



ANNUAL REPORT 2025



CONTRIBUTING RESPONSIBLY TOWARDS MEETING THE WORLD'S ENERGY NEEDS THROUGH THE SAFE AND EFFICIENT PRODUCTION OF HYDROCARBONS

WHAT'S IN THIS YEAR'S REPORT

Strategic Report

- 2 Who we are and what we do
- 3 A balanced and diverse portfolio with growth potential
- 4 Chair's statement
- 6 Our business strategy
- 8 Key performance indicators
- 10 Material addition of production and reserves via M&A in 2025
- 12 Chief Executive's review
- 16 Review of operations
- 20 Financial review
- 30 Environmental, social, and governance

Corporate Governance

- 66 Board of Directors
- 69 Directors' report
- 71 Corporate governance
- 72 Corporate governance framework
- 75 QCA disclosures
- 81 Board composition, attendance, and evaluation
- 86 Committee reports
- 94 Directors' remuneration report
- 105 Directors' statement under section 172 (1) of the Companies Act 2006
- 107 Directors' responsibilities statement

Financial Statements

- 108 Independent Auditor's report
- 116 Group primary financial statements
- 121 Notes to the Group financial statements
- 162 Directors' responsibilities statement
- 163 Company primary financial statements
- 165 Notes to the Company financial statements

Other Information

- 171 Glossary
- 172 Corporate information

A leading UK North Sea focused Company



Serica Energy is an independent British oil and gas Company with a broad portfolio of assets located on the UK Continental Shelf.

The Company's operated assets are responsible for about 5% of the UK's natural gas production, which plays a significant role in supporting the country's energy transition, and has invested over £1 billion in the UK supply chain since 2020. Serica maintains a balanced output of oil and gas across its operations.



Who we are and what we do

Increasingly diversified and growing production base supports investment in attractive organic growth options and shareholder returns



- 

Even split of oil and gas, with Bruce Hub gas c.5% of UK total production
- 

Portfolio diversification increasing reliability of production and cash flows
- 

Material 2C resources, with the clear potential to convert to reserves
- 

Focused on safety and operational delivery
- 

Embedded ESG culture and transparent reporting
- 

Robust balance sheet supporting growth and returns

A balanced and diversified portfolio with growth potential

11

producing fields
end 2025

28

producing fields
expected end 2026



CHAIR'S STATEMENT



"Our strategic actions in 2025 have positioned Serica well to continue delivering for shareholders"

I am pleased to introduce my third set of results as the Chair of Serica Energy, marking a year of positive strategic progress for the Company

These results are being published in the midst of significant volatility in the global oil and gas markets caused by the conflict in the Middle East. Serica has consistently argued for the importance of domestic energy, including vitally needed oil and gas, for a variety of reasons. The potential risks to supply reinforce this argument. Serica's role in producing UK oil and gas has expanded greatly over the last several years and, as described elsewhere in this report, the Company is pursuing options to do more.

The acquisitions we announced during the year will significantly enhance Serica going forward, adding materially to reserves, production, and cash flow, and reducing the reliance on two major producing hubs. The importance of such diversification was illustrated in 2025, as ongoing issues at the Triton FPSO again had a detrimental impact on the Company's production and results. Despite these issues, which represented a deferral of production and cash generation, I am confident that our

strategic actions in 2025 have positioned Serica well to continue delivering for shareholders. In this light, as well as in the improved market context in which we find ourselves today, we are pleased to be able to maintain our proposed 10p final dividend for approval at our AGM.

Enhanced team, consistent focus

As the Company grows, our strategy and focus remain consistent.

Serica is set to become a significantly larger Company as our acquisitions complete, and oversight is provided by a stable Board and a management team of real quality. The additions to the Executive Leadership Team and other positions during 2026 result in a team with the experience and expertise to take the Company safely and successfully to the next level.

Our strategy for growth through both M&A and targeted investment continues, with the opportunity to build on the strengthened platform achieved in 2025.

A more robust Company, well positioned to deliver

Serica's strategy is based on applying our expertise to mid-to-late life assets, optimising production, and unlocking subsurface opportunities to extend field life and deliver value for shareholders. This is a two-pronged strategy, with value delivered by M&A through the acquisition of both new production assets and further organic opportunities, and enhanced by operational and subsurface expertise.

In 2025 we identified and executed multiple opportunities to carry out value accretive deals in the UK North Sea. The completed acquisition of Prax Upstream, and the associated deals which along with the acquisition of assets from Spirit Energy are set to complete in 2026, boosts our pro forma reserves by almost 20% and materially increases production. It also adds to our opportunity set, with an attractive number of investment opportunities now vying for capital allocation.

An area of our expanded portfolio that has tremendous potential is the operated West of Shetland hub, which combines sub-surface potential in the most

prospective basin on the UK Continental Shelf, and will add infrastructure opportunities via the Shetland Gas Plant. This is personally pleasing, having worked in the basin extensively earlier in my career, going right back to the development of the Foinaven field.

At a time when it is becoming ever clearer how critical energy security is and that the UK requires all the homegrown hydrocarbons and especially gas that it can produce, we look forward to playing our part in maximising throughput in the Shetland Gas Plant, which – coming up to its 10 Year anniversary this year – represents a modern, strategically important, onshore landing point for gas entering the UK supply network.

Actions needed to kick-start the UK North Sea

In my statement last year, I reported that common sense UK Government policies for the North Sea would prioritise domestic production over imports. Regrettably, the merits of such an approach are being reinforced by the interruption to oil and gas supplies from the Middle East. Our thoughts are with all those affected by the situation.

I also wrote last year that confidence in the UK North Sea sector had been eroded. Since then, the Government has continued to solicit opinions and information through formal consultations and dialogue, which has been welcome, but this has not yet translated into actions which would support a world class and valuable industry. I take this opportunity, therefore, to repeat our request for a change in approach, to which end I offer a four-point plan.

Firstly, demonstrate a willingness to approve the development of new oil and gas fields. There are project approval decisions which could be made now and others to come over the next several months which would reduce the risks to the UK of future oil and gas crises and could even help with the current crisis if it is prolonged.

Secondly, revisit the decision not to award new exploration licences. There is significant untapped oil and gas potential on the UK Continental Shelf and companies like Serica are willing

and able to take the financial risks of exploration. We do not ask for subsidies to undertake these activities. We only ask for the ability to do so at our own financial risk.

Thirdly, as soon as reasonably possible, replace the Energy Profits Levy with a permanent, properly designed mechanism for raising the level of tax on UK oil and gas production during periods of true 'windfall' prices. Much collaborative work by officials and the industry has already gone into the design of just such a tax in the form of the Oil and Gas Price Mechanism ('OGPM') intended to replace the EPL. Implementing this change would still see the Exchequer share fairly in windfalls caused by price shocks, but would be a huge step towards rebuilding confidence in the sector.

Finally, talk about the UK North Sea sector as a national asset; a longstanding source of economic value, world-class skills and immense pride amongst the people and communities involved. Too often in reports and ministerial statements, the sector is referred to in terms which imply irrelevance despite it being the single largest source of energy in the UK, or being less desirable than other sectors even though it supports some 200,000 jobs, many of which are highly skilled. The people working in the sector, or dependent on it across the country, deserve better. Moreover, a sector talked up rather than down will deliver more, benefiting the country as a whole.

Maximising the benefits available to the UK from domestic oil and gas and achieving net zero by 2050 are not mutually exclusive objectives. Indeed, they complement each other, not least when oil and gas imported over thousands of miles typically comes with significantly higher emissions than the equivalent domestic production.

These facts are understood and are being acted upon by other oil and gas producing countries in western Europe. Amongst those countries, the UK holds the second largest resource of oil and gas. For the benefit of ourselves and regional security, we should exploit to the full that position of good fortune and much skill.

16p/share

total dividend relating to 2025 (paid and proposed)

Consistent strategy delivering value for shareholders

As stated, our strategy remains unchanged. We are high-grading and maturing the increasing number of potential organic growth investments in our portfolio. Following the exceptional subsurface results of the five-well Triton drilling campaign completed in 2025, we are turning our attention to the Bruce and newly acquired West of Shetland hubs. More information on these will be provided at our Capital Markets Day in Q2.

At the same time, we are actively pursuing further opportunities to grow the Company, from transformational deals to smaller bolt-on acquisitions. We retain the belief that attractive acquisition opportunities will arise in the UK North Sea. As ever, however, our aim is the creation of shareholder value rather than size for the sake of it. Accordingly, while overseas entry has not been our focus during 2025, we continue to monitor potential openings. As we go forward, we will balance our capital allocation between acquisitions, organic growth, and direct shareholder returns – based on creating optimal value for shareholders. We are confident in our ability to continue delivering on this strategy.

After some 20 years on the AIM market, we also look forward to taking the natural next step in the Company's growth in moving to the Main Market of the London Stock Exchange later this year. This would have been completed in 2025, but rightfully M&A took priority. We believe that completing the move this year will add to Serica's visibility, taking our story to the widest audience possible.

David Latin

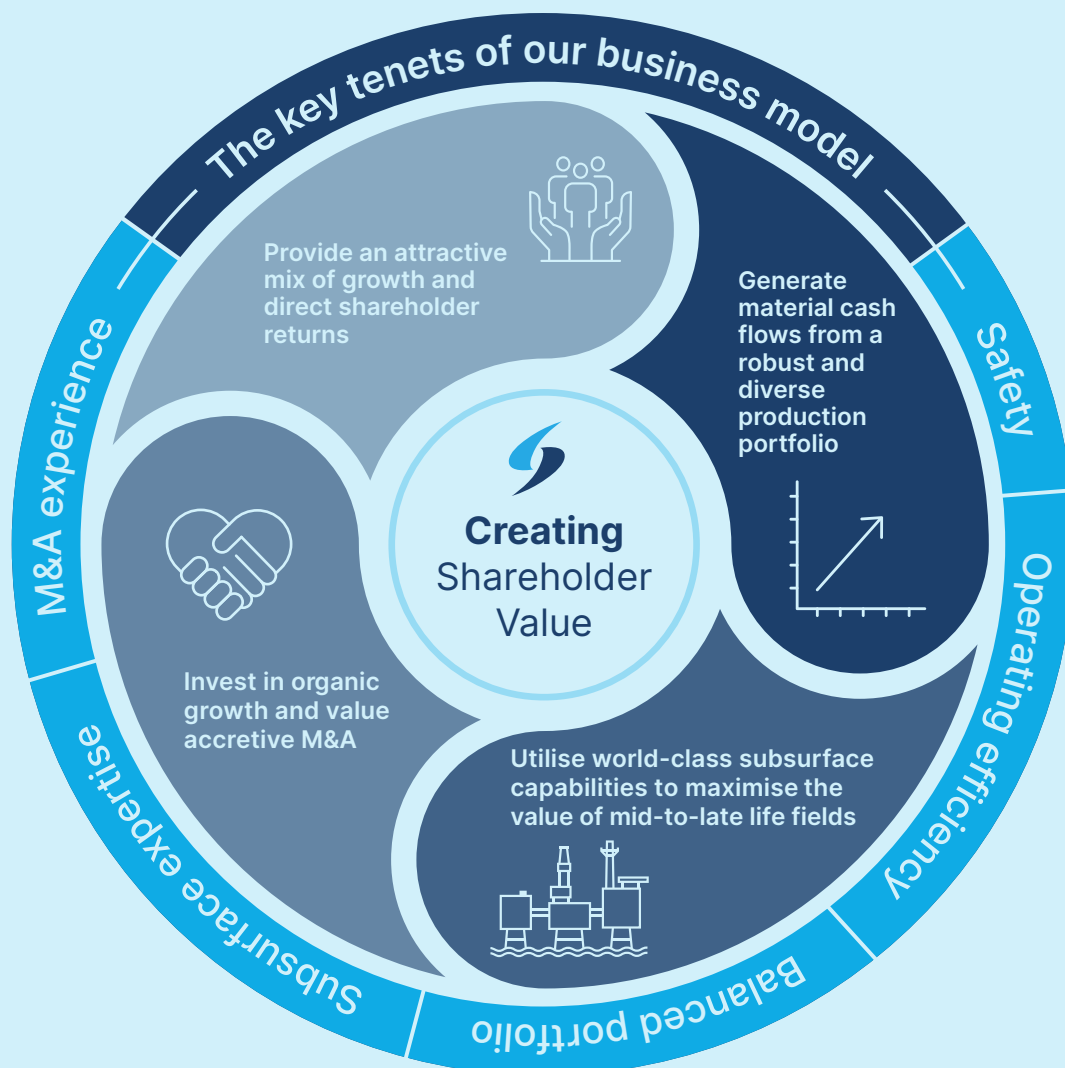
Chair

25 March 2026

Our business strategy

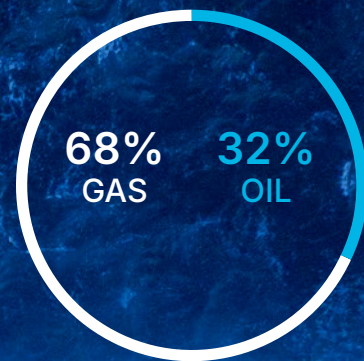


A proven strategy for the creation of shareholder value

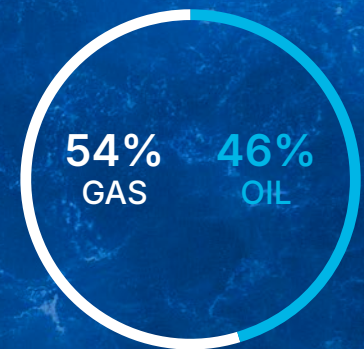


Serica specialises in generating shareholder value from mid-to-late life assets, with subsurface expertise able to unlock reserves and optimise production in order to extend the life of fields

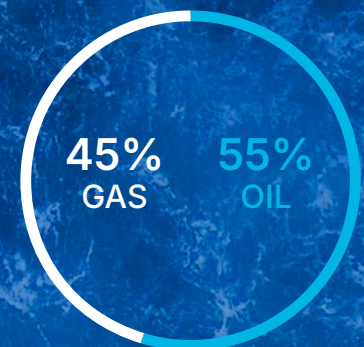
With a focus on safety, Serica aims to operate fields efficiently across an increasingly diversified portfolio, with a mix of oil and gas, delivering growth and resilient cash generation that supports long-term shareholder returns



Production
27,600 boepd



Pro forma 2P reserves
138.4 mmboe*



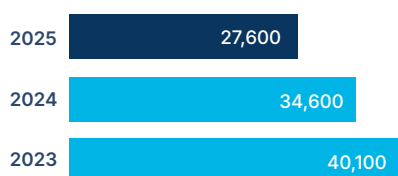
Pro forma 2C resources
112.6 mmboe

* For pro forma methodology see footnote 2, page 17

Key performance indicators

Key performance indicators ('KPIs') provide measurable benchmarks that allow stakeholders quickly to assess strategic progress and the health of a company. Our KPIs offer a clear view of how well Serica is achieving its goals, and sum up progress in core areas at a glance.

Production (boepd)



Definition

Production is measured in barrels of oil equivalent produced per day, with gas production converted accordingly.

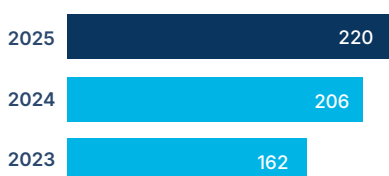
Relevance

Production from Serica fields constitutes the source of all revenue generation, and illustrates both the subsurface and facilities performance. Serica aims to maximise production through targeting drilling and facilities optimisation, while also seeking value additive production growth through M&A.

Performance in 2025

Necessary maintenance work on the Triton FPSO from the end of January until July severely impacted output for the year, and meant that the positive subsurface results from the five-well drilling campaign around the asset were not reflected in a production uplift. This resulted in production being significantly below forecasts. Work at the asset should increase reliability going forward, and this alongside the addition of new assets as M&A transactions complete throughout the year is expected to result in a material year-on-year increase in average annual production to significantly over 40,000 boepd in 2026.

Reserves and resources (mmboe)



Definition

Comprises proven and probable reserves (2P) and the best estimate of contingent resources (2C).

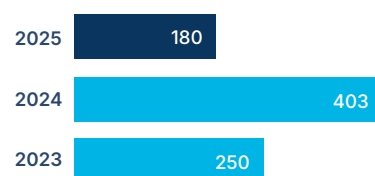
Relevance

Illustrates long-term sustainability of Serica's production, and potential within the portfolio. Serica aims to extend the life of mature hydrocarbon fields through utilising our subsurface expertise to convert resources to reserves, and maximise life of field production. The Company also aims to add barrels through acquisition.

Performance in 2025

Serica's assets contained 116.8 mmboe of 2P oil and gas reserves net to the Company as of 31 December 2025 (31 December 2024: 117.5 mmboe), with production of 10.1 mmboe in 2025. The portfolio currently has a broadly even split between oil (58.9 mmboe) and gas (57.9 mmboe). Reserves replacement was robust in 2025, supported by 10.2 mmboe being moved into 2P reserves due to the maturation of the Kyla redevelopment. As acquisitions complete, our reserves will see a significant uplift, with the acquired assets resulting in a 19% uplift to 138.4 mmboe. Our 2C resources increased 16%, as work done on the Bruce field identified additional infill well opportunities.

Cash flow from operations after tax (\$ million)



Definition

Cash generated from operations, less current tax. See reconciliation of non-IFRS measures.

Relevance

Illustrates Serica's operational cash flow and financial performance in a high-tax and volatile environment, representative of the cash generation of the business prior to discretionary decisions regarding capital allocation.

Performance in 2025

Financial performance in 2025 was impacted significantly by the lower than expected production. In total, around \$250 million of revenue was deferred due to the Triton outages, giving an illustration of what can be achieved when the portfolio, prior to the completion of acquisitions, is producing closer to its true potential.

Shareholder returns (\$ million)



Definition

Return of capital to shareholders via dividends paid in the calendar year, and share buy-backs.

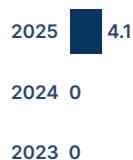
Relevance

Serica aims to offer shareholder a mix of growth and returns, and is committed to returning value to shareholders through a reliable and sustainable dividend, supplemented by share buy-backs. The level of returns illustrates underlying performance and cash flow prospects.

Performance in 2025

As part of a prudent rebalancing of the capital allocation mix, the level of dividend payments in the year was reduced in order to enhance Serica's flexibility to allocate capital to those areas where it will deliver best value for shareholders, combining a highly competitive level of shareholder returns with investment in exciting growth opportunities and retaining a resilient financial frame. The final dividend relating to 2025 was retained at 10p per share.

Lost time incident rate (per million hours)



Definition

Any work-related injury at operations under the direct control of Serica's management system which results in a person being unfit for work on any day after the day of occurrence, measured in number of LTIs per million man hours worked.

Relevance

HSE is of primary importance to Serica, and the Company aims for continuous improvement of our HSE performance, providing a safe working environment for our valued staff and contractors.

Performance in 2025

Following over five years without a lost-time incident on the Bruce platform, an employee tripped and fell in August, resulting in a minor hand injury that necessitated time away from work. Regrettably, this was then followed by two further hand injuries in the second half of the year. This resulted in the Bruce operations team increasing focus on the importance of hand safety, including the amendment of processes to issue impact protection gloves as standard. Safety remains Serica's top priority, and a key focus of management as the Company aims for another run of years without a lost-time injury.

Carbon intensity (kgCO₂/boe)



Definition

The amount of CO₂ emitted per unit of hydrocarbon produced, reported as kilograms of CO₂ per barrel of oil equivalent (boe) exported from the Bruce platform.


Relevance

Serica contributes responsibly towards meeting the UK's energy needs through the energy transition, producing oil and gas with emissions below the North Sea average.

Performance in 2025

The Bruce platform's carbon intensity averaged 19.6 kgCO₂/boe in 2025, in line with Serica's net producing portfolio target of <20 kgCO₂/boe. This was an increase compared to 2024, despite lower absolute CO₂ emissions, largely due to lower production from the Bruce Hub fields. The Bruce platform's carbon intensity remained below the North Sea average of 24 kgCO₂/boe.

Material addition of production and reserves via M&A in 2025




Acquisitions announced in 2025 are set to deliver materially increased production, cash flow, and growth opportunities for Serica. The acquisitions provide the Company with an increasingly resilient and diversified portfolio, with production set to reach over 65,000 boepd by the end of 2026 as they all complete

In 2025 we were able to identify numerous opportunities to carry out value accretive deals in the UK North Sea. The completed acquisition of Prax Upstream, and the associated deals which along with the acquisition of assets from Spirit Energy are set to complete in 2026, boosts our pro forma reserves by almost 20% and materially increases production going forward. The number of producing fields in the portfolio is set to more than double, significantly increasing the diversification and, as a consequence, the predictability of overall Company production and revenues. It also adds to our opportunity set, with an attractive number of investment opportunities now vying for capital allocation.

Notably, the acquisition of the West of Shetland assets from TotalEnergies brings additional potential growth opportunities through the Glendronach tie-back and Tormore infills, while operatorship of the Shetland Gas Plant offers material value creation potential from owned and third-party business (such as Victory and Tornado), through its strategic position as the key gas processing infrastructure host for one of the most prospective basins on the UK Continental Shelf. The Spirit Energy transaction will also bring infill drilling potential at Cygnus and GMA, to further bolster our subsurface opportunities.

The Company continues to be active, but highly selective, in screening a broad range of cash-generative and value accretive M&A opportunities, in both the UK North Sea and overseas.



22.4mmboe

2P reserves addition

9.4mmboe

2C resources addition

“We are confident in our strategy, and confident that we have the right team to deliver it”

Serica delivered a year of meaningful operational and strategic progress in 2025, adding assets that will diversify and enhance the Company, and underpinning our future success by strengthening organisational capability and renewing our commitment to optimising production. The foundations we laid over the past year position us well as we move into 2026.

Building capability to deliver on the opportunities ahead

We are confident in our strategy, and confident that we have the right team to deliver it. When I joined there were certain gaps in the organisation that needed to be filled, and we have strengthened Serica's organisational capability to ensure we have people in place to support the Company's next phase of growth, while retaining our entrepreneurial culture. It was evident that the business required additional depth in several critical areas. Since then, we have made a number of targeted senior appointments across all areas that have materially improved our decision-making, our talent management, and our ability to deliver for shareholders.

Serica is already seeing the benefits of an intensive effort on being set up to capitalise on M&A, and the team did a tremendous job in getting multiple acquisitions over the line last year. Across the business we are seeing improvements. The addition of a Chief People Officer has significantly improved how we manage and develop our people, and will be crucial as we integrate new personnel into the Company in 2026. Our Chief Technical Officer brings essential technical challenge and strategic insight into our portfolio planning, and with a new Head of Developments we have clear ownership and expertise when it comes to project prioritisation, transforming how we evaluate opportunities and how we deploy capital.

We have also formed a new group focused on our non-operated joint ventures, the most important of which is Triton, with Executive Leadership Team representation, recognising the increasing importance of this part of the business for us and the different skillsets and focus priorities needed to optimise value from non-operated assets. The business is growing, and our capability is growing with it and equipping us for further growth to come.

In operations, we have brought in new Offshore Installation Managers and additional technical capability to address gaps, strengthening our operational leadership and enhancing our production optimisation capability.

The result is a leadership team that is strategically aligned and better equipped to manage the scale and complexity of our enlarged asset base. The progress made in 2025 would not have been possible without these changes, and this team provides a strong platform for the delivery of improved performance in 2026 and beyond.

Increasing reliability

A key area for us to tackle remains improving our operating performance, and I remain convinced that we can and will do better. We are working with the operator at Triton while at the Bruce Hub, asset uptime remains impressive, but more can be done to optimise production performance. We have shifted the organisation's mindset to focus more on operational excellence and chasing all avenues for increased production, investing when necessary – as improved operating practice not only means safer production, but also adding barrels in this way can easily deliver greater value than from more material capital allocation spend.

High performance cannot be delivered without appropriate resources, and the team has done some great work at the Bruce platform on reducing the maintenance backlog, improving and replacing key equipment and reducing single point failure risk – all steps necessary to allow us to operate the asset well into the next decade. That is what we believe the rocks around Bruce can deliver, as we move towards the next stage of Bruce's evolution – and a material increase in production. We are confident that our planned drilling campaign on Bruce (the first since 2012) will illustrate this potential, growing production and extending the life of field potentially until the end of the next decade. Work being done during 2026 will set us up for reliable long-term performance as well as materially improving our emissions to ensure we maintain the necessary licence to operate.

A key theme across our operations is the exposure to single point failure in certain key systems, especially those that involve rotating equipment. It is impossible to avoid such exposure entirely, but we are making strenuous efforts – directly on our operated assets and indirectly on our non-operated assets – to reduce this risk. These efforts include parallel systems where feasible and financially justified, maintenance and predictive analysis.

Of course, production performance never outweighs safety, which remains and will always be our number one priority. In 2025 we significantly improved our process-safety performance. At the same time, we recognised the need to re-emphasise personal safety after an increase in thankfully minor eye and hand injuries, with three minor lost time injuries in the year our first for five years, and a reminder of the need for constant vigilance on all forms of safety. We have responded with targeted personal equipment upgrades and a renewed behavioural focus. Our safety goal for 2026 is simple and unchanged from before: no harm to our people.

Positive subsurface performance ongoing

As with 2024, while our production performance was not satisfactory, our subsurface team continued to deliver tremendous results, demonstrating the strength of our underlying resource base and our human capital. The five-well drilling campaign at Triton, delivered ahead of schedule and under budget, was rounded off with successful wells at Evelyn and Belinda, although neither has yet to deliver their potential due to the Triton FPSO operational issues. With the full complement of wells in production, we are confident of maintaining Triton area production capacity of above 20,000 boepd net to Serica through 2027 at least.

Hitherto, the fact that we have not yet seen the benefits of the subsurface results is deeply frustrating and something we are working closely with the operator, Dana Petroleum, to address. The impact to date, however, is deferred production rather than lost production. The resource remains in place, and our immediate task is to ensure that the infrastructure is capable of bringing it to the surface. I said when I joined that it would be a two-year process to get to good operational performance. Nearly twenty-one months in, progress has been slower than I hoped. With the work that has been done on the FPSO since that time, however, I am confident that improved performance and the value that follows will come.

Improved operations at Triton and continued production optimisation at Bruce means, factoring in also production from the acquisitions as they complete during the year, we are well set to surpass production levels of 65,000 boepd towards the end of the year.

New assets supporting predictability

Our strategy is to build a diversified asset base that reduces dependence on any single asset. The consequent resilience and greater predictability of cash flow makes Serica more

attractive to investors. New assets are an important component of that long-term stability. Value from across our portfolio will come from increasing reliability, delivery, and taking advantage of opportunities ahead. Our new assets support all three.

Adding producing assets, with stable operations, provides greater confidence in production and earnings. In this regard, I look forward to the addition to our portfolio of fields with historically high-uptime and consistent delivery – our stake in the Cygnus field, with the acquisition of the asset portfolio from Spirit Energy set to complete around the start of Q4, being a good example. Greater diversification is greater strength.

By their nature, E&P companies can never stand still, and Serica certainly will not. Reserves replacement was delivered in 2025 through adding material reserves and resources in acquisitions, and through progressing opportunities in the portfolio, with 2P reserves up 19% year-on-year on a pro forma basis. The resources from Kyle, now renamed Kyla, have matured to reserves, and that is one of a multitude of opportunities in our hopper, with the opportunity set available to us only increasing through new acquisitions in 2025.

Material growth potential in the portfolio

The acquisition of the West of Shetland assets from TotalEnergies is set to add development opportunities at Glendronach and Tormore to our portfolio, and the Spirit Energy transaction will bring infill drilling potential at Cygnus, Clipper South, and GMA, to further bolster our subsurface opportunities. The more I see the output of our subsurface team, the more excitement I have regarding the opportunities available to us. The success of our drilling results around Triton only increases my confidence in what can be achieved when putting the same proven team of subsurface, wells and other functional experts to work across our expanded asset base.

CEO'S REVIEW continued

Our technical and financial high-grading process continues to evaluate these opportunities rigorously. We are focused on short-cycle, low-risk, high-return projects that enhance returns and strengthen production stability. We will provide more details about this work at the Capital Markets Day in Q2. There is material growth potential across the portfolio – and it is a welcome, but new challenge for Serica to have more opportunities than we have the financial and organisational capacity to deliver in parallel. With a combination of near-term infill wells and optimisation opportunities, tiebacks, and long-term development potential, we have a balanced opportunity set that I am confident can deliver over a number of years.

The long-term opportunity set in our newly acquired, operated hub in the West of Shetland, offers great potential. The Shetland Gas Plant, which I was pleased to visit earlier this month, provides access to a material inventory of owned and third-party future gas developments.

The Shetland Gas Plant is the youngest onshore landing point for domestically produced gas, and the key export route capable of handling the next wave of gas developments in the region, positioning us at the heart of the UK's most prospective basin for future gas production. We are actively progressing commercial engagement with our partners in the area to ensure that the value of this strategic position is realised. This benefits us, Shetland and – through the supply of much needed gas – the UK as a whole.

M&A remains a central part of our two-pronged strategy. While we will maintain our position as a North Sea-focused business, we continue to assess both domestic and selected international opportunities where the value case is strong and aligned to our operational strengths and core business model. Across all of these opportunities, our discipline remains the same: invest where the returns justify the capital, prioritise short-cycle value creation, and ensure every project competes for funds. It is this discipline that has strengthened our portfolio and will drive shareholder value in the years ahead.

Delivering cash

2026 will be a pivotal year for Serica. The Company is set to generate material free cash flow and build our liquidity position, and we will complete the ranking of our organic opportunities and set out a clear, actionable plan for the allocation of available capital, in order to deliver on our exciting growth potential in coming years. Across our operations, the priority remains on improving production reliability, and embedding the operating discipline needed to sustain long-term performance. Serica today is a more resilient Company than it was a year ago, and we are taking the right steps to ensure we continue to grow and create value for our shareholders.

Chris Cox

Chief Executive Officer
25 March 2026



“The Shetland Gas Plant is the youngest onshore landing point for domestically produced gas, and the key export route capable of handling the next wave of gas developments in the region, positioning Serica at the heart of the UK’s most prospective basin for future gas production”



REVIEW OF OPERATIONS

“Reserves replacement was robust in 2025, with a significant uplift to follow as acquisitions complete”



Reserves and resources

Serica's assets contained 116.8 mmboe of 2P oil and gas reserves net to the Company as of 31 December 2025 (31 December 2024: 117.5 mmboe), with production of 10.1 mmboe in 2025. The portfolio currently has a broadly even split between oil (58.9 mmboe) and gas (57.9 mmboe).

As at 31 December 2025 (mmboe)	2P 2025 ¹	2P 2025 pro forma ²	2P 2024	2C 2025 ¹	2C 2025 pro forma ²	2C 2024
Bruce Hub	61.2	61.2	69.8	55.8	55.8	33.3
Triton Hub	49.9	49.9	41.8	18.5	18.5	16.4
West of Shetland	0.8	4.8	–	–	5.4	–
Other Production Assets	4.9	8.1	5.9	0.1	0.4	9.0
Southern North Sea	–	14.4	–	–	3.4	–
Greater Buchan Area	–	–	–	29.0	29.0	30.0
Total	116.8	138.4	117.5	103.4	112.6	88.7

Reserves replacement was robust in 2025, supported by 10.2 mmboe being moved into 2P reserves due to the maturation of the Kyla redevelopment. This effectively offset the 10.1 mmboe of production in the year. Minor revisions at the Bruce and Rhum fields also largely offset, and a small benefit is also booked from the addition of Lancaster via the acquisition of Prax Upstream.

Our attractive opportunity set is reflected in our material 2C resource position of 103.4 mmboe, up 16% from 88.7 mmboe as at the end of 2024. This increase was driven by preliminary work on the Bruce drilling programme, as additional infill well opportunities delivered an 18.2 mmboe increase in 2C resources. This outweighed the relinquishment of the Mansell licence (8.3 mmboe),

and transfer of Kyla (8.5 mmboe) from resources to reserves. The addition of Wagtail through the farm-in to the UK North Sea P2530 Licence also provided an uplift of 8.0 mmboe of 2C resources.

As the TotalEnergies, ONE-Dyas, and Spirit Energy acquisitions complete, our reserves will see a significant uplift, with the acquired assets resulting in a 19% uplift to 138.4 mmboe. The acquisitions will also result in the portfolio being weighted slightly more towards gas, with 2P oil reserves of 63.2 mmboe and gas reserves of 75.3 mmboe meaning that 54% of portfolio reserves are gas.

The acquisition of 40% in the Glendronach licence, West of Shetland, is the key contributor to the increase in pro forma 2C resources.

Production net to Serica (boepd)

	2025	2024
Bruce Hub	16,100	19,800
Triton Hub	5,900	9,000
Other Assets	5,300	5,800
West of Shetland	300	–
Total	27,600	34,600

Bruce Hub

Bruce – Blocks 9/8a, 9/9b and 9/9c, Serica 98% and operator
Rhum – Blocks 3/29a, Serica 50% and operator
Keith – Block 9/8a, Serica 100%

Production at the Bruce Hub averaged 16,100 boepd in 2025 (2024: 19,800 boepd) net to Serica, below asset potential. Asset uptime over the year was robust, although production was limited through work on the productive R3 well in January, followed by maintenance work on the export pipeline, and the main oil line ('MOL') booster pump being offline and reducing the ability to enhance oil recovery through bull-heading operations (in which gas is pumped into a well to reduce back pressure and enhance production).

Activity on Bruce in 2026 is focused on enhancing reliability and the ability to deliver optimal well stock performance, leading to production increasing from

2025 levels. Work will also take place to support the extension of asset life that will allow the potentially material uplift in production volumes from new drilling on the Bruce field to be delivered in the years to come. The planned shutdown in Q3 is expected to last approximately 24 days.

There have been no wells drilled on the Bruce field since 2012. Following the development of a full field model, numerous infill drilling locations were identified. These have now been high-graded, with three opportunities prioritised on the western side of the field, providing the best opportunity for rapid tieback to the Bruce subsea and platform facilities. Market screening for a rig is currently underway, to enable drilling to begin in 2027. Given the continued availability of attractive capital allowances designed to support such investments, this investment would be highly tax-efficient and has the potential to deliver a material uplift in production from the Bruce field as well as to extend the life of the hub.

Triton Hub

Bittern 64.63%, Evelyn 100%, Gannet E 100%, Guillemot West & North West 10%, Belinda 100%

Production from the Triton Hub, operated by Dana Petroleum, averaged 5,900 boepd in 2025 (2024: 9,000 boepd) net to Serica, significantly below potential due to necessary but unscheduled maintenance work that took place on the Triton FPSO throughout the year.

From the end of January 2025 until July, extensive remediation work and modifications were carried out, with subsequent issues relating to the compression train and flare system resulting in significantly reduced production in Q3. Following the completion of this work, production rebounded strongly in November, averaging 25,300 boepd net to Serica prior to the planned subsea work starting on the Bittern export pipeline, which was completed as scheduled in mid-December.



- 1 The 2P 2025 Reserves and 2C 2025 Contingent Resources for all assets except West of Shetland are based on an independent evaluation carried out by RISC, effective 31 December 2025. The 2P 2025 Reserves for West of Shetland are based on an independent evaluation by Sproule ERCE, effective 31 December 2025
- 2 The 2P 2025 pro forma figures include the 2P 2025 Reserves and 2C Contingent Resources evaluated by RISC and Sproule ERCE, as well as figures for assets that have been acquired but are pending completion. The figures for these assets are unaudited, based on independent evaluations by Sproule ERCE, effective 30 June 2025 for the TotalEnergies and ONE-Dyas transaction assets (West of Shetland and Other Production Assets, respectively) and 31 December 2024 for the Spirit Energy transaction assets (Southern North Sea), adjusted for 2025 production

REVIEW OF OPERATIONS continued

After a solid start to 2026, production was again shut in for a period of 24 days for emergent essential maintenance. Production resumed on 9 March.

