shares ("Old Deferred Shares"). On 22 December 2025, as a result of the December 2025 Share Capital Reorganisation, an additional 45,135,083 Deferred Shares of 18 pence each were created ("New Deferred Shares"). Consequently, in addition to the Ordinary Share referenced in the above table, there are in issue 167,124,583 deferred shares. The rights of both the Ordinary and the Deferred Shares are as set out in the Articles of Association as amended 14 September 2015. Deferred Shares in issue do not have voting rights and are not entitled to dividends.

The Share Capital Reorganisation did not result in any change to the total nominal share capital of the Company.

The movements in share capital and share options were:

	Number of ordinary shares	Number of deferred shares	Number of 2010 Restricted Share Plan options	Weighted average exercise price of options (pence)
At 31 December 2024	893,614,156	121,989,500	46,487,500	4.20
Equity issued during the year	9,087,500	—	(9,087,500)	1.46
Share options granted at 5 pence (pre reorg)	—	—	1,500,000	5.00
Total prior to Reorganisation	902,701,656	121,989,500	38,900,000	n/a
<b>Restated due to 1-20 Reorganisation</b>	<b>45,135,083</b>	<b>121,989,500</b>	<b>1,945,000</b>	<b>—</b>
Share options granted at 20 pence (post reorg)	—	—	(62,500)	20.00
New Deferred Shares from Reorganisation	—	45,135,083	—	—
<b>At 31 December 2025</b>	<b>45,135,083</b>	<b>167,124,583</b>	<b>2,007,500</b>	<b>95.08</b>

9,087,500 new ordinary shares issued during the year: (i) 7,787,500, at a price of 1 pence per share; and (ii) 1,300,000 at a price of 4.25 pence per share (all prices and quantities stated prior to the Share Capital Reorganisation).

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## Notes to the Consolidated Financial Statements (cont.)

for the year ended 31 December 2025

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The detail of the share options outstanding at 31 December 2025 are as follows:

Maturity date	Year share options vest	Exercise price of options (£ pence)	Number of share options
11 November 2029	Vested	67.5	150,000
28 June 2028	See Note 5.3	100	480,000
30 June 2030	Vested	100	190,000
7 December 2031	Vested	100	100,000
1 October 2032	Vested	100	50,000
12 February 2034	2024-2026	100	455,000
24 April 2034	Vested	100	100,000
31 August 2034	2024-2026	100	295,000
1 October 2034	Vested	100	50,000
15 May 2025	See note 5.3	100	75,000
31 December 2025	Vested	20	62,500
		<b>95.08</b>	<b>2,007,500</b>

Of the share options outstanding, 62,500 options have an exercise price of 20 pence per share, 150,000 options have an exercise price of 67.5 pence per share and 1,795,000 have an exercise price of 100 pence. The weighted average exercise price of stock options is 95.08 pence.

The highest share price during the year was £2.00 and the lowest price was £2.00 (2024: £1.20 and £0.66 [restated]).

### 6.2 Derivative Financial Instruments

#### Group and Company

During the year, the Group entered into convertible loan arrangements (the "2025 Unsecured Bridge Loan") containing conversion and settlement features linked to the Company's own equity instruments.

Management assessed the contractual terms of these arrangements under IAS 32 Financial Instruments: Presentation and IFRS 9 Financial Instruments. Certain features were determined to meet the definition of derivatives and did not meet the fixed-for-fixed criterion in IAS 32. These features have therefore been separated from the host loan instruments and accounted for as derivative financial instruments measured at fair value through profit or loss.

As at 31 December 2025, the Group recognised derivative financial instruments in respect of these arrangements:

	2025 \$'000
Derivative financial assets	300
Derivative financial liabilities	(886)
<b>Total</b>	<b>(586)</b>

The host loan liabilities are accounted for separately at amortised cost using the effective interest method (note 3.6).

Fair value gains and losses arising on the derivative financial instruments are recognised in profit or loss within finance income, which in 2025 amounted to US\$631k income.

The fair values of the derivative financial instruments were determined using valuation techniques incorporating observable and unobservable inputs, including assumptions relating to share price volatility, discount rates, expected settlement outcomes and the timing of conversion or repayment events. As significant unobservable inputs are used, the instruments are classified within Level 3 of the IFRS 13 fair value hierarchy.

### 6.3 Financial instruments, derivatives and capital management

#### Risk assessment

The Group's oil and gas activities are subject to a range of financial risks, as described below, which can significantly impact its performance.

#### Liquidity risk

At the end of the year the Group had cash and cash equivalents of \$0.97 million, and further bank balances of \$0.5 million held in escrow to guarantee minimum work obligations. Cash forecasts identifying the liquidity requirements of the Group are produced frequently. These are reviewed regularly by management and the Board.