The focus in 2026 continues to be working with the operator to increase reliability, optimising production through one compressor before potentially moving to twin compressor operations following a period of stability.

The operator of the Triton FPSO forecasts that the planned shutdown in Q3 will last for approximately 65 days.

Other Producing Assets

Erskine – Blocks 23/26a (Area B) and 23/26b (Area B), Serica 18%

The Erskine field produced consistently across 2025, delivering a rate of over 1,900 boepd net to Serica in 2025 (2024: 1,200 boepd). A late life compression project to extend the life of the asset has been deferred until 2027.

Columbus – Blocks 23/16f and 23/21a (part), Serica 75% (operator)

Production at Columbus was steady in 2025, averaging 1,300 boepd (2024: 1,400 boepd) net to Serica.

Orlando – Block 3/3b, Serica 100%

Average Orlando field production in 2025 was 2,000 boepd (2024: 3,300 boepd) net to Serica. Storm damage to the host Ninian Central Platform in mid-January 2026 led to an outage until early March.

West of Shetland Lancaster, Serica 100% (operator)

The acquisition of Prax Upstream was completed on 11 December 2025, from which time production from Lancaster was added to the Serica portfolio. The field has since produced at levels of around 6,000 boepd with high-uptime and is expected to remain around this level until production ceases. Bluewater, the FPSO operator, has now served notice on the Aoka Mizu FPSO, and production is expected to cease in May 2026, in line with expectations.

Organic growth assets

Kyla (P2616), Serica 100% (operator)

The Kyla Redevelopment, located in Block 29/2c, is a previously producing oilfield, 20 km southeast of Triton, shut-in in 2020 solely due to the decommissioning of the Banff FPSO host facility. A field development plan was submitted in February 2026, and the asset name accordingly changed from Kyle to Kyla in line with regulatory requirements. As plans for development have progressed, 10.2 mmboe of 2C resources have been matured to 2P reserves. Kyla can be produced via a single horizontal well tied-back to Triton via Bittern, similar to other Triton tie-backs.



P2530, Serica 40% (operator)

P2530 contains the Wagtail oil discovery and the low-risk Marsh and Bancroft exploration prospects. Wagtail is situated north-west of the Triton FPSO, and development engineering feasibility studies are ongoing. The P2530 joint venture will then be in a position to decide whether to move onto the next licence phase and commit to drill an appraisal well, or relinquish the licence with no further commitments by 31 August 2026.

Greater Buchan Area – Blocks 20/5a, 205d, 21/1d & 21/1a, Serica 30%

Buchan Horst is one of the largest remaining undeveloped fields on the UKCS, with an estimated 22.7 mmboe of 2C resources net to Serica, and the potential for 10,000 boepd peak net production. The development project would support an estimated 1,000 jobs in the UK. Serica continues to work closely with the joint venture partners to assess the project, retaining optionality over future development scenarios.

Skerryvore – Blocks 30/12c (part), 30/13c (split), 30/17h, 30/18c and 30/19c (part), Serica 70% working interest

The P2400 Licence is located in the Central North Sea, 60 km south of the Erskine field. The commitment work programme includes drilling an exploration well on the Skerryvore prospect by the end of March 2027. With a primary target volume of up to 36 mmboe recoverable, an attractive estimated chance of success of 43%, and the potential to tieback into existing infrastructure, Serica continues to explore options relating to the timing of the well commitment.

Fynn Beaully – (P2634) Serica 50%

A 50% interest in P2634 licence, containing the Fynn Beaully heavy oil discovery, was acquired when completing the acquisition of Parkmead (E&P) Limited in April 2025. The current licence commitment is limited to technical studies to assess potential development options.



“Serica is well positioned and, with improved operational performance and a positive cash generation outlook, is set to capitalise on the numerous opportunities ahead”



Financial performance in 2025 was clearly significantly adversely impacted by the lower than expected production. In total, we estimate that around \$250 million of revenue was deferred due to the unscheduled Triton outages, giving an illustration of what can be achieved when the portfolio is firing on all cylinders. Serica is well positioned and, with improved operational performance and a positive cash generation outlook especially in the current market context, is set to capitalise on the numerous opportunities ahead.

Serica continuously reviews its capital allocation, and investment in those areas that will create most value for shareholders. We have a portfolio that is set to generate material cash flow, we are excited about the opportunities we have on which this money can be spent, have confidence in the team in place, and will provide more details on our capital allocation framework that will support the delivery of sustainable shareholder value at our CMD in Q2.

There is of course a balance in spend on inorganic and organic growth, and the Company delivered value-accretive, cash-generative M&A in 2025, which will result in a net addition of over \$50 million in cash as deals complete

in 2026. We continue to assess a wide range of opportunities, both in the UK North Sea and selectively in other areas in which we can apply our strategy, as we seek to diversify the Company further and create additional value for shareholders.

Production for 2025 averaged 27,600 boepd, compared to 34,600 boepd in 2024, with sales volumes of 9.9 mmmboe (2024: 12.2 mmmboe). The reduction was driven by a range of operational factors, but concentrated on the previously announced unscheduled outages experienced at the non-operated Triton hub during the year.

Realised prices were mixed year-on-year. Average natural gas realised prices (net of NTS system charges) were circa 10% higher at 84 pence per therm in 2025 (2024: 76 pence per therm), while average realised oil prices were down by just over 10% at \$67/bbl (2024: \$75/bbl) and NGL prices averaged \$492/MT (2024: \$491/MT). Overall revenue decreased to \$601 million (2024: \$727 million), reflecting the lower sales volumes, partially offset by stronger gas pricing and strengthening of sterling against the US dollar.

Reflecting the Company's largely fixed

operating costs base, the revenue impacts were amplified at the profit level. EBITDAX decreased to \$210 million in 2025 (2024: \$379 million) and profit before taxation decreased to \$80 million (2024: \$160 million) with the 2025 outcome benefitting from \$67 million of unrealised gains on hedging. Despite the pre-tax profit, the Group reported a loss after taxation of \$52 million in 2025 (2024: profit of \$92 million), driven by a total tax charge of \$132 million (2024: \$68 million), comprising \$2 million of current tax (2024: \$14 million) and \$130 million of deferred tax charge (2024: \$54 million). The deferred tax charge included a one-off non-cash deferred tax expense of \$65 million as a result of the extension of the Energy Profits Levy to 31 March 2030 which was substantively enacted on 3 March 2025. Basic loss per share was 13 cents (2024: earnings per share 24 cents).

Summary Financial Information	Units	2025	2024
Production and sales realised prices			
Production	boepd	27,600	34,600
Sales volumes	mmboe	9.9	12.2
Natural Gas (net of NTS system charges)	p/th	84	76
Crude Oil	\$/bbl	67	75
NGLs	\$/MT	492	491
Income Statement			
Revenue	\$ million	601	727
EBITDAX ¹	\$ million	210	379
Profit before taxation	\$ million	80	160
(Loss)/profit after taxation	\$ million	(52)	92
Basic (loss)/earnings per share	cents	(13)	24
Other key financial figures			
Capital expenditure ¹	\$ million	250	278
Operating cash flow	\$ million	180	452
CFFO less current tax ¹	\$ million	180	403
Dividends paid in year	\$ million	85	113

¹ See Reconciliation of non-IFRS measures for further detail

Operating cash flow was sharply reduced at \$180 million (2024: \$452 million), very largely reflecting lower profitability in the year. There was also a net cash tax receipt of \$63 million comprising refunds of 2024 tax overpayments of \$72 million net of \$9 million cash tax paid in 2025. Capital expenditure, including decommissioning spend, was \$250 million (2024: \$278 million) as we completed the five well drilling programme at our Triton area assets.

Dividends to shareholders totalled \$85 million (2024: \$113 million) as the Company continued to deliver on its strategy of investing in growth and returns, despite a period of planned investment capex and notwithstanding the unplanned operational outages at Triton.

Sales revenues

Revenue	Units	2025	2024
Total revenue	\$ million	601	727
Gas Sales	\$ million	361	375
Crude Oil	\$ million	219	317
NGLs	\$ million	21	35

Total 2025 sales revenue was \$601.4 million, compared to 2024 sales revenue of \$727.2 million and to 2023 pro forma sales revenue of \$917 million. The decrease was largely driven by lower sales volumes. This was partially offset by higher NBP market prices and realised gas prices.

Sales comprised marginally lower gas revenue of \$360.9 million (2024: \$374.7 million) with volume reductions partially offset by higher average prices, and the strengthening of the sterling against the US dollar but markedly lower oil revenue of \$219.0 million based on lower production compounded by lower realised oil prices (2024: \$317.5 million) and NGL revenue of \$21.5 million (2024: \$35.0 million) with the reduction driven by lower volumes.

Total product sales volumes for the period comprised 326.9 million therms of gas (2024: 386.7 million therms), 3.3 million lifted barrels of oil (2024: 4.2 million barrels), and 43,705 metric tonnes of NGLs (2024: 70,872 metric tonnes). This amounted to overall sales volumes some 2.3 million boe lower in the period of 9.9 million boe (2024: 12.2 million) and down 4.5 million boe as compared with the 2023 pro forma volumes.

FINANCIAL REVIEW continued

Gross profit

Gross profit for 2025 was \$64.7 million compared to \$223.2 million for 2024. Cost of sales was \$536.7 million (2024: \$504.0 million), comprising \$374.6 million of field operating and lifting costs (2024: \$337.3 million), movements in oil over/underlift charge of \$9.7 million (2024: income of \$20.6 million), \$158.1 million of non-cash depletion charges (2024: \$187.3 million), partially offset by movement in oil inventory income of \$5.7 million (2024: \$nil).

Cost of sales	Units	2025	2024
Total operating costs	\$ million	537	504
Field operating costs	\$ million	367	330
Lifting costs/other	\$ million	8	8
Movement in over/underlift	\$ million	10	(21)
Movement in oil inventory	\$ million	(6)	–
DD&A	\$ million	158	187

The increase in total operating costs was driven by an increase in field operating costs, primarily reflecting increased maintenance activity at the Bruce platform to reduce maintenance backlogs and improving reliability of the Bruce hub, on top of the fact that a significant proportion of the operating cost base is fixed in nature and consequently does not reduce proportionally to the reduced production and revenues. These effects were compounded by the strengthening of sterling against the US dollar, as most of the Group's operating costs are GBP-denominated. The decrease in non-cash DD&A of \$29 million was the direct impact of the lower production levels during 2025, and was largely offset by an increase in the charge relating to movements in over/underlift and inventory of \$25 million.

EBITDAX, operating profit before net finance costs and tax

EBITDAX for 2025 was \$210 million (2024: \$379 million).

Operating profit to EBITDAX(1)	Units	2025	2024
Operating profit	\$ million	112	186
Add back DD&A and depreciation	\$ million	159	188
Add back E&E costs	\$ million	1	2
(Deduct)/add back unrealised hedging	\$ million	(67)	32
Deduct contract revenue – other	\$ million	(5)	(31)
Add back/(deduct) transaction costs and other	\$ million	6	(2)
Add back share-based payments	\$ million	4	4
EBITDAX ¹	\$ million	210	379

¹ See Reconciliation of non-IFRS measures for further detail.

Operating profit for 2025 was \$112.0 million compared to \$186.5 million for 2024.

Net hedging income of \$75.2 million (2024: \$43.5 million expense) comprised unrealised hedging gains of \$67.4 million (2024: losses of \$31.8 million) and realised hedging gains of \$7.8 million (2024: \$11.7 million losses). Unrealised hedging gains arose from the non-cash movement in the valuation of commodity hedge positions at the year end, with the main contributor being mark-to-market movements on gas price derivatives, largely in the form of zero cost collars, entered into during 2024 and 2025 to manage commodity price risks and to comply with minimum hedging requirements for periods extending to the end of 2027 under the Group's RBL facility. Realised hedging gains during 2025 primarily related to in the money oil and gas swaps and collars.

Contract revenue of \$5.4 million (2024: \$31.3 million) arose from the final unwind of an underlying revenue offtake contract that was fair valued in connection with the Tailwind acquisition in 2023. An original liability of \$66.7 million was recognised which has been released to the Income Statement across 2023, 2024 and 2025 as the underlying contract unwound.

Administrative expenses for 2025 of \$23.1 million compared to \$21.6 million for 2024, reflecting increased costs on M&A-related activities and in preparation for the planned move to the Main Market during the year, with payroll and contractor costs increases offset by allocation of costs to operations.

Profit before taxation and profit after taxation for the period

Profit before taxation for 2025 of \$80.3 million (2024: \$160.5 million) included a \$2.5 million charge arising from an increase in the fair value of financial liabilities (2024: \$2.5 million charge), and net finance costs of \$29.2 million of finance costs (2024: \$23.5 million).

Finance revenue of \$6.1 million (2024: \$13.9 million) primarily represented interest income earned on cash deposits and decreased due to lower average cash balances held in the period and lower interest rates compared to 2024. Finance costs of \$35.3 million (2024: \$37.4 million) included interest payable and other financing fees on the RBL facility, as well as the non-cash discount unwind on decommissioning provisions and other minor finance costs. The decrease reflects the impact of lower interest rates during 2025 with the drawn balance under the Group's RBL remaining at similar levels for both prior and current year.

The 2025 taxation charge of \$132.2 million (2024: charge of \$68.1 million) comprised current tax charges of \$1.8 million (2024: \$13.9 million) and a deferred tax charge of \$130.4 million (2024: \$54.2 million). Current tax was minimal and reflected adjustments in respect of prior years as current year taxable income was fully sheltered by group relief impacts of tax losses within the Group, primarily due to the Triton hub outages as well as the application of capital allowances against the EPL charges resulting primarily from significant capital expenditure on the Belinda and Evelyn fields. The high deferred tax charge is a combination of higher deferred tax charge due to the accounting impact of the enactment of the extension of the EPL to 2030 during the year, as well as incorporating the impact of utilisation of current year tax losses for group relief.

Reported and effective tax rate	Units	2025	2024
Profit before tax	\$ million	80	160
Current tax	\$ million	2	14
Deferred tax charge	\$ million	130	54
Tax charge for the period	\$ million	132	68
Book tax rate		165%	42%
Applicable ring-fence aggregate tax rate		78%	75.5%

Overall, the Group reported a loss after taxation for 2025 of \$51.8 million (which included a one-off non-cash deferred tax charge of \$65 million) compared to a profit after taxation of \$92.4 million for 2024. This resulted in a loss per share of 13 cents (2024: earnings per share of 24 cents) after taking into account the weighted average number of ordinary shares in issue.

Group balance sheet

The Group maintained access to its reserve-based lending ('RBL') facility and together with its cash reserves and cash generated in the year, was able to utilise its access to liquidity to fund ongoing capital investment, while continuing to support shareholder returns.

	31 December 2025 \$ million	31 December 2024 \$ million
Assets		
E&E	43	20
PP&E	1,156	992
Goodwill	56	–
Deferred tax asset	–	55
Inventories	31	15
Trade and other receivables, financial assets	201	164
Corporate tax receivable	13	71
Cash & cash equivalents and restricted cash	31	148
Total Assets	1,531	1,465

FINANCIAL REVIEW continued

	31 December 2025 \$ million	31 December 2024 \$ million
Equity and liabilities		
Equity	670	797
RBL borrowings, drawn amounts	231	231
RBL unamortised fees	(10)	(12)
Provisions	252	146
Financial liabilities	94	124
Deferred tax liability	77	–
Contract liabilities	–	5
Trade and other payables, lease liabilities	217	174
Total Equity and Liabilities	1,531	1,465

Exploration and evaluation asset increased from \$20 million in 2024 to \$43 million in 2025. This was primarily driven by (i) the acquisition of Parkmead E&P in April 2025, which was accounted for as an asset acquisition and resulted in \$19.4 million of E&E additions primarily associated with the increase in Serica's stake in the Skerryvore field from 20% to 70%, and (ii) ongoing expenditure of \$4.0 million on the planned redevelopment of the Kyla field. Following the reclassification of the Kyla asset from 2C resources to 2P reserves, the related \$4.7 million E&E asset was transferred to oil and gas assets within property, plant and equipment.

Property, plant and equipment increased from \$991.6 million at year end 2024 to \$1,155.7 million at 31 December 2025. Additions comprised capital expenditure during 2025, including accruals, of \$258.2 million primarily across the Triton Area (\$218.5 million) and BKR (\$36.1 million) asset hubs. The Triton area included capital expenditure on new wells drilled on the Belinda field (\$110.9 million), Evelyn field (\$46.2 million), pipeline replacement investment on the Bittern field (\$35.2 million) and Triton FPSO life extension works (\$26.2 million). These were partly offset by depletion charges for 2025 of \$158.1 million (2024: \$187.3 million).

Serica also completed the acquisition of Prax Upstream Limited ('Prax Upstream') on 11 December 2025 which is consolidated into the Group's results from that date. The Prax Upstream acquisition has been accounted as a business combination in accordance with IFRS 3, with the excess of the purchase consideration over the provisional fair value of the identifiable net assets acquired and liabilities assumed on the acquisition being recognised as provisional goodwill of \$56 million in the 2025 balance sheet. The provisional fair value recognised at the acquisition date is based on information available as at the acquisition date, and reflects only the assets and liabilities that Serica controlled at that date. As a result, this accounting treatment does not reflect potential value (including the realisation of anticipated synergies) from future events. Since existing SPAs (to acquire a 40% working interest in the Greater Laggan Area from TotalEnergies as well as small stakes in Catcher and Golden Eagle from One Dyas) had been signed by Prax Upstream but not completed at the date of acquisition, they are treated as future events and therefore excluded from the determination of fair value. Management consequently considers that the provisional goodwill primarily represents expected future economic benefits from post-acquisition developments, including those expected to arise on completion of the existing SPAs including the prospective benefits associated with utilisation of tax assets acquired as part of Prax Upstream.

The Balance Sheet deferred tax position moved from a net deferred tax asset of \$55.1 million at 31 December 2024 to a net deferred tax liability of \$77.1 million at 31 December 2025. The overall swing in deferred tax of \$132.2 million largely arose from increased deferred tax liabilities of \$168.2 million on higher PP&E balances following significant recent capital expenditure on new wells in the Triton fields, compounded by the accounting impact of enactment during the year of the extension of the EPL from 2028 to 2030, as well as deferred tax liabilities of \$52.4 million on movements in the mark-to-market position of commodity derivatives. These were partly offset by increased deferred tax assets of \$72.0 million recognised in respect of higher loss carried forward and investment allowance balances and increased deferred tax assets of \$19.7 million on higher decommissioning provision at the year end.

Following acquisitions, tax losses more than doubled in 2025, totalling \$2.2 billion of ring fence Corporation Tax losses (end-2024: \$1.2 billion), \$1.9 billion of Supplementary Charge losses (end-2024: \$1.0 billion), and \$0.5 billion of Energy Profits Levy ('EPL') losses (end-2024: \$156 million). Tax assets are held in entities across the portfolio, with the exception of Serica Energy (UK) Limited, where the holding in the Bruce Hub creates scope for tax-efficient investment.

The decrease in cash and restricted cash balances from \$148.5 million at 31 December 2024 to \$30.9 million at 31 December 2025 reflected cash flow from operations of \$187.1 million supplemented by net \$63.4 million of cash tax receipts and \$14.3 million of net cash and restricted cash acquired on completion of Prax Upstream Limited, and offset by capital and abandonment expenditures paid of \$256.9 million, net finance costs paid of \$20.4 million, \$84.9 million of dividend payments, \$11.7 million paid for the acquisition of Parkmead E&P Limited and \$10.1 million for the purchase of own shares in the Employee Benefit Trust undertaken at an average price of 171p per share, to meet expected awards.

Trade and other payables increased to \$217.4 million at 31 December 2025 from \$173.5 million at the end of 2024, largely reflecting payable balances of Prax Upstream of \$28.4 million. The UK corporation tax receivable of \$13.0 million at 31 December 2025 (31 December 2024: \$71.0 million receivable) reflects a recovery of overpayments of corporation tax, supplementary charge, and the EPL in respect of 2025 resulting primarily from the application of group tax relief.

Net derivative financial assets of \$29.9 million at 31 December 2025 represent the mark to market valuation of gas and oil hedging swap and collar products in place at the year end. This is in contrast to net derivative financial liabilities of \$37.2 million at 31 December 2024. The swing from net liabilities to net assets is largely the result of the accounting impact of the fall in gas forward curve prices over the period of the hedges from 2024 to 2025, since most of the hedges in place at the Balance Sheet date were gas hedges.

Contract liabilities fell to \$nil at 31 December 2025 (31 December 2024: \$5.4 million) as we expensed the final outstanding portion of an underlying revenue offtake contract that was fair valued in connection with the Tailwind acquisition in March 2023.

Non-current financial liabilities of \$89.8 million (31 December 2024: \$81.9 million) comprise remaining contingent consideration projected to be paid under the BKR acquisition agreements of \$60.2 million (31 December 2024: \$49.7 million), royalty liabilities of \$24.8 million (31 December 2024: \$32.2 million) for amounts payable to third parties under the terms of Triton asset acquisitions previously made by Tailwind and deferred consideration relating to the Parkmead acquisition of \$4.8 million.

Provisions of \$252.3 million (31 December 2024: \$146.0 million) predominantly relate to decommissioning obligations and comprise current balances of \$17.5 million (31 December 2024: \$nil million) and non-current balances of \$233.8 million (31 December 2024: \$146.0 million). The increase from 2024 reflects a combination of additions to the decommissioning provision in relation to the new Belinda and Evelyn wells of \$32.0 million, decommissioning provision related to the Lancaster field of \$56.1 million assumed on the acquisition of Prax Upstream and other movements of \$17.9 million.

Interest bearing loans of \$221.5 million at 31 December 2025 represent drawn amounts of \$231.0 million net of unamortised facility fees of \$9.5 million under the \$525 million RBL facility entered into in January 2024.

Overall, net assets have decreased from \$796.5 million at year end 2024 to \$669.6 million at 31 December 2025.

Cash balances and future commitments

Current cash position and price hedging

At 31 December 2025 the Group held adjusted net debt of \$200 million as compared to adjusted net cash of \$83 million at 31 December 2024.

	31 December 2025 \$ million	31 December 2024 \$ million
Adjusted Net Debt		
Interest bearing loan	(221)	(219)
Add back unamortised fees	(10)	(12)
Cash & cash equivalents	19	148
Restricted cash	12	–
Adjusted net debt	(200)	(83)

As at 20 March 2026, the Company held Adjusted Net Debt of \$152 million.

FINANCIAL REVIEW continued

Hedging

Serica carries out hedging activity to manage commodity price risk, to meet its contracted arrangements under its RBL facility and to ensure there is sufficient funding for future capital allocation objectives. Serica held the following instruments in respect of 2026 and 2027 for its existing assets as at 20 March 2026:

Oil hedges

Weighted Average:	Units	2026				2027			
		Q1-26	Q2-26	Q3-26	Q4-26	Q1-27	Q2-27	Q3-27	Q4-27
Swap price	\$/bbl	80	68	68	68	0	0	0	0
Collar floor net	\$/bbl	64	60	60	63	62	63	63	63
Total weighted average	\$/bbl	73	62	62	63	62	63	63	63
Collar ceiling	\$/bbl	76	72	71	72	71	71	71	71
Hedged Volume	Kboe/d	18	17	15	23	19	16	15	15

Gas hedges

Weighted Average:	Units	2026				2027			
		Q1-26	Q2-26	Q3-26	Q4-26	Q1-27	Q2-27	Q3-27	Q4-27
Swap price	p/therm	94	0	0	0	0	0	0	0
Collar floor net	p/therm	83	63	61	71	71	56	56	62
Total weighted average	p/therm	85	63	61	71	71	56	56	62
Collar ceiling	p/therm	139	96	93	121	121	62	62	85
Hedged Volume	Kboe/d	8	10	9	8	8	7	7	7

Field and other capital commitments

Serica's planned 2026 investment programme includes further capital work on the Bruce facilities and Triton FPSO.

At 31 December 2025, the Group had commitments for future capital expenditure relating to its oil and gas properties which relate primarily to projects being undertaken to increase the operational lifetime of both the Bruce and Triton hubs. The Group's only significant exploration commitment work programme includes drilling an exploration well on the Licence P2400 (Skerryvore) prospect regarding which, given the lack of clarity regarding the future fiscal and licensing regime, the licence was extended to 31 March 2027.

Cash projections are run periodically to examine the potential impact of extended low oil and gas prices as well as possible production interruptions. Serica currently has substantial net cash resources and relatively low operating costs per boe which means that the Company is well placed to withstand such risks and its capital commitments can be funded from existing cash flow in most scenarios.

Other

Asset values

At 31 December 2025, Serica's market capitalisation stood at \$925.3 million based upon a share price of 174.8 pence which exceeded the net asset value of \$669.6 million. By 24 March 2026 the Company's market capitalisation, based on a share price of 252.0p, had increased to \$1,329 million.

Business risk and uncertainties

Serica, like all companies in the oil and gas industry, operates in an environment subject to inherent risks and uncertainties. The Board regularly considers the principal risks to which the Group is exposed and monitors any agreed mitigating actions. The overall strategy for the protection of shareholder value against these risks is to carry a broad portfolio of assets with varied risk/reward profiles, to apply prudent industry practice, to carry insurance where both available and cost effective and to retain adequate working capital.

Serica has a robust liquidity position and the ability to access debt, allowing the Group to respond to a range of risks including production interruptions, severe commodity price falls and unexpected costs. To supplement this, the Group carries business interruption insurance to mitigate the impact of ongoing operating costs over sustained periods of production shut-in beyond an initial sixty days, where caused by events covered under such policies. The Group also uses price hedging instruments to help manage field revenues where considered cost effective and to meet minimum hedge requirements under its debt financing facility.

The introduction of the Energy Profits Levy and its subsequent increases and extensions increased the perceived risk of fiscal instability for UK oil and gas producers, although the announcement of its replacement, the OGPM, gives a level of confidence in the future fiscal environment in which Serica will operate in the UK North Sea. Serica monitors UK government policies and routinely participates in relevant consultation processes.

The principal risks currently recognised and the mitigating actions taken are as follows:

Investment Returns: The Group seeks to invest in a portfolio of oil and gas assets and acreage capable of delivering returns to shareholders. This is principally conducted through acquisitions of development or producing assets to which it can add further value, efficient operations and organic investment. Delivery of this business model carries a number of key risks.

Risk	Mitigation
Business conditions may deteriorate and stock market support may be eroded, lowering investor appetite and hindering fundraising	<p>Management regularly communicates its strategy to shareholders</p> <p>Focus is placed on building a diverse and resilient asset portfolio capable of offering investment options throughout the business cycle</p> <p>Serica has an RBL debt facility with a diverse group of international banks to end 2029</p>
Each investment carries its own risk profile and no outcome can be certain	Serica aims to avoid over-exposure to individual assets, with M&A in 2025 supporting this mitigation, to identify the associated risks objectively and mitigate these where practical

Operations: Operations may not go according to plan leading to damage, pollution, cost overruns or poor outcomes

Risk	Mitigation
Production may be interrupted generating significant revenue loss while costs continue to be incurred	<p>The Group seeks to diversify its revenue streams, with acquisitions announced in 2025 supporting this ambition</p> <p>Management determines and retains an appropriate level of working capital and liquidity</p> <p>The Group carries business interruption cover</p>
Safety may be compromised or control of wells may be lost	<p>Safe operating procedures are applied and updated as appropriate</p> <p>Emergency response planning is carried out and rehearsed regularly</p>
Asset integrity of the production facilities may cause production or HSE disruptions	<p>Strict adherence is applied to Group 'Integrity Management Framework' and 'Performance Standards'</p> <p>The Group runs a comprehensive maintenance programme and assurance process</p>
Third party offtake routes may experience restrictions or interruptions. Full availability in certain systems may depend upon production from other fields	<p>The Group aims to diversify its exposure to offtake routes where possible</p> <p>The Group carries business interruption cover</p>

FINANCIAL REVIEW continued

Capital programmes may be delayed and costs may overrun	<p>Planned programmes incorporate the potential impact of normal delays and overruns</p> <p>The Group retains working capital reserves</p>
A cyber attack or IT system failure could disrupt operations, compromise safety systems, or result in loss of sensitive data, with potential regulatory, financial, and reputational consequences	<p>The Group maintains a heightened focus on cyber security through a structured programme, with security governance aligned to the NCSC Cyber Assessment Framework and Board-level oversight of cyber risk. This programme extends to the security integration of acquired businesses into the Group's control environment</p> <p>Critical offshore operational technology systems are segregated from corporate IT networks, with layered security controls, continuous monitoring, and regular security assessments maintained across both environments</p> <p>Supply chain cyber risk is managed through a tiered assurance framework with mandatory security requirements for critical suppliers, supported by tested incident response plans and a mandatory security awareness programme for all personnel</p>
Excessive flaring causes increased emissions and exceeds guidelines	<p>Close monitoring of flaring is conducted and targets set</p> <p>Work is ongoing to eliminate routine flaring from assets, with spend allocated to the Flare Gas Recovery project in 2026</p>
<p>Personnel: The Group relies upon a pool of experienced and motivated personnel to conduct its operations and execute successful investment strategies</p>	
Risk	Mitigation
Key personnel may be lost to other companies	<p>The Remuneration Committee regularly evaluates incentivisation schemes to ensure they remain competitive</p> <p>The Group seeks to build depth of experience in key functions to ensure continuity</p>
Personal safety may be at risk in demanding operating environments, typically offshore	<p>A culture of safety is encouraged throughout the organisation</p> <p>Responsible personnel are designated at all appropriate levels</p> <p>The Group maintains up-to-date emergency response resources and procedures, with regular training sessions and scenario planning</p>

Political and commercial environment: World equity and commodity markets, and the global political environment, continues to be volatile

Risk	Mitigation
Tax rates and allowances may be varied at short notice, significantly reducing retained income and adding risk to future investment planning	Management will utilise investment incentives where available and consider geographical diversification
Volatile commodity prices mean that the Group cannot be certain of the future sales value of its products	<p>Planning and forecasting considers downside price scenarios</p> <p>Oil and gas floor price hedging is utilised where deemed cost effective</p> <p>Price mitigation strategies are considered at the point of major capital commitment</p>
Sanctions imposed by the U.S. government may threaten continuing production from the Rhum field	<p>The U.S. government via OFAC has provided licences and written assurances enabling services to be provided without breaching U.S. sanctions. A new OFAC License and secondary sanctions assurance was received in February 2025 and runs until 28 February 2027</p> <p>Serica operates comprehensive controls to ensure compliance with the terms of the OFAC License</p> <p>The renewal process is initiated well in advance of renewal dates</p>
The UKCS licensing regime under which Serica's operational rights and obligations are defined may be subject to future change	<p>Serica maintains regular communication with the relevant UK government departments and regulatory authorities</p> <p>The Group participates in relevant UK government consultations</p>
Serica's reputation may be damaged by operational incidents or adverse publicity impacting its share price, ability to raise finance or sustain operations	<p>The Group seeks to comply with all relevant legislation and regulations</p> <p>The Group applies safe operating procedures and adheres to good governance practices</p>
Climate change brings operational and reputational risks	<p>The Group operates responsibly and seeks to comply with all relevant legislation and regulations</p> <p>Further details on the risks, mitigations and associated disclosure requirements, are covered on pages 54-59.</p>



Environmental, Social, and Governance ('ESG')



“We remain focused on responsibly producing the energy the world needs today. This means prioritising the health, safety and wellbeing of our people, working to reduce the environmental impact of our operations, and championing the local communities where we operate. As we grow our business, our approach to ESG is ever more central to this”

To ensure our ESG Strategy continues to serve our business and stakeholders today and, in the future, we undertook a review of our Strategy. This review revalidated our ESG vision, which is to embed an ESG culture in all of Serica's activities. Through which we aim to reduce our environmental impact, promote the wellbeing of our staff, support the communities in which we operate and carry out our business in accordance with applicable laws and high standards of corporate governance.

Our vision is built on three strategic pillars:

- (1) Environmental Stewardship
- (2) Social Responsibility
- (3) Strong Governance

2025 has been a year of meaningful progress across the E, S and G spaces.

Environmental stewardship

In 2025, we began the implementation of our committed emissions reduction projects on our Bruce platform, with three projects due to be operational by the end of 2027. In 2026, our focus is on implementing Flare Gas Recovery and progressing our compressor revamp projects. These investments demonstrate our commitment to

contributing to the basin-wide emissions reduction targets set out in the North Sea Transition Deal and build upon the current reduction of 31% against its 2018 baseline.

In 2025 we progressed our strategic plan for responsible growth and announced a number of carefully considered transactions. In 2026, we will continue to integrate our new assets into our portfolio, which will involve assessing and progressing reasonable emissions reduction projects on these assets. We look forward to exploring these opportunities with our new colleagues.

Social responsibility

Safety remains our highest priority at Serica. In 2025, our teams worked collaboratively to close out the Improvement Notice issued by the Health and Safety Executive, a clear demonstration of our commitment to strengthening our approach towards process safety.

At the same time, our personal safety performance did not meet expectations. Increases in recordable injuries and lost time incidents occurred, and we are taking focused action to address them. Targeted measures are already

underway to improve hazard awareness, reinforce safe behaviours, and ensure every person has what they need to work safely.

Looking ahead, we will continue to strengthen our process safety barriers through our dedicated Improvement Plan while driving improvements in personal safety across all our sites. Our commitment is simple: protect our people, learn from our challenges, and build a culture where safety is lived every day.

Turning to our supply chain, which is crucial in supporting us to deliver safe and reliable operations and extending the life of our assets. We were delighted to receive our second Gold Award as a result of our suppliers' feedback in OEUK's Working as One Survey, a testament to our desire to be a collaborative partner.

Our communities are important stakeholders and in 2025, we continued to look for ways to work with them and support them through a varied mixture of donations, fundraising and volunteering.

Strong governance

This year, we have integrated our financial and ESG reporting in recognition of the increasing link between financial and ESG performance. This integrated format should provide a clear and transparent overview of our performance and ambitions. Additional details can be found in the ESG Reporting Supporting Information document released alongside this report.

Like many businesses across the world, climate-related risks pose potential financial impacts on our Company. In 2025, we worked to align our approach to identifying, assessing and managing climate-related risks with our updated Enterprise Risk Management process, supporting a consistent approach across the organisation.

Our reporting

The contents of this section cover the full year of 2025.

Information in this section is prepared in reference to internationally recognised reporting frameworks, such as the Global Reporting Initiative ('GRI'), Sustainability Accounting Standards Board ('SASB'). In addition, Serica has worked to enhance its alignment with the IFRS S1 and S2 standards.

Reporting boundaries

We report on an operational control basis, meaning that most of the performance data presented relates to Serica's operated Bruce Installation, where we have direct control of operations. However, we also report our equity share of certain aspects, such as emissions from non-operated assets and operated wells tied into non-operated host facilities. Corporate level data is also provided for metrics such as employee head count.

Carla Riddell
Chief Technical Officer

Environmental stewardship

31%

emissions reduction against Bruce's 2018 baseline

19.6

 kgCO₂/boe

Bruce carbon intensity

64%

reduction in flared gas volumes on Bruce vs 2019

Social responsibility

1.4

TRIR on Bruce per 200k hours – measures implemented to address this

gold award

from OEUK's Working as One supplier survey

~£215k

spent on social initiatives across the country

Strong governance

IFRS S1&S2

adopted

integrated

financial and ESG reporting

33%

female representation on Board of Directors

How we assess materiality

We remain committed to maintaining the high operational standards expected by our industry and stakeholders and strive for accurate and transparent reporting on ESG matters.

Our Double Materiality Assessment ('DMA') is conducted in reference to the Corporate Sustainability Reporting Directive ('CSRD') requirements.

To maintain consistency and comparability in our reporting, we utilise the GRI topics and sector standards as the framework for determining materiality. Each topic has a defined scope and boundary, covering a broad range of ESG topics.

The assessment considers two dimensions of materiality:

Impact materiality – Topics reflecting the actual or potential positive/negative effects of a company's operations on the environment, economy and society

Financial materiality – Topics reflecting actual or potential financial risks or opportunities on a company's operations

"We will continue to review and update our DMA annually, ensuring it remains relevant and reflective of our evolving business landscape"

Based on these considerations, each topic is classified as either not material, impact material, financially material, or double material (both impact and financial materiality).

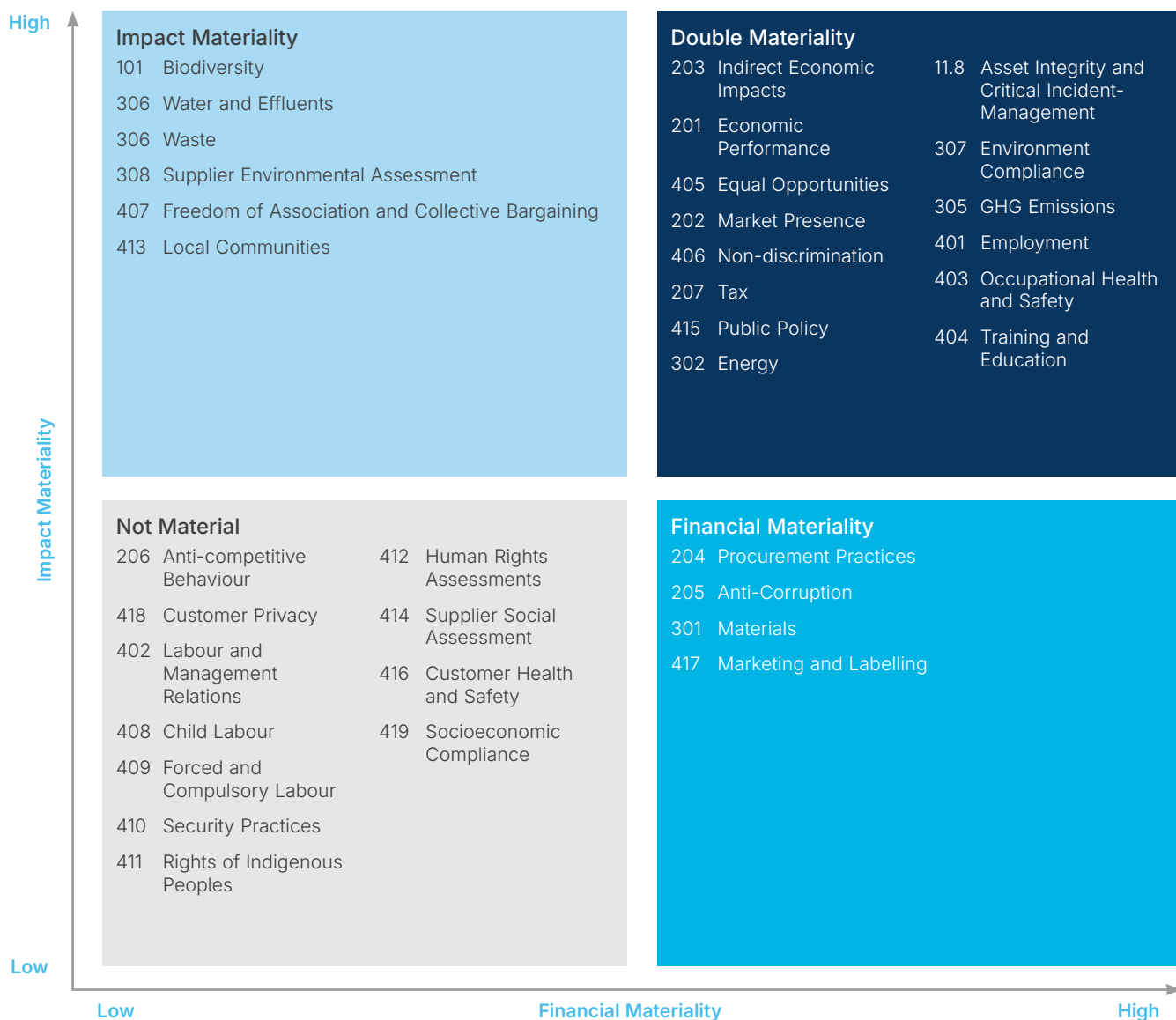
The assessment process incorporates insights from a diverse group of internal subject matter experts to ensure a comprehensive and accurate evaluation.

The DMA is reviewed annually, with any updates shared with the Executive Leadership Team and Board of Directors, reinforcing our commitment to accountability and informed decision-making.

The results of the assessment inform our ESG Strategy and plans and complement our Corporate Risk Management.

We will continue to review and update our DMA annually, ensuring it remains relevant and reflective of our evolving business landscape.

More information on topics, their allocation rationale and changes from 2024, can be found on our website.



Environmental stewardship

Greenhouse Gas ('GHG') emissions

Serica works to ensure that the emissions generated by our operations are properly measured, reported and, where practicable, reduced in proportion to our production.

How we manage GHG emissions

Serica quantifies, monitors and reports GHG emissions in line with relevant UK regulatory requirements, such as those associated with UK Emissions Trading Scheme ('ETS') and the Environmental Emissions Monitoring System ('EEMS'). Additionally, we are a member of OGMP2.0, a voluntary programme aimed at improving methane measurement and reduction.

The Scope 1, 2 and 3 GHG emissions reported here are quantified in reference to the International Petroleum Industry Environmental Conservation Association ('IPIECA') guidelines, which provide GHG Protocol aligned guidance specific to the Oil and Gas sector. We receive limited assurance on our calculation of GHG emissions in accordance with the principles of ISO 14064-3:2019.

We support the basin-wide emissions reduction targets set out in the North Sea Transition Deal ('NSTD'). These include a 10% reduction in production emissions by 2025, a 25% reduction by 2027 and a 50% reduction by 2030, all from a 2018 baseline.

To support these basin-wide targets, we have developed and are implementing our Emissions Reduction Action Plan ('ERAP') on our Bruce installation. The ERAP sets out the investments we will make to reduce emissions on the asset.

In 2025, we completed the acquisition of Prax Upstream Limited, which includes a 100% equity stake in the Lancaster field. The associated emissions have been incorporated into this report as described later in this section.

Performance

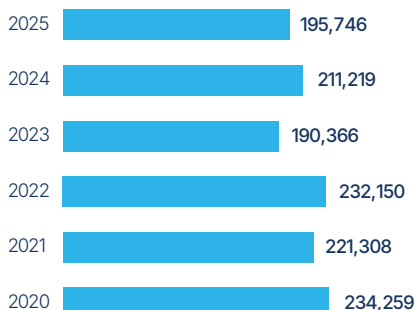
Scope 1 emissions

In 2025, our gross operated Scope 1 CO₂e emissions, which primarily comprises emissions from the Bruce installation, totalled 195,746 tonnes of CO₂e. This represents a decrease of 15,472 tonnes compared to 2024.

Compared to our 2018 baseline of 285,236 tonnes of CO₂e, 2025 emissions represent a reduction of 31%. This is well ahead of the 2025 NSTD basin-wide target of a 10% reduction.

The reduction from 2024 to 2025 is mainly due to lower production, which reduced the power consumption associated with gas compression. This result also reflects, however, continued asset optimisation including efforts to minimise flaring (see later in the section for further details).

Scope 1 CO₂e Emissions (tonnes)



Scope 1 carbon intensity

Carbon intensity is a key benchmark which measures the mass of CO₂ emitted per barrel of oil equivalent (boe) produced. The industry regulator, the North Sea Transition Authority ('NSTA'), reported that the average UKCS emissions intensity averaged 24 kgCO₂/boe in 2024.

During 2025, the carbon intensity from our operated Bruce asset averaged 19.6 kgCO₂/boe. This represents an increase compared to the 2024 average of 17 kgCO₂/boe. This is a result of lower production compared to 2024. It would, however, have been higher without the mitigating activities referred to earlier in this section.

Portfolio emissions and intensity

As our portfolio continues to grow, we believe it is important to report the net emissions associated with our entire portfolio, both operated and non-operated. In 2025, this totalled 239,916 tonnes of CO₂e.

In 2025, our portfolio GHG intensity averaged 25.5 kgCO₂e/boe. An increase compared to 2024 as result of a prolonged production outage on the Triton FPSO.

In 2026, we expect our total emissions to increase as we add assets to our portfolio and achieve higher production uptime from the assets we already own; the Triton FPSO in particular. However, we expect the emissions intensity of our portfolio to fall.

Emissions reduction

The Bruce ERAP sets out the projects aimed at reducing emissions from the installation.

In 2025, we began constructing the first phase of the Bruce Flare Gas Recovery ('FGR') system which, once operational, will substantially reduce 'routine flaring' from the installation.

In 2026, we will begin the installation of a new medium pressure and export compressor, which will increase energy efficiency and thereby further reduce asset emissions. We are also redesigning the low-pressure booster compressor. Work on both compressors is aimed to be completed in 2027.

As a result of the operational efficiencies made to date and the projects described above, the Bruce installation is on track to be aligned with the NSTD target of a 25% reduction against the 2018 baseline by 2027.

As we look to extend the producing life of the Bruce hub, we will continue to assess further emissions reduction projects. In 2025, potential opportunities were assessed as part of a wider asset life extension assessment. The results will inform our asset strategy, which is consistent with the Oil and Gas Authority's ('OGA') Plan.



Flare gas recovery unit

Flaring and venting

The ability to flare and vent produced gas is an essential safety feature on offshore installations. However, reducing non-safety critical flaring, known as 'routine flaring', reduces emissions and increases the volume of gas available to export.

In 2025, 3,679 tonnes of produced natural gas was flared from the Bruce platform. This represents a reduction of over 900 tonnes compared to 2024. This reduction is predominantly the result of fewer flaring events caused by plant upsets and our offshore teams swiftly investigating and rectifying flaring abnormalities. We expect this total to reduce further following the implementation of the FGR system in 2026.

Venting is the release of un-combusted natural gas, which has a more harmful impact on the environment than flaring. Venting occurs if the flare is extinguished or from certain atmospheric pressure source systems by design. In 2025, we completed a revalidation of the vent system register. This included quantification methodology and identifying credible opportunities to reduce vent gas. Flaring and venting is monitored and tracked against annual Flare and Vent Consents issued by the NSTA.

53 tonnes of natural gas were vented from the Bruce platform in 2025. This represents a decrease compared 2024's total of 112 tonnes vented.

Methane emissions

Methane is emitted from production operations as a byproduct of incomplete combustion of fuel gas. Specifically, small releases of methane occur when fuel gas is combusted during turbine operations, during produced gas flaring, from vent systems by design and from process plant fugitive emissions.

In 2025, Bruce emitted a total of 115 tonnes of methane, a decrease of 120 tonnes compared to 2024. This reduction was due to several factors including the use of more accurate, site-specific combustion factors following gas turbine exhaust stack sampling, and lower venting and flaring volumes throughout 2025.

We are members of the Global Oil and Gas Methane Partnership ('OGMP') 2.0, a United Nations Environment Programme, aimed at improving the accuracy and transparency of reporting, monitoring and reducing methane emissions within the industry.

As a part of our membership, we have developed a Methane Action Plan ('MAP') for our operated assets. The MAP details our plans to enhance the monitoring of methane and our plans to reduce methane emissions.

In 2025, our operated Bruce installation achieved level 3 reporting with Gold Standard Pathway to achieve Level 5.

In support of enhancing our measurement of methane emissions, we completed our fourth site-level (Level 5) measurement survey via an unmanned aircraft with FlyLogix. We plan to complete another aerial survey in 2026.

Other GHG emissions

We monitor other greenhouse gases such as NO_x, N₂O, CO, SO₂, and volatile organic compounds ('VOCs') which fall under our Pollution Prevention Control ('PPC') permit. The PPC permit sets out the permitted annual emissions of polluting substances from combustion equipment authorised under the permit.

Our Predictive Emissions Monitoring Systems ('PEMS') support our teams monitoring emissions in real time but also simulate emissions based on different operating conditions. This allows us to understand and optimise gas turbine operations, reducing emissions where possible.

GHG	Tonnes
NO _x	711
N ₂ O	16
CO	131
SO ₂	4
VOCs	41

Scope 2 emissions

Scope 2 emissions refer to the indirect GHG emissions generated from purchased or acquired electricity, steam, heat, and cooling (GHG Protocol). For Serica, this currently relates to the energy consumed within our offices.

We calculate Scope 2 emissions by taking the electricity invoices for our offices and converting the energy usage (kWh) into CO₂e using conversion factors set out by the UK Government. Using this location-based method, which utilises UK region emissions factors our total Scope 2 emissions totalled 28 tonnes of CO₂e in 2025 following the use of 160,475 kWh energy (2024 167,305 kWh). Using the market-based method, which utilises supplier specific emissions factors, our Scope 2 emissions came totalled 18 tonnes of CO₂e.

Scope 3 emissions

Scope 3 emissions are defined by the GHG Protocol as "any indirect emissions that occur in a company's value chain".

For Serica, Scope 3 emissions arise from our purchase of goods and services, transportation to and from our operated facilities, the end use consumption of the hydrocarbons we sell, facilities in which have a financial interest but do not operate, and facilities which are host to producing fields in which we have an interest.

We quantify and report these emissions according to the relevant categories defined by the GHG Protocol. Whilst we do not report on all 15 categories, we aim to quantify and report on material categories.

Category 1: Purchased goods and services

This category refers to the emissions generated because of the goods and services that Serica purchases, including emissions generated from emergency response and diving support vessels and drilling rigs. In 2025, this totalled 29,106 tonnes CO₂e (2024 7,860).

Category 4: Upstream transportation and distribution

These are the emissions from transportation, distribution and storage purchased by the Company and provided by third parties, including inbound logistics. In 2025, this totalled 10,779 tonnes of CO₂e (2024 11,087).

Category 8: Upstream leased assets

The emissions in this category arise from the operation of assets leased by Serica.

Following the acquisition of the PRAX Upstream Limited on the 11th of December, Serica held a 100% interest in the Lancaster oil field, which is produced via the leased Aoka Mizu FPSO (owned and operated by Bluewater Energy Services). This contract is managed under Bluewater operating policies and management systems.

Accordingly, we have reported the GHG emissions associated with the Aoka Mizu FPSO as Scope 3 Category 8. These GHG emissions totalled 3,948 tonnes of CO₂e between the acquisition date and the end of 2025.

Production from the Lancaster field is expected to cease during Q2 2026, following which the Aoka Mizu will depart from the field.

Category 11: End use of sold products

This category comprises emissions arising from the end use of the product that a company produces or sells. For Serica, this encompasses the emissions generated from the end use of the oil and gas we produce. We calculate this in line with the IPIECA guidelines. Estimated crude product types based on UK refinery output are applied to Serica's net oil sales and all the Company's gas sales are assumed to be delivered into the UK national gas transmission system.

In 2025, the emissions associated with this category were 3.4 million tonnes of CO₂e (2024 5.1m).

These emissions are a direct result of demand for oil and gas on which modern economies depend. Demand-side policies implemented at a global and national level are the most effective means of reducing these emissions.

Category 15: Investments

Category 15 includes the assets in which Serica has a financial stake, but does not directly operate, and oil and gas fields we operate but which are tied back to host facilities operated by other companies.

For a field tied back to a facility operated by another company, we typically calculate the emissions associated with the relevant field by taking that field's share of the total host facility's throughput and then apply Serica's equity share of the field. This approach provides a clear representation of Serica's share of the associated emissions and reduces the risk of double-counting emissions reported by other companies. Some fields have specific commercial arrangements or services that mean the host facility emissions are allocated in a different way. In that case, we reflect these bespoke arrangements in our calculation of the relevant Scope 3 emissions.

Our Scope 3 emissions from these assets totalled 122,592 tonnes of CO₂e in 2025 (2024 133,703). A breakdown by asset can be seen below.

Asset	Tonnes of CO ₂ e
Triton fields	81,306
Orlando	26,061
Columbus	8,882*
Erskine	6,343

* this figure will be restated in the next reporting period following receipt of actualised 2025 performance information

Outlook

In 2026, we will continue to progress the implementation of the Bruce ERAP and review potential additional opportunities to reduce emissions. We will continue to work with our joint venture partners to develop and implement ERAPs on our non-operated assets.

Following the completion of the acquisitions announced in 2025, we will integrate the associated assets into our emissions reporting system and, where practicable, seek to reduce their emissions intensity.

Waste management

Offshore waste is generated through a variety of channels, from packaging for food to materials and equipment that are no longer required. It is our duty to ensure that waste generated from our sites is responsibly and safely segregated, handled, and disposed of.

How we manage waste

Our Operating Management System ('OMS') houses our waste management procedures and policies, which ensure we comply with all relevant UK waste management legislation. Waste is defined as either hazardous or non-hazardous. Any hazardous material (special waste) is given the appropriate packaging and labelling to ensure safe transit back to shore and appropriate disposal.

Non-hazardous (general) waste is usually segregated offshore and placed in defined containers before being sent to our waste contractor onshore. Waste segregation offshore is managed in line with The Merchant Shipping (Prevention of Pollution by Sewage and Garbage from Ships) Regulations 2008, which prohibits the disposal of solid waste at sea.

Any unauthorised loss of solid waste to sea or dumping is reported to the Regulator as a Petroleum Operation Notification 2 ('PON2'). Any unauthorised release of liquid waste to sea, such as chemicals or hydrocarbons, is reported as a Petroleum Operation Notification 1 ('PON1').

All waste and the associated duty of care is managed by our waste handling specialist contractor. They use only UK-registered disposal routes that meet regulatory requirements.

Performance

Waste generation and disposal

In 2025, operations from the Bruce platform generated a total of 460 tonnes of waste, of which 74 tonnes were deemed as hazardous and 386 tonnes as non-hazardous. The total waste produced in 2025 was approximately 78 tonnes more than in 2024. This was due predominantly to increased project work on the platform associated with extension of asset life and emissions reduction projects.

Of the waste generated on the platform, 59% was recycled (2024 53%), 31% was converted from waste to energy (2024 37%), 0.03% was re-used (2024 0.25%), 5% was sent to landfill (2024 2%), 1% was incinerated (2024 2%), and 4% was sent for treatment (2024 6%).

Performance against targets

To maintain focus and strive for better performance, we set a variety of waste-related targets.

The 2025 targets and our performance against them can be seen below.

- 1) 90% or above of total waste to be reused, recycled or sent to waste to energy – **90% achieved**
- 2) Limit general waste and dried mixed recyclables to <90 tonnes – **127 tonnes generated** as result of increased activity on the platform.

For 2026, we have set the following targets:

- 1) Maintain 90% or above of total waste to be reused, recycled or sent to waste to energy
- 2) Limit waste sent to landfill to 3% of total waste generated

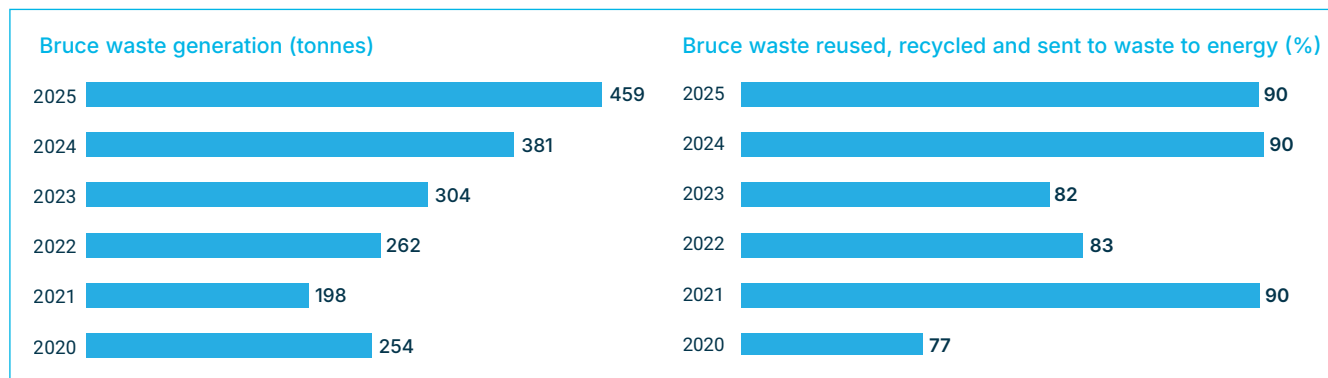
Waste management and skip audits

In 2025, our waste contractor conducted a waste management audit of the Bruce platform to ensure compliance with legislation and our internal procedures. This audit concluded that Bruce upholds a high level of waste segregation and management and upholds industry best practice.

In addition to the above, our waste management contractor conducts quarterly skip audits to determine whether the waste coming from the platform is correctly segregated. In 2025, Bruce had a 100% score. The results and any key findings from the audits are shared with our team offshore and any corrective measures are actioned accordingly.

Outlook

A key objective for 2026 is to develop a project waste management procedure. As we look to extend the life of Bruce, there will be increased activity on the platform and within the Bruce field. This is likely to result in more waste being generated and a project-based procedure will facilitate compliance with our duty of care when handling, transiting and disposing of waste.



Water and biodiversity

As an operator with assets located in the UK North Sea, we act responsibly and comply with regulatory requirements to minimise the impact of our activities on the marine environment.

How we manage water and biodiversity

Produced water

Produced water is a by-product of oil and gas production often containing hydrocarbons and is subject to the Oil Pollution Prevention and Control ('OPPC') Regulations (2005) (as amended). We comply with these regulations and operate in accordance with industry guidance and Serica procedures. We sample and analyse produced water daily with oil to sea discharge data being reported monthly to the Offshore Petroleum Regulator for Environment and Decommissioning ('OPRED').

Unplanned releases

Any unplanned release of oil or chemical to sea requires submission of a PON1 to OPRED. In the event of a more significant release, emergency documentation instructs our onshore and offshore teams on the correct course of action. This information is stored in the Offshore and Onshore Oil Pollution Emergency Plan ('OPEP'). During campaigns and project work outside the asset's 500m zone, a Communication and Interface Plan ('CIP') is in place to bridge the asset's OPEP with that of the vessel carrying out the operation on Serica's behalf.

Chemical usage

The use and discharge of chemicals offshore are subject to the Offshore Chemical Regulations ('OCR') (2002) (as amended), adherence to industry guidance and Serica procedures. Under the OCR, the majority of chemicals used and discharged offshore require a chemical risk assessment and regulatory approval prior to their use and discharge.



Chemicals regulated under the OCR are tested to evaluate their toxicity, bio accumulation and biodegradation, and are ranked according to their potential to cause harm to the marine environment. The most hazardous chemicals carry a substitution (SUB) warning label. Offshore operators are required to strive to reduce and justify the usage of SUB chemicals.

Biodiversity

Our operations are subject to UK law in relation to management of biodiversity-related impacts. Where required, we conduct detailed Environmental Assessment Justifications ('EAJs') prior to any activities that require disturbance of the seabed or chemical usage and discharge. These EAJs evaluate the potential environmental impacts of a particular activity and consider a variety

of different environmental aspects, including impacts on marine life and habitats. Potential significant impacts are identified and mitigated. Potential mitigation includes noise modelling, mammal watching and compliance with chemical permits. These mitigation measures are monitored to ensure their effectiveness. EAJs are subject to approval by OPRED.

Serica has no leased or managed sites that are located within or adjacent to protected areas and areas of high biodiversity value outside protected areas.

Performance

Produced water and oil in water

In 2025, 47,816 m³ of produced water was discharged to sea (2024: 27,553 m³) at an average oil in water concentration of 6.2 mg/l (2024: 8.8 mg/l) versus the performance standard of less than 30 mg/l. This resulted in 0.3 tonnes of oil being discharged to sea (2024: 0.2). The increased volume of produced water and oil being discharged to sea is attributed to the unavailability of our produced water re-injection system throughout most of 2025. As such, we re-injected into the reservoir 1,334 m³ of produced water (2024: 31,707 m³) with an average oil in water concentration of 5 mg/l (2024: 15.2 mg/l).

Water usage

As our operations are based in the UK North Sea, we do not work in a region of high baseline water stress. We utilise seawater for cooling and fire water systems. In a typical year, the Bruce platform will lift an estimated 29.5 million tonnes of seawater. Most of this seawater is recycled and returned to sea.

Most of the water used for domestic and drinking purposes on the platform is derived using a Reverse Osmosis (RO) unit. However, we do store fresh water which is transported to the platform and stored in potable water tanks. In 2025, 1,099 m³ of potable water was transported to the platform.

Unplanned releases

In 2025, a total of 2 PON1s were submitted (2024: 9), involving the unauthorised release to sea of 0.35 tonnes of chemicals (2024: 0.29 tonnes). In 2025 there were no PON1s submitted in relation to the unauthorised release of hydrocarbons (2024: 0.17 tonnes). The reduction in PON1s in 2025 was largely due to the diligence of the offshore team and the setting of expectations with the contracted vessel owners.



Osprey spotted on the Bruce Platform

Chemical usage

In 2025, we utilised a total of 213 tonnes of production chemicals on the platform, of which 0.44 tonnes were SUB chemicals, a reduction on 2024 (265 tonnes of chemicals used on the platform, of which 3 tonnes were SUB chemicals).

Biodiversity

In 2025, we conducted an offshore bird survey of the Bruce platform. This confirmed a number of species that are located in the Bruce area. This included Great Black-Backed Gulls, Fulmar, Gannet, Great Skua, Herring Gulls and Black-Legged Kittiwakes. We intend to repeat this process during 2026 focusing on nesting sites. These surveys add to environmental knowledge of the Bruce area and will help with planning future decommissioning activities.

Supporting local biodiversity projects

In 2025, we were proud to continue our support for initiatives that support biodiversity protection, restoration and education.

In Aberdeen, Serica is a member of the River Dee Guardians, an initiative by the River Dee Trust, which aims to protect and restore the River Dee and its native species populations. Serica also belongs to the East Grampian Coastal Partnership, which works to protect the coastlines of the Northeast of Scotland. In addition to financial contributions, we support their work through volunteering to remove invasive species and tree tubes and conduct beach cleans.

Following on from our support of Green Tweed Eco's Northeast Bird Box project, that saw 2,000 bird boxes donated to 200 primary schools across the region, we have sponsored their Surrey based project which will see another 2,000 bird boxes donated to schools across Surrey.

Outlook

In 2026, we will be progressing the re-instatement of our produced water re-injection facilities, allowing us to maximise reservoir re-injection and reduce produced water and production chemical discharges to sea.

In addition, we will also permanently install a produced water filtering package, allowing us to reduce the proportion of residual hydrocarbon quantities within a given volume of discharged produced water.

Innovation

Serica partners and collaborates with industry suppliers, trade bodies, other North Sea operators and NSTA to address some of the technical challenges our industry faces.

Sharing knowledge and learning from outcomes improves our industry's performance.

How we manage innovation and technology

Our innovation and technology deployment activities aim to deliver safety and integrity enhancement, emissions reduction and value creation.

Identifying opportunities to deploy new technologies is largely a people-driven process. We seek to build on the significant functional expertise within our workforce by external networking, such as through our subscription to the Technology Catalogue database and community.

The potential deployment of new technologies begins with a structured assessment of the particular challenges and opportunities presented by our assets. Technology screening is built into the early phases of our project management process.

Performance

Since becoming a UK North Sea field operator, we have deployed over 40 technologies largely in the areas of asset facilities management, digital and data and emissions reduction. The implementation of technology is tracked via the Technology Catalogue tool.

We continue to be an active partner in the Net Zero Technology Centre ('NZTC'). In 2025, we joined the Methane Measurement Joint Industry Project, which focused on deploying advanced methane measurement technologies offshore, generating high-quality methane measurement data to produce reliable datasets to support performance assessment.

In 2025, we appointed a Head of IT, Digital and Data. This role aims to strengthen our cyber-resilience and enhance our utilisation of digital innovation and data to support adding value to our existing assets and through acquisitions.

Outlook

As our operational footprint expands into new assets, we will seek to maximise value through proactive partnership and collaboration in technology and innovation.

In 2026 the IT, Digital and Data function will have two key focus areas. Firstly, a new Digital Strategy for the Company will be implemented. Secondly, working with the Business Improvement Team, the IT function will promote and facilitate adoption of suitable digital technologies, including AI.



Social responsibility

Health, safety and wellbeing

We are committed to conducting our activities in a manner that assures the health, safety and wellbeing of our staff and contractor personnel.

How we manage health, safety and wellbeing

Our OMS provides an integrated and systematic approach to Health, Safety, Environmental and Quality ('HSEQ') management and contains our policies and procedures designed to reduce risks to As Low As Reasonably Practicable ('ALARP') and to keep our people safe. Serica's HSEQ Policy sets our key principles, and it can be found on our website.

Occupational health and safety

Occupational Health and Safety risk is managed in accordance with our Operating Risk Policy. The policy is supported by several procedures which describe specific risk management processes such as HAZOP, HAZID, LOPA, and Control of Work.

Our Occupational Health Management System consists of policy and procedure documents for specific tasks. The subjects covered include Noise Management, Fitness to Work, Health Surveillance and Fatigue Management.

Process Safety

Process Safety is a disciplined framework for managing the integrity of operating systems and processes that handle hazardous substances.

We have worked to increase organisational awareness and visibility of process safety performance through a mixture of training and performance reporting across every level of the organisation.

We proactively measure process safety performance metrics to identify risks and weaknesses before they lead to incidents. By selectively tracking lagging and leading indicators, we gain insight into how well our safety systems are functioning. This allows us to take timely corrective actions and strengthen controls that support reliable, safe operations.

Should an event occur, it is swiftly investigated with learnings shared and recommendations taken forward.

Contractor HSEQ management

It is vital that services, equipment and materials from external providers meet our health, safety, and quality requirements. Our Contractor HSEQ Management Procedure describes how we assess the risk associated with each contract. We can then determine the subsequent level of assurance which is commensurate with the risk through all stages of a contract's lifecycle. This often includes prequalification questionnaire and assessment, contractor site visits and a thorough review of a company's HSEQ documentation.

Wellbeing

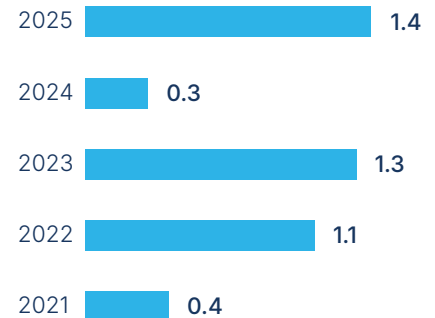
Our Health and Wellbeing Policy sets out our approach to managing and promoting health and wellbeing amongst our workforce, which includes providing training on mental health and stress awareness and signposting our teams to internal and external support available to them.

Performance

Occupational health and safety

In 2025, the Total Recordable Incident Rate ('TRIR') per 200,000 hours worked on our operated Bruce platform came to 1.4, an increase compared to 2024 (0.3). Of the injuries which contributed to this rate, we were disappointed to see an increase in the number of reportable injuries from 1 in 2024 to 3 in 2025. The increase predominantly comprised a series of hand injuries which occurred during routine activities. In response to this trend, we have implemented the mandatory use of impact protection gloves and addressed the issue through hazard awareness training.

Bruce TRIR (per 200,000 hours)



Projects

In addition to our core production operations and topside projects on Bruce, during 2025 Serica completed its Triton area drilling campaign which included the Evelyn EV02 and Belinda BE01 wells.

Drilling operations for Evelyn EV02 and Belinda BE01 were delivered by the COSL Innovator mobile offshore drilling unit. Petrofac acted as the well operator. Initial challenges during the EV02 campaign prompted strengthened interventions, including additional offshore safety representatives and enhanced assurance activity. These interventions led to clear improvements in performance. During the EV02 project, incidents were limited to minor hydraulic and blowout preventer fluid releases, ROV handling issues, a medical treatment case resulting from a trip, and a chemical permit non-conformance.

The Belinda BE01 campaign demonstrated sustained improvement, achieving zero lost-time injuries, full assurance compliance and no chemical permit non-conformances. However, a high-potential event and a first aid case were recorded.

We remain committed to collaborating with our suppliers to achieve robust safety performance.

ESG continued

Process Safety

As previously reported, in 2024, we received an Improvement Notice by the Health and Safety Executive ('HSE') following the release of 194kg of gas from the Bruce platform. A team was formed to develop and implement a plan to address the deficiencies identified in the Improvement Notice. Following a HSE Regulator offshore inspection visit, the Improvement Notice was confirmed to have been complied with and closed on 24th July 2025.

In 2025, we recorded 0 Tier 1, 0 Tier 2 and 14 Tier 3 LOPC events. This was an improvement on 2024 when 1 Tier 1 and 19 Tier 3 LOPC events were recorded.

Continual improvement of our safety performance is a key Company objective. The Company has a rolling Process Safety Improvement Plan that is subject to regular review and was updated to define the priority improvement focus areas for 2025. Process Safety performance metrics have been developed, with monthly performance reviews taking place throughout the year to enable data driven decision making and early intervention, should any performance deterioration be observed.

Crisis management and emergency response

We strengthened our emergency response capability in 2025 by expanding the Duty Manager pool supporting the Incident Management Team ('IMT') and increasing Crisis Management Team ('CMT') membership, with further additions planned for 2026.

Throughout the year, we conducted 17 response exercises, 10 full IMT mobilisations and 7 tabletop sessions, covering major accident hazards from the Bruce Safety Case and other foreseeable scenarios. These involved Duty Managers, CMT members, offshore teams, key contractors, and external agencies such as Police Scotland, HM Coastguard, and regulators.

We also completed a Tier 3 Oil Pollution Emergency Response Exercise, meeting regulatory requirements and demonstrating Serica's capability to implement its OPEP during a major pollution event. The exercise was

observed by OPRED, the Secretary of State's Representative of Maritime Salvage and Intervention, and HM Coastguard.

For 2026, we plan 12 further simulated exercises and a two day Business Continuity Plan exercise, with scenario development continuing to focus on major accident hazards while also addressing emerging threats such as cyberattacks and terrorism.

Health and safety training

Operating in a high hazard industry means that we must ensure that our people are appropriately trained and competent to carry out their roles. Training requirements vary from role to role and compliance is tracked using our internal training management systems and competency matrices. Our employees averaged a total of 113 hours of health and safety training in 2025.

Health and Safety Observation Programme

Our Health and Safety Observation Programme enables our offshore personnel to recognise positive behaviours and address any unsafe practices observed. All submissions are reviewed by both offshore and onshore leadership personnel, with follow-up actions taken as necessary. We encourage our people to speak up about unsafe behaviours and help us take proactive steps to prevent harm.

In 2025, an average of 80% of personnel engaged in our programme each week, which is consistent with the high levels of engagement we have seen in previous years. In 2025, we began a trial using AI to support safety observation analysis and trending. We will continue to explore this in 2026.

Wellbeing

Our staff-led Wellbeing Committee supports us in providing a variety of wellbeing-related events and communications. In 2025, the Committee supported the internal roll out of the new OEUK safe weight limit policy, organised several events focused on mental health, stress management, CPR awareness and "Know Your Numbers" with the support of MCL Medics, who provided blood pressure and cholesterol checks in our offices.

Outlook

In 2026, our primary focus will be the continued safe operation of our existing assets while ensuring that newly acquired sites and teams are seamlessly and safely integrated into Serica.