The following table details the Group's remaining contractual maturity for its non-derivative financial assets and liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of the financial assets and liabilities based upon the earliest date on which the Group can be required to pay or receipt. The table includes both interest and gross undiscounted cash flows.

	Less than three months \$'000	Three months to one year \$'000	One to three years \$'000	More than three years \$'000	Total \$'000
<b>31 December 2025</b>					
Current trade and other payables	(505)	—	—	—	(505)
Non-current trade and other payables	—	—	—	(3,996)	(3,996)
Loans and borrowings	—	—	(3,387)	—	(3,387)
	(505)	—	(3,387)	(3,996)	(7,888)
<b>31 December 2024</b>					
Current trade and other payables	(237)	—	—	—	(237)
Non-current trade and other payables	—	—	—	(3,973)	(3,973)
Loans and borrowings	—	—	—	—	—
	(237)	—	—	(3,973)	(4,210)

During 2025, the loan facility had a weighted average effective interest rate of 0% (2024: not applicable). Although there is no interest payable under the new terms of the Bridge Loan, the non-cash effective interest rate of 12% is accrued on the discounted debt liability over the life of the facility, to reflect the Directors' view of the arm's length cost of funding of the business. No other balances in the table above are interest bearing.

### Currency risk

The Group has currency exposure arising from transactions denominated in currencies other than the functional currency of the Company and all its subsidiaries, US Dollars. These transactions relate to certain costs of its operations which are denominated in local currencies or in Euro, and its head office costs, which are denominated in Pounds Sterling.

In Syria where operations are covered by PSCs, costs incurred in currencies other than US Dollars are recoverable under the terms of the PSC at the rate of exchange between US Dollars and that currency at the date of payment of the expense.

The Group maintains part of its cash balances in Pounds Sterling to defray head office costs but limits exposure to other currencies as far as practicable. The following table demonstrates the sensitivity to changes in the US Dollar exchange rate, with all other variables held constant, on the Group's net assets:

	Change in US Dollar rate	Effect on net assets \$'000
<b>2025</b>	(+ or -) 5%	+/- 48
2024	(+ or -) 5%	+/- 22

The following table demonstrates the sensitivity to changes in the US Dollar exchange rate, with all other variables held constant, on the Group's loss before tax:

	Change in US Dollar rate	Effect on loss before tax \$'000
<b>2025</b>	(+ or -) 5%	+/- 173
2024	(+ or -) 5%	+/- 143

### Credit risk

Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in a financial loss to the Group. The Group's operations are typically structured via contractual joint venture arrangements. As such, the Group is reliant on joint venture partners to fund their capital or other funding obligations in relation to assets and operations which are not yet cash generative. The Group closely monitors the risks and maintains a close dialogue with those counterparties considered to be highest risk in this regard.

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## Notes to the Consolidated Financial Statements (cont.)

for the year ended 31 December 2025

In addition, the Company is reliant for funding upon the availability of £5 million under the 2025 Unsecured Bridge Loan. The Board remains in regular dialogue with Major Shareholder(s) to ensure the Group retains their ongoing support.

To measure expected credit losses on a collective basis, trade receivables and contract assets are grouped based on similar credit risk and aging. The contract assets have similar risk characteristics to the trade receivables for similar types of contracts. The Directors do not consider that any further provision is necessary against any financial assets.

### Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and, to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital structure of the Group consists of cash and cash equivalents, restricted cash (as disclosed in note 3.3), and equity of the Group (comprising issued capital, reserves and retained earnings).

### Financial assets

The Group's financial assets consist of long-term financial assets, its Financial asset held at fair value through other comprehensive income investment in Dijla, cash at bank and receivables. The interest rate profile at 31 December for these assets at US Dollar equivalents was as follows:

	Financial assets on which interest is earned \$'000	Financial assets on which no interest is earned \$'000	Total \$'000
<b>2025</b>			
US Dollar	5	102,622	102,627
Pound Sterling	—	1,248	1,248
Euro	—	109	109
Other currencies	—	3	3
	<b>5</b>	<b>103,982</b>	<b>103,987</b>
<b>2024</b>			
US Dollar	5	102,545	102,550
Pound Sterling	—	420	420
Euro	—	110	110
Other currencies	—	88	88
	<b>5</b>	<b>103,163</b>	<b>103,168</b>

The Pound Sterling, Euro and Syrian Pound assets principally comprise cash in hand, cash in instant access accounts and short-term money market deposits. The US Dollar assets represent a Financial asset held at fair value through other comprehensive income financial asset, cash on call accounts, money market accounts, and short-term receivables.

The Group is not sensitive to fluctuations in the interest rate received on bank and money market deposits and accordingly no sensitivity analysis is published.