Building on the momentum from recent years, we will continue to strengthen our management system and reinforce the behaviours that support safe, reliable operations across all locations. This includes embedding consistent HSEQ expectations, ensuring robust risk management processes, and supporting new personnel through clear induction pathways and competency development.

Effective integration following M&A requires not only alignment of systems and processes but also strong, collaborative working relationships that support shared safety ownership. As such, 2026 will require ongoing development and strengthening of relationships with appointed Duty Holders and key operational partners. This approach will help ensure that all parties are fully aligned and supported in delivering safe outcomes and that our collective performance meets the standards expected across all Serica-operated and third-party-supported sites.

CEO Safety Observation Award

To further encourage and recognise those on our sites who intervene and make quality safety observations, we introduced our CEO Safety Observation Award. It is awarded on a quarterly basis, following a review of best safety observations made by our Teams. The observation subject to the reward is shared with the wider organisation to maintain awareness.



The CEO's
Safety Observations
Award

Diversity and Inclusion ('D&I')

We want to create a culture where our employees feel empowered to bring their true selves to work and champion differences in perspective and opinion.

How we manage D&I

Our Equal Opportunities and Dignity at Work policy highlights Serica's commitment to treating all employees equally, irrespective of age, disability, gender, sexual orientation, marital or civil partnership status, pregnancy or maternity, race, colour, nationality and ethnic or national origin.

To support our culture and communicate our expectations, we have a dedicated D&I training module that is mandatory for staff and core contractors to complete within three months of employment and to refresh every two years.

Our D&I Committee is staff led and made up of a cross section of our organisation. They work to promote the importance of D&I through a variety of training and awareness campaigns and review policies and procedures to ensure that these are inclusive and reduce the likelihood of bias occurring. The Committee also works with a variety of external organisations which support our D&I initiatives.

Performance

Diversity at Serica

At the end of 2025, Serica's 242 employees were made up of 19% females and 81% males. An increase of 4% of female representation in comparison to 2024. Our Senior Leadership team was made up of 20% female and 80% male members, and our Executive Leadership consisted of 29% female members and 71% male members.

9% of the organisation were aged under 30, 60% were aged between 30 and 49, and 31% were aged over 50.

Gender pay gap

We strive to ensure that our compensation across all roles is both equitable within our organisation and competitive within our industry. Our pay and grading model provide us with the tools to compare roles and rewards in order to guide our remuneration decisions effectively.

We benchmark our salaries against other oil and gas companies. Our voluntary participation in this survey is consistent with our goal of eliminating bias in the organisation.

In the UK, it is mandatory for employers with over 250 employees to report gender pay gap statistics. Although Serica was below this threshold in 2025, the relevant statistics are nonetheless published in this report. We recognise the importance of identifying gaps, understanding the causes and addressing those causes as necessary.

As of 5 April 2025, the UK Government's required reference date, Serica's mean gender pay gap was 24%, an increase compared to 18% in 2024. This increase attributed is due to a combination of Serica's almost entirely male offshore

workforce comprising around half of the Company's total employee base and the calculation based on a 'snapshot' in time reflecting one female senior manager leaving the Company. Between April and December 2025, there were several senior level female hires which is expected to be reflected in the gender pay gap as at the 2026 reference date.

Raising awareness

To complement our existing D&I learning through training, in 2025, we successfully tendered for additional D&I training for our Senior Leadership team and wider organisation. This training will be delivered by Men for Inclusion during 2026.

Throughout 2025, our D&I Committee continued to raise internal awareness of a variety of D&I topics through its D&I Engagement Calendar. Examples included hosting a "pot-luck" to celebrate Interfaith Harmony Week, organising sign language training to celebrate Disability Pride Month and hosting a variety of information sessions on topics such as intersectionality, neurodiversity in the workplace and modern slavery.

Serica's mean and median Gender and Bonus Pay gaps 2022-2025

Metric	2025	2024	2023	2022
Mean Gender Pay Gap	24%	18%	20%	30%
Median Gender Pay Gap	12%	12%	12%	7%
Mean Bonus Gap	38%	15%	27%	27%
Median Bonus Gap	25%	12%	5%	18%



Interfaith "pot-luck" to celebrate Interfaith Harmony Week



POWERful WOMEN
Hosted by the Energy Institute #pfwconf

seeks to advance the professional growth and leadership development of women in the UK energy sector

We are delighted to be sponsoring
POWERful Women's Annual Conference 2025
Weathering Change: 5 Years to Anchor Gender Diversity in Energy

SERICAENERGY

12 November 2025
09.30-18.00 GMT

HYBRID EVENT:
County Hall, London
& streamed online

REGISTER NOW

Outlook

In 2026, we look forward to continuing to build on the work done to date. We will focus on successfully rolling out additional D&I training across the organisation, in addition to continuing to raise awareness of D&I topics throughout our expanding organisation and utilising data to inform our plan and actions.

Working with our partners

We continue to develop relationships with and support a variety of external D&I organisations. We aim to ensure that our relationships are co-beneficial. Our partners support us on our D&I journey and provide advice, and we support their work through sponsorship, donations and volunteering. In 2025, we were proud to sponsor events such as the POWERful Women annual conference and Grampian Pride in Aberdeen.

People management

Our people are our number one asset, ensuring that we are able to conduct our operations safely, responsibly and efficiently. We aim to be an employer of choice and make our team feel valued for their contributions.

How we manage people

Our Operations Management System contains our people-related policies and procedures including those associated with our Code of Business Conduct, family-friendly policy, training and development, flexible working and equal opportunities and dignity at work.

In 2025, we established a Chief People Officer role at Serica to strengthen oversight of our people management approach, alongside expanding our Human Resources team to support the business today and as we continue to grow.

Performance

Headcount

At the end of 2025 Serica had a total 242 employees spread between our offshore installation and our London and Aberdeen offices, an increase of 16 compared with the end of 2024.

Benefits and rewards

To ensure our offering remains competitive, we annually benchmark our salaries against peer companies. In 2025 the Korn Ferry study benchmarked Serica at 16% (2024: 14%) ahead of the 50th percentile of salaries for oil and gas companies.

In addition, Serica provides staff with a variety of benefits to support them and their family. These include, a non-contributory pension scheme, private medical and dental insurance, death-in-service payment, cycle to work and electric car salary sacrifice and group income protection.

Employee engagement

We strive for a people focused culture within Serica that encourages feedback from staff.

In 2025, we established an Employee Forum comprised of employees across the organisation. The Forum meets with Executive Leadership on a regular basis and raises questions, concerns and suggestions. A member of the Board is nominated as a sponsor for the Forum, with which they will meet at least twice yearly.

We also launched an Employee Engagement Survey to gather feedback across a range of topics. We plan to continue conducting these surveys to ensure we maintain a clear understanding of where we are performing well and, importantly, to identify areas requiring attention and improvement.

Working with our contractors

Like many in our sector, we rely on several offshore contractors to support our operations. To support the reduction of fatigue and time away from home, we have worked with several of our contracting companies to align with the rota utilised by Serica for its staff. Since 2019, more than six contracting companies have moved to this rota, with Serica facilitating additional logistical support.

We are also supporters of the Energy Services Agreement ('ESA'), a collective bargaining agreement covering those employed by the signatory service companies.

Outlook

During 2026, one of our priorities is the smooth integration of staff joining Serica on completion of our announced acquisitions.



Supply Chain & Procurement

To conduct our operations, we are reliant on the availability and expertise of an extensive supply chain made up of a mixture of Tier 1, 2 and 3 suppliers. We seek to build fair, collaborative and productive relationships with our suppliers, whilst ensuring that we comply with legal and regulatory requirements and our own governance processes.

How we manage Supply Chain & Procurement

Given the strategic and financial significance of procurement decisions, it is important that we maintain a consistent, structured, transparent and auditable procurement process that supports regulatory compliance, risk management and good corporate governance.

Our Procurement and Supply Chain Management Standard sets out the procedures and processes we follow to ensure regulatory compliance, managing and mitigating risk, promotion of ethical practices, meeting our business and ESG objectives and driving efficiency and continuous improvement.

Performance

Supply Chain orders

In 2025, 98% of our total orders were made with UK-based suppliers, with 70% of that those orders placed in northeast Scotland.

“Working as One” survey

We were delighted to be awarded a second consecutive Gold Award as a result of the 2025 OEUK Supply Chain Principles supplier survey. Receiving this award evidences our commitment to being a fair and collaborative partner with our suppliers.

Consistent with that commitment, during 2025 we developed and rolled out bespoke Contract Holder training to ensure consistent and effective contract management throughout our business.

ESG in procurement

All of our tier 1 and 2 suppliers are required to be screened using environmental criteria. Our smaller, tier 3 suppliers are screened by exception. This environmental screening is done via SEQual, an industry specific pre-qualification tool, or through our internal HSEQ screening process. Currently, screening is focused on a supplier's Environmental Management System

(‘EMS’), EMS Certification to ISO 14001 or similar, and resources available to the supplier to manage environmental issues.

We have worked with SEQual, to develop and implement a set of ESG questions which have now been incorporated into the tool and cover areas such as emissions reduction and waste reduction practices. We also continue to engage with individual suppliers to understand their efforts and identify where there is scope to collaborate to make positive change.

Outlook

As our operational footprint expands into new assets and sites, we will seek to improve value through proactive partnership and collaborative relationships with our suppliers.

In 2026, we will continue to engage with our suppliers, notably through attendance at OEUK’s Share Fair and through a Serica organised “Meet the Buyer” event.

In addition, we will continue to review and implement efficiency measures such as inventory rationalisation and vessel sharing between our Bruce asset and the FPSO on the Lancaster field (the Aoka Mizu vessel).



Supply vessel at the Bruce platform

Education and training

We ensure our people receive appropriate competency-based training to perform their roles safely and effectively. We actively support continuous professional development and encourage our workforce to broaden their horizons by utilising the 70/20/10 model of learning.

We also actively support energy education in the community through support for Science, Technology, Engineering and Mathematics ('STEM') initiatives across almost every age group.

How We Manage Training and Competence

Our Training Management System ('TMS') tracks compliance with our training matrices across the organisation, enabling us to monitor whether staff have completed the training necessary for their roles. Our OMS contains policies and procedures on training, development, further education, and staff competence assurance. These policies undergo scheduled reviews and updates to maintain legal compliance, our license to operate and ensure we proactively address current and future competence needs.

In relation to professional development, each member of our team is entitled to request additional training that they feel would benefit themselves and Serica. These requests are reviewed monthly by our Training Committee.

Performance

Training

At the end of 2025, our staff completed 27,904 hours of training, totalling 3,488 training days, with an average of 115 hours of training per employee. This is an increase compared to 2024, due to the a number of factors including the increase in employee headcount and addition of new courses such as the Leadership Masterclass Series. In total, we spent approximately £1.4m on training and apprenticeship-related costs.

In 2025, a new Training and Competency Lead role was created in the organisation to oversee Serica's approach to and provision for staff training.

We continued to deliver a variety of courses to support our team's development. New in 2025 was a Leadership Masterclass Series, a 3-day bespoke course designed to equip current and future leaders with the skills needed to support us in delivering our corporate goals.

Appraisal and succession planning

Our appraisal process is designed to support individual objective setting, monitor performance and identify potential skill gaps and development opportunities.

All of our staff are required to complete the appraisal process.

During 2025, we endeavoured to provide additional guidance and support to line managers to help ensure consistent and effective application.

Apprenticeships and summer placements

We have been long-time supporters of the APTUS apprenticeship scheme, supporting over 20 apprenticeships since 2018. In 2025, we sponsored two apprenticeships through the scheme.

We continue to offer summer placements for those studying and wish to gain hands-on experience in the sector. We hosted placements within our Business Management team in addition to a series of shorter placements within our Legal and Subsurface departments.



Employees taking part in the Leadership Masterclass Series training programme



Serica staff volunteering at the MATE ROV Competition regional finals in Aberdeen

Support local education programs

In 2025, we supported a variety of educational programs focused on STEM and energy education. These initiatives by the Company are overseen by Serica's staff-led Education Committee. They form partnerships with education institutions and charities to support in raising awareness of the energy sector and the different roles and career paths that exist within it.

At a primary level, we became STEM engagement partners with Aberdeen Science Centre, which will support up to 150 school pupil visits. On top of this, we also took part in several primary engagement sessions focused on STEM.

To support continued engagement at a secondary level, we maintained our sponsorship and active role in the MATE ROV Competition, and TechFest's Mathematics Masterclass Series. In addition, we continued to work with Developing Young Workforce ('DYW') to support local secondary schools with industry awareness and employability skills sessions.

For those at university, in addition to our summer placements, we maintained our sponsorship of the Durham Solar Car team, supporting them in the development of a world class solar car and providing them with an opportunity to showcase their work at SPE's Offshore Europe.

Outlook

During 2026, we will strengthen our workforce capability through further Leadership Masterclasses and a refreshed Line Manager Basic Principles programme, supporting consistent, people focused and safety led management across the organisation.

We will enhance our Competence Assurance framework with clearer standards, improved assessor capability and stronger oversight of safety critical roles. This will enable more consistent assessments, better visibility of competence data and strengthened operational assurance.

We are also reviewing our early career intake and emerging talent routes, including apprenticeships, graduate programmes and internships to broaden access, improve diversity and build a sustainable pipeline of skilled people.

To support performance alignment, we are introducing a clearer Performance Management Culture. A new Team Charter will help teams define collective goals aligned with Company priorities, with individual objectives cascading from these shared goals. To embed this approach, we have delivered performance appraisal sessions for employees and line managers to support consistent implementation.

We will continue to work with Partners to support STEM education and have already committed to continuing our sponsorship of initiatives such as the MATE ROV competition in the Northeast of Scotland.

Community engagement

Serica is proud to be integrated into the communities in which we operate. Throughout 2025, we deepened our relationships with community partners and supported causes that matter to our people and local communities through volunteering, fundraising and charitable giving.

How we manage community engagement

Our staff-led Charities and Fundraising Committee oversees donations, sponsorships, volunteering, and fundraising efforts. They aim to build strong relationships with core charities and listen to the opinions of our staff and contractors to ensure we support causes that matter to them.

Performance

Donations and sponsorships

In 2025, Serica spent over £215,000 supporting causes across the country. This total includes donations made to charities and staff fundraisers, sponsorship of events and initiatives and matching corporate fundraising.

“We are incredibly fortunate to have such a passionate and dedicated team willing to go the extra mile for causes close to their hearts. Their enthusiasm and commitment during 2025’s fundraising activities truly exemplify the spirit of our organisation”

Keira Peat, Charity & Fundraising Committee Chair

We were delighted to be able to support a wide variety of charities across our sites, some for the first time. In Aberdeen we sponsored a broad range of initiatives including the Tall Ships event, Save the Arts Centre Campaign, Aberdeen Sport Villages’ Energisers, and the CLAN Book Bench Trail.

In London, we forged a new relationship with youth homelessness charity CentrePoint and supported them as part of our Winter Appeal campaign.

Fundraising

We are lucky to have enthusiastic people drawn from our staff willing to get out there and raise money for causes. In 2025, we organised four fundraisers in London and Aberdeen. Our teams accepted the challenge to run, cycle, hike and sleep out raising over £18,000 for Cancer Research UK, CLAN Cancer Support, MND Scotland, CentrePoint and other charities.



Serica cyclists taking on Ride the North in aid of MND Scotland



Mike Killeen with Serica’s sponsored Book Bench in aid of CLAN

ESG continued

Volunteering

Rolling up our sleeves and providing support can sometimes be just as valuable as providing financial support. In 2025, our teams supported with several volunteering opportunities, including removing invasive species and tree tubes from the banks of the lower River Dee and removing litter from Newburgh beach.

Outlook

In 2026, we look forward to working closely with our charity partners to deliver meaningful impact in the communities where we operate. As our operational footprint expands into new areas, we will proactively build new partnerships, extending our positive impact.



Serica staff taking on Centrepoint's Sleep Out



Serica staff at the Aberdeen Kiltwalk in aid of CLAN

Strong governance

International Financial Reporting Standards ('IFRS') S1 and S2 summary report

Acting responsibly is one of Serica's core values and is reflected throughout its business activities. Climate and sustainability-related risk management is increasingly integrated into executive decision-making and is also factored into Serica's strategic objective to grow its business.

In 2024, the Financial Stability Board announced that the work of the Task Force for Climate-Related Financial Disclosures ('TCFD') was complete. Following this, the International Sustainability Standards Board ('ISSB') was set up to oversee the implementation of the IFRS S1 and S2 standards. These standards reference the TCFD framework and require disclosing companies to provide more detailed information on the management of climate-related and wider sustainability-related financial risks. The S1 and S2 standards will form the core foundation of the UK Sustainability Reporting Standards ('SRS'), where mandatory adoption for listed companies is expected from 2027 full year reporting.

Serica has reviewed the guidance issued by the ISSB regarding the identification, management and reporting of climate and sustainability-related financial risks and opportunities. This disclosure has been made on a voluntary basis and is not yet in full alignment with all disclosures of the IFRS S1 and S2 standards, as can be seen by the alignment table provided on page 64.

Governance

The Serica Board of Directors comprises highly experienced oil and gas and finance professionals and is ultimately responsible for the governance and management of sustainability and climate-related risks and opportunities. The Board understands that responding to the risks associated with sustainability and climate change, and building resilience to these risks where reasonable to do so, is integral to the longer-term success of the Company. Additionally, the Board is aware that promoting sustainability and pursuing activities which may help to mitigate the Company's impact on climate change may also present business opportunities that can be pursued by Serica.

Serica's Board reviews major risks regularly and receives regular updates from its specialist committees. The Board sets general policy related to sustainability and climate-related risks and opportunities, identifies where further actions are required and delegates authorities accordingly. These delegated authorities currently include monitoring progress on emissions reduction and general environmental performance, being informed on and in compliance with developments in climate-related regulation and reporting requirements and recording direct cost impacts such as carbon pricing and potential investment in Company assets required to abate emissions.

At the end of 2025, there were three Board committees with accountabilities relating to sustainability and climate-related risks and opportunities:

The Sustainability Committee has the responsibility of monitoring and reviewing sustainability and climate-related risks and opportunities. The Committee is presented with the climate and sustainability-related risk report including associated mitigations on a quarterly basis. It is empowered to challenge the evaluated risks and consider additional risks where appropriate. Any required updates to the overall enterprise risk register are communicated to the wider Board by the Committee Chair.

In addition to risk management, the Committee also reviews Serica's operational environmental performance for both operated and non-operated assets and has input into selecting the metrics and targets used to measure Company and asset-level performance. The Sustainability Committee also helps steer Serica's Energy Transition Strategy and ESG disclosures whilst also maintaining oversight on the delivery of emission reduction projects.

The Health, Safety and Environment Committee reports to the Board on occupational health, safety, and environment leadership. It is primarily focused on ensuring that HSE policies are adopted and applied across the Group.

The HSE Committee reports to the Board on the effectiveness of the Company's HSE programmes and ensures that operational risks, including environmental or GHG-related hazards are fully assessed and appropriately mitigated. In addition, it ensures that all personnel, including contractors employed by the Company, are fully aware of their HSE responsibilities and have been properly trained.

The Audit and Risk Committee supports the Board's oversight of the integrity of the financial statements and other financial reporting, the independence and performance of the external auditors, the regulation and risk profile of the Group and the review and approval of related party transactions.

Specifically relating to sustainability and climate-related risk, the Committee reviews the Company's internal financial controls systems that identify, assess, manage and monitor financial risks, and other internal controls and risk management systems. They also review and approve the statements in the Annual Report concerning internal control, financial risk management, including the assessment of principal and emerging risks, sustainability and climate-related financial disclosures, and the Going Concern statement.

Additionally, the Nominations Committee and Remuneration Committee have roles in the overall management of sustainability and climate-related risks.

The Remuneration Committee determines employee compensation packages and bonus structures which incorporate incentives to deliver climate-related objectives. Currently, Serica implements annual ESG-related KPIs that are linked to Executive Leadership Team and all employee bonus schemes.

The Nominations Committee evaluates whether Serica's Board and Executive Leadership Team have the right skills to manage the Company's risks and execute its strategic vision. The Nominations Committee also assists in evaluating the performance of the Board, recruitment and succession planning. In relation to climate and sustainability matters, this Committee ensures that within the Board there are the necessary skills to manage sustainability and climate-related risks and opportunities.

Serica's ESG Team provides information to the Executive Leadership Team and Board on sustainability and climate-related topics and issues, such as applicable government regulation and policy, changes to relevant legislation and insights from the wider energy industry. This information is usually provided via quarterly Sustainability Committee meetings or directly in Board papers.

The Sustainability Committee is provided with a sustainability and climate-related Risk Report on a quarterly basis, in line with the Committee's scheduled meetings with management. This report contains the most material sustainability and climate-related risks identified under Serica's Enterprise Risk Management process. The report and associated Risk Register are updated to reflect any changes in relation to the risk rating and mitigations. The monitoring and review of risks is a dedicated agenda item in the Sustainability Committee meetings. The report is prepared by management using internal and external information.

Given the nature of Serica's business, sustainability and climate-related risks and opportunities are considered by the Board and Committees when overseeing:

a. Strategy:

The Board considers sustainability and climate-related risks and opportunities when reviewing the Company's strategy. The Board receives insight and recommendations from management which may include recommendations on the Company's Energy Transition strategy or the impact of emergent legislation on the Company's existing strategy. This typically occurs at least annually such as at scheduled Board strategy sessions.

b. Decisions on major transactions:

When evaluating any major transaction, the Board is provided with an overview of potential sustainability and climate-related risks and/or opportunities associated with that transaction. When conducting due diligence, Serica considers a range of sustainability and climate-related factors, this includes the impact on the Company's emissions profile and potential challenges in complying with all applicable regulations. The Board utilises this information as part of the wider decision to proceed or not proceed with the transaction.

c. Risk management processes and related policies:

The identification, quantification, management and communication of sustainability and climate-related risks is integrated into the Company's Enterprise Risk Management process. The Terms of Reference for relevant Board Committees have been updated to reflect their responsibilities in relation to sustainability and climate-related risk.

d. The consideration of trade-offs:

Trade-offs are considered as part of strategy development and review. This includes considering the allocation of capital to emissions reduction initiatives against other priorities, such as safety and asset integrity.

e. Targets and KPIs:

Related to relevant sustainability and climate-related risks are proposed by management. These targets are then presented to the relevant Board Committee for review. The Board Committees are empowered to challenge the proposed targets. Any targets that are linked to the remuneration of staff or Executives are approved by the Remuneration Committee.

Strategy

The Company's purpose is to contribute responsibly towards meeting the world's energy needs through the safe and efficient production of hydrocarbons. To this end, the Company has a two-pronged growth strategy focused on investing in its existing portfolio of assets to maximise the recovery of oil and gas from the relevant fields and acquiring new assets to grow the business. Currently, all of Serica's assets are located on the UK Continental Shelf. These activities are pursued in accordance with the UK's regulatory regime and the Company's climate-related and sustainability risk tolerance.

As Serica's existing assets are currently projected to cease production within the next fifteen years, the Company has primarily targeted its evaluation of sustainability and climate-related risks and opportunities over the short and medium terms. Serica defines the time period for short, medium and long terms risks as:

- Short term: 1 – 3 years
- Medium term: 4 – 9 years
- Long term: 10+ years

The tables on the following pages set out Serica's identified sustainability and climate-related risks and opportunities.



Identified sustainability and climate-related risks

Sustainability or climate-related risk & risk category (transition or physical)	Geographical and value chain location	Risk description	Potential consequences on business model and/or value chain
Climate, transition	United Kingdom, direct operations	Carbon costs compromise economic viability of assets	Increased Operating Costs reducing business margins over the life of field due to removal of free allowance allocation and/or future rising carbon prices
Sustainability, transition	United Kingdom, direct operations	Litigation Risk	<p>Material financial costs associated with legal fees or potential settlements or payouts</p> <p>Management's time may be diverted, moving focus away from the core business</p> <p>Serica may receive negative publicity, which could damage relationships with stakeholders</p>
Climate, transition	United Kingdom, direct operations	Falling demand for oil and gas makes UKCS uneconomic	<p>Increased unit operating costs due to changing input prices, such as carbon price</p> <p>Abrupt and unexpected shifts in energy pricing; ie, a significant increase in LNG supply diluting natural gas prices in the UK</p> <p>Change in revenue mix and sources, resulting in decreased revenues</p> <p>Re-pricing of assets (e.g. fossil fuel reserves, land valuations, securities valuations)</p> <p>Early Cessation of Production of assets</p>
Climate, transition	United Kingdom, direct operations	Failure to develop Hubs consistently with the OGA Plan leads to approval delays or developments blocked	<p>Delay, opposition or rejection to UK regulatory consents and approvals process</p> <p>Lost or reduced revenue and reduced Company value from developments that do not proceed</p>
Climate, transition	United Kingdom, direct operations	Assets forced to COP early due to emissions	<p>Early COP of outlying assets that do not meet requirements and/or are emitting above the industry average</p> <p>Fulfilling the OGA Plan requirements may result in increased costs and commitment to low value projects</p> <p>Damage of relationship with Regulator</p>

Perceived impact timescale
(short, medium or long
term)

Mitigations

Medium Term

Serica is working to deliver Emissions Reduction Action Plan ('ERAP') projects to reduce carbon emissions and reduce need for ETS allowances

Serica actively hedges ETS allowances from 2026 to ensure predictability of cost for compliance

Serica works with non-operated partners to encourage and support initiatives to decarbonise assets

Serica runs climate-related scenario analysis to test the impact of different carbon price scenarios on the Group's business model

Short Term

Serica's ESG disclosures are reviewed by internal and external lawyers and its external auditors

Serica receives limited assurance on its emissions reporting by a competent third party

Serica's ESG disclosures are reviewed by its Executive Leadership Team and the Board prior to release

Serica aims to report transparently and has developed systems to collate, review and report information externally

Serica regularly conducts training, including conducted a specific Corporate Fraud Risk Assessment training to reduce the potential of misstatements

Medium to Long term

The impact of the value of future reserves is lower for later periods of production due to discounting effects

Serica's UKCS reserves are evenly split between oil and gas mitigating the risk of demand for one commodity over another

Serica closely follows industry-related commodity price forecasts and trends from numerous sources and actively hedges its production volumes on a rolling basis

Serica runs climate related scenario analysis including the projected impact of these scenarios on future prices of oil and gas to test the impact of different climate scenarios on its business activities

Serica tracks new and emerging regulation that could impact the demand for its production

Short term

Serica is currently implementing a Flare Gas Recovery project and is continuing to develop further emissions reduction opportunities on its core operated Bruce hub

Serica works with non-operated partners to encourage and support initiatives to decarbonise assets

Medium term

Serica is implementing reasonable ERAP projects to reduce Bruce asset emissions

Serica works to influence operators of material non-operated assets to reduce emissions and integrate ERAP into their Hub strategy

Serica assesses emissions profiles of potential M&A targets to ensure consistency with the OGA Plan and assess alignment to NSTD

Sustainability or climate-related risk & risk category (transition or physical)	Geographical and value chain location	Risk description	Potential consequences on business model and/or value chain
Climate, transition	United Kingdom, direct operations	New field developments blocked by legal action	<p>Delay, opposition or rejection to UK regulatory consents and approvals process</p> <p>Lost or reduced revenue and reduced Company value from developments that do not proceed</p>
Climate, transition	United Kingdom, direct operations	UK Gov introduce equivalent to EU's NZIA requiring oil and gas producers to facilitate carbon storage quantities	Requirements may result in Serica being required to purchase storage capacity at a premium
Climate and Sustainability, transition	United Kingdom, direct operations	Access to competitive capital	<p>Lenders reduce funding available to exploration and production companies, and this may impact debt terms and/or debt capacity</p> <p>Demonstration of the impacts of climate change and associated Company action are likely for the basis of access to finance</p> <p>Organisations with poor ESG commitments, disclosures and performance can expect to see materially reduced lending appetite over time</p> <p>Less debt capacity and increased cost of debt may lead to reduced asset and Company valuation</p>

Perceived impact timescale
(short, medium or long
term)

Mitigations

Short to Medium term	<p>Serica actively engages with relevant regulators to understand requirements</p> <p>Serica actively manages its capital spend programme, including phasing large financial commitments to unsanctioned projects</p> <p>Unsanctioned projects are assessed alongside M&A opportunities</p>
Short to Medium term	<p>Serica has developed an Energy Transition Strategy, focussed on maintaining continuing awareness of opportunities which may be consistent with the Company's overall strategy and objectives</p> <p>Serica looks to assess the CCUS and other Energy Transition potential at its existing or new operated production hubs that could be developed in the future</p>
Short term	<p>Management engages with current and potential future debt providers to understand and anticipate their ESG compliance requirements</p> <p>Serica seeks to retain a range of alternative financing options</p> <p>Potential funding cost increases and where relevant sustainability linked loan structures are considered when planning investments</p> <p>Serica has a six-year financing facility, maturing in 2029, with a group of international banks</p> <p>Serica has a range of ESG commitments and initiatives, which help ensure that it is aligned with lender ambitions and targets</p> <p>Serica works with ESG Ratings agencies to ensure that their ratings accurately reflect Serica's ESG performance</p> <p>Serica maintains a prudent balance sheet with low exposure to refinancing risk</p>

Identified sustainability and climate-related opportunities

Sustainability or climate-related opportunity	Geographical and value chain location	Opportunity description	Current & potential impacts on business model and/or value chain
Climate and Sustainability	United Kingdom, direct operations and downstream	Strengthening of relationships with key stakeholders	Maintain social licence to operate Enhance access to capital and sustain ongoing lender support
Climate	United Kingdom, direct operations	Third parties may seek to sell upstream oil and gas assets to redirect investment, creating potential acquisition opportunities for Serica	Enhance revenue potential Strengthen the Company's production portfolio
Climate	United Kingdom, direct operations	Fiscal incentives or government funding may be available for in technology and carbon reducing activities	Cost efficient decarbonisation of offshore assets
Climate	United Kingdom, direct operations	Collaboration with other asset and infrastructure owners may lead to innovative solutions such as sharing power sources and area electrification schemes	Decarbonisation of assets Reduce exposure to carbon allowances
Climate	United Kingdom, direct operations	Serica may be able to apply its organisational expertise within energy transition focussed on carbon transportation and storage	Diversification of revenue streams Ability to repurpose infrastructure

Perceived impact timescale
(short, medium or long
term)

Measures in place to maximise opportunity

Short term	<p>The Company transparently reports sustainability information in line with several internationally recognised frameworks</p> <p>Serica's Head of Investor Relations has an ongoing dialogue with existing and potential shareholders to understand their expectations</p> <p>The Company remains in close contact with banks and other sources of capital to maintain awareness of current and potential climate-related policy constraints</p> <p>The Company has representatives on both regulator and industry body forums and takes an active role in these groups</p>
Short term	Serica proactively seeks UKCS and international M&A opportunities
Short term	<p>Serica evaluates emissions reduction initiatives and technologies that could qualify for investment incentives (eg, Decarbonisation Allowance)</p> <p>Serica monitors trends and potential opportunities in the CCUS and other energy transition businesses that might complement its core E&P business</p>
Short term	<p>Serica is a participant among many other upstream operators in the WINTOG Programme, which aims to assess the feasibility of fully/ partially powering offshore installations via the grid or using wind turbine generators</p> <p>Serica remains engaged in INTOG developments in the CNS area, relevant to the potential Buchan Horst development</p> <p>Serica has engaged in identifying, screening and assessing low carbon power opportunities with other operators</p>
Long term	<p>Serica has conducted a strategic review of the Energy Transition market, identifying which sectors may be most relevant</p> <p>Serica has an agreed Energy Transition Strategy and progress is monitored by the Executive Leadership Team and Sustainability Committee</p> <p>Serica maintains awareness of these sectors through engagements with industry bodies, project developers, regulators and consultants</p>

The UK relies on oil and gas imports for just over around half of its daily gas requirements and lies at the heart of European oil flows as the region's second largest producer. While this situation exists, oil and gas produced in the UK North Sea plays a vital role in protecting the UK's and wider European country's energy security. It also contributes materially to domestic economic growth and high-quality jobs. Moreover, domestic production, especially of gas, typically offers a lower carbon source of energy than oil and gas imports, especially LNG, when the emissions of transportation to the UK are taken into account.

Notwithstanding the above, the reduction in the emissions intensity of UK oil and gas production is important and Serica is committed to the objectives of the North Sea Transition Deal ('NSTD'). This agreement

between the UK government and the UK offshore upstream sector includes a net zero basin by 2050. The NSTD was supplemented in 2024 by the publication by the NSTA of the OGA Plan. Although the assets in Serica's portfolio currently are estimated to cease production well before 2050, Serica considers the emissions reduction targets of the North Sea Transition Deal and requirements of the OGA Plan when making strategic decisions.

Serica has developed and is implementing an Emissions Reduction Action Plan ('ERAP') for the Bruce platform. The ERAP details the projects the Company is currently undertaking to reduce production emissions from Bruce platform operations. As Serica reviews options to extend the life of the Bruce hub, additional emissions reduction projects will be assessed. The viability of such projects is dependent inter alia

on the asset having a material economic life past 2030 and the applicable regulatory and fiscal environments.

Serica also supports the operator of the Triton FPSO in the development and implementation of an ERAP for that facility.

In 2025, Serica assessed potential opportunities to participate in opportunities arising from the energy transition such as carbon capture and storage. The consideration of such opportunities will continue in 2026.

How sustainability and climate-related risks and opportunities have impacted business, strategy and financial planning within the reporting period

The table below provides a qualitative assessment of the impacts that the identified risks had on Serica's business in 2025.

Risk Identifier	Actual impact associated with responding to risk in the reporting period
Carbon costs compromise economic viability of assets	Serica was required to purchase additional carbon allowances as free allocations were not sufficient to cover total emissions
Increased Litigation Risk	Serica paid for an external legal review of its ESG Report and conducted a "Failure to prevent corporate fraud" risk assessment and training for relevant personnel
Falling demand for oil and gas makes UKCS uneconomic	Serica continued to follow industry-related commodity price forecasts and trends from numerous sources and has held a risk specific deep dive review at a recent Board meeting
NSTA force BKR or Triton hub to COP early due to emissions	Serica continued to invest in the development and implementation of emissions reduction initiatives on its Bruce platform, as well as working with partners to progress initiatives on non-operated assets
New field developments blocked by legal action	Serica worked with partners and consultants to develop Scope 3 assessments for its potential developments in line with the Supplementary EIA Guidance, published by DESNZ in June 2025
UK Gov introduce equivalent to EU's NZIA requiring oil and gas producers to facilitate carbon storage quantities	Serica has worked to improve its understanding of the sector via a variety of engagements with consultants, regulators, industry bodies and project developers

Scenario analysis

The IFRS S2 recommends that a business' climate resilience should be assessed through scenario analysis. Scenarios can either be exploratory, whereby a set of starting parameters are established, and the impacts are explored, or normative, whereby they begin with an end goal, such as limiting global temperature rise to a particular level, and then model the steps that society, industry, governments, etc. must take in order to achieve the selected goal. The scenarios describe the impact on factors such as supply, demand, regulations, taxes and commodity pricing.

Serica has based its scenario analysis on three scenarios set out in the International Energy Agency's ('IEA') World Energy Outlook ('WEO'). These scenarios are framed in terms of the extent to which governments, society and industry respond and take actions aimed at achieving the end goal of limiting global temperature rise to 1.5°C above pre-industrial levels. These specific scenarios are as follows:

1. "Stated Policies ('STEPS')" – slower progress based upon existing and tabled governmental policies. The global temperature target is missed (2.5°C by 2100).
2. "Current Policies ('CPS')" – no change in energy-related policies from what is already in place. The global temperature target is missed (2.9°C by 2100).
3. "Net Zero ('NZE')" – accelerated emissions reduction to achieve net zero emissions in the energy industry by 2050. The global temperature target is achieved (1.5°C by 2100). This is a normative scenario and impacts on prices are likely to become more extreme as the world fails to reduce emissions in line with a 1.5°C end goal.

The IEA WEO Scenarios were selected as they are widely accepted and used across the energy industry in climate-related scenario analysis. Serica has utilised the IEA WEO scenarios for a number of years.

Serica used two portfolio scenarios for its analysis, including and excluding transactions which had been announced but not completed as of 31 December 2025. The scenarios were run from 1 January 2026 and production assumptions were aligned with Serica's most recent corporate planning forecasts based on its P50 "firm" production, meaning that potential production from unsanctioned developments was not factored into the analysis. The IEA WEO scenarios do not provide commodity and carbon prices in every year. Consequently, Serica interpolated straight line incremental changes in the years between the reference prices prescribed in the WEO scenarios. The inflation and exchange rates used were consistent with Serica's current corporate assumptions. The impact on net present value in each scenario was compared against a "base case" that utilised Serica's current commodity and carbon pricing assumptions.

The results of this quantitative economic scenario analysis confirmed that Serica's business model remained valid in the Stated Policies and Current Policies scenarios. There is, however, a major reduction in the value of the Company's assets in the Net Zero scenario. These results are reflected in Serica's current strategy which includes a focus on short cycle investments and M&A which prioritises producing assets over long term developments.

As with all long-term pricing forecasts there is inherent uncertainty over the future evolution of macro events and how these may impact commodity pricing and, in turn, Serica's resilience. However, conducting scenario analysis, which utilises three scenarios with different outlooks provides an indication of resilience in a variety of situations. Serica will continue to use scenario analysis to test its resilience under different climate scenarios.

Risk management

Serica's Executive Leadership Team is structured and empowered to ensure that the Board has the necessary information to understand and assess all relevant risks and opportunities, including those presented by climate and sustainability-related issues.

Serica's ESG Team is primarily responsible for monitoring sustainability and climate-related risks. The ESG team use a variety of internal and external information to assess and monitor sustainability-related risks and conduct quarterly risk reviews to ensure identified risks and mitigations are still valid. An 8x8 risk matrix is used to support the assessment of the likelihood and severity of enterprise-level risks.

Any material updates to the identified sustainability and climate-related risks are shared with the Chief Technical Officer ('CTO') for consideration ahead of quarterly ELT risk review meetings.

To support the organisation in ensuring enterprise-level risks are effectively identified and managed, Serica recently updated its Enterprise Risk Management process. As a part of this update, the scope of the Audit Committee was expanded and the name of the Committee was changed to the Audit and Risk Committee to reflect its role in overseeing the Company's enterprise risk management framework and internal control systems to ensure they are effective, proportionate, and aligned with the Company's strategic objectives and risk appetite. The ELT conducts quarterly risk reviews focussing on assessment and mitigation. Having assessed sustainability and climate-related risks the Company either identifies specific mitigating actions and programmes or, where such specific responses are not considered feasible, builds likely financial impacts into valuations and planning.

More information on the Group's Enterprise Risk Management process can be found on page 52 of the Annual Report.

Metrics and targets

Targets related to sustainability and climate-related risks are proposed by management. These targets are then presented to the relevant Board Committee for review. The Board Committees are empowered to challenge the proposed targets. Any targets that are linked to the remuneration of staff or executives are approved by the Remuneration Committee. The measures, weightings and targets may vary from year to year.

Carbon emissions data are collected from Serica's assets, including both its operated and non-operated facilities. Serica assures these data for consistency and comparability, after which they are used to monitor compliance with emissions regulation, operating permits and consents associated with Serica's assets, all of which are located on the UKCS. This process also enables performance to be benchmarked, potentially identifying the scope for further meaningful and achievable emissions reductions. Serica's Scope 1, 2 and 3 emissions are presented on pages 34 and 35 of the Annual Report.

Serica supports the emissions targets set out in the North Sea Transition Deal, which commits the UK oil and gas industry to reduce absolute basin emissions by 10% by 2025, 25% by 2027 and 50% by 2030 from a 2018 baseline, and for the UK Continental Shelf basin to be net zero by 2050. Serica has not set a corporate net zero target because all the assets in its current portfolio are projected to cease production before 2050.

In support of our contribution towards the NSTD targets, Serica has developed and is implementing the Bruce ERAP and, as at the end of 2025, has achieved a 31% reduction in emissions against the asset's 2018 baseline with further emissions reduction projects planned. More details can be found on page 34 of the Annual Report.

Serica supports the World Bank's target of reaching zero routine flaring by 2030, which is reiterated within the OGA Plan, and has already reduced gross flaring volumes by 67% compared to 2019 and is currently implementing a flare gas recovery system on the Bruce platform.

To ensure oversight and continued improvement of wider sustainability metrics, Serica sets annual internal targets on its Bruce asset, covering a range of environmental areas such as produced water discharge, waste, flaring, and carbon intensity. These are monitored by Serica's Environmental Compliance team and progress is shared with the wider organisation via monthly performance dashboards and in bi-monthly HSEQ Meetings. Progress against these metrics are shared with the HSE and Sustainability Committees.

Performance against targets is tracked by management and the wider Board. Performance is discussed within monthly business performance review meetings, quarterly Board Committee meetings and scheduled Board meetings.

Serica currently has two mechanisms for incorporating sustainability and climate-related targets into remuneration, these are:

- a. **Annual Bonus Scheme:** This scheme is available to all staff across Serica and is in place to reward meeting targets set in line with the annual business plan and the longer-term corporate strategy. Serica has included climate-related targets in this scheme since 2021. In 2025, the targets were:
 - i. Limit Bruce gross CO₂ emissions to 210,000 tonnes or below (applicable to all staff)
 - ii. Limit net portfolio Carbon Intensity to 20 kgCO₂/boe or below (only applicable to senior leadership)

Details of performance against these targets can be found on page 100 of the Annual Report.

For 2026, Serica has set the following targets:

- i. Limit Bruce gross CO₂e emissions to 201,000 tonnes or below (applicable to all staff)
- ii. Limit Serica net Bruce and Triton carbon intensity to <20.5 kgCO₂/boe (applicable to all staff)

b. Long-Term Incentive Plan ('LTIP'):

This is in place to align the long-term interests of the Executive Directors with those of shareholders and to reward the delivery of long-term sustainability results. The currently applicable LTIP metrics cover the 2025 – 2027 timeframe:

- i. Reduce annual Bruce gross greenhouse gas emissions to 175,500 CO₂e metric tonnes or less by the end of 2027

In relation to carbon pricing, Serica also uses an internal carbon price to estimate trends in UK ETS prices, Serica's forecast is informed by third party sources and market participants. These forecasts estimate UK ETS emissions prices and feed into Serica's business planning processes, such as financial budgeting. Projected ETS prices are also used to support the assessment of emissions reduction initiatives.

Alignment with IFRS S1

The table below summarises Serica Energy's alignment to the IFRS S1 standard using Serica's IFRS S1 and S2 Summary. This table has been produced by Sustain:able on behalf of Serica.

Section	Requirements	Alignment
Governance	Describe the Board's role in assessing and managing sustainability-related risks and opportunities.	Full
	Describe management's role in assessing and managing sustainability-related risks and opportunities	Full
<p>Summary: Serica fully aligns with the IFRS S1 Governance reporting recommendations. The Board and management teams both acknowledge and integrate sustainability-related risks and opportunities into their decision making. Potential and actual sustainability-related risks and opportunities are reviewed, evaluated and discussed with clear communication channels between management, Board committees and the wider Board.</p>		
Strategy	Describe the impact of sustainability-related risks and opportunities on the organisation's business, strategy, and financial planning	Partial
	Describe the sustainability-related risks and opportunities the organisation has identified over the short, medium, and long term	Partial
	Business model and value chain – Describe the impact of sustainability-related risks and opportunities on the organisation's business, strategy, and financial planning	Full
	Strategy and decision-making – Describe the impact of sustainability-related risks and opportunities on the organisation's business, strategy, and financial planning	Partial
	Financial position, financial performance and cash flows – Describe the impact of sustainability-related risks and opportunities on the organisation's business, strategy, and financial planning	Partial
	Resilience – Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2oC or lower scenario	Full
<p>Summary: Serica partially aligns with the IFRS S1 Strategy disclosures. Serica have identified the current and anticipated sustainability-related risks and opportunities across their business model and value chain including responses and mitigations. The potential impacts have been identified, and the resilience of Serica's strategy and business model has been assessed. To attain full alignment, an explanation of the trade-offs between identified sustainability-related risks and opportunities will be required. Further quantitative information of the financial impacts of identified sustainability-related risks and opportunities over the short, medium and long term as well as Serica's capacity to adjust or adapt their strategy and business model would also be required for full alignment.</p>		
Risk Management	Describe the organisation's processes for identifying and assessing sustainability-related risks	Full
	Describe the organisation's processes for managing sustainability-related risks	Full
	Describe how processes for identifying, assessing, and managing sustainability-related risks are integrated into the organisation's overall risk management	Partial
<p>Summary: Serica partially aligns with the IFRS S1 Risk Management disclosures. Serica have clear processes and policies to identify, prioritise and monitor sustainability-related risks, including the use of climate-related scenario analysis. Sustainability-related risks are assessed using the nature, likelihood and magnitude of risks with identified risks integrated into the Company's Enterprise Risk Management process. For full alignment, details of the processes Serica uses to identify, assess, prioritise and monitor sustainability-related opportunities would be required.</p>		

Section	Requirements	Alignment
Metrics & Targets	Disclose the metrics used by the organisation to assess sustainability-related risks and opportunities in line with its strategy and risk management process	Partial
	Describe the targets used by the organisation to manage sustainability-related risks and opportunities and performance against targets	Partial
<p>Summary: Serica partially aligns with the IFRS S1 Metrics & Targets disclosures. Serica utilises industry-based and cross industry metrics and targets to measure the performance from their operated Bruce asset, with remuneration linked to annual progress against these targets. The Company is also committed to supporting the basin-wide targets set by the North Sea Transition Deal towards a net zero basin by 2050. Details of metrics and targets and how progress towards these are measured for sustainability-related opportunities would be required for full alignment, along with details on the methodology used to set metrics and targets, and whether there have been any revisions to the targets and metrics used.</p>		
General Requirements	Identifying sustainability-related risks and opportunities	Partial
	Identifying applicable disclosure requirements	Full
	Disclosure of information about sources of guidance	Full
<p>Summary: Serica partially aligns with the IFRS S1 General Requirements disclosures. Serica reports annually in alignment with the SASB and GRI standards. Full alignment would require consideration of the applicability of the CDSB Framework Application Guidance for Water-related Disclosures and CDSB Framework Application Guidance for Biodiversity-related Disclosures (collectively referred to as 'CDSB Framework Application Guidance').</p>		
Measurement Uncertainty	Disclosure of the sources of measurement uncertainty	None
<p>Summary: Serica does not align with the IFRS S1 Measurement Uncertainty disclosures. At this time, Serica does not disclose the source of measurement uncertainty within their calculations. However, they do give a qualitative overview of where uncertainty may lie within their scenario analysis.</p>		

Alignment with IFRS S2

The table below summarises Serica Energy's alignment to the IFRS S2 standard using Serica's IFRS S1 and S2 Summary. This table has been produced by Sustain: on behalf of Serica.

Section	Requirement	Alignment
Governance	Describe the Board's role in assessing and managing climate-related risks and opportunities.	Full
	Describe management's role in assessing and managing climate-related risks and opportunities	Full
<p>Summary: Serica fully aligns with the IFRS S2 Governance reporting recommendations. The Board and management teams both acknowledge and integrate climate-related risks and opportunities into their decision-making. Potential and actual climate-related risks are reviewed, evaluated and discussed on a regular basis with clear communication channels between management, Board committees and the wider Board.</p>		
Strategy	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	Full
	Describe the impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning	Full
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2oC or lower scenario	Partial
	Climate-related risks and opportunities – Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	Full
	Business model and Value Chain – Describe the impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning	Full
	Strategy and Decision Making – Describe the impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning	Partial

Section	Requirement	Alignment
	Financial position, financial performance and cash flows – Describe the impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning	Partial
	Climate Resilience – Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2oC or lower scenario	Partial
<p>Summary: Serica partially aligns with the IFRS S2 Strategy disclosures. The Company has identified the current and potential climate-related risks and opportunities across their business model and value chain including responses and mitigations. The potential impacts have been outlined, and the resilience of Serica's strategy and business model has been assessed using a diverse range of climate scenarios that include a scenario aligned with the latest international agreement on climate change. Further quantitative information of the financial impacts of identified climate-related risks and opportunities over the short, medium and long term as well as Serica's capacity to adjust or adapt their strategy and business model would be required for full alignment.</p>		
Risk Management	Describe the organisation's processes for identifying and assessing climate-related risks	Full
	Describe the organisation's processes for managing climate-related risks	Full
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	Partial
<p>Summary: Serica partially aligns with the IFRS S2 Risk Management disclosures. Serica have clear processes and policies to identify, prioritise and monitor climate-related risks, including the use of climate-related scenario analysis in risk identification. Climate-related risks are assessed using the nature, likelihood and magnitude of risks with identified risks integrated into the Company's Enterprise Risk Management process. To fully align with these disclosures, Serica would need to disclose whether and how climate-related scenario analysis has informed the identification of climate-related opportunities.</p>		
Metrics & Targets	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Full
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Partial
	Climate-Related Metrics: Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse (GHG) emissions, and the related risks	Partial
	Climate-Related Metrics: Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Full
	Climate-Related Targets: Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Partial
<p>Summary: Serica partially aligns with the IFRS S2 Metrics & Targets disclosures. Serica uses quantitative industry-based and cross industry metrics and targets to measure the performance from their operated Bruce asset, with remuneration linked to their progress against these targets. They are also committed to supporting the basin-wide targets set by the North Sea Transition Deal towards a net zero basin by 2050. Scope 1, Scope 2 and Scope 3 emissions are publicly reported and calculated in alignment with the Greenhouse Gas Protocol. To further align with this section, the methodology, strategy and additional information on what scopes and sources of emissions are covered by the metrics and targets is required.</p>		

Section 172 statement

The Directors' statement under section 172 of the Companies Act is included on pages 105 and 106.

The Strategic Report has been approved by the Board of Directors

On behalf of the Board

Chris Cox

Chief Executive Officer

25 March 2026

BOARD OF DIRECTORS

The Board is composed of the Chair, who was independent upon appointment, two Executive Directors and six Non-executive Directors, four of whom are considered independent.



N

David Latin

Chair

Appointed: 2021

Over 30 years' international experience in the energy sector

- OMV Senior Vice President for NW Europe, Africa and Australasia (2011–2017)
- CEO and Chair, OMV Norway, and Chair, OMV UK (2011–2017)
- BP holding a range of global and regional leadership roles (1993–2011)
- Founder, investor and advisor across several energy, technology and investment ventures
- IoD Chartered Director and Fellow of the Geological Society of London (PhD)

Key External Directorships

None



H R

Chris Cox

Chief Executive Officer

Appointed: 2024

- Over 40 years' experience in oil and gas
- Career includes CEO of Spirit Energy, Interim CEO at Capricorn Energy and Chairman of Kellas Midstream
- Experience as a Non-Executive Director of both private equity and publicly listed companies, most recently with Nostrum Oil and Gas

Key External Directorships

None



S

Martin Copeland

Chief Financial Officer

Appointed: 2024

- Most recently Principal at energy advisory firm Kirk Lovegrove & Co. Ltd where he acted as adviser to Tailwind Energy on their sale to the Company in 2023 as well as advising JX Nippon on the sale of their UKCS business to Neo Energy
- Prior to that, led RBC's EMEA energy team where he advised Premier Oil on their reverse takeover by Chrysaor to create Harbour Energy as well as Ithaca Energy on their acquisition by Delek

Key External Directorships

None

A Audit & Risk Committee

N Nominations Committee

H Health Safety and Environmental Committee

S Sustainability Committee

R Remuneration Committee

R Reserves Committee



Kate Coppinger

Senior Independent Director

Appointed: 2020

- Over 20 years' investment banking experience primarily focused on providing M&A advice to oil and gas companies
- Career includes roles at Canadian Imperial Bank of Commerce, Harrison Lovegrove and most recently as Managing Director at Standard Chartered in the Oil and Gas team responsible for origination and execution of transactions for European clients.
- Non-executive Director of Star Energy Group plc

Key External Directorships

MP Evans Group plc
Star Energy Group plc



Michiel Soeting

Independent Non-Executive Director

Appointed: 2023

- Over 30 years' experience in the audit and financial service sector, 20 of which in oil and gas
- Former Global Lead partner and Global Head of Energy & Natural Resources at KPMG
- Extensive financial expertise, strong governance, risk management and regulatory compliance
- A Chartered Accountant qualified in both the Netherlands and the United Kingdom

Key External Directorships

Veon Ltd
Kyivstar Group Limited



Robert Lawson

Non-Executive Director

Appointed: 2023

- 35 years' experience in oil, gas and power businesses including Mergers & Acquisitions, Commodity Trading and Corporate Transformation
- Appointed Chief Executive and Secretary of Marylebone Cricket Club (MCC) in 2025
- Executive Vice President and a Board member of Mercuria Energy Group from 2023 to 2024
- Previously held various roles at BP over 32 years including Global Head of M&A, Commercial Vice President for BP's Refining & Marketing Segment and Global Head of Gas & Power Trading

Key External Directorships

London Spirit (The Hundred) Limited

BOARD OF DIRECTORS continued



Guillaume Vermersch

Non-Executive Director

Appointed: 2023

- Over 30 years' experience in Commodity Banking, Finance and Risk Management
- Career includes roles at ING Bank and Credit Agricole in Paris and Geneva and as head of the Credit and Finance Risk department of Semptra Oil Trading for Europe and Asia.
- Group Chief Financial Officer and a Group Board member of Mercuria Energy since 2004

Key External Directorships

None



Kaat Van Hecke

Independent Non-Executive Director

Appointed: 2023

- Over 25 years' experience in the petrochemicals and oil & gas business
- Held positions with ExxonMobil, Shell, OMV and Nostrum in Belgium, The Netherlands, Nigeria, Russia, Austria and Kazakhstan
- Former roles include MD and Senior Vice President OMV Austria E&P (2013-2016) and interim CEO at Nostrum (2019-2020)

Key External Directorships

None



Sian Lloyd Rees

Independent Non-Executive Director

Appointed: 2023

- Over 30 years' experience in Oil & Gas, IT and the Renewable Energy industries
- Career includes roles at Halliburton Corporation, Oracle Corporation and Aker Group and most recently as UK MD of Aker Horizons and Mainstream Renewable Power responsible for growing a renewable energy portfolio in offshore wind and hydrogen
- Experienced in developing and implementing ESG strategies, regulatory reporting, risk management, and stakeholder engagement. Chair of sustainability committee across two boards

Key External Directorships

Energy Transition Zone Ltd
 Net Zero Technology Centre Ltd
 Port of Aberdeen
 Moreld ASA
 Ignitis Group plc¹
 Awen Business Solutions Ltd

¹ Supervisory body, not directorship but a key commitment

- A** Audit & Risk Committee
- N** Nominations Committee
- H** Health Safety and Environmental Committee

- S** Sustainability Committee
- R** Remuneration Committee
- R** Reserves Committee

DIRECTORS' REPORT

The Directors of the Company present their report and the financial statements of Serica Energy plc for the year ended 31 December 2025.

Dividend

The Board is proposing a final dividend of 10.0 pence per ordinary share for the year ended 31 December 2025 (2024: 10.0 pence per share). This dividend is subject to shareholder approval at the Annual General Meeting ('the AGM'), to be held on 21 May 2026. If approved, the dividend will be paid on 24 July 2026 to shareholders registered on 26 June 2026 with an ex-dividend date of 25 June 2026.

Profit

The loss for the year was \$51,822,000 (2024: profit \$92,429,000)

Annual General Meeting

The Company will hold its AGM on 21 May 2026. The notice of the AGM, together with details of all resolutions which will be placed before the meeting, will be published in due course and will be available in the shareholder information section of the website.

Indemnification of Directors and insurance

During the financial year, the Company maintained an indemnity in favour of each of its Directors and the Company

Secretary, pursuant to which the Company, to the fullest extent permitted by law and in accordance with its Articles of Association, indemnified them against all costs, charges, losses, and liabilities incurred in the proper discharge of their duties. This indemnity was in force for all Directors who served during the year. In addition, the Company maintained Directors' and Officers' liability insurance throughout the financial year.

Principal activities

The principal activity of the Company and its subsidiary undertakings is to identify, acquire, explore and subsequently exploit oil and gas reserves. Its current activities are located in the United Kingdom.

Business review and future developments

A review of the business and the future developments of the Company is presented in the Strategic Report (including a Chief Executive Officer's Report, a Review of Operations, and Financial Review) and Chair's Statement (all of which, together with the Corporate Governance Statement, are incorporated by reference into this Directors' Report).

Engagement with employees, suppliers and customers

Information regarding Serica's engagement with employees, suppliers and customers is included in the Directors' statement under Section 172 of the Companies Act 2006 on pages 105 to 106.

Financial instruments

The Group's financial risk management objectives and policies are discussed in note 22.

Significant events since balance sheet date

There are no post balance sheet events.

Directors and Interests

The Directors of the Company as at 25 March 2026 are shown on pages 66 to 68. Changes to the Directors during the year and up to the date of this report are set out below:

Director	Role	Effective date of appointment	Date of retirement
David Latin	Independent Non-Executive Chair	7/12/2021	
Christopher Cox	Chief Executive Officer	01/07/2024	
Martin Copeland	Chief Financial Officer	05/02/2024	
Kate Coppinger	Senior Independent Non-Executive Director	22/04/2020	
Jérôme Schmitt	Independent Non-Executive Director	01/07/2022	22/05/2025
Michiel Soeting	Independent Non-Executive Director	01/02/2023	
Robert Lawson	Non-Executive Director	23/03/2023	
Guillaume Vermersch	Non-Executive Director	23/03/2023	
Kaat Van Hecke	Independent Non-Executive Director	17/07/2023	
Sian Lloyd Rees	Independent Non-Executive Director	17/07/2023	

DIRECTORS' REPORT continued

The Directors who held office at the end of the financial year had the following interests in the ordinary shares of the Company according to the register of Directors' interests:

Director	Class of share	Interest at end of year	Interest at start of year (or date of appointment if later)
David Latin	Ordinary	218,567	218,567
Christopher Cox	Ordinary	496,034	432,027
Martin Copeland	Ordinary	107,500	62,500
Kate Coppinger	–	–	–
Michiel Soeting	Ordinary	42,300	42,300
Robert Lawson	–	–	–
Sian Lloyd Rees	Ordinary	2,114	2,114
Kaat Van Hecke	–	–	–
Guillaume Vermersch	–	–	–

None of the Directors who held office at the end of the financial year had any disclosable interest in the shares of other Group companies.

No rights to subscribe for shares in or debentures of Group companies were granted to any of the Directors or their immediate families, or exercised by them, during the financial year except as indicated below.

Share capital

Details of the Company's issued share capital, together with details of any movement in the issued share capital during the year, are shown in note 23 to the consolidated financial statements on page 152. Each ordinary share carries the right to one vote at shareholder meetings of the Company. There were no shares held in treasury at the end of the financial year.

Details of share awards that have been granted to certain Directors under the Serica Energy plc Long Term Incentive Plan (the 'LTIP') are included in note 25.

Greenhouse gas emissions

Information regarding Serica's GHG disclosure is included in the Environmental, Social and Governance section on pages 30 to 65.

Hedging and risk management

Details of the Group's hedging and risk management are provided in the Financial review on page 26. A further disclosure has been made in note 22 to the consolidated financial statements on page 151, related to various financial instruments and exposure of the Group to price, credit, liquidity and cash flow risk.

Audit

A resolution to appoint BDO, as auditor will be put to the members at the AGM.

Disclosure of information to auditors

The Directors who were members of the Board at the time of approving the Directors' Report are listed above. So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow Directors and the Company's auditor, each Director has taken all the steps that they are obliged to take as a Director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

On behalf of the Board

Christopher Cox

Chief Executive Officer
25 March 2026

CORPORATE GOVERNANCE STATEMENT

Dear Shareholder

On behalf of the Board of Directors (the 'Board'), I am delighted to introduce the Company's Corporate Governance Report for the financial year ended 31 December 2025.

Throughout the year, the Board has remained steadfast in upholding the highest standards of corporate governance and our governance framework starting on page 72 continues to support the effective oversight of strategy, risk and performance.

The Board firmly believes that the Company's governance framework, including the work of its Committees, provide a strong foundation for informed decision-making, responsible leadership and a culture aligned with our purpose and long-term strategy. Together, these structures underpin our commitment to accountability, transparency and integrity as the Company continues to grow and evolve.

The Company currently applies the principles of the Quoted Companies Alliance Corporate Governance Code 2023 ('the QCA Code'); the disclosures starting on page 75. During 2025, significant time was dedicated to enhancing our governance practices in preparation for our transition to the Main Market. Although the transition was deferred due to M&A activity, the Company is now well positioned for a successful move in 2026, as we have worked diligently to align our governance framework with enhanced expectations of the UK Corporate Governance Code 2024. These actions reflect the Board's commitment to seek to maintain high standard of governance arrangements that are appropriate for the Company's future ambitions.

Throughout the year, the Board has continued to lead the business with integrity and focus, engaging constructively with shareholders and other stakeholders, ensuring feedback is considered in the decision-making process. Significant progress was made in strengthening workforce engagement, including the recruitment of a Chief People Officer, which has markedly enhanced our focus in this area. A Chief Technical Officer was also appointed during the year readying the Company for the next stage of its growth.

Despite a challenging economic and geopolitical backdrop, the Company's purpose – to contribute responsibly towards meeting the world's energy needs through the safe and efficient production of hydrocarbons while creating value for stakeholders – remains highly relevant.

In assessing growth opportunities, the Board remains disciplined and focused on strategic fit and long-term value creation, ensuring that decisions are taken with the appropriate insight, expertise, and timing.

The Company made significant progress in executing its growth and diversification strategy during 2025. The acquisition of Prax Upstream Limited represents a significant step forward, strengthening the Company's portfolio and increasing reserves and resources. As part of this acquisition, Prax Upstream was party to a separate executed sale and purchase agreements with TotalEnergies and ONE-Dyas for the purchase of certain assets, consequently, the acquisition, including completion of the existing SPAs, comprises a 40% operated interest in the Greater Laggan Area. In addition, the agreement to acquire additional Southern North Sea assets from Spirit Energy Limited further advances the Company's strategy through the addition of high-quality assets and greater diversification of the asset base and will complete in 2026.

I am grateful for the dedication and professionalism of my fellow Directors, senior management and the wider Serica team. Their expertise, commitment and integrity continue to underpin the Company's success. With a strengthened governance framework, a clear strategic direction and a robust leadership team, the Board is confident in the Company's ability to deliver sustainable long-term value for all stakeholders.

CORPORATE GOVERNANCE FRAMEWORK

Corporate Governance Statement

The Board recognises that strong corporate governance is fundamental to the long-term success and sustainability of the Company. The Directors understand and respect their duties to stakeholders under Section 172 of the Companies Act 2006 and considerations related to stakeholders are reflected throughout this Annual Report and Accounts.

The Section 172 Statement can be found on pages 105 to 106. The Company applies the principles and complies with the provisions of the QCA Code.

As the Company enters its next phase of growth and prepares for a move to the Main Market, the Company's governance practices have evolved to ensure alignment with the UK Corporate Governance Code 2024, positioning the Company for a smooth transition to the Main Market.

Board Leadership and Company Purpose

The Board holds ultimate accountability for ensuring a robust governance framework is in place and embedded throughout the business. The Board receives regular updates from management and its Committees, ensuring that decisions are taken on a fully informed basis. The Chair has overarching responsibility for managing the Board through a formal schedule of matters reserved for Board approval. A rolling annual Board agenda ensures governance issues are consistently reviewed throughout the year. An internal financial calendar further supports disciplined planning and execution across the organisation.

The Board responsibilities are set out in the Board Charter and Matters Reserved for the Board. These can be found on the Company's website. The Board's key responsibilities include, but are not limited to:

- The Company's overall purpose and strategy
- Health, safety and environmental performance
- Review of business plans and trading performance

- Approval of major capital investment decisions
- Acquisition and divestment opportunities
- Review of significant financial and operational matters
- Review and approval of the Company's financial statements
- Risk management and internal controls
- Succession planning and appointments
- Organisational culture.

Culture

The Board is committed to fostering a culture that supports the Company's stated purpose, strategy and long-term success, and reflecting its responsibility to contribute positively to wider society. This culture is based on Serica's "CLEAR" framework of values: Communication, Learning, Empowerment and Accountability, and Respect. These guide decision-making and the way the Company operates.

The Board sets the tone from the top by promoting integrity, respect and transparency, and by holding management accountable for embedding the desired culture across the organisation. Through its oversight of strategy, risk management and remuneration, the Board reinforces behaviours that support the Company's goals and discourage conduct that is inconsistent with the Company's values. The Board is updated regularly on the Company's safety and asset performance, employee sentiment and workforce-related initiatives such as training.

The Board monitors organisational culture using a range of qualitative and quantitative indicators, including employee engagement measures and feedback from management. These insights inform the Board's ongoing assessment of whether the Company's culture is aligned with its purpose, values and strategy.

The Board is committed to fostering an inclusive, respectful and safe working environment in which employees are supported, engaged and empowered to contribute to Serica's continued success.

Non-Executive Directors routinely meet with members of the Executive Leadership Team and often with subject matter experts within the wider staff at formal Board meetings and Board committee meetings. Non-Executive Directors also participate in site visits, leadership training sessions and safety events, providing opportunities for direct insight into employees' perspectives.

Workforce engagement is supported through a range of mechanisms, including regular communication from leadership, Town Halls, staff surveys and ongoing dialogue between management and employees. These channels provide insight into employee sentiment, organisational effectiveness and opportunities for continuous improvement.

During 2025, the Company's efforts to enhance workforce engagement included the appointment of a Chief People Officer and the creation of an employee forum, with a designated Non-Executive Director meeting with the latter independently of the Executive Leadership Team.

The Company's most recent staff survey included questions covering leadership, corporate vision, values, pay and benefits, organisational effectiveness, communication, diversity and inclusion, training and development, and workplace resources. The results will aid the Company's people-related and governance priorities for 2026.

Board Activities During 2025 and Priorities for 2026

During 2025, the Board focused on overseeing the delivery of the Company's strategy and monitoring operational and financial performance. Key activities included some Directors attending a Process Safety audit, additionally, time was spent ensuring that the foundation for the 2024 Spadeadam training process was built upon. More generally, the Board reviewed production and operational performance across the Company's assets at each meeting, considered strategic opportunities to strengthen and expand the Company's portfolio through focussed M&A sessions, and oversaw capital allocation and financial performance.

The Board reviewed the Company's principal risks and risk management matrix at every meeting ensuring that deep dive discussions are held on the top risks that featured on the matrix. The Board also monitored health, safety and environmental performance, and oversaw the Company's environmental, social and governance initiatives. In addition, the Board considered matters relating to corporate governance, Board composition and succession planning via the Nominations Committee, and received updates on shareholder engagement and investor relations activities.

Looking ahead to 2026, the Board will continue to focus on the delivery of the Company's strategy and the sustainable growth of the business. Priorities will include monitoring operational performance and investment programmes, reviewing strategic opportunities, maintaining financial discipline, and overseeing the transition from the AIM to Main Market and ensuring compliance with the UK Corporate Governance Code.

Conflicts of Interest and Compliance

Conflicts of Interest: The Company has established procedures to identify and manage actual or potential conflicts of interest between the Company's interests and those of its Directors. In line with the Companies Act 2006, all Directors are required to disclose in writing to the Chair / Company Secretary any actual or potential situation that may give rise to a conflict. The Board is satisfied that these procedures provide a robust framework for the prompt review and authorisation of potential or actual conflicts. Directors must obtain Board approval before accepting additional external appointments that could give rise to conflicts. Declarations of interest is a standing Board agenda item at the start of every Board meeting.

Code of Dealing: The Company maintains a comprehensive code of dealing aligned with the UK Market Abuse Regulations (MAR). All Directors, employees and agents are required to comply with the Company's share dealing rules, MAR and the AIM rules on securities dealings. Further changes, as appropriate, will be made once the Company moves to the Main Market.

Ethics: The Company is committed to conducting its business in compliance with all applicable legal and regulatory standards around integrity, fairness, and high ethics. Policies are in place (and reviewed by the Board periodically) covering anti-bribery and corruption, data protection and the prevention of fraud.

The Company has in place an online training platform, which provides employees with guidance and training on a wide range of compliance-related topics.

Division of Responsibilities and Board Roles

The Company maintains a well-defined organisational structure with clear lines of responsibility and delegated authority to executive management.

Chair: The Chair of the Company is the leader of the Board of Directors and maintains an active presence within the Company, maintaining a positive working relationship with the Chief Executive Officer, the Chief Financial Officer, the Senior Independent Director and all other members of the Board.

The Chair is the senior point of contact for the Company's shareholders and stakeholders. The Chair is Responsible for maintaining the highest standards of corporate governance, and ensuring that there is clear communication of the Company's purpose, strategy, culture, values, and behaviours. The Chair will ensure that there are good information flows within the Board and its Committees, and that the Board's composition and capabilities are aligned with the requirements, challenges and opportunities facing the business.

The Chair has a strong understanding of the dynamics of the business, where it has come from, its present strategy and performance, and shareholder expectations. The Chair regularly reviews the composition of the Board, and evaluates the effectiveness of the Board, its Committees and all Directors and other senior executives of the Company, ensuring necessary action is taken when required.

Senior Independent Director ('SID'): The SID is appointed and removed by a majority vote of the INEDs.

The SID is an independent and confidential contact for all other Board members and unless the Board decides otherwise, chairs the meetings of the Board in the Chair's absence.

The SID, if requested, will assist the Chair and CEO on shareholder liaison and communication.

Chief Executive Officer ('CEO'):

The CEO reports to the Chair and the Board and is the senior executive of the Company. The CEO provides the vision, leadership, decision-making and motivation to help the Company achieve outstanding results whilst safeguarding shareholder capital.

The CEO ensures that all the affairs of the Company are administered and discharged in an exemplary manner, befitting a leading listed company and in compliance with all prevailing applicable laws, regulatory requirements, applicable codes of conduct and accepted best standards of operation and control. The CEO ensures that all appropriate matters are brought before the Board for approval on a timely and properly informed basis and has particular responsibility for ensuring that strong and effective Health and Safety policies and practices are in place across all of the Company's workplaces and operations.

The CEO manages the implementation of major corporate policies, serves as the chief spokesperson for the Company, manages shareholder relations and oversees the raising of share capital and key debt financing.

Chief Financial Officer ('CFO'):

The CFO is responsible for the finances of the Company and for all matters relating to finance, accounting, treasury management, capital structures, procurement, risk management and audit of the Company and each of its subsidiaries. The CFO also oversees the raising of capital, key debt financing, acquisitions and divestitures and investor relations.

CORPORATE GOVERNANCE FRAMEWORK continued

Although reporting to the CEO, the CFO also has a direct reporting responsibility to the Board on all matters within the scope of the CFO's responsibilities and ensures that the Board is kept fully advised of all material matters arising with respect thereto, in a timely and properly informed basis. The CFO advises and assists the CEO and the Chair on long-term financial and business planning and in establishing and maintaining good relationships with shareholders, external partners, and other stakeholders.