Included in financial assets on which no interest is earned at 31 December 2025 and 2024 was a gross amount of \$25.3 million of trade receivables that has been fully provided against. This amount is due from the government of the Syrian Arab Republic in respect of oil sales in Syria. Due to the ongoing sanctions against the country's oil industry the payment of this amount has been delayed and, taking into account the current exceptional circumstances in Syria and the consequential difficulty of predicting the timing of future payment, has been fully impaired. The recovery of this amount is included within the impairment calculations modelled when reviewing the Syrian investment for any impairment, see note 4.2 for further details.

The remaining trade receivables consist of amounts receivable from various counterparties where the Group considers the credit risk to be low. This risk is monitored by the Group.

### Financial liabilities

The Group's financial liabilities consist of both short-term and long-term payables. None of the short and long-term payables bear interest to external parties. The Group's short-term liabilities are considered to be payable on demand. At 31 December financial liabilities are classified as shown below:

	Financial liabilities on which interest is charged \$'000	Financial liabilities on which no interest is charged \$'000	Total \$'000
<b>2025</b>			
US Dollar	—	4,500	4,500
Pound Sterling	—	3,388	3,388
Other currencies	—	—	—
	—	7,888	7,888
<b>2024</b>			
US Dollar	—	4,062	4,062
Pound Sterling	—	148	148
Other currencies	—	—	—
	—	4,210	4,210

### Commodity price risk

The realisation of the carrying values of oil and gas assets within these Consolidated Financial Statements, and the value of the Group's Financial asset held at fair value through other comprehensive income financial assets, being the Syrian interests, are in part dependent upon future oil and gas prices achieved. Note 4.2 gives details of the impact of a change in the oil price on the valuation of Financial asset held at fair value through other comprehensive income financial assets. In 2025 and 2024 the Group did not enter into any derivative contracts.

### Fair values

The Group's investment in Dijla, the entity established in Syria, pursuant to the PSC, to administer the Group's Syrian oil and gas development and production assets (and for these purposes which is considered to also include the related rights to production under the PSC), is recorded as an Financial asset held at fair value through other comprehensive income investment. Due to the unknown duration of Force Majeure and uncertainty over the eventual outcome of events in the country, any valuation attributed to the investment is highly subjective and subject to material change and uncertainty. Management believed that, as of 31 December 2025, as a result of the further passage of time and the high degree of judgement required, it was not possible to reliably estimate the investment's fair value. Management therefore concluded that it should carry forward the last valuation which could be reliably determined, being the \$102 million previously disclosed. This value will be reviewed periodically as described further in note 4.2. At 31 December 2025 and 2024, the Directors considered the fair values and book values of the Group's financial assets and liabilities to be level 3 valuations.

### 6.4 Related party transactions and key management

Key management of the Group are considered to be the Directors of the Company. Directors' interests in shares and their remuneration and share options are disclosed on page 29 and on page 33. The remuneration of Directors for each of the categories specified in IAS 24 'Related Party Disclosures' is:

	2025 \$'000	2024 \$'000
Short-term employee benefits	862	737
Short-based payments	261	334
	1,123	1,071

The 2025 Unsecured Bridge Loan (£2.5 million funding for 2025, £2.5 million funding for 2026) with Waterford and Blake, is a related party transaction (see note 3.6 for details).

All of the above related party transactions were made on terms equivalent to those that prevail in arm's length transactions. Balances and transactions between the Company and its subsidiaries, which are related, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and its subsidiaries are disclosed in note 5.6 of the Company Financial Statements. There were no other related party transactions of the Group during the years ended 31 December 2025 or 2024.

# Financial Statements

## Notes to the Consolidated Financial Statements (cont.)

for the year ended 31 December 2025

### 6.5 Obligations under leases

At the end of the year the Group had commitments for future minimum lease payments under non-cancellable leases as below:

	2025		2024	
	Land and buildings \$'000	Other \$'000	Land and buildings \$'000	Other \$'000
Amounts payable on leases:				
Within one year	2	—	2	—
In two to five years	—	—	—	—
	2	—	2	—

There are no future minimum sublease payments expected to be received under non cancellable subleases at the end of the reporting period (2024: \$nil).

### 6.6 Post balance sheet events

#### Syria re-entry

On 10th March 2026, together with our partners at SPC, Gulfsands' management stepped foot into our facilities in Block 26 for the first time in almost 15 years. On 23rd April 2026, the newly constituted Board of Dijla held its first meeting in Damascus, with the entire Gulfsands senior management team present. During 2026, the accounting treatment of Dijla will be considered in accordance with IFRS11 Joint Arrangements.

#### 2025 Unsecured Bridge Loan

In mid-May 2026 the tranche of funding of £0.5 million (originally scheduled for November 2026) was accelerated to cover short term re-entry costs.