Board of Directors: The Board of Directors exercises oversight and overall control of the Company, its strategy and all of its undertakings and operations in accordance with the law, the Company's Articles of Association, AIM Regulation, and its policies and procedures, including the Company's Board Charter and Matters Reserved for the Board.

As of 25 March 2026, the Board comprises nine Directors, including five Independent Non-Executive Directors. Kate Coppinger continues to serve as Senior Independent Director, providing additional support to the Chair. The Chair ensures the Board fulfils its responsibilities and encourages full and constructive contributions from all members in shaping the Group's strategy and commercial objectives. All Independent Non-Executive Directors are independent in both character and judgment. The two Non-Executive Directors further strengthen the Board's composition. The Board is mindful of the importance of ensuring that the Directors have a mix of experience, skills, independence and diversity. The composition of the Board already meets the requirements of the UK Corporate Governance Code. Further details on the skills, experience, and backgrounds of the Directors can be found in the Board biographies on pages 66 to 68.

Independent Non-Executive Directors ('INEDs'): An INED holds no executive office within the Company and has the same legal obligations towards the Company and its shareholders as any other Director.

The INEDs provide independent oversight, challenge, and strategic guidance to the Board, ensuring accountability, strong governance, and protection of all shareholders' and stakeholders' interests.

Non-Executive Directors ('NED'):

A Non-Executive Director holds no executive office within the Company and has the same legal obligations towards the Company and its shareholders as any other Director.

The NEDs provide oversight, challenge and strategic guidance to the Board, ensuring accountability, strong governance, and protection of all shareholders' and stakeholders' interests but has connections to the Company's major shareholder and often represents specific interests, while still owing duties to the Company as a whole.

Company Secretary: The Company Secretary is responsible for the proper maintenance of the corporate records of the Company and the proper functioning and record keeping of all Company meetings, including those with its Shareholders and of the Board and its Committees. Reporting directly to the Chair, the Company Secretary is appointed by the Board and plays a proactive central role in ensuring good governance within the Company and its subsidiaries.

Board Education and Development

The Board recognises the importance of maintaining an appropriate level of knowledge and understanding of the Company's operations, the industry in which it operates and the regulatory environment. During the year, Directors received a number of briefings and updates from senior management and external advisers.

These included briefings on process safety and major hazard management within the Company's operations, including updates on safety systems, risk controls and lessons learned. The Board also received updates on regulatory and governance developments relevant to the Company, including briefings on continuing obligations under the AIM Rules for Companies and governance expectations under the Quoted Companies Alliance Corporate Governance Code.

Some Directors received their BOSIET training and the Chair of the Company became a chartered director in 2025.

The Board will continue to receive periodic updates and training to ensure that Directors remain appropriately informed and able to effectively discharge their duties.

Board Committees

The Board operates five standing Committees:

- **Audit & Risk Committee** – oversees the integrity of the Company's financial reporting, the effectiveness of internal controls, risk management systems, and the independence and performance of the external auditor.
- **Reserves Committee** – is a sub-committee of the Audit & Risk Committee and its purpose is to review and approve the reports of the independent reserves auditors.
- **Remuneration Committee** – considers all aspects of remuneration policy and ensure that the Company attracts, retains and motivates talent to contribute to the long-term success of the Company.
- **Nominations Committee** – makes recommendations to the Board for executive and non-executive appointments and Board and management succession planning.
- **HSE Committee** – is responsible for matters affecting occupational health, safety and the environment.
- **Sustainability Committee** – is responsible for all aspects of the Company's climate strategy.

Each Committee operates under formal terms of reference, reviewed and approved annually by the Board, and reports back following meetings to ensure the Board remains fully informed. Further details of membership, attendance, and responsibilities can be found on pages 81 to 82. The terms of reference for each Committee can be found on the Company's website at <https://www.serica-energy.com/board-committees>.

QCA DISCLOSURES

The QCA Code has ten principles of corporate governance that the Company has committed to apply within the framework of the business. These principles are:

QCA Code Principle Number

QCA Code Principle

Disclosure

One	Establish a purpose, strategy and business model which promotes long-term value for shareholders	a) Explain the Company's purpose, business model and strategy including key challenges in their execution
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Comment

a) See strategic report starting on page 1 of the 2025 annual report.

The Company's purpose is to contribute responsibly towards meeting the world's energy needs through the safe and efficient production of hydrocarbons.

It operates in the upstream oil and gas exploration, development and production sector and is therefore exposed to political, operational, commercial, product pricing and hazard risk. The Company's strategy is to maintain a portfolio of properties and risk diversity which enables it to manage the risks, the financial capacity and the growth opportunities in the business. It does this both by an active programme of acquisition and divestment where possible to balance risk and potential whilst also seeking to optimise operating costs and procedures to improve performance and by identifying where new technologies can enhance value. The Company strives to maintain a forward looking, professional and safety conscious culture in all that it does as this also provides essential checks and balances and underpins a value creative environment to the benefit of all stakeholders.

Two	Promote a corporate culture that is based on ethical values and behaviours	a) Describe the desired Company culture within the strategic report. How is the desired corporate culture supportive of the Company's purpose, strategy, and business model? How is the tone from the top (Board, chief executive, and senior management) supportive of this culture? How does the Board assess and monitor corporate culture and how were any actions which notably deviated from what is expected addressed?
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Comment

a) The corporate culture of the Company is established within the Board of Directors and communicated to the Company by the CEO and senior management through a regular series of internal meetings and supporting processes. By this means the Company's strategy, objectives and approach to health, safety, environmental and diversity issues are communicated to all employees with the Board maintaining full oversight. More details on the Company's culture are on page 72 of the 2025 annual report.

The Company operates a full feed-back system directly to the Chair, CEO or Senior Independent Director (SID) which provides the mechanism to enable the Company to become aware of any deviation from the Company's ethical values.

Three	Seek to understand and meet shareholder needs and expectations	a) Describe the shareholder engagement activities, including the topics discussed and actions taken in response b) Provide appropriate quantitative and qualitative reporting of a company's environmental and social matters to meet investor needs and expectations
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Comment

a) The Company engages with its shareholders through regulatory news flow, providing financial results on a half yearly basis, operational updates to maintain information on overall performance, additional news flow when there is a material deviation from the operational updates, releases relating to matters of material importance to the Company's business and releases of a regulatory nature. More details on shareholder engagement is on page 105 of the 2025 annual report.

The Company maintains an informative and regularly updated website at www.serica-energy.com through which shareholders can obtain copies of the Company's annual report, interim report, ESG report and other regulatory documents and regulatory news service releases. The website includes copies of all presentations made from time to time to analysts, shareholders and the general market and includes a facility under which shareholders may submit questions or make comments relating to the Company's business. Whenever possible the Company endeavours to respond to enquiries.

The Company's AGM is a regular opportunity for shareholders to meet with the Company and receive a corporate presentation. There is also an opportunity for shareholders to ask questions after the presentation, during the formal business of the meeting and informally following the meeting. The Board pro-actively engages with investors on governance matters.

The Chair, CEO and the CFO are together responsible for shareholder liaison and a listening Board for shareholders. In all communications with shareholders and the general market the Company maintains strict compliance with the requirements of the AIM Rules and Market Abuse Regulations.

QCA DISCLOSURES continued

QCA Code
Principle
Number

QCA Code Principle

Disclosure

b) See the ESG Report starting on page 30 of the 2025 annual report.

Four	Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long-term success	<p>a) Describe the environmental and social issues that the Board has identified as being material to the Company with reference to its purpose, strategy, and business model</p> <p>b) Set out any relevant associated KPIs that are used for tracking performance on such matters and, where relevant, key forward-looking targets that have been established</p>
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Comment

a) The Company annually reviews and updates an ESG Materiality assessment which relies on stakeholder engagement activities throughout the reporting year and incorporates insights from experts across the business. The assessment covers the materiality of topics, ranging from economic and environmental considerations to social aspects and potential human rights implications. Material environmental issues include, GHG Emissions, Environmental Compliance, Waste, Water and Effluents. Material social topics include, Occupational Health and Safety, Diversity and Equal Opportunities, Training and Education and Employment practices. More information can be found in the ESG report starting on page 30.

b) The Company is aligned to the emission reduction targets as set out in the North Sea Transition Deal, which commits the UK oil and gas industry to reduce absolute production emissions by 10% by 2025, by 25% by 2027, by 50% by 2030, and become Net Zero by 2050 from a 2018 baseline. The Company also supports the World Bank's target of reaching zero routine flaring by 2030.

Since 2021, the Company has set annual emissions targets as part of its annual bonus scheme. Performance against these targets is directly linked to the remuneration of its employees, senior management and executives.

The Company has a suite of other environmental targets and KPIs used to monitor its performance, these include the average daily flaring volumes, the percentage of waste diverted from disposal, the volume of general waste generated and quantity of oil in produced water that is discharged to sea. Performance against these targets is monitored on a regular basis and performance is reported across the organisation.

Five	Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation	<p>a) Describe how the Board has embedded effective risk management, internal controls and assurance activities in order to execute and deliver strategy. This should include a description of what the Board does to identify, assess and manage risk and how it gets assurance that the risk management and related control systems in place are effective</p> <p>b) Risk and control information should be disclosed as required in the strategic report and corporate governance statements, including the non-financial reporting narrative</p> <p>c) Explain the Company's governance around climate-related risks and opportunities; the process for identifying, assessing and managing climate-related risks and how these processes are integrated into the Company's overall risk management framework</p> <p>d) Explain how the audit committee has monitored and formally considered auditor independence during the corporate reporting cycle</p>
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Comment

a) The Company's approach to the management and identification of risk is set out in the Business Risks and Uncertainties section of the Strategic Report on pages 27-29 of the 2025 Annual Report.

The Company encourages a culture of risk awareness and management at all levels throughout the Company. The Audit and Risk Committee oversees the Risk Process. The Risk Matrix is reviewed by the Board at every Board meeting and, at executive level, the Chief Technical Officer. At each Board meeting, a deep dive is conducted in relation to one of the top level risks which is discussed by the Board in detail.

The Company also employs outside advisors to assess and advise on risk when it is felt additional third-party expertise is required.

Through the HSE and Audit & Risk Committees and the feedback provided by these committees to the Board via verbal and/or written reports and accessible minutes, the Board maintains a full and active awareness of operational and financial risks and the assurances that effective control systems are in place.

**QCA Code
Principle
Number**

QCA Code Principle

Disclosure

b) See Business Risks and Uncertainties section of the Strategic Report which starts on page 27 of the 2025 Annual Report.

c) The ESG team work on the process of identifying climate-related risks. More information can be found in ESG report.

A dedicated Sustainability Committee was set up in 2023 and reports to the Board on climate-related risks and issues. The Board discusses climate-related risks on a regular basis.

d) The Audit & Risk Committee formally assesses the independence of the Company's auditors on an annual basis, there has been a rotation of audit partners after five years to ensure independence is maintained. An audit tender policy was put in place in 2023 which has continued to support auditor rotation and independence.

Six	Establish and maintain the Board as a well-functioning, balanced team led by the Chair	<p>a) Identify each Director and describe the relevant experience, skills, and capabilities that each Director has brought to the Board's agenda during the year</p> <p>b) Explain how the Board contains (or will contain) the necessary mix of experience, skills, and capabilities – including with reference to diversity characteristics</p> <p>c) Identify those Directors who the Board considers to be independent; where there are grounds to question the real, or perceived independence of a Director, this must be explained</p> <p>d) Describe the time commitment required from Directors (including non-executive Directors as well as part-time executive Directors) and any restrictions on both executives and non-executives with respect to assuming external roles</p> <p>e) Include the number of meetings of the Board (and any committees) during the year, together with the attendance record of each Director</p> <p>f) Where performance-related remuneration for non-executive Directors has been introduced, the Company must disclose how it has consulted its shareholders and how their support was obtained</p>
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Comment

a) Information on each of the Directors (as at 25 March 2026) is provided on pages 66-68 of the 2025 Annual Report. Details can be found on the Company's website.

b) The make-up of the Company's Board of Directors has kept pace with changes made by the Company within the last few years with the introduction of new experience and skill-sets complementing those already on the Board. By this means the Board is continuing to refresh and enhance its performance. In 2025, a skills matrix was drawn up and an assessment of Director skills was conducted.

The Board of Directors covers a wide range of experience and skills. To meet the requirements of an independent upstream oil and gas exploration, development and production company these experiences and skills must cover financial, legal, operational and technical knowledge experience of risk management and growth in the independent sector and of public markets.

Each of the Directors on the Board, Executive, Independent Non-Executive Directors ('INED's') and Non-Executive Directors ('NED's'), have considerable experience and all have demonstrated skills which are complementary, independent and sufficient to cover all of the requirements of the Board.

All Directors have extensive and complementary skills, knowledge and experience covering all facets of the business which requires both entrepreneurial and custodian oversight.

As the Company continues to grow its business and to refresh the Board the Nominations Committee maintains oversight of the Company's requirements to ensure that the make-up of the Board is kept in line with the Company's needs and provides a mix of experience, skills, personal qualities and capabilities appropriate to the task. These include full consideration to maintain a healthy diversity where this is possible, including gender and ethnic diversity.

QCA DISCLOSURES continued

QCA Code Principle Number

QCA Code Principle

Disclosure

c) The Board as at 25 March 2026 comprises of a Non-Executive Chair, CEO, a CFO, four INEDs (all are considered independent in terms of character and judgement) and two NEDs. The Board is aware of the need to maintain and build upon this balance of backgrounds and to maintain a diversity of talent through succession planning as the Company further develops and the needs of its business grows.

Kate Coppinger, Michiel Soeting, Kaat Van Hecke and Sian Rees are INED's and considered to be independent.

For full background refer to "Board Composition" starting on page 82 of the 2025 Annual Report and the Company's website.

d) The Executive Directors are expected to devote substantially the whole of their time to their duties with the Company. INED's and NED's have a lesser time commitment which is set out in their letter of appointment. It is anticipated that INED's and NED's will each dedicate 12 days a year in addition to their duties as Board members and as members from time to time of Board committees.

There is no formal policy restricting the Directors external appointments, however the Nominations Committee (and Board) review external appointments and time commitments at least annually, and each Director discusses with the Chair any proposed additional appointments prior to being appointed.

e) See page 82 of the 2025 Annual Report.

f) NEDs nor INEDs are not awarded any performance related pay.

Seven

Maintain appropriate governance structures and ensure that individually and collectively the Directors have the necessary up to date experience, skills and capabilities

a) Explain how each Director keeps their skillset up-to-date, setting out how the Company provides the necessary resources for updating and developing each Director's knowledge and skills

b) Set out any Board sub-committees that have been established to facilitate more focussed discussions and/or oversight of particular subject matters

c) Where the Board or any committee has sought external advice on a significant matter, this must be described and explained

d) Where external advisers to the Board or any of its committees have been engaged, explain their role

Comment

a) The Directors are provided with an AIM Rule briefing from the Company's Nominated Advisor on an annual basis along with dedicated sessions on varying topics from the Company's legal advisors.

The Company's lawyers attend meetings and deliver updates and training to the Board as a whole and individual Directors as and when required.

The Audit & Risk Committee has requested that the Company's auditor provide details of training that the Audit & Risk Committee members may find useful to develop their knowledge further and for them to keep up to date with changes in auditor and accounting regulations, standards and areas of focus.

The Board is aware that there is a need for a structured training plan for all Directors. One training plan already in place is the 'Major Accident Awareness Training' course at the Spadeadam facility in north east England. One of the Company's key objectives is to ensure the highest possible standards of Process Safety Awareness. Process Safety is seen as a Company-wide responsibility to prevent major accidents from occurring. All Directors will undergo this training which demonstrates the significance of the hazards faced in the industry and the critical importance of Process Safety.

**QCA Code
Principle
Number**

QCA Code Principle

Disclosure

b) The Audit & Risk Committee assists with the Board's oversight of the integrity of the financial reporting and the independence and performance of the Company's Auditor.

The Reserves Committee meets prior to the publication of the annual results. The Committee is a sub-committee of the Audit & Risk Committee and meets to review the reports of the independent reserves auditors.

The Nominations Committee is responsible for monitoring the overall effectiveness of the Board and its Committees, proposing to the Board new nominees for election as Directors to the Board, determining succession plans and for assessing Directors on an ongoing basis.

The Remuneration Committee meets to consider all material elements of remuneration for executive Directors and senior management, including remuneration policy, share incentive plans and other employee incentive schemes.

The HSE Committee is responsible for matters affecting health, safety and the environment.

The Sustainability Committee is responsible for matters relating to emissions reductions and climate change.

Details of the Terms of Reference for all committees can be found on the Company's website.

c) During 2025, the Board and committees have used a number of external professional advisers in respect of various segments of its business where it was felt that external advice was required.

The Remuneration Committee engaged remuneration consultants to assist in various matters relating to executive remuneration and packages. Further details can be found in the Remuneration Committee report.

d) The Directors have access to the Company's Nominated Advisor, Company Secretary, lawyers and appointed remuneration consultants and are able to obtain advice from other external bodies as and when required.

The management team and Directors are in regular dialogue with the Company's Nominated Adviser. The Nominated Adviser provides ongoing advice on matters pertaining to the Company's compliance with the AIM Rules for Companies.

The Company Secretary advises on corporate governance, arranges, attends and minutes all Board and committee meetings. The Company Secretary works closely with the Chair, CEO, members of the Executive Management team, all Board members and advisors of the Company as and when required.

Lawyers are engaged to provide legal advice when required by the management team and by the Board or committees.

The Remuneration Committee have engaged remuneration consultants to provide advice in relation to executive remuneration, benchmarking and remuneration policy.

Eight	Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement	<p>a) Include a high-level explanation of the Board performance effectiveness process</p> <p>b) Set out when the last externally facilitated Board review took place and when the next one is planned for. Where an externally facilitated review has not taken place and there are no plans to have one, this must be explained</p> <p>c) Where a Board performance evaluation has taken place in the year, provide a brief overview of it, how it was conducted and its results and recommendations. Progress against previous recommendations should also be addressed</p> <p>d) Provide an outline description of the succession planning process including any indicative timelines for expected appointments (to the extent practicable)</p>
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Comment

a) See website disclosure, Principle Eight above on pages 84-85 of the 2025 Annual Report.

The Board conducted an external Board and Committee evaluation process at the end of 2023 and in line with the 2023 QCA Code will conduct a Board evaluation every year. An external Director evaluation survey was conducted in 2024.

b) As set out above, the Board conducted an external Board evaluation at the end of 2023, a Director evaluation survey was conducted in 2024. The Company plan to conduct a Board evaluation every year.

QCA DISCLOSURES continued

QCA Code Principle Number

QCA Code Principle

Disclosure

c) See website disclosure, Principle Eight above. For further information see 'Board Evaluation' pages 84 and 85 of the 2025 Annual Report.

d) The Nominations Committee meets regularly to consider the requirements of the Board. Consideration is given to succession both planning and timelines and expected changes. In 2025, the Nominations Committee discussed succession planning for all Directors both long-term and on an emergency basis.

Nine	Establish a remuneration policy which is supportive of long-term value creation and the Company's purpose, strategy and culture	a) Explain how the remuneration structure and practice supports the delivery and attainment of the Company's purpose, business model, strategy and culture
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Comment

a) The Remuneration Committee meet regularly to discuss the remuneration structure to ensure that it motivates the executive teams and senior management team and promotes the long-term growth of shareholder value. The Remuneration Committee consults with other committees (HSE and Sustainability) in order to set appropriate incentive targets and to appraise performance in respect of those targets.

Pay structures for the executive team and senior management team are simple and easy to understand and foster alignment with shareholders through building and holding a meaningful shareholding in the Company.

The Remuneration Report on pages 94 to 104 of the 2025 Annual Report will, as it did in 2025 be put to an advisory vote at the 2026 AGM. The Remuneration Policy was put to an advisory vote at the 2025 AGM.

Ten	Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and any other key stakeholders	<p>a) Within the corporate governance report, reflect on challenges experienced in the year and signpost to how these were addressed at the Board and whether any changes were made to Board structure or process</p> <p>b) Include an audit committee report (or equivalent report if such committee is not in place)</p> <p>c) Include a remuneration committee report (or equivalent report if such committee is not in place)</p> <p>d) If the Company has not published one or more of the disclosures set out under Principles 1-10, the omitted disclosures must be identified and the reason for their omission explained</p>
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Comment

a) See Corporate Governance Report starting on pages 71 of the 2025 Annual Report.

The Board maintains a healthy dialogue between it and its stakeholders including its shareholders. The Chair is primarily responsible for communicating with shareholders, but the CEO also maintains regular dialogue. The SID is also available to communicate with shareholders as required.

Copies of the Company's report and accounts, and all other shareholder communications are maintained on the Company's website.

b) See pages 88 and 89 of the 2025 Annual Report.

c) See pages 94 to 104 of the 2025 Annual Report.

d) The Company has published all of the disclosures set out under Principles 1-10.

David Latin

Non-Executive Chairman

25 March 2026

BOARD COMPOSITION, ATTENDANCE, AND EVALUATION

The Board is the principal decision-making body of the Company, with authority for specific matters being delegated to Committees of the Board. Responsibility for the day-to-day operation of the Company is formally delegated by the Board to the Chief Executive Officer who manages the operational running of the business through the Executive Leadership Team. The framework set out here provides a high-level summary of the Company's governance framework, illustrating the flow of authority as it is delegated throughout the Company.



BOARD COMPOSITION, ATTENDANCE, AND EVALUATION continued

Board attendance

The table below sets out the attendance of Directors at Board and Committee meetings held during the year. The charts on page 83 set out details of each Director's independence status and tenure on the Board, and an overview of the collective skills and experience of the Board.

The Board considers that five of the Non-Executive Directors including the Chair are independent. The Board has formal procedures in place for the declaration, review and authorisation of Directors' interests. In addition, Directors are required to declare any actual or potential conflicts of interest at the commencement of each Board meeting.

Board and Committee meeting attendance

Director	Board (attended/ eligible to attend)	Adhoc Board (which include administrative meetings (e.g. share allotments where the whole Board is not required))	Audit	Remuneration	Nominations	HSE	Reserves	Sustainability
*D. Latin	11	7			3			
C Cox ¹	10	7				4	2	2
M Copeland ²	11	6						2
*K. Coppinger	11	7	4	5	3			
J. Schmitt ³	6	2				2		2
*M. Soeting	11	6	4	5			1	
*K. Van Hecke	10	7	4			4	2	
*S. Lloyd Rees ⁴	10	7		5		2		4
R. Lawson ⁵	9	7			3			2
G. Vermersch	10	5						
Total Meetings	11	7	4	5	3	4	2	4

* Committee Chair

1 Christopher Cox stepped down from the Sustainability Committee in May 2025

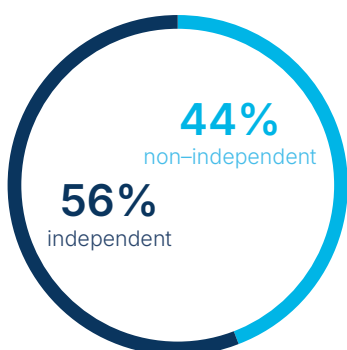
2 Martin Copeland joined the Sustainability Committee in May 2025

3 Jérôme Schmitt resigned as a Director of the Company in May 2025

4 Sian Lloyd Rees joined the HSE Committee in May 2025

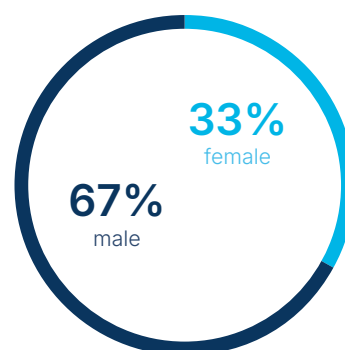
5 Rob Lawson joined the Sustainability Committee in May 2025

Balance of Board



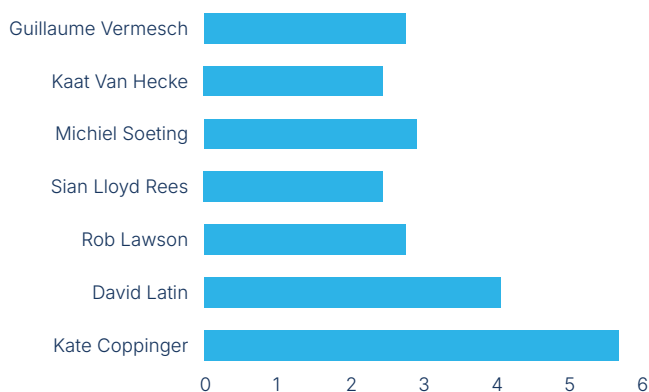
Note: Two Directors are nominee Directors from Mercuria

Members by gender

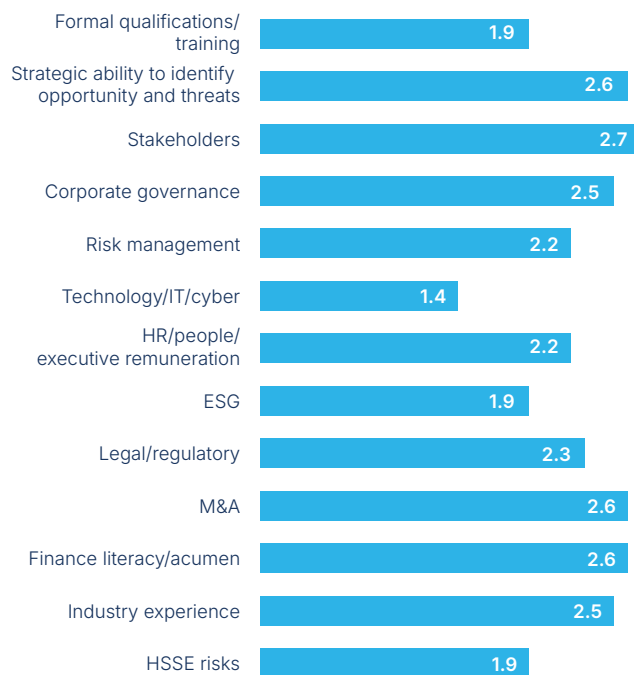


Note: Two male Directors are nominee Directors from Mercuria. Three of the four Independent Non-Executive Directors are female

Tenure



Average self-assessment by Directors of core skills and knowledge



3: Expert knowledge; considerable skill/knowledge/experience
 2: Considerable knowledge
 1: Some knowledge

BOARD COMPOSITION, ATTENDANCE, AND EVALUATION continued

Evaluation/review of the Board's effectiveness

The Board recognises that regular evaluation of its effectiveness, and that of its Committees and individual Directors, is fundamental to maintaining high standards of corporate governance and supporting Serica's long-term sustainable success. The Chair, together with assistance from the Company Secretary, oversees an annual evaluation process to assess the effectiveness of the Board, its Committees and individual Directors. This process also supports continuous improvement and ensures that the Board maintains an appropriate balance of skills, experience, and knowledge aligned with the Company's strategy.

The most recent externally facilitated Board evaluation was conducted in 2023 by Nurole, an independent external adviser with no other connection to the Company. Internally facilitated Board and Committee evaluations were conducted in 2024 and 2025, led by the Chair with support from the Company Secretary.

Evaluation Process

- The 2024 and 2025 internally facilitated evaluations included: A Director evaluation questionnaire facilitated by Nurole whereby Directors evaluated each-other. This was followed up with individual meetings with each Director to discuss feedback, identify development opportunities, and agree actions to enhance effectiveness. The Director evaluations were discussed by the Board and key themes were discussed.
- Review of the effectiveness of the Board and each Board Committee
- Review of Board composition, skills and independence.

The Chair and relevant Committees reviewed the outcomes of each evaluation and monitored progress against agreed actions.

These internal reviews involved the Board and each Committee completing a series of action points aimed at driving continuous improvement in their effectiveness and supporting the ongoing promotion of strong corporate governance principles.

Overall, following reflection in 2025 into early 2026, the Board concluded that the consistently high scores across all assessment areas reinforce the view that it is operating effectively and in line with recognised best practice in corporate governance.

Key findings and actions

The evaluation confirmed that the Board and its Committees continue to operate effectively, with constructive challenge, open to discussion, and strong engagement from all Directors.

Key strengths identified:

- Strong and effective leadership from the Chair
- Open and transparent communication between Executive and Non-executive Directors
- Appropriate oversight of financial performance, risk management, and governance
- Constructive and collaborative Board dynamics
- High-quality Board and Committee papers supporting effective decision-making

The evaluation also identified areas of ongoing focus to further enhance effectiveness including:

- Continuing to increase the Board's focus on long-term strategy, growth, and value creation
- Further strengthening executive succession planning and leadership development
- Ongoing review of Board composition to ensure alignment with evolving strategic priorities
- Continued focus on organisational structure to support effective delegation and strategic oversight

The Chair and Committees continue to oversee the implementation of these actions.

Succession planning and Board development

The Board recognises the importance of effective succession planning and maintaining an appropriate balance of skills, experience and diversity.

The Nomination Committee regularly reviews succession plans for the Board and senior management and considers future Board composition to ensure alignment with the Company's strategic direction.

External search firms (Russell Reynolds and Cripps Leadership Advisors), who provide independent recruitment services and have no connection to the Company, have been engaged and may continue to support Board recruitment where appropriate. Any such firms are selected based on their expertise and independence.

Conclusion of the evaluation

Following completion of the 2025 evaluation, the Board concluded that it continues to operate effectively and that its governance framework, composition, and processes support effective oversight and decision-making. The Board remains committed to continuous improvement and maintaining governance standards aligned with best practice.

As the Company enters its next phase of growth and prepares for its transition to the Main Market, a further Board and Committee evaluation will be scheduled towards the end of 2026 or during 2027.

Board's effectiveness

The evaluation found that there is a strong and effective flow of communication among the Directors, particularly between the Chief Executive Officer, Chief Financial Officer and the Chair, ensuring that both the strategic direction and operational requirements of the business are appropriately considered. The evaluation also provided a number of recommendations to further refine the interactions between the Board and its Committees. Further, changes to the organisational structure have enabled greater delegation to a strengthened C-suite team reporting directly to the Chief Executive Officer, allowing him to devote increased focus to strategic priorities.

Comprehensive Board and Committee papers are circulated in advance of meetings, providing Directors with sufficient time to review materials and enabling informed and constructive discussion. Minutes are accurately maintained to reflect key deliberations and decisions, and actions arising from meetings are systematically tracked to ensure timely execution and appropriate follow-up.

The Directors collectively possess extensive knowledge of the Company's business and are fully cognisant of their responsibilities as Directors of a listed Company. They have access, as required, to the Company's Nominated Advisor, auditors, and legal advisers. In addition, the Nominated Advisor delivers annual boardroom training to support the Board's ongoing development. These advisers are available to provide formal advice and guidance to the Board, when necessary, in line with best practice.

The Company Secretarial team plays a key role in supporting the Board by ensuring Directors are kept informed of developments in corporate governance and by working closely with the Nominated Adviser on matters relating to AIM compliance. The Company Secretary maintains regular communication with the Chair, Chief Executive Officer, Chief Financial Officer, and the Chairs of the Board Committees and is available to all Directors as required. Directors may also seek independent professional advice at the Company's expense where they consider it necessary.

The Board recognises the importance of effective succession planning and diversity when considering Board composition. The Nominations Committee oversees succession planning and Board appointments to ensure the Board continues to operate effectively and remains aligned with the Company's evolving strategic needs. External recruitment advisers (Russell Reynolds and Cripps Leadership Advisors) are available to support future recruitment requirements.



Chair's Introduction

I am pleased to present the Nominations Committee (the Committee) report for 2025.

The Committee embraces Board balance and promoting diversity and equal opportunities and plays a key role in ensuring that the

Board and its Committees maintain an appropriate balance of skills, experience, independence, and diversity to support the Company's long term strategy. The Committee oversees Board composition, succession planning for the Board and Executive Leadership Team, and the Board evaluation process, ensuring that Serica continues to benefit from strong and effective leadership.

Composition and attendance

The current Committee comprises of, David Latin, (Independent Non-Executive Chair of the Company and Committee Chair), Robert Lawson (Non-Executive Director), and Kate Coppinger (Independent Non-Executive Director). The composition of the Committee complies with the requirements of the UK Corporate Governance Code which the Company will adhere to once the Company moves to the Main Market. Attendees of Committee meetings included the Chief Executive Officer, Chief Financial Officer and of recent, the newly appointed Chief People Officer. Other individuals and external advisers are invited to attend as and when appropriate and necessary.

The Committee met on three occasions in 2025. It has met once so far in 2026.

Member	Committee member since	Meeting attendance
David Latin	Apr 2023	3/3
Robert Lawson	Apr 2023	3/3
Kate Coppinger	Mar 2024	3/3

Independence

The Committee and the Board are satisfied that each Independent Non-Executive Director of the Company remains independent and that all of Non-Executive Directors continue to have sufficient time to discharge their responsibilities to the Company.

Committee effectiveness

The Committee reviews its terms of reference annually to ensure they remain appropriate in light of legal, regulatory and best practice changes. No changes were made to the Committee's terms of reference in the year under review (available on serica-energy.com). The 2025 Board effectiveness review was facilitated internally and the Committee was found to be performing effectively. Further information on the Board Effectiveness review can be found on pages 84 to 85. The Committee remains satisfied that the Board continues to operate effectively.

2025 and early 2026 activities included:

- reviewing (i) the independence of the Independent Non-Executive Directors, and (ii) whether each Independent Non-Executive Director and Non-Executive Director had sufficient time to effectively fulfil its responsibilities;
- ensuring a structured succession plan was in place for each Director both in case of an emergency and for long-term succession planning. Work to enhance the succession planning process, with assistance of the Chief People Officer (a new management role created in 2025), will further strengthen this process;
- reviewing Board competence and the competence of each Board committee following a Board skills review conducted by the Board;
- reviewing Board committee composition and making recommendation to the Board following the resignation of one Board member during the year;
- reviewing and discussing the Company's senior management (Executive Leadership Team) succession plans;
- reviewing the effectiveness of each Director individually, in light of her/his contributions to Board discussion and external commitments and considering whether any Director would benefit from additional training; and
- reviewed and recommended updates to the matters reserved for the Board.

2026 looking forward

The Committee has put an annual rolling calendar in place to ensure that it meets its obligations under the current Committee terms of reference and to ensure that it continues to perform effectively. The Committee will continue to operate in line with its terms of reference and a review will be undertaken in anticipation of the Company's move up to the Main Market planned in 2026. The Committee will focus on:

- ensuring compliance with the UK Corporate Governance Code 2024, in preparation for a planned transition to the FTSE Main Market;
- continuing to devote appropriate time and attention to assessing its own effectiveness and to reviewing the independence, capacity and performance of both Independent Non-Executive Directors and Non-Executive Directors to ensure they are able to fulfil their duties effectively;
- focusing on Board evaluation and succession planning; reviewing the training and development needs of Directors; reviewing and monitoring the Company's progress against objectives which underpin the Board Diversity Policy; considering any Board or Committee recruitment requirements; and regularly reviewing the size and composition of the Board and its Committees to ensure they collectively possess the skills, experience and competencies necessary to support the Company's strategic and business objectives; and
- placing emphasis on strengthening the talent pipeline and supporting executive development.

Key Topics Discussed at each meeting

	Reviewing INED & NED independence / time commitment	Succession Planning	Reviewing Board/ Committee Composition	Board Roles & Effectiveness Review
30/01/2025	✓	✓		
01/05/2025		✓	✓	
16/09/2025				✓

David Latin

Chair of the Nominations Committee
25 March 2026



Chair's introduction

I am pleased to present the Audit and Risk Committee (the Committee) report for 2025.

During the year, the Committee continued to support the Board in safeguarding the integrity of the Company's financial reporting and ensuring effective risk management and internal control. As Serica prepares for its transition to the Main Market, the Committee has aligned its activities with the UK Corporate Governance Code 2024 and evolving best practice, in readiness for the move.