Primary Statements

Basis of Preparation

Oil and Gas Assets

Working Capital

Other Assets/Liabilities

Results for the Year

Capital Structure



كنوز الطبيعة

# Financial Statements

## Parent Company Financial Statements

and Notes to the Company Financial Statements

Primary Statements	<p><b>Parent Company Primary Statements</b> This section contains the Company's primary Financial Statements.</p>	<p>p65 Company Balance Sheet p66 Company Statement of Changes in Equity p67 Company Cash Flow Statement p68 Notes to the Parent Company Financial Statements</p>
Basis of Preparation	<p><b>Section 1 Basis of Preparation</b> This section contains the Group's significant accounting policies that relate to the Financial Statements as a whole. Significant accounting policies specific to one note have been included in that note. Accounting policies determined non-significant are not included in these Financial Statements. There have been no changes to the Group's accounting policies that are no longer disclosed in the Financial Statements.</p>	<p>1.1 Authorisation of Financial Statements and statement of compliance with IFRSs 1.2 Adoption of International Financial Reporting Standards 1.3 Material accounting policies 1.4 Critical accounting judgements and key sources of estimation uncertainty</p>
Investments in Subsidiaries	<p><b>Section 2 Investments in Subsidiaries</b> This section focuses on the Company's investments in subsidiaries.</p>	<p>2.1 Investments</p>
Working Capital	<p><b>Section 3 Working Capital</b> This section focuses on the working capital position of the company supporting its business.</p>	<p>3.1 Trade and other receivables 3.2 Cash and cash equivalents 3.3 Trade and other payables 3.4 Loans and borrowings</p>
Results for the Year	<p><b>Section 4 Results for the Year</b> This section focuses on the results and performance of the Company.</p>	<p>4.1 Revenue recognition 4.2 Leases 4.3 Share-based payments 4.4 Taxation</p>
Capital Structure	<p><b>Section 5 Capital Structure and Other Disclosures</b> The disclosures in this section focus on the issued share capital, the share schemes in operation and other mandatory disclosures.</p>	<p>5.1 Share capital 5.2 Derivative financial instruments 5.3 Financial instruments, derivatives and capital management 5.4 Foreign currency 5.5 Employees 5.6 Related party transactions 5.7 Post balance sheet events</p>

# Company Balance Sheet

as at 31 December 2025

	Notes	2025 \$'000	2024 \$'000
<b>Assets</b>			
<b>Non-current assets</b>			
Investments in subsidiaries	2.1	7,307	7,307
Amounts due from subsidiaries	3.1	59,793	57,490
Derivative financial assets	6.2	300	—
		<b>67,400</b>	<b>64,797</b>
<b>Current assets</b>			
Trade and other receivables	3.1	173	130
Cash and cash equivalents	3.2	897	421
		<b>1,070</b>	<b>551</b>
<b>Total assets</b>		<b>68,470</b>	<b>65,348</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	3.3	431	148
		<b>431</b>	<b>148</b>
<b>Non-current liabilities</b>			
Loans and borrowings	3.4	2,501	—
Derivative financial liabilities	6.2	886	—
		<b>3,387</b>	<b>—</b>
<b>Total liabilities</b>		<b>3,818</b>	<b>148</b>
<b>Net assets</b>		<b>64,652</b>	<b>65,200</b>
<b>Equity</b>			
<b>Capital and reserves attributable to equity holders</b>			
Share capital	5.1	23,673	23,552
Share premium		129,211	129,155
Capital contribution reserve	5.2	524	—
Retained loss		(88,232)	(87,507)
<b>Total equity</b>		<b>64,652</b>	<b>65,200</b>

The Company has elected to take the exemption under section 408 of the Companies Act 2006, to not present the parent company income statement. The net loss for the parent Company was \$1.1 million (2024: \$1.4 million).

The Financial Statements of Gulfsands Petroleum plc (registered number: 05302880) were approved by the Board of Directors on 26 May 2026 and signed on its behalf by:

**Andrew James Morris**

Finance Director  
26 May 2026

# Financial Statements

## Company Statement of Changes in Equity

for the year ended 31 December 2025

Primary Statements

Basis of Preparation

Investments in Subsidiaries

Working Capital

Results for the Year

Capital Structure

	Share capital \$'000	Share premium \$'000	Retained (loss)/profit \$'000	Total equity \$'000
At 1 January 2024	21,934	122,684	(86,515)	58,103
Loss for 2024	—	—	(1,438)	(1,438)
<b>Transactions with owners</b>				
Shares issued	1,618	6,471	—	8,089
Share-based payment charge	—	—	446	446
At 31 December 2024	23,552	129,155	(87,507)	65,200
Loss for 2025	—	—	(1,145)	(1,145)
<b>Transactions with owners</b>				
Shares issued	121	56	—	177
Share-based payment charge	—	—	420	420
<b>At 31 December 2025</b>	<b>23,673</b>	<b>129,211</b>	<b>(88,232)</b>	<b>64,652</b>

# Company Cash Flow Statement

for the year ended 31 December 2025

	Notes	2025 \$'000	2024 \$'000
<b>Cash flows from operating activities</b>			
Operating loss		(1,369)	(1,445)
Share-based payment charge		420	446
Interest received		7	—
(Increase)/decrease in receivables	3.1	(43)	14
Increase/(decrease) in payables	3.3	283	(157)
<b>Net cash used in operations</b>		<b>(702)</b>	<b>(1,142)</b>
Foreign exchange gains		89	67
Funds transferred to subsidiaries		(2,302)	(1,458)
<b>Net cash used in operating activities</b>		<b>(2,915)</b>	<b>(2,533)</b>
<b>Financing activities</b>			
Equity finance		177	2,460
Loan draw-down		3,265	—
Other finance expenses		(51)	(62)
<b>Net cash received from financing activities</b>		<b>3,391</b>	<b>2,398</b>
<b>Increase/(decrease) in cash and cash equivalents</b>			
Cash and cash equivalents at beginning of year		421	556
Cash and cash equivalents at end of year	3.2	897	421

Primary Statements

Basis of Preparation

Investments in Subsidiaries

Working Capital

Results for the Year

Capital Structure

# Financial Statements

## Notes to the Parent Company Financial Statements

### Section 1 – Basis of Preparation

#### 1.1 Authorisation of Financial Statements and statement of compliance with IFRSs

Gulfsands Petroleum plc is a public limited company and incorporated in the United Kingdom. The principal activity of the Company is that of provision of services to its subsidiaries which are engaged in oil and gas production, exploration and development activities.

The Company Financial Statements for the year ended 31 December 2025 were authorised for issue by the Board of Directors on 26 May 2026 and the Balance Sheet was signed on the Board's behalf by Andrew James Morris, Finance Director.

The Company Financial Statements have been prepared in accordance with United Kingdom adopted International Financial Reporting Standards (UK adopted IFRS) and those parts of the Companies Act 2006 that are applicable to companies which apply UK adopted IFRS. The principal accounting policies adopted are set out in note 1.3.

#### 1.2 Adoption of International Financial Reporting Standards

The Company's Financial Statements for the year ended 31 December 2025 and for the comparative year ended 31 December 2024 have been prepared in accordance with UK adopted International Financial Reporting Standards ("UK adopted IFRS") in accordance with the provisions of the Companies Act 2006.

See note 1.3b to the Consolidated Financial Statements for details of new IFRS and interpretations.

#### 1.3 Material accounting policies

##### a) Basis of preparation and accounting standards

The Company's material accounting policies used in the preparation of the Company Financial Statements are set out in the notes below.

The Company Financial Statements have been prepared in accordance with United Kingdom adopted International Financial Reporting Standards (UK adopted IFRS) and those parts of the Companies Act 2006 that are applicable to companies which apply UK adopted IFRS, and, except for share-based payments, under the historical cost convention. They have also been prepared on the going concern basis of accounting, for the reasons set out in note 1.3a to the Consolidated Financial Statements.

##### b) Reporting currency

These company Financial Statements are presented in US Dollars. The Company's operations are undertaken in Pounds Sterling, Euros and US Dollars. The majority of costs associated with foreign operations are paid in US Dollars and all loan balances with subsidiary undertakings are denominated in US Dollars. Therefore, the presentational and functional currency of the Company is the US Dollar. Gains and losses from foreign currency transactions, if any, are recognised in the Income Statement for the year. The effective exchange rate to the Pound Sterling for the year ended 31 December 2025 was £1: \$1.32 (2024: £1: \$1.27). The exchange rate to the Pound Sterling on 31 December 2025 was £1: \$1.34 (2024: £1: \$1.25).

#### 1.4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described below, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The Company's operations are undertaken in Pounds Sterling, Euros and US Dollars. The majority of costs associated with foreign operations are paid in US Dollars and all loan balances with subsidiary undertakings are denominated in US Dollars. The most appropriate presentational and functional currency is considered to be the US Dollar. Such judgement is reviewed periodically.

IFRS 9, requires the Company to make assumptions when implementing the forward-looking expected credit loss model. This model is required to be used to assess intercompany loan receivables from the Companies subsidiaries for impairment. Arriving at the expected credit loss allowance involved considering different scenarios for the recovery of the intercompany loan receivables, the possible credit losses that could arise and the probabilities for these scenarios. Recovery of the intercompany balances is predominantly dependent upon the subsidiaries' ability to generate funds from the Block 26 assets, either through revenue generation or potential sale of equity. The Directors believe that there is sufficient asset coverage to cover all intercompany receivables, having taken into account such factors as: the value of the potential reserves, the Field Development Plan, the planned Exploration Programme, country and project risks, the expected future oil prices, the ability to monetise the project, and the ability to find a new farm-out partner.

## Section 2 – Investments in Subsidiaries

### 2.1 Investments

The Company's investments in subsidiary companies are included in the Company Balance Sheet at cost, less provision for any impairment.