In 2025, the Committee broadened its scope beyond core financial reporting oversight to strengthen structured review of the Group's enterprise risk management framework. Particular focus was placed on:

- the identification and monitoring of principal and emerging risks;
- the effectiveness of mitigation actions and risk ownership;
- alignment between risk appetite, strategy and capital allocation; and
- oversight of the internal control environment underpinning financial processes.

This work positions the Company ahead of the enhanced internal control reporting requirements being applied from 2026. The Committee was satisfied that a clear and appropriately phased approach is being adopted to support readiness for the enhanced reporting requirements under Provision 29 of the UK Corporate Governance Code 2024, and will proactively review the testing and assurance of the effectiveness of these material controls during 2026.

Roles and Responsibilities

The Committee assists the Board in fulfilling its responsibilities in respect of ensuring:

- the integrity of the annual and interim financial statements, in providing a fair, balanced, and clear assessment of the Company's performance, strategy and risk;
- the appropriateness, through reviewing and challenging the Company's financial reporting, including the accounting policies, judgements and estimates;
- the effectiveness of the Company's risk management and internal control systems;
- oversight of the external auditor, including appointment, independence, objectivity and effectiveness;
- compliance with legal and regulatory requirements relating to financial reporting; and
- review of related party transactions and other significant financial matters.

The Committee applied constructive challenge and professional scepticism in its oversight of financial reporting matters.

Following detailed review and discussion with management and the external auditor, the Committee is satisfied that the judgements applied in preparing the 2025 Annual Report and Financial Statements are appropriate and reasonable, and that the report, taken as a whole, is fair, balanced and understandable.

Composition, Governance and Attendance

The current Committee comprises of Michiel Soeting, (Independent Non-Executive Director and Committee Chair), Kate Coppinger, and Kaat Van Hecke, both of whom are also Independent Non-Executive Directors. The Board is satisfied that the Committee has recent and relevant financial experience and sector knowledge and that it meets the independence requirements of the UK Corporate Governance Code 2024.

Given my experience as a qualified Chartered Accountant with over 30 years of experience in the audit and financial sector, including 20 years in the oil and gas industry, I am considered by the Board to have the necessary skills and knowledge to perform my role as Chair effectively.

Member	Committee member since	Meeting attendance
Michiel Soeting	February 2023	4/4
Kate Coppinger	September 2020	4/4
Kaat Van Hecke	September 2023	4/4

The Committee met on four occasions in 2025 with full attendance from all members. It has met once so far in 2026. In addition to Committee members, the CFO, senior finance executives and the external auditor attend by invitation. The Committee also regularly holds private sessions with the external auditor without management present. The Committee Chair also has separate one to one meetings with the CFO and senior finance members outside scheduled meetings to better understand any issues or areas of concern to be considered by the Committee.

External Audit and Audit Tender

The Committee has primary responsibility for overseeing the relationship with the Company's external auditor. Ernst & Young LLP ('EY') continued as Serica's statutory auditor for the financial year ended 31 December 2025 following reappointment at the 2025 AGM.

In light of corporate governance requirements, the Committee conducted a formal and competitive audit tender process during 2025. The process was designed to ensure a rigorous, transparent and merit-based selection, consistent with regulatory requirements and best practice.

The Committee:

- defined clear selection criteria aligned to the Company's scale, sector and operations;
- invited a number of appropriately qualified firms to participate;
- evaluated written proposals and management presentations;
- assessed sector expertise, audit quality indicators, independence, transition planning and fee structure; and

- obtained feedback from executive management whilst retaining full Committee oversight and independence of judgement.

Following this process, the Committee recommended the appointment of BDO LLP as auditor for the financial year commencing 1 January 2026. The Board accepted this

recommendation, and a resolution to appoint BDO will be put to shareholders at the forthcoming AGM.

The Committee thanks EY for its service and professionalism during its tenure and is satisfied that the audit tender process was thorough, competitive and aligned with shareholders' interests.

Key Topics Discussed at each meeting

	External Audit Matters	Risk	Internal Audit	Hedging Strategy	Annual/Interim Report Review	Dividend Review
20/01/2025	✓	✓	✓	✓		
24/03/2025	✓				✓	✓
28/07/2025	✓			✓	✓	✓
03/12/2025	✓			✓		

Committee effectiveness

During the year, the Committee undertook a review of its performance to increase its effectiveness and to identify areas for improvement. The Committee reviews its terms of reference (annually) to ensure they remain appropriate in light of legal, regulatory and best practice changes. Following which, it refreshed its Terms of Reference to reflect Main Market governance expectations. The terms of reference are available on the website at serica-energy.com. The 2025 Board effectiveness review was facilitated internally and the Committee was found to be performing effectively.

2025 and early 2026 activities included:

Significant Financial Reporting Matters

The Committee determined areas of the financial statements highlighted below, to be of significant interest. The Committee devoted particular attention to areas including:

- reserves estimation and related disclosures;
- impairment indicator assessments;
- decommissioning provisions;
- hedging policies and fair value measurement;
- tax exposures and tax positions; and
- acquisition accounting including the existing SPAs.

For each matter, the Committee discussed with management, the assumptions, sensitivities and disclosures, to ensure that these were appropriate and challenged the robustness of conclusions reached, drawing on the external auditor's findings where applicable.

Risk Management and Internal Controls

During 2025, there has been strong progress strengthening the Company's enterprise risk framework. This included review of:

- the Group's principal risks and movements during the year;
- in-depth assessment of emerging risks;

- fraud risk assessments and whistleblowing arrangements; and
- the effectiveness of financial reporting controls.

The Committee reviewed risk dashboards and challenged management, seeking assurance that suitable controls and measures were in place to monitor, manage and mitigate the relevant top and emerging risks. The Committee is satisfied that the Company's risk management and internal control systems operated effectively during the year. In anticipation of enhanced UK Corporate Governance Code 2024 requirements applying from 2026, the Committee has commenced further strengthening of the internal control framework, including enhanced documentation, testing and reporting processes.

2026 looking forward

The Committee will continue to operate in line with its updated terms of reference, with a focus on:

- continued enhancement of the internal control framework to support the Board's effectiveness declaration under the UK Corporate Governance Code 2024;
- oversight of a smooth and effective transition to BDO as Group auditor;
- further embedding risk oversight within strategic and operational decision-making;
- review of internal audit needs as the Company evolves under Main Market governance expectations; and
- ongoing monitoring of audit quality, independence and regulatory developments.

The Committee remains committed to maintaining high standards of governance, transparency and accountability as Serica prepares to enter its next phase as a Main Market listed Company.

Michiel Soeting

Chair of the Audit and Risk Committee
25 March 2026



Chair’s introduction

I am pleased to present the Reserves Committee’s report for 2025. The Committee is a sub-committee of the Audit & Risk Committee. Its purpose is to review the reports of the independent reserves auditor,

which require that the Board discuss the reserves reports with the independent reserves auditor or delegate authority to a committee comprised of at least two Independent Non-Executive Directors. The Committee provides a forum for detailed challenge and assurance in relation to reserves data, audit findings and associated risks, advising the Board on the disclosure of reserves information. Through our work we ensure that the reserves reporting is accurate, transparent and supported by appropriate controls.

Composition and Attendance

The current Committee comprises of Kaat Van Hecke (Independent Non-Executive Director and Committee Chair), Christopher Cox (Chief Executive Officer) and Michiel Soeting (Independent Non-Executive Director).

Member	Committee member since	Meeting attendance
Kaat Van Hecke	July 2023	2/2
Christopher Cox	July 2024	2/2
Michiel Soeting	April 2023	1/2

The Committee met on two occasions in 2025. It has met twice so far in 2026.

2025 and early 2026 activities included:

- collaborating with the reserves auditor, RISC Advisory, who audited the work conducted by the Company’s technical team to calculate reserves for each field;
- reviewing the Competent Person’s Report that was prepared by RISC Advisory for inclusion in compliance with a main market move;

- reviewing the key changes from the prior year in respect of Serica’s key assets, including the BKR hub fields (Bruce, Keith and Rhum), the Triton hub assets (Belinda, Bittern, Evelyn, Gannet E, Guillemot W & NW) and fields operated by other entities (Columbus, Erskine, Mansell and Orlando. Additionally, the Committee reviewed the report in respect of the assets related to the Company’s acquisition of an interest in the Greater Buchan Area and the Kyle field licence award;
- reviewing and discussing the change of reserves methodology made by RISC Advisory;
- reviewing the 2025 priority projects for 2025 maturation;
- reviewing key risks associated with reserves estimation, assurance and disclosure, risk management practices and alignment with regulatory expectations, industry practice and stakeholder requirements;
- reviewing an update on reserves positions ahead of reserves audit;
- reviewing maturation opportunities;
- reviewing the impact of various M&A projects on the year-end 2025 position;
- meeting with management and the qualified reserves auditor to review the reserves data and the auditor’s annual reserves report;
- discussing assumptions related to cessation of production and life extension; and
- reviewing and recommending to the Board approval of the content and filing of the Company’s annual statement of reserves.

Kaat Van Hecke
 Chair of the Reserves Committee
 25 March 2026

H HEALTH, SAFETY AND ENVIRONMENTAL COMMITTEE REPORT



Chair's introduction

I am pleased to present the Health Safety and Environment Committee's report for 2025. The Committee provides assurance to the Board on occupational health and safety leadership.

The Committee considers all of the Company's operations, ensuring that adequate HSE policies are adopted and applied across the Company, and the safety leadership of both management and the workforce is visible and impactful.

Composition and attendance

The current Committee comprises of Kaat Van Hecke (Independent Non-Executive Director and Committee Chair), Chris Cox (Chief Executive Officer of the Company) and Sian Lloyd Rees (Independent Non-Executive Director). The Board is satisfied that the members of the Committee hold the necessary skills, knowledge and experience to perform our roles effectively.

With over 25 years of high-level experience across petrochemicals and oil & gas businesses, I am considered by the Board to have the necessary knowledge to perform my role as Chair effectively.

The Committee met on four occasions in 2025. It has met twice so far in 2026.

Member	Committee member since	Meeting attendance
Kaat Van Hecke	Jul 2023	4/4
Chris Cox	Jul 2024	4/4
Jérôme Schmitt ¹	Jul 23-May 25	2/4
Sian Lloyd Rees ²	May 2025	2/4

1 Jérôme Schmitt left the Committee on 22 May 2025 and attended all meetings whilst he was a Committee member

2 Sian Lloyd Rees joined the Committee on 22 May 2025 and has attended all meetings since becoming a Committee member

In addition to Committee members, standing attendees at each meeting included the Chief Operating Officer Mike Killeen, the HSE Manager Craig Robertson, and as of September 2025 also to the Chief Technical Officer Carla Riddell. Other senior staff are regularly invited depending on the agenda subject.

2025 and early 2026 activities included:

- operating in line with its Terms of Reference;

Key topics discussed at each meeting

	HSE performance KPIs	Regulator feedback	2025 HSE plan	Process safety risks	Communication & engagement	Audit & assurance
26/02/2025	✓	✓	✓	✓		
14/05/2025	✓	✓	✓	✓	✓	✓
30/07/2025	✓	✓	✓	✓	✓	
26/11/2025	✓		✓	✓		✓

Kaat Van Hecke

Chair of the Health and Safety and Environmental Committee
25 March 2026

- reviewing HSE performance of personal and process safety metrics, looking at both leading and lagging indicators, and at trends;
- evaluating HSE performance against industry standards;
- comparing Total Recordable Injury Frequency performance versus IOGP benchmark and discussing improvement steps;
- reviewing and discussing key findings from the Risk & Assurance team;
- monitoring interactions with the HSE Executive and ensuring that the relationship with the Regulator remains constructive and responsive;
- monitoring delivery of HSE performance against the HSEQ Plan and the Process Safety Improvement Plan at each meeting;
- reviewing major and reportable HSE incidents that occurred, investigations and lessons learned at each meeting;
- reviewing Maintenance Backlog reduction progress at each meeting;
- reviewing Capabilities and Competencies of our staff in relation to their HSE skills;
- reviewing Contractor Management and Engagement in relation to HSE performance;
- agreeing with the Remuneration Committee the HSE performance metrics linked to the Company bonus scheme;
- reviewing feedback from the external professional advisor (Nurole) on Committee evaluation and identifying areas for improvement; and
- reviewing the Committee's terms of reference, it was agreed that no changes were required.

2026 looking forward

The Committee will continue to operate in line with its terms of reference, with a focus on:

- reviewing the ongoing HSE procedures and culture; and ensuring that the HSE policy and procedures remain effective;
- evaluating HSE performance against our internal HSE and Process Safety Improvement plans and against industry standards;
- agreeing a HSE bonus scorecard for 2026 to be linked to the Company bonus scheme for 2026; and
- continuing to monitor progress against the maintenance backlog reduction targets, against a quantified contractor performance management plan and against our Competencies and Capabilities KPIs for our staff.



Chair's introduction

I am pleased to present the Sustainability Committee's report for 2025. The Sustainability Committee is appointed by the Board to assist the Board in fulfilling its responsibility to review and provide oversight of the Company's strategies, goals, policies, performance and disclosures related to sustainability and Environmental, Social, and Governance (ESG) matters. Its primary focus areas include monitoring environmental performance, providing assurance that Emissions Reduction Action Plan projects are being delivered, reviewing the Company's Energy Transition Strategy, and overseeing ESG reporting and climate-related risk management.

In addition, the Committee oversees workforce diversity and inclusion initiatives, biodiversity, education, and charity support programmes.

Composition and attendance

The current Committee comprises of Sian Lloyd Rees, (Independent Non-Executive Director and Committee Chair), Martin Copeland (Chief Financial Officer), and Robert Lawson (Non-Executive Director). Regular attendees of Committee meetings included the Chief Operating Officer, Chief Corporate Affairs Officer, Chief Technical Officer, ESG & Business Innovation Manager and Senior ESG Analyst. Other individuals and external advisers were invited to attend as and when appropriate.

The Committee met on four occasions in 2025. It has met twice so far in 2026:

Member	Committee member since	Meeting attendance
Sian Lloyd Rees	Oct 2023	4/4
Jérôme Schmitt ¹	Apr 2023	2/4
Robert Lawson ²	May 2025	2/4
Martin Copeland ³	May 2025	2/4
Christopher Cox ⁴	Jul 2024	2/4

1 Jérôme Schmit resigned from the Committee on 22 May 2025 and attended all meetings whilst he was a Committee member.
 2 Robert Lawson joined the Committee on 22 May 2025 and has attended all meetings since he joined the Committee.
 3 Martin Copeland joined the Committee on 22 May 2025 and has attend all meetings since he joined the Committee.
 4 Christopher Cox resigned from the Committee on 22 May 2025 and attended all meetings whilst he was a Committee member.

2025 and early 2026 activities included:

- reviewing feedback from the external professional advisor (Nurole) on Committee evaluation and identified areas for improvement;
- evaluating environmental performance on the Company's assets;
- monitoring ESG KPI targets versus actual results and discussing opportunities for improvement;
- advising the Remuneration Committee on agreed ESG performance metrics linked to the Company's bonus scheme;
- reviewing the results of the Double Materiality Assessment, a key underpinning of ESG reporting which contributed to the development of a Materiality Matrix;
- reviewing and approving the Company's Annual ESG Report;
- assessing ESG-related requirements associated with the Company's planned Main-Market listing;
- overseeing and reviewing the Company's ESG & climate-related risks on the Enterprise Risk Register;
- considering external activities and legislation relevant to ESG and sustainability;
- reviewing and contributing to the government's consultation related to energy security
- establishing the Company guidelines to review and select Low/Net Zero Carbon Investments, including KPIs;
- reviewing the Government's approach to energy security and its alignment with delivering net-zero targets;
- reviewing the status of Bruce and Triton Emissions Reduction Action Plans and associated projects;
- assessing the Company's "Social" initiatives and proposed areas for enhancement following a peer review;
- considering the Company's Energy Transition Strategy and providing feedback to management and the Board.

2026 looking forward

The Committee will continue to operate in line with its terms of reference, with a focus on:

- monitoring the Company's progress in reducing carbon intensity and emissions, ensuring alignment with established targets;
- overseeing progress in relation to the Company's Energy Transition Strategy and work to ensure transparent and comprehensive integrated ESG reporting;
- raising awareness and understanding within the Board on what the energy transition might entail regarding threats, opportunities, and timeline to gain greater Board engagement; and placing greater emphasis on the "Social" aspect of ESG, supported by the development of a Social Responsibility Framework.

Committee effectiveness

The Committee reviews its term of reference (annually) to ensure that they remain appropriate in light of legal, regulatory and best practice changes. No changes were made to the Committee's term of reference in the year under review as it was determined that the Committee had met its terms of reference and continued to perform effectively. The Terms of Reference are available on the Company website at serica-energy.com.

Key topics discussed at each meeting

	2025 targets and performance	Legislation review	Climate register	Emission reduction projects	ESG engagement
26/02/2025	✓	✓	✓	✓	✓
14/05/2025	✓	✓	✓	✓	✓
30/07/2025	✓	✓	✓	✓	
08/12/2025	✓	✓	✓	✓	

Sian Lloyd Rees

Chair of the Sustainability Committee
25 March 2026

DIRECTORS' REMUNERATION REPORT



Chair's introduction

I am pleased to present the Directors' Remuneration Report ('the Report') for the year ended 31 December 2025.

2025 Company performance

Strategic delivery in 2025 means that Serica enters 2026 as a stronger, more resilient Company, with increasingly diversified production that is set to rise materially. Acquisitions announced in the year, as they complete throughout 2026, will more than double the number of producing fields in our portfolio and materially add to cash generation, supporting the Company's strategy of delivering value to investors through both growth and shareholder returns.

Production over the course of 2025 was disappointing, with significant work being carried out on the Triton FPSO that meant it was offline for over half of the year. The diversification of production through acquisition will help reduce reliance on individual hubs, enhancing the quality and reliability of our production and cash flows. Following completion of acquisitions, production is set to grow to over 65,000 boepd by the end of 2026.

Robust operational performance was delivered on Serica's operated assets with tight control on cost management, wells delivered on schedule and below budget, and strong performance on ESG initiatives. Management time was also spent on our HSE performance. Process safety improvements were rolled out, and there will be an increased and highly visible emphasis internally on personal safety, following our first LTIs for over five years.

The scale of the M&A activity meant it was not possible to progress the intention to move to the Main Market by the end of 2025, but much of the preparatory work has been completed in anticipation of this in 2026.

2025 remuneration outcomes

Annual bonus outcomes for 2025

The CEO and CFO were eligible for a maximum of 125% and 100% of salary respectively. In line with the Director's Remuneration Policy (the "Policy") approved at the 2025 AGM, the bonus of 50% of maximum is payable in cash following the year end but remains subject to malus and clawback provisions.

There was strong delivery against several performance metrics during the financial year, despite production levels and resulting free cash flow falling below target. The Committee assessed performance across a balanced range of metrics, including strategic growth initiatives, cost, maintenance, operational, as well as HSE and ESG. The details of the performance measures and targets used in the annual bonus are shown on pages 99 and 100.

The Committee considered actual performance against each metric and following a robust assessment determined that the formulaic outcome was achieved at 59% of maximum. The Committee also considered the outcomes in the context of overall production and corporate performance and the experience of Serica's stakeholders, including employees and shareholders. As a result of this review, the management team proposed a reduction in the formulaic outcome which the Committee agreed was appropriate. This resulted in a reduced outcome of 50% of maximum for Chris Cox and Martin Copeland.

2023 Long-Term Incentive Plan (LTIP)

The 2023 LTIP awards were based on a combination of share price (50% weighting) and carbon reduction (50% weighting) performance measures, assessed over the three-year period ending May 2026. The threshold targets for both measures were not met and the awards are expected to lapse in full. No discretion was exercised by the Company to adjust the outcome. The current Executive Directors were not participants in this cycle of awards having joined after the grant.

The Directors' Remuneration Policy and implementation for 2026

The current Policy was approved by shareholders at the 2025 AGM with 98.5% support. The Committee considers the Policy remains proportionate and competitive, reflecting the size and scale of the business while retaining the flexibility characteristics of AIM market practice. No changes to the Policy are proposed at this time.

The Committee, in recognition of the increasing size and complexity of the business following M&A activity and the intention to move to the Main Market, felt it was appropriate to review the operation of the Policy for 2026. From a quantum perspective, the Committee was mindful of the increasing scale of the business (including new producing assets and increased headcount) as well as current competitiveness against other UK listed Oil & Gas producing companies and the cash flow impact of introducing new remuneration provisions which extend time horizons. These elements were considered alongside the proposed annual salary review for the wider workforce as well as the experience of other stakeholders. Taking all these factors into account, the Committee proposed the following changes for implementation in 2026:

- The average base salary for the wider workforce will be increased by 3.5%.
- The CEO will receive a base salary increase of 3.5% plus an additional one-off increase of 5.3%, taking his salary to £675,000 which is considered, with the changes below, to achieve a more competitive total remuneration pay position.
- The CFO will receive a base salary increase of 3.5% plus an additional one-off increase of 6.1%, taking his salary to £455,000 which is considered, with the changes below, to achieve a more competitive total remuneration pay position.
- The bonus maximum will be 150% of salary for both the CEO and CFO respectively.

- Annual bonus deferral will apply for 2026 – one-third of the 2026 annual bonus will be deferred into shares for a period of two years.
- Annual bonus performance measures will be refocused to align with the strategy of the enlarged Company and new operating assets, more details provided within the Report.
- LTIP award levels will be 200% and 150% of salary for the CEO and CFO respectively. LTIP awards will be subject to post-vesting holding period – awards subject to existing three year performance period with a further two year holding period in which awards cannot be sold other than to pay any relevant taxes.
- LTIP awards granted in 2026 will be subject to a relative Total Shareholder Return metric – given the complexities with setting appropriate financial or ESG metrics,

with ongoing M&A it was felt more appropriate to focus this next award on a relative value creation metric which can more easily self-adjust for corporate activity.

- Introduction of a post-cessation shareholding requirement – the current shareholding requirement of 200% of salary will continue to apply for a two-year period post cessation.

The proposed approach for 2026 represents a balanced progression that reflects the increased scale of the business, while also moving the Company closer to Main Market remuneration practices, despite remaining AIM listed at the time of publication. Even with the proposed increases in quantum, the CEO and CFO remain modestly positioned relative to UK listed peers. The Committee will continue to monitor the operation of the Policy.

Conclusions

The Committee believes that the proposed operation of the Policy appropriately reflects the size and scale of the executive roles and remains suitable for the Company both as an AIM listed business and as it prepares for a move to the Main Market. We look forward to receiving shareholder support for the remuneration report resolution at the 2026 AGM.

I very much welcome any feedback or comments on the Directors' Remuneration Report. I can be contacted via our Head of Investor Relations, andrew.benbow@serica-energy.com.

Kate Coppinger

Chair of the Remuneration Committee
25 March 2026

The Directors' Remuneration Policy

The Policy was approved via an advisory vote at the 2025 AGM. Below we have presented a summary of the Policy for information. The full Policy report can be found in the 2024 Annual Report.

The Remuneration Policy for the Executive Directors

The following table summarises each element of the remuneration policy for the Executive Directors, explaining how each element operates and links to the corporate strategy.

Element of pay	Purpose/ link to strategy	Operation/ performance	Maximum
Base salary	Set to attract and retain individuals with the required capabilities to deliver the Company strategy	Salaries are set on appointment and take into account the individual's skills and experience, and the recruitment market. Pay levels in companies of a similar size and scale will be used as necessary to help determine the appropriate pay positioning. Salaries are normally reviewed, but not necessarily increased, annually.	Annual increases will normally be in line with the average increase for UK employees except in exceptional circumstances, including but not limited to a change in the scope and scale of the organisation, change in role, the need for accelerated pay progression, internal differentials and external relativities.
Pension	Encourage our employees to save for the long term whether through participation in an occupational scheme or payment of a cash allowance instead.	Contribution or cash allowance in lieu (or a combination) determined as a percentage of annual salary. The level of contribution or cash allowance in lieu is intended to be in line with the maximum contribution available to all employees.	No more than the pension contribution available to all UK employees (which at the date of Policy approval is 15% of salary).

DIRECTORS' REMUNERATION REPORT continued

Element of pay	Purpose/ link to strategy	Operation/ performance	Maximum
Benefits	To provide cost-effective employment benefits and to encourage wellbeing.	<p>A range of benefits is provided in line with typical market practice including, but not limited to, a car or car allowance, medical insurance, permanent health insurance and life assurance.</p> <p>Additional benefits may be provided within the Directors' Remuneration Policy for other reasonable business reasons such as relocation, whether domestic or international.</p> <p>Executive Directors are eligible to participate in other benefit schemes, including all-employee share schemes, on the same terms as other employees.</p>	<p>The maximum value of benefits will vary depending on the cost to the Company of providing them.</p> <p>This excludes any relocation benefits, which will be capped by any such approved relocation policy in place at the time.</p>
Annual Bonus Plan	To incentivise and reward the Executive Directors for achieving results based on targets set in line with the annual business plan and the longer-term corporate strategy.	<p>The annual bonus will be based on financial, operational and/or strategic measures and targets set for and measured over the performance period.</p> <p>They may also include individual and team-based objectives and targets.</p> <p>It is expected that the majority of the measures will be quantifiable.</p> <p>Part of the annual bonus may be deferred into shares for a period of two years. Dividends or dividend equivalents may be paid to the extent the shares vest.</p> <p>The annual bonus will be subject to malus and clawback provisions.</p>	<p>The maximum for the CEO and for any other Executive Director will be 150% of salary a year.</p> <p>No bonus will be paid below threshold and the full bonus will be paid only for meeting or exceeding the maximum performance standards set.</p> <p>The bonus earned for meeting targets may vary from year to year depending on the measures and a range of commercial factors.</p>
Long-Term Incentive Plan ("LTIP")	<p>To align the long-term interests of the Executive Directors with those of shareholders.</p> <p>To reward the delivery of long-term sustainable results and to retain.</p>	<p>Annual awards of performance shares.</p> <p>The share scheme will allow for a variety of share-based arrangements including conditional shares, forfeitable shares and nil-cost or nominal cost options.</p> <p>The Remuneration Committee may set any measures as it considers appropriate from year to year based on the Board's strategic objectives. This may include, but is not limited to, financial, operational, strategic or value creation measures.</p> <p>The awards normally vest three years after the date of grant. The Committee may determine that Executive Directors will be required to hold (if necessary after tax has been paid) the shares for two years after they have vested.</p> <p>Dividends or dividend equivalents may be paid to the extent the shares vest.</p> <p>Malus and clawback will apply.</p>	<p>Maximum annual award of up to 200% of salary.</p> <p>No more than 25% of the shares under award will vest at threshold or the deemed equivalent.</p>
Share ownership requirement	To align the interests of Executive Directors and shareholders and encourage sustainable value creation.	<p>Executive Directors are expected to build and maintain a material shareholding.</p> <p>It is expected that this will be achieved by personal investment and the retention of a proportion of shares vesting from incentive plans until they have met the requirement.</p> <p>The Remuneration Committee will monitor progress against the guideline on an annual basis. It is expected that the full guideline will normally be met within 5 years of employment.</p>	<p>200% of salary for any Executive Director.</p> <p>The Committee may, at its discretion, require Executive Directors to maintain their shareholding for a further two years following departure from the Board.</p>

Fees policy for Chair and Non-Executive Directors

The following table summarises the fees policy for the Chair and the NEDs.

Element of pay	Purpose/ link to strategy	Operation/ performance	Maximum
Fees	To provide a competitive fee to attract Non-Executive Directors who have the required skills and experience to oversee the implementation of the Company's strategy.	<p>Fees for the Chair are set by the Committee.</p> <p>Fees for the other NEDs are set by the Board excluding the NEDs.</p> <p>Fees are normally reviewed, but not necessarily increased, annually.</p> <p>Fee levels are initially determined based on expected time commitments of each role and by reference to comparable fee levels in companies of a similar size and complexity.</p> <p>The Chair can receive a chair fee and separate NED fee or a single all-encompassing Chair fee. NEDs will receive a standard base fee which recognises the expected time commitments associated with the role.</p> <p>Additional fees are permitted to recognise the additional responsibilities associated with being the Senior Independent Director and/or chairing a Board committee.</p> <p>Additional fees may also be paid for other roles and/or responsibilities which include a materially higher time commitment than normal.</p> <p>Reasonable business expenses (including any tax thereon) will be reimbursed.</p>	There is no limit for fees payable to the NEDs, although the aggregate fees are set in accordance with the limit set in the Articles of Association (which is currently £600,000)

DIRECTORS' REMUNERATION REPORT continued

Annual Report on Remuneration

Single total figure of remuneration

The following table set out the total remuneration received by Executive Directors and Non-Executive Directors in position during 2025, with their comparative remuneration for 2024.

£		Salary/ base Fees	Committee Chair/ additional Fees	Benefits	Pension	Annual Bonus	Long-term incentives	Total remuneration
Executive Directors								
Chris Cox ¹	2025	620,000	–	624	80,869	387,500		1,088,993
	2024	300,000	–	312	32,952	135,000	–	468,264
Martin Copeland ²	2025	415,000	–	624	54,130	207,500	–	677,254
	2024	362,564	–	572	39,543	132,000	–	534,679
Non-Executive Directors								
David Latin ³	2025	280,000	–	–	–	–	–	280,000
	2024	260,000	250,000	–	–	250,000	–	760,000
Kate Coppinger	2025	70,000	30,000	–	–	–	–	100,000
	2024	60,000	15,000	–	–	–	–	75,000
Jérôme Schmitt ⁴	2025	27,641	5,923	–	–	–	–	33,564
	2024	60,000	10,000	–	–	–	–	70,000
Michiel Soeting	2025	70,000	15,000	–	–	–	–	85,000
	2024	60,000	10,000	–	–	–	–	70,000
Robert Lawson	2025	70,000	–	–	–	–	–	70,000
	2024	60,000	–	–	–	–	–	60,000
Guillaume Vermersch	2025	70,000	–	–	–	–	–	70,000
	2024	60,000	–	–	–	–	–	60,000
Kaat Van Hecke	2025	70,000	15,000	–	–	–	–	85,000
	2024	60,000	10,000	–	–	–	–	70,000
Sian Lloyd Rees ⁵	2025	70,000	9,154	–	–	–	–	79,154
	2024	60,000	–	–	–	–	–	60,000
Total	2025	1,762,641	75,077	1,248	134,999	595,000	–	2,568,965
	2024 ⁶	1,342,564	295,000	884	72,495	517,000	–	2,227,943

Notes:

- Chris Cox was appointed on 1 July 2024 and his 2024 pay reflects his period of service
- Martin Copeland was appointed on 5 February 2024 and his 2024 pay reflects his period of service
- David Latin's fee is structured as a Company Chair fee (£210,000) and a Non-Executive Director fee (£70,000). In 2024, David undertook Interim CEO responsibilities from 1 February 2024 until 30 June 2024 and was paid a temporary salary covering his executive duties as well as a time-pro-rated bonus which were disclosed in detail in last year's report
- Jérôme Schmitt stepped down from the Board on 22 May 2025 and his 2025 pay reflects his period of service
- Sian Lloyd Rees replaced Jérôme Schmitt as chair of the Sustainability Committee from 22 May 2025, her fees for this role were pro-rated.
- Totals for 2024 are solely for those individuals in position in 2025.

Base salary/Base fees

The salary for Chris Cox was set on appointment in 2024 at £600,000. It was increased to £620,000 in 2025, a 3.3% increase which was lower than the wider workforce increase of 4%.

Martin Copeland's salary was set at appointment in 2024 at £400,000. It was increased to £415,000 in 2025, a 3.75% increase which was marginally lower than the wider workforce increase of 4%.

Non-Executive fees, including the Chair's fee were increased for 2025 following a comprehensive review of the fee levels in companies of an equivalent size and taking into account the time commitments associated with the respective Serica roles. The fees for the Chair were reviewed and approved by the Committee with a 7.7% increase to an all-inclusive fee of £280,000. The fees for the Non-Executive Directors were reviewed and approved by the Board excluding the Non-Executive Directors. The base fee was increased by 16.7% to £70,000, the Senior Independent Director fee and Committee chair fees were increased by 50% to £15,000, respectively.

Benefits and pension

The executive Directors are entitled to a suite of Company benefits which include private medical insurance and income protection insurance. A pension allowance of up to 15% of salary is payable (which is aligned to that of the wider workforce). If paid as cash in lieu, the cost of employers' national insurance is deducted so is cost neutral for the business.

Annual Bonus

The annual bonus maximum for 2025 was set at 125% of salary for the CEO and 100% of salary for the CFO. The award levels were set taking into account the size and scale of the business at the time. The annual bonus is paid fully in cash, as is market practice with many AIM companies.

For 2025, the annual bonus was based on a scorecard as set out below. The measures were chosen to reflect the key priorities of the business across 2025. The targets were set to be challenging, yet realistic in light of market conditions, internal forecasts and external consensus.

Category	Measure	Weighting (% of max)	Performance considerations	Actual performance assessed
Strategy and Growth	Strategic development based around M&A activity	20% of max	Considered quantitative and qualitative aspects of M&A activity, both completed and in progress at year end, including reserves, production, value growth, geographies and financial resilience	20% of max
	Portfolio of economic and drill ready development wells	10% of max	Quantitative and qualitative of assessment of drilling programme Threshold 2 wells Target 4 wells Max 6 wells Actual: 5 wells drill ready	8% of max
Financial	Free cash flow	20% of max	Threshold \$134m Target \$155m Max \$175m Actual (\$23m)	0% of max
	Cost management	3% of max	Threshold \$185m Target \$180m Max \$175m Actual \$184m	1% of max

DIRECTORS' REMUNERATION REPORT continued

Category	Measure	Weighting (% of max)	Performance considerations	Actual performance assessed
Operational scorecard measures	BKR Production	5% of max	Threshold 19.3 mboe/d Target 19.8 mboe/d Max 20.3 mboe/d Actual 16.1 mboe/d	0% of max
	Total Production	2% of max	Threshold 38.1 mboe/d Target 40.1 mboe/d Max 42.4 mboe/d Actual 27.6 mboe/d	0% of max
	Operational project delivery including wells performance	8% of max	No. of projects completed on time including EV02 and Belinda on schedule and below budget	7% of max
	Maintenance backlog reduction	3% of max	Threshold 15% reduction from prior year Target 18% Max 20% Actual 20% reduction from prior year	3% of max
	Maintenance efficiency	1% of max	Threshold 10% improvement from prior year Target 13% Max 15% Actual 0% improvement from prior year	0% of max
	OE improvement	2% of max	Threshold 5% Target 6% Max 8% Actual 0%	0% of max
	HSE and ESG scorecard measures	HSE leading indicators	5% of max	Five individual process safety metrics considered
TRIR rates		2% of max	Only three free ROGI quarters	0% of max
Process safety and audit plan		4% of max	Four elements split equally – 2 green, 1 amber, 1 red	3% of max
BKR carbon intensity		3% of max	Threshold 215 Target 210–215 Max <210 Actual 188.2	3% of max
Producing emissions		2% of max	Threshold 20.6 CO ₂ /boe Target 20 CO ₂ /boe Max 19.5 CO ₂ /boe Actual 23 CO ₂ /boe	0% of max
Organisational Development	Employee engagement and development of ELT	5% of max	Introduction of 360 degree reviews for ELT and employment engagement survey launched	5% of max
	Preparation for Main Market move	5% of max	Strong progress made on preparation but delayed due to M&A activity	4% of max
Total		100% of max		50% of max (post application of reduction)

The Committee agreed with the Executive Directors that despite strong performance against the operational and strategic objectives, it was important to acknowledge the disappointing outcomes on production, cash flow and some safety areas by reducing the final outcome to 50% of maximum for the CEO and the CFO. The resulting bonuses payable in cash were £387,500 and £207,500 for the CEO and CFO respectively.