The Company's fixed asset investment of \$7.3 million represents the historic cost of acquisition of the entire share capital of Gulfsands Petroleum Ltd by means of a share-for-share exchange in 2005, less any required provision for impairment.

The Company's investments in subsidiary undertakings are shown in note 4.1 to the Consolidated Financial Statements.

	2025 \$'000	2024 \$'000
Investment brought forward	7,307	7,307
Provision for impairment	—	—
Investment carried forward	7,307	7,307

## Section 3 – Working Capital

### 3.1 Trade and other receivables

Trade receivables are carried at original invoice amounts less any provision made for impairment of receivables. A provision for impairment of trade receivables is made when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the debt.

	2025 \$'000	2024 \$'000
<b>Current</b>		
Other receivables	37	21
Prepayments	136	109
	173	130
<b>Non-current</b>		
Amounts due from subsidiaries	59,793	57,490

Further details on the amounts due from subsidiaries are included in note 5.6.

### 3.2 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and deposits repayable on demand by banks and other short-term investments with original maturities of three months or less. Balances held in bank accounts subject to escrow agreements as collateral for performance bonds issued are excluded from cash and cash equivalents and are shown as long-term financial assets.

	2025 \$'000	2024 \$'000
Cash at bank and in hand	897	421
Total cash and cash equivalents	897	421

### 3.3 Trade and other payables

Trade payables are not interest bearing and are stated at their nominal values.

	2025 \$'000	2024 \$'000
<b>Current</b>		
Trade payables	83	31
Accruals and other payables	348	117
	431	148

### 3.4 Loans and borrowings

See note 3.6 to the Consolidated Financial Statements.

# Financial Statements

## Notes to the Parent Company Financial Statements (cont.)

### Section 4 – Results for the Year

#### 4.1 Revenue recognition

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective rate applicable.

#### Income Statement and total revenue

No individual Income Statement is presented in respect of the Company as permitted by section 408 of the Companies Act 2006. The Company's loss for the year was \$1.1 million (2024: \$1.4 million). There was no revenue during 2025, as defined by IFRS 15 Revenue Recognition (2024: \$nil). The Company operates in one segment, that of the provision of services to Group undertakings, and in one geographical area, the United Kingdom.

#### 4.2 Leases

Rentals payable under leases are charged to the Income Statement on a straight-line basis over the lease term.

#### Obligations under leases

At the end of the year the Company had commitments for future minimum lease payments under non-cancellable leases in respect of land and buildings of \$2k (2024: \$2k) within one year and \$nil (2024: \$nil) between two and five years.

#### 4.3 Share-based payments

See note 5.3 to the Consolidated Financial Statements.

#### 4.4 Taxation

##### Current tax

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

##### Deferred tax

No deferred tax assets have been provided in respect of losses carried forward in the UK and other temporary timing differences as the Board does not consider it probable that sufficient future taxable profits will be made to offset the deductions represented by those deferred tax assets.

Deferred tax assets and liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted, or substantively enacted, tax rates and laws that will be in effect when the differences are expected to reverse. The recoverability of deferred tax assets is evaluated annually and an impairment provision is provided if it is more likely than not that the deferred tax asset will not give rise to future benefits in the Company's tax returns.

#### Deferred tax assets/(liabilities)

	2025 \$'000	2024 \$'000
Tax losses carried forward	15,212	15,185
Depreciation in advance of capital allowances	—	—
Unprovided deferred tax asset	(15,212)	(15,185)
Deferred tax asset/(liability) at 31 December	—	—

The tax losses of the Company have no expiry date.

## Section 5 – Capital Structure and Other Disclosures

### Equity instruments

Equity instruments issued by the Company, being any instruments with a residual interest in the assets of the Company after deducting all its liabilities, are recorded at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

### Share premium account

The share premium account represents the amounts received by the Company (net of any costs) on the issue of its shares which were in excess of the nominal value of the shares.

### Retained earnings

Cumulative net gains and losses recognised in the Statement of Comprehensive Income less any amounts reflected directly in other reserves. The share option reserve has been included within the retained deficit and is a non-distributable reserve.

#### 5.1 Share capital

See note 6.1 to the Consolidated Financial Statements.

#### 5.2 Derivative financial instruments

See note 6.2 to the Consolidated Financial Statements.

#### 5.3 Financial instruments, derivatives and capital management

The financial risks of the Company are principally in respect of balances held in bank accounts and on deposit, and balances owed to, or owed by, subsidiary undertakings. Balances owed to, or owed by, subsidiary undertakings are all denominated in US Dollars. Other risks are managed on a unified basis with the Group and a full disclosure of these risks is made in note 6.2 to the Consolidated Financial Statements. The exposure of the Company to interest rate and currency movements is not significant.

A summary of the financial assets of the Company is set out below:

	Financial assets on which interest is earned \$'000	Financial assets on which no interest is earned \$'000	Total \$'000
<b>2025</b>			
US Dollar	5	59,817	59,822
Pound Sterling	—	1,248	1,248
Euro	—	80	80
Other currencies	—	13	13
	<b>5</b>	<b>61,158</b>	<b>61,163</b>
<b>2024</b>			
US Dollar	5	57,506	57,511
Pound Sterling	—	420	420
Euro	—	98	98
Other currencies	—	12	12
	<b>5</b>	<b>58,036</b>	<b>58,041</b>

# Financial Statements

## Notes to the Parent Company Financial Statements (cont.)

A summary of the financial liabilities of the Company is set out below:

	Financial liabilities on which interest is charged \$'000	Financial liabilities on which no interest is charged \$'000	Total \$'000
<b>2025</b>			
US Dollar	—	—	—
Pound Sterling	—	3,818	3,818
Other currencies	—	—	—
	—	3,818	3,818
<b>2024</b>			
US Dollar	—	—	—
Pound Sterling	—	148	148
Other currencies	—	—	—
	—	148	148

### 5.4 Foreign currency

Foreign currency transactions are translated to the functional and reporting currency of US Dollars at the rates prevailing when the transactions occurred. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange at the Balance Sheet date. All differences are taken to the Income Statement.

### 5.5 Employees

The average monthly number of persons employed by the Company, including Executive Directors was 3 (2024: 3).

### 5.6 Related party transactions

#### (i) Transactions with Directors

Transactions with Directors are disclosed in note 6.4 to the Consolidated Financial Statements. Interests in shares and their remuneration and share options are disclosed on page 29 and on page 33.

#### (ii) Transactions with subsidiary Companies

The Company traded with various undertakings within the same Group during the years ended 31 December 2025 and 2024. IFRS 9 requires the Company to assess expected credit losses on intercompany loan receivables balances which are classified as held at amortised cost, under a forward-looking model approach. Intercompany loans are interest free and repayable on demand.

The Directors have assessed the cash flows associated with a number of different recovery scenarios. Recovery of the intercompany balances is predominantly dependent upon the subsidiaries' ability to generate funds from the Block 26 assets, either through revenue generation or potential sale of equity. The Directors believe that there is sufficient asset coverage to cover all intercompany receivables, having taken into account such factors as :the value of the potential reserves, the Field Development Plan, the planned Exploration Programme, country and project risks, the expected future oil prices, the ability to monetise the project, and the ability to find a new farm-out partner. The credit loss allowance was assessed during 2025 and there was no increase/decrease in the expected credit loss allowance (2024: \$nil).

A summary of the transactions and outstanding balances at the year-end is set out below.

#### Balances owed by / (owed to) related parties

Name of related party	Nature of relationship	Commercial terms	2025 \$'000	2024 \$'000
Gulfsands Petroleum Ltd	Subsidiary	Non-interest bearing	59,793	57,490
Total			59,793	57,490

#### Services recharged to related parties

Name of related party	2025		2024	
	Time writing \$'000	Indirect overhead \$'000	Time writing \$'000	Indirect overhead \$'000
Gulfsands Petroleum Levant Ltd	745	—	409	—
Gulfsands Middle East Limited	—	452	—	439

#### 5.7 Post balance sheet events

Post balance sheet events are disclosed in note 6.6 to the Consolidated Financial Statements.

# Glossary of Terms

**1C** Low estimate (P90) Contingent Resources

**2C** Best estimate (P50) Contingent Resources

**3C** High estimate (P10) Contingent Resources

**bbls** Barrels of oil

**bcf** Billion cubic feet of gas

**boe** Barrels of oil equivalent

**boepd** Barrels of oil per day

**Blake** Blake Holdings Limited/Ora Global Limited/Richard Griffiths

**CPR** Competent Persons Report

**CSOP** Company Share Option Plan

**DD&A** Depletion, depreciation and amortisation

**Dijla** Dijla Petroleum Company

**E&E / E&P** Exploration and evaluation / Exploration and production

**ERCE** ERC Equipoise Limited (Independent Energy Experts)

**FDP** Field Development Plan

**G&A** General and administrative expenses

**GMEL** Gulfsands Middle East Limited

**GPC** General Petroleum Corporation

**Gulfsands Levant** Gulfsands Petroleum Levant Limited

**HCIIP** Hydrocarbons Initially In Place

**HSSE** Health, safety, environment and security

**IFRS** International Financial Reporting Standards

**km** Kilometres

**km<sup>2</sup>** Square kilometres

**KPI** Key performance indicator

**Major Shareholders** Waterford and Blake

**MENA** Middle East and North Africa

**mmbbl** Millions of barrels of oil

**MMboe** Millions of barrels of oil equivalent

**mmstb** Million Stock Tank Barrels

**NGLs** Natural gas liquids

**NPV** Net present value

**OPC** Oilfield Production Consultants

**P10** There exists a 10% probability that the true quantity or value is greater than or equal to the stated P10 quantity or value

**P50** There exists a 50% probability that the true quantity or value is greater than or equal to the stated P50 quantity or value

**P90** There exists a 90% probability that the true quantity or value is greater than or equal to the stated P90 quantity or value

**Possible Reserves** Possible Reserves are those additional reserves which analysis of geological and engineering data suggests are less likely to be recoverable than Probable Reserves. The total quantities ultimately recovered from the project have a low probability to exceed the sum of Proved plus Probable plus Possible (“3P”) Reserves, which is equivalent to the high estimate scenario. In this context, when probabilistic methods are used, there should be more than a 10% probability that the quantities actually recovered will equal or exceed the 3P estimate.

**Probable Reserves** Probable Reserves are those unproved reserves which analysis of geological and engineering data suggests are more likely than not to be recoverable. In this context, when probabilistic methods are used, there should be more than a 50% probability that the quantities actually recovered will equal or exceed the sum of estimated Proved plus Probable Reserves.

**Proved Reserves** Proved Reserves are those quantities of petroleum which, by analysis of geological and engineering data, can be estimated with reasonable certainty (normally over 90% if measured on a probabilistic basis) to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods, and government regulations.

**PRMS** The 2018 Petroleum Resources Management classification system of the SPE

**PSC** Production Sharing Contract

**SPC** Syrian Petroleum Company

**SDG** Sustainable Development Goals

**SPE** Society of Petroleum Engineers

**UK Sanctions** Sanctions applicable in the UK and to UK persons at any given time:

- for the period until and including 31 December 2020, EU sanctions, and the UK regulations relating to them (including Regulation (EU) No 36/2012 and The Syria (European Union Financial Sanctions) Regulations 2012); and
- for the period from 1 January 2021 onwards, UK sanctions made under the Sanctions and AML Act 2018, including The Syria (Sanctions)(EU Exit) Regulations 2019;
- note that all material UK sanctions relating to Gulfsands business were lifted post-year-end in 2025

**Waterford** Waterford Finance and Investment Limited

# Corporate Information

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## Corporate headquarters

52 Grosvenor Gardens  
London SW1W 0AU  
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[www.gulfsands.com](http://www.gulfsands.com)  
[info@gulfsands.com](mailto:info@gulfsands.com)  
T: +44 (0)20 3026 3919

## Secretary and registered office

Ben Harber  
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8 Bishopsgate,  
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United Kingdom

## Regional offices

### Syria

Grand Floor # 2151  
Bldg. # 103  
Abdullah Ibn Rawaha Street  
Tanzeem Kafarsouseh  
Damascus

### Abu Dhabi

2461 Al Sila Tower, ADGM Square,  
Al Maryah Island,  
Abu Dhabi,  
United Arab Emirates

## Auditor

**MHA**  
2 London Wall Place,  
London, EC2Y 5AU  
United Kingdom

## Solicitors

**Pinsent Masons LLP**  
141 Bothwell Street  
Glasgow G2 7EQ  
United Kingdom

## Registrars

**MUFG Corporate Services**  
10th Floor, Central Square  
29 Wellington Street  
Leeds LS1 4DL  
United Kingdom

## Secondary Trading Facility

**Asset Match Ltd.**  
New Broad Street House  
35 New Broad Street  
London EC2M 1NH  
United Kingdom  
[www.assetmatch.com](http://www.assetmatch.com)  
[info@assetmatch.com](mailto:info@assetmatch.com)

## Company number

05302880

# Shareholder Information

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## Shareholder Information

**Asset Match** operate an electronic off-market dealing facility in the shares of Gulfsands. Shareholders wishing to trade shares via the quarterly auction cycle must do so through a UK stockbroker. Shareholders are encouraged to register at [www.assetmatch.com](http://www.assetmatch.com) and add Gulfsands Petroleum Plc to their 'watchlist' to receive company and auction communications. Please direct any enquiries to [dealing@assetmatch.com](mailto:dealing@assetmatch.com) or alternatively Tel. 020 7248 2788 where their highly experienced team will be happy to help guide you through this process.

The Asset Match trading facility operates under its own code of practice which governs the behaviour of participants and the running of the periodic auctions. Asset Match operates an open auction system where volumes of bids and offers at different prices are displayed on its website together with the closing date of the auction. At the end of each auction period Asset Match pass this information through a non-discretionary algorithm that determines a "market-derived" share price based on supply and demand and allocates transactions accordingly. Bids and offers may be made and withdrawn at any time before the closing date of each auction.



An aerial night view of a densely populated city, likely London, with a blue color overlay. The image shows a vast expanse of buildings, with several prominent skyscrapers in the foreground. The city lights are visible, and the overall atmosphere is dark and moody.

# Gulfsands

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