Achievement against the scorecard was assessed by the Committee, taking into account input from the HSE and ESG Committees and other independent Directors as appropriate. When determining performance, the Committee considered a number of quantitative and qualitative factors which included, for example, production levels, overall safety performance and carbon dioxide emissions.

Long-Term Incentive Plans – awards granted during 2025

The Company operates the Serica Energy Plc Long Term Incentive Plan (the "LTIP"), which was adopted by the Board on 20 November 2017 which permits the grant of share-based awards. The objective of the LTIP is to align the interest of executives with shareholders and to incentivise for growth and development of the Group. Awards vest three years after grant subject to the achievement of performance conditions and continued service. The Committee will continue to monitor the awards across the vesting period and will be able to moderate the actual outcomes if it is felt that there has been an inappropriate windfall gain.

In 2025, the following awards were made to Executive Directors:

Executive	Date of grant	No. of awards	Basis of award (% of salary)
Chris Cox (CEO)	28 May 2025	624,161	150% of salary
Martin Copeland (CFO)	28 May 2025	348,154	125% of salary

The performance vesting criteria includes sliding scale measures of relative total shareholder return performance (70% weighting), in respect of a three year period ending on May 2028; together with an emissions target (30% weighting) in respect of reduction related targets set for the last calendar year comprised within a three-year performance period commencing on 1 January 2025.

Performance measure	Weighting	Threshold	Maximum
Relative TSR vs Bespoke Group ¹	70%	Median ranking (25% vesting)	Upper Quartile ranking (100% vesting)
Bruce Gross Emissions target	30%	184,274 metric tonnes (50% vesting)	175,501 metric tonnes (100% vesting)

¹ Capricorn Energy, Deltic Energy, Diversified Energy Company, DNO Oslo, Energean, Enquest, Harbour Energy, Ithaca Energy, Jadestone Energy, Jersey Oil & Gas, Kistos, Kosmos Energy, Okea, Pharos Energy, Tullow Oil.

The emissions target range was consciously set with a challenging Threshold target and therefore it was considered appropriate for half of this element (i.e. 15% of the total award) to vest for achieving this stretching trigger point.

The table below shows the outstanding LTIP awards.

Executive	Award type	Date of grant	As at 1 January 2025	No. of awards granted	Adjusted	Lapsed	Exercised	As at 31 December 2025	Date potentially vested	Expiry date
Executive Directors										
Chris Cox	2025 LTIP	28 May 2025	–	624,161	–	–	–	624,161	28 May 2028	28 May 2035
	2024 LTIP	24 July 2024	494,233	–	–	–	–	494,233	24 July 2027	24 July 2034
Martin Copeland	2025 LTIP	28 May 2025	–	348,154	–	–	–	348,154	28 May 2028	28 May 2035
	2024 LTIP	24 May 2024	274,574	–	–	–	–	274,574	24 May 2027	24 May 2034

All Performance Share Awards are structured as nil-cost options and may be exercised up until the tenth anniversary of the date of grant. Participants are entitled to dividend equivalents on vested awards. Award numbers above do not include dividends which may be payable.

Performance Share Awards granted in 2023 were subject to vesting criteria based on absolute share price performance and ESG performance targets which ran until 31 December 2025. The threshold target was not met for either condition and so the awards lapsed in full. The current Executive Directors did not participate in this cycle of awards as they joined after their grant.

Payments for loss of office and payments to former Directors

There were no payments for loss of office and no payments to former Directors which have not already been disclosed.

DIRECTORS' REMUNERATION REPORT continued

Directors' interests as at 31 December 2025

The table below shows the share interests of those individuals who served as Directors during the year.

Director	Beneficial shareholding	Awards subject to performance conditions	Awards not subject to any performance conditions	Shareholding (% of salary) ¹	Achieved (yes/no)
Chris Cox	496,034	1,118,394		140% of salary	No
Martin Copeland	107,500	622,728		45% of salary	No
David Latin	218,567				–
Kate Coppinger	0				–
Jérôme Schmitt	0				–
Michiel Soeting	42,300				–
Robert Lawson	0				–
Guillaume Vermersch	0				–
Kaat Van Hecke	0				–
Sian Lloyd Rees	2,114				–

¹ Based on salary and share price as at 31 December 2025

The Executive Directors are required to build a minimum shareholding equivalent to 200% of their annual salary. As the current Executive Directors are recent appointments, they are working towards the guideline.

Chief Executive Officer's pay ratio

The Company had fewer than 250 UK employees on average across 2025 and therefore has no statutory requirement to publish a CEO pay ratio. Given the relatively few employees, the Committee is aware of pay levels and does not feel the need to produce a ratio. The Committee will continue to review the appropriateness of publishing pay ratios in the future.

Implementation of Policy for 2026

Element of Pay	Considerations	Application for 2026
Base salary	Wider workforce pay increase was 3.5% of salary	CEO: £675k – wider workforce increase of 3.5% plus an additional one-off increase of 5.3% CFO: £455k – wider workforce increase of 3.5% plus an additional one-off increase of 6.1%
Benefits and pension	No changes to benefits or pension provisions	Cash contribution in lieu of pension of up to 15% of salary (minus any deduction for employers' NI)
Annual Bonus Plan	Subject to performance measures including: HSE (20%), ESG (10%), Production (30%), Expenditure (15%), Growth – strategic deliverables (25%)	CEO: 150% of salary CFO: 150% of salary For 2026, one-third of any bonus earned will be deferred into shares for two years.
LTIP	Subject to Relative Total Shareholder Return The sole use of relative TSR was considered appropriate for this award due to the ongoing M&A activity which makes it difficult to set robust long-term financial or ESG targets at this stage.	CEO: 200% of salary CFO: 150% of salary Awards granted in 2026 will be subject to a three year performance period and a subsequent two year holding period.
Non-Executive Director's fees	The Chair and NED fees will remain unchanged	Chair's fee: £280k NED base fee: £70k SID fee: £15k Committee Chair fee: £15k

The increases noted above for the Executive Director are reflective of the increased size and scale of the roles following M&A activity. The number of assets and headcount have increased significantly as well as the financial scope and market capitalisation of the business. The adjustments in base salary, in conjunction with the incentive levels, are considered necessary to ensure packages are competitive, but not excessive, compared to UK listed peers. The changes will also ease pay compression which has been evident as the Company has recruited into the expanded ELT and wider management team. The introduction of bonus deferral, post-vesting holding periods and post-cessation shareholding requirements to conform with Main Market practice should also be noted.

Role of the Remuneration Committee

The Remuneration Committee oversees the Company's overall remuneration strategy to ensure it is aligned to the Company's purpose and values and is linked to the successful delivery of the Company's long-term strategy. The Committee also reviews the remuneration of the wider workforce and related policies and the alignment of incentives and rewards with culture, taking these factors into account when setting the remuneration policy for the executive team.

The Committee comprises Kate Coppinger (Senior Independent Non-Executive Director and Committee Chair), Michiel Soeting (Independent Non-Executive Director) and Sian Lloyd-Rees (Independent Non-Executive Director). The Committee met 5 times in 2025.

In addition to Committee members, the Committee invites the Chief Executive Officer (and other ELT members as necessary) to attend meetings to provide business context, but none of the Committee members or attendees are involved in any Committee decisions which directly impacts on their own remuneration. FIT Remuneration Consultants LLP (FIT) is appointed by the Remuneration Committee to provide independent external advice and provides no other services to the Company. FIT is a founding member of the Remuneration Consultants Group and is a signatory to its Code of Conduct. In the opinion of the Committee FIT Remuneration Consultants LLP and the advice provided are objective and independent. FIT attended some Remuneration Committee meetings during the year. FIT fees were mainly charged on a fixed fee arrangement with additional services provided on a time and materials basis. The fees for the year were £73,266.

Consideration by the Committee of matters relating to Directors' remuneration

The Committee approves the remuneration of the Executive Directors, Chair of the Board and other members of executive management. The Committee works within its terms of reference, and its role includes:

- Reviewing the Company's overall remuneration philosophy and programs.
- Determining the remuneration policy for all Executive Directors and, under guidance of the Executive Directors, other members of the Executive Leadership Team.
- Ensuring executive remuneration packages are competitive.
- Determining the structure of the annual bonus plan, whether annual bonus payments should be made and approving payments to the Executive Directors.
- Determining each year whether any awards/grants should be made under the incentive schemes and the value of such awards.
- Considering long-term incentive (LTIP) scheme awards and performance criteria.
- Reviewing and making recommendations to the Board on all employee share schemes.
- Agreeing the Executive Director service contracts and notice periods with the Nominations committee.
- Reviewing the Gender Pay Gap.
- Reviewing the Company's compliance with any applicable Corporate Governance Code in relation to remuneration policy.

The Company is committed to maintaining an open and transparent dialogue with shareholders on all aspects of Remuneration within the Group.

Executive Directors' service contracts and Non-Executive Directors' letters of appointment

Details of the Executive Directors' service contract and the Non-Executive Directors' letters of appointment are set out below. All Directors' service contracts and letters of appointment are available for inspection at the Company's registered office.

Executive Director	Effective date	Notice period
Chris Cox	1 July 2024	6 months from Executive 6 months from the Company
Martin Copeland	5 February 2024	6 months from Executive 6 months from the Company

DIRECTORS' REMUNERATION REPORT continued

The Chair and the other Non-Executive Directors	Date of appointment
David Latin	07/12/2021
Kate Coppinger	22/04/2020
Michiel Soeting	01/02/2023
Robert Lawson	23/03/2023
Guillaume Vermersch	23/03/2023
Kaat Van Hecke	17/07/2023
Sian Lloyd Rees	17/07/2023

Shareholder voting

The 2024 Directors' Remuneration Report was approved by shareholders at the 2025 AGM as was the Director's Remuneration Policy. Each of these resolutions received a significant vote in favour and the Committee is grateful for this support and endorsement by our shareholders. The votes received were:

Resolution	Votes For	Votes Against	Total Votes	Votes Withheld
Approve Directors' 2024 remuneration report	235,389,187 (99.49%)	1,214,792 (0.51%)	236,603,979	199,610
Approve the Directors' remuneration policy	233,002,042 (98.48%)	3,607,720 (1.52%)	236,609,762	193,827

Kate Coppinger

Chair of the Remuneration Committee
25 March 2026

DIRECTORS' STATEMENT UNDER SECTION 172 (1) OF THE COMPANIES ACT 2006

Engaging with stakeholders

Directors' Statement under Section 172 (1) of the Companies Act 2006

Section 172 of the Companies Act 2006 imposes a general duty on Directors to act in a way that they consider, in good faith, to most likely promote the success of the Company for the benefit of shareholders as a whole.

This statement explains how the Directors have acted in accordance with section 172(1) of the Companies Act 2006 ("section 172") during the year and how the matters set out therein were considered in Board decision-making.

Our approach

The Board aims to promote the long-term, sustainable success of the Company for the benefit of shareholders. In doing so, it places strong emphasis on maintaining effective communication with all stakeholders and on considering the interests of those stakeholders, together with the broader environmental and social impact of the Company's activities.

Stakeholder engagement and consideration

The Board recognises that meaningful stakeholder engagement is essential, given the impact the Company's operations can have on people, communities and the environment. Our principal stakeholders include shareholders, employees and contractors, government and regulators, suppliers, and local communities. Engagement with these groups is a priority, helping the Board understand a broad range of perspectives and build a shared view of the opportunities and challenges that support a sustainable long-term strategy.

Engagement is carried out by both the Board and senior leadership, with outcomes reported back to the Board to provide a holistic view of stakeholder positions. This enables the Board to balance competing interests and factor stakeholder insights into its decision-making.

The Board is collectively responsible for decisions that support the Company's long-term success, and the way strategic, operational and risk-related decisions are implemented across the business is described in the Strategic Report.

The Board adopts a disciplined, long-term approach to decision-making,

recognising the capital-intensive nature of the sector, the importance of asset integrity and safety, and the need to manage the energy transition responsibly. Board papers include explicit consideration of strategic alignment, financial returns, principal risks, HSE implications, environmental impact, regulatory requirements, and stakeholder considerations.

Shareholders

The Board places equal importance on all shareholders and recognises the significance of transparent and effective communications with shareholders. The Board strives to provide the Group's investors and shareholders with an accurate and comprehensive view of the financial performance of the business.

The Company engages with its shareholders through a range of regular communication channels, including conference calls, investor roadshows, presentations, one to one and group meetings, publication of the Annual Report, and announcements made through the Regulatory News Service, ('RNS') on regulatory and material matters. The Company's website provides further information on the business, investor presentations, details of the Board and its Committees, major shareholder disclosures, QCA Code information and updates required under AIM Rule 26. Updates are published promptly to ensure shareholders remain well informed about the Company's activities. The Annual report, Notice of AGM, Interim Report, trading and operations updates, and other investor presentations are also available on our website.

The Board recognises that effective two-way communication with shareholders is essential to building and strengthening relationships. Throughout the year, the Company hosts a range of investor events that give shareholders the opportunity to engage directly with the Executive Directors, both in formal settings and through more informal one to one discussions. By offering multiple channels for dialogue, the Company aims to ensure it reaches and engages a broad spectrum of its shareholder base.

The Board recognises that effective two-way communication with shareholders is essential to building and strengthening relationships. Throughout the year, the Company hosts a range of investor events that give shareholders the opportunity to engage directly with

the Executive Directors, both in formal settings and through more informal, one-to-one discussions. By offering multiple channels for dialogue, the Company aims to ensure it reaches and engages a broad spectrum of its shareholder base.

Employees and contractors

The Board recognises that the safety and wellbeing of employees and contractors is paramount. The Board receives regular reports on health, safety, security, environmental performance, workforce engagement, and capability development to ensure these areas remain central to decision-making.

Our employees are one of the Company's most important assets, and the Board acknowledges that their skills, commitment and expertise are critical to delivering the Company's vision and strategic goals.

We ensure that:

- Health, Safety and the Environment are considered paramount throughout the organisation (both on-shore and off-shore)
- Annual pay and benefit reviews are carried out to determine whether all levels of employees are benefitting fairly and to retain and encourage skills vital for the business
- There is competitive pay and employee benefits
- There is ongoing necessary training and development and career prospects available
- There are freely available Company policies and procedures
- Staff engagement surveys are conducted
- Personal development reviews and work appraisals are conducted
- Companywide Town Hall meetings, together with individual team and one to one engagement meetings are held regularly, through which our Executive Directors, Board members and senior management, provide updates and dialogue with our employees
- Working conditions are favourable
- Focus has been in place for integration of newly acquired business
- Newsletters and management updates are provided
- Team-building sessions and social events are arranged

DIRECTORS' STATEMENT UNDER SECTION 172 (1) OF THE COMPANIES ACT 2006

continued

The Remuneration Committee oversees and makes recommendations in relation to executive remuneration and any long-term share awards. The Board encourages management to improve employee engagement and to provide necessary training in order to use their skills in the relevant areas in the business. The Health, Safety and Environmental Committee reviews the health and safety measures implemented across the business on a quarterly basis and improvements are continuously recommended for better practice.

During 2025, there was increased interaction between the Board, especially Non-Executive Directors, and the wider Company organisation. Efforts to promote such interaction include the formation of an 'Employee Forum', which is attended at least twice per year by a Non-Executive Director in a newly created 'Workforce Engagement Director' role. During 2025, Non-Executive Directors participated in fire safety events at the Spadeadam facility, Leadership Masterclasses and offshore visits.

Suppliers, customers, regulatory authorities and trade associations

The Board recognises that strong relationships with suppliers and customers are essential to the Company's long-term success. It oversees the Company's approach to responsible supply chain management, with particular focus on ethical standards, local content, and social impact. The Group strives to work responsibly with its suppliers by maintaining regularly reviewed policies and processes that ensures goods and services are sourced in a fair, ethical and sustainable manner. Serica has adopted the OEUK Energy Services Agreement and, in 2025, received a gold award in OEUK's "Working as One" survey, an industry-wide exercise which, benchmarks individual Company performance against OEUK's Supply Chain Principles.

The Board is committed to upholding ethical business behaviour across all activities and encourages management to seek comparable business practices from the suppliers and customers with whom the Company works. The Company has a Modern Slavery Statement in place which is available on the Website. Feedback

from stakeholders is valued, and the Company seeks to ensure that their views are considered wherever possible when making decisions.

The Board seeks to maintain transparent and constructive relationships with regulators. The Board is informed of relevant communications with the regulators and industry bodies via main Board and committee meetings.

The principal regulator for the Serica's activities on the UKCS is the NSTA. Members of the Company's senior management meet regularly with the NSTA on a range of matters. Serica participates in the NSTA's Annual Stewardship survey and endeavours to meet with the Stewardship Expectations.

Serica is a member of Offshore Europe UK, a trade association for the UK offshore energy sector and contributes to several of its special subject working groups. Serica is also a member of the Association of British Independent Exploration Companies (BRINDEX) which promotes the role played by British independent exploration and production companies in the UK based oil and gas industry.

Reflecting Serica's place in the wider business community in the north-east of Scotland, Serica is a member of Aberdeen & Grampian Chamber of Commerce.

Community and Environment

The Board has overall oversight of the Company's corporate responsibility planning and reporting, while day to day delivery of corporate affairs is supported by an active community programme administered through the Charity and Fundraising, Education, and Diversity and Inclusion committees. A dedicated Sustainability Committee provides oversight of on the Company's sustainability agenda, including its environmental and social responsibilities.

Environmental performance and acting responsibly are key Company objectives and the Board receives regular performance updates of key environmental metrics such as emissions, flaring and waste. More detailed updates are given in the HSE quarterly meetings, the Sustainability Committee and by in-person reports at main Board meetings.

Maintaining High Standards of Business Conduct

The Company is incorporated in the UK and governed by the Companies Act 2006. The Company has adopted the QCA Code and is working to comply as far as possible with the UK Corporate Governance Code 2024 ahead of a potential move to the main market.

The Board recognises the importance of maintaining a high level of corporate governance, which, together with compliance with the AIM Rules, helps safeguards the interests of all stakeholders. The Company operates a mandatory annual compliance training programme for all employees, supplemented by targeted training for relevant teams where required. Anti-corruption and anti-bribery training is compulsory for all staff and contractors, and the Company's Anti-Bribery and Corruption Policy, is publicly available on the Company's website. A Group-wide Code of Conduct sets clear expectations for ethical and compliant behaviour, reflecting the Company's commitment to honest, fair, and professional conduct and its zero tolerance approach to bribery and unethical practices.

The Board also places strong emphasis on ensuring that all employees feel safe in their working environment. A Whistleblowing Policy is in place and available on the Company's website. The Board regularly reviews key business risk, supported by a monthly review of the Company's risk matrix to ensure emerging risks are identified and managed effectively.

Conclusion

Throughout the year, the Directors have acted in good faith and consider that they have fulfilled their duties under section 172 of the Companies Act 2006. By considering the long-term consequences of decisions, the interests of stakeholders, the importance of safety and environmental stewardship, and the need to maintain high standards of business conduct, the Board believes that its decisions have promoted the long-term sustainable success of the Company for the benefit of shareholders and other stakeholders.

On behalf of Board

David Latin
Non-Executive Chair
25 March 2026

DIRECTORS' RESPONSIBILITIES STATEMENT in relation to the Group financial statements

The Directors are responsible for preparing the Strategic Report, the Director's Report and financial statements in accordance with applicable United Kingdom law and regulations and UK-adopted International Accounting Standards.

Company law requires the Directors to prepare financial statements for each financial year. As required by the AIM Rules of the London Stock Exchange they are required to prepare the Group financial statements in accordance with UK adopted International Accounting Standards. Under United Kingdom company law the Directors have elected to prepare the parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 101 'Reduced Disclosure Framework' (United Kingdom Accounting Standards and applicable law). 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 the profit or loss of the Group for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state that the Group has complied with UK adopted International Accounting Standards, subject to any material departures disclosed and explained in the financial statements;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;

- provide additional disclosures when compliance with the specific requirements in UK adopted International Accounting Standards is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the Group financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that they have complied with these requirements and, having a reasonable expectation that the Group have adequate resources to continue in operational existence for the foreseeable future, will continue to adopt the going concern basis in preparing the financial statements.

INDEPENDENT AUDITOR'S REPORT to the members of Serica Energy plc

Opinion

In our opinion:

- Serica Energy plc's group financial statements and parent company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2025 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

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

Group	Parent company
Group balance sheet as at 31 December 2025	Balance sheet as at 31 December 2025
Group income statement for the year then ended	Statement of changes in equity for the year then ended
Group statement of comprehensive income for the year then ended	Related notes 1 to 9 to the financial statements including material accounting policy information
Group statement of changes in equity for the year then ended	
Group cash flows statement for the year then ended	
Related notes 1 to 32 to the financial statements, including material accounting policy information	

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

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's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company 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 as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 evaluation of the directors' assessment of the group and parent company's ability to continue to adopt the going concern basis of accounting included:

- obtaining an understanding of management's going concern assessment process including discussions with management to assess whether key factors were taken into account;
- obtaining management's going concern assessment including the cash forecast covering the period to 30 June 2027 (the going concern period). Management's assessment included a base case and a downside scenario, which are described in the Basis of Preparation in note 2 to the financial statements;
- testing the clerical accuracy of the model and confirming that the method used to calculate the cash forecast in management's model is appropriate;
- evaluating the appropriateness of the period used for management's going concern assessment, which is defined as the period up to 30 June 2027, and challenging and assessing whether any significant events or conditions arising subsequent to the going concern period could impact liquidity and covenant compliance;

- challenging the key assumptions included in the forecasts by agreeing them to supporting evidence. We compared management's price assumptions with the most recently available price forecasts issued by a range of banks, brokers and consultants, which we obtained independently. We evaluated the forecast production profile, operating and capital expenditure and other assumptions used in the going concern assessment for consistency with the business plans and information obtained through auditing other areas of the business. This included the impact of the acquisitions expected to be completed within the going concern period on the group's future cash flow forecasts. We also determined whether management's forecasts reflected the expected cash cost to Serica of executing plans aimed towards delivering the group's ESG and climate change commitments;
- assessing management's ability to forecast accurately based on their historical performance and identifying where management have experienced differences between forecasts and actuals (whether due to oil and gas prices or other factors). This has informed our view of the adequacy of the stress testing performed by management in their assessment;
- reconciling the cash and cash equivalents balance in the model and obtaining bank statements to confirm the balances as at 28 February 2026;
- reading the reserves based lending (RBL) facility agreement and confirming the terms of the facility, including the maturity date, redetermination mechanism and covenant calculations. We also confirmed the total amount available under the facility and the amount utilised as at the start of the going concern assessment period;
- reading the sale and purchase agreements (SPAs) for the acquisitions expected to complete within the going concern period, confirming the terms of the agreements, including the consideration payable, the assets to be acquired, the liabilities to be assumed, and the interim period cash flows expected to be received. We also corroborated the acquisition-related cash flows used by management with Serica's external adviser.
- independently conducting a reverse stress test to determine the conditions under which the group could potentially experience a liquidity shortfall during the going concern period;
- reviewing the appropriateness of management's going concern disclosures and to ensure such disclosures are in accordance with relevant standards.

Our key observations:

In management's downside scenario, there is sufficient liquidity headroom, and the group operates within the requirements of its covenants. In addition, we have concluded that our independently modelled reverse stress scenario, under which there is a liquidity shortfall prior to any covenant breaches, has a remote likelihood of occurrence.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for a period to 30 June 2027.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

Overview of our audit approach

Audit scope	<ul style="list-style-type: none"> • We performed an audit of the complete financial information of four components and audit procedures on specific balances for a further three component. • We performed centralised procedures on estimation of oil and gas reserves, impairment of oil and gas properties, decommissioning provisions, recoverability of deferred tax assets, consolidation adjustments and accounting for the purchase price allocation associated with the Prax Upstream Limited acquisition.
Key audit matters	<ul style="list-style-type: none"> • Assessment of commercial oil and gas reserves and their impact on the financial statements. • Assessment of the accounting and valuation of the Existing SPAs as part of the Prax Upstream Limited acquisition.
Materiality	<ul style="list-style-type: none"> • Overall group materiality of \$10.6 million which represents 5% of normalised profit before tax, which has been normalised for production levels and adjusted to exclude non-recurring transaction costs ('adjusted profit before tax').

An overview of the scope of the parent company and group audits

Tailoring the scope

We have followed a risk-based approach when developing our audit approach to obtain sufficient appropriate audit evidence on which to base our audit opinion. We performed risk assessment procedures, to identify and assess risks of material misstatement of the Group financial statements and identified significant accounts and disclosures. When identifying components at which audit work needed to be performed to respond to the identified risks of material misstatement of the Group financial statements, we considered our understanding of the Group and its business environment, the potential impact of climate change, the applicable financial framework, the group's system of internal control at the entity level, the existence of centralised processes, applications and any relevant internal audit results.

We determined that centralised audit procedures can be performed in the following audit areas: estimation of oil and gas reserves, impairment of oil and gas properties, decommissioning provisions, recoverability of deferred tax assets, consolidation adjustments and accounting for the purchase price allocation associated with the Prax Upstream Limited acquisition.

We then identified five components as individually relevant to the Group due to relevant events and conditions underlying the identified risks of material misstatement of the group financial statements being associated with the reporting components or a pervasive risks of material misstatement of the group financial statements or a significant risk or an area of higher assessed risk of material misstatement of the group financial statements being associated with the components.

For those individually relevant components, we identified the significant accounts where audit work needed to be performed at these components by applying professional judgement, having considered the group significant accounts on which centralised procedures will be performed, the reasons for identifying the financial reporting component as an individually relevant component and the size of the component's account balance relative to the group significant financial statement account balance.

We then considered whether the remaining group significant account balances not yet subject to audit procedures, in aggregate, could give rise to a risk of material misstatement of the group financial statements. We selected two components of the group to include in our audit scope to address these risks.

Having identified the components for which work will be performed, we determined the scope to assign to each component.

Of the seven components selected, we designed and performed audit procedures on the entire financial information of four components ("full scope components"). For three components, we designed and performed audit procedures on specific significant financial statement account balances or disclosures of the financial information of the component ("specific scope components").

Our scoping to address the risk of material misstatement for each key audit matter is set out in the Key audit matters section of our report.

Changes from the prior year

The current year audit work has covered four full scope components, three specific scope components and one specific audit procedures compared with the four full scope components and one specific scope component in the 2024 audit, reflecting new entities acquired during the year as a part of the acquisition of Prax Upstream Limited and its subsidiaries.

Involvement with component teams

All audit work performed for the purposes of the audit was undertaken by the group audit team.

Climate change

Stakeholders are increasingly interested in how climate change will impact Serica Energy plc. The Group has determined that the most significant future impacts from climate change on their operations will be from decarbonisation and the investment required to reduce carbon emissions and to improve energy efficiency. These are explained on pages 35-65 in the Environmental, Social and Governance Disclosures and on pages 27 to 29 in the principal risks and uncertainties. All of these disclosures form part of the "Other information," rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

In planning and performing our audit we assessed the potential impacts of climate change on the Group's business and any consequential material impact on its financial statements.

The group has explained in the Basis of Preparation in note 2 how they have reflected the impact of climate change in their financial statements. These disclosures also explain where governmental and societal responses to climate change risks are still developing, and where the degree of certainty of these changes means that they cannot be taken into account when determining asset and liability valuations under the requirements of UK adopted international accounting standards.

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating management's assessment of the impact of climate risk, physical and transition, their climate commitments, the effects of material climate risks disclosed on pages 35 to 65 and whether these have been appropriately reflected in asset values where these are impacted by future cash flows and associated sensitivity disclosures, and in the timing and nature of liabilities recognised, following the requirements of UK adopted international accounting standards. As part of this evaluation, we performed our own risk assessment, supported by our climate change internal specialists, to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit.

We also challenged the Directors' considerations of climate change risks in their assessment of going concern and associated disclosures. Where considerations of climate change were relevant to our assessment of going concern, these are described above.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk
<p>Assessment of commercial oil and gas reserves and its impact on the group financial statements</p> <p><i>Refer to the Accounting policies section "Use of judgement and estimates and sources of estimation uncertainty" (page 122)</i></p> <p>As described in note 13 to the group financial statements, oil and gas properties amounted to \$1,150 million (net of depletion, depreciation and amortisation (DD&A)) and have an associated DD&A charge of \$157 million; in note 20 a decommissioning provision of \$251 million; and in note 9 gross deferred tax assets (DTA) of \$636 million.</p> <p>The estimate of oil and gas reserves has a significant impact on the financial statements, particularly in impairment assessments, the calculation of DD&A, estimation of decommissioning provision and DTA recoverability.</p> <p>The estimation of oil and gas reserves involves subjective judgements and determinations based on geopolitical, technical and economic information. Estimates can change over time as a result of new information for production or drilling activities, changes in economic factors such as oil & gas price and other events.</p> <p>The estimation of oil & gas reserves is a higher risk estimate given the significant judgement by management including the use of management's third-party specialists in developing the reserves volumes. Estimation uncertainty is further elevated given the transition to a low-carbon economy which could impact life-of-field assumptions and increase the risk of underutilised or stranded oil and gas assets.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> confirming our understanding of the group's reserves estimation process by performing a walk through and assessing the design effectiveness of controls including management's controls over the appointment of the technical and commercial specialists; assessing the competence and objectivity of management's third-party specialists (independent reserves auditor), to satisfy ourselves they were appropriately qualified to carry out the volumes estimation; meeting with management's third-party specialist and obtaining confirmation that they are independent from Serica and have performed their procedures in line with the guidelines set out by the Society of Petroleum Engineers; confirming that any material change in reserves align with our understanding and were made in the appropriate accounting period. Our most experienced oil and gas team members, which include a reservoir engineer, reviewed the documentation and approval of material changes; assessing, where relevant, whether the life of field and cessation of production assumptions incorporated Serica's estimate of costs associated with the potential impact of climate change and the energy transition; and validating that the reserves estimates were included appropriately as key inputs to calculations of balances within the group's financial statements. <p>The above audit procedures were performed by the group audit team.</p>

Key observations communicated to the Audit and Risk Committee

We reported to the Audit and Risk Committee that we did not identify any exceptions as a result of our audit procedures. We confirmed that material changes in reserves volumes have been made in the appropriate accounting period and validated that the updated reserves estimates are included appropriately in the group's forecasts for impairment assessments and the calculation of DD&A, decommissioning provision and DTA recoverability. We confirmed that the disclosures in the financial statements were appropriate.

INDEPENDENT AUDITOR'S REPORT to the members of Serica Energy plc continued

Risk	Our response to the risk
<p>Assessment of the accounting and valuation of the Existing SPAs as part of the Prax Upstream Limited acquisition</p> <p>As described in note 29 to the group financial statements, on 11 December 2025, Serica completed the acquisition of Prax Upstream Limited and its subsidiaries. As a result, Serica acquired the Lancaster producing asset in the North Sea and became party to Sale and Purchase Agreements (SPAs) with TotalEnergies for a 40% operated interest in the Greater Laggan Area and ONE-Dyas for a 10% interest in the Catcher Field and a 5.21% interest in the Golden Eagle Area Development (Existing SPAs).</p> <p>The accounting and valuation of the Existing SPAs within Serica's purchase price allocation (PPA) for the acquisition represents a significant risk due to the complexity of accounting, fair value determination and uncertainty.</p> <p>On a business combination, the acquirer must recognise and measure the identifiable assets acquired and liabilities assumed in accordance with IFRS 3 Business Combinations. Therefore, in accordance with IFRS 3, it must be determined whether the rights and obligations arising from these contracts qualify as identifiable assets or liabilities at the acquisition date and if so what the nature of those assets or liabilities are, taking into account whether the contract terms are favourable or unfavourable at the point of acquisition and the uncertainties that exist at the date of acquisition.</p> <p>Key observations communicated to the Audit and Risk Committee</p> <p>We reported to the Audit and Risk Committee that we did not identify any exceptions as a result of our audit procedures. We confirmed that management's judgement on the accounting and valuation of the Existing SPAs is reasonable. We confirmed that the disclosures in the financial statements were appropriate.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none">confirming our understanding of the design of key controls over the Existing SPAs accounting and valuation process, ensuring that appropriately knowledgeable personnel are involved and that robust review and approval procedures are in place;examining the terms and conditions of the underlying documentation to determine whether the TotalEnergies and One-Dyas SPAs meet the definition of identifiable assets under IFRS 3, IAS 38 Intangible Assets and IAS 37 Provisions, Contingent Liabilities and Contingent Assets;making enquiries of management to understand their judgements and significant estimates in the accounting and valuation of the Existing SPAs, including the rationale and methodologies applied;assessing the accounting treatment on Existing SPAs;engaging EY Valuation specialists to assist in reviewing the Group's valuations and assessing the methodology applied to determine the valuation of the Existing SPAs; andevaluating whether appropriate disclosures relating to the Existing SPAs have been made in the financial statements. <p>The above audit procedures were performed by the group audit team.</p>

In the prior year, our auditor's report included key audit matters in relation to Impairment of oil and gas properties and Impairment of investments in subsidiaries in the parent company financial statements. In the current year, these have not been considered as key audit matters as no impairment triggers were identified in the current year.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the group to be \$10.6 million (2024: \$13 million), which is 5% (2024: 5%) of adjusted profit before tax. We believe that adjusted profit before tax provides us with the appropriate basis for planning materiality for the current year audit.

Our key criterion in determining materiality remains our perception of the needs of Serica's stakeholders. We consider which earnings, activity or capital-based measure aligns best with the expectations of the users of the financial statements. In doing so, we apply a 'reasonable investor perspective', which reflects our understanding of the common financial information needs of the members of the Company as a group.

Consistent with our approach in the prior period, the financial measure on which we determined materiality is adjusted profit before tax. This includes a normalisation adjustment for the production interruptions that commenced in prior year and continued into 2025, and that are not expected to recur going forward. We believe that adjusted profit before tax is the most appropriate measure upon which to calculate materiality as it represents a key performance indicator used by Serica's investors and is the expectation for a listed company that is generating profits.

Adjusted profit before tax:

Starting basis	Profit before tax: \$80 million
Adjustments	Normalisation non-recurring production interruptions: \$127 million Transaction costs: \$5 million
Materiality	Total: \$212 million (adjusted profit before tax) Materiality: \$10.6 million (5% of adjusted profit before tax)

We determined materiality for the parent company to be \$10.6 million (2024: \$10 million), which is 1.5% (2024: 2%) of equity. We concluded that equity remains an appropriate basis to determine materiality for an investment holding company. In the current year, we applied a lower percentage to align the materiality of the parent company with that of the group.

During the course of our audit, we reassessed initial materiality and concluded that a reduction was required based on the final results for 2025.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the group's overall control environment, our judgement was that performance materiality was 75% (2024: 75%) of our planning materiality, namely \$7.9 million (2024: \$9.7million). We have set performance materiality at this percentage following a quantitative and qualitative assessment of prior year misstatements and our assessment of the group's overall control environment.

Audit work was undertaken at component locations for the purpose of responding to the assessed risks of material misstatement of the group financial statements. The performance materiality set for each component is based on the relative scale and risk of the component to the group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was \$0.7 million to \$7.9 million (2024: \$4.2 million to \$7.3 million).

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit and Risk Committee that we would report to them all uncorrected audit differences in excess of \$0.53 million (2024: \$0.65 million), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report set out on pages 1 to 107, 169 to 173, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information 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 this 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 the 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 directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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 set out on page 107, 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's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant are those that relate to the reporting framework (UK adopted international accounting standards, United Kingdom Generally Accepted Accounting Practice, the Companies Act 2006, AIM listing rules, QCA corporate governance code) and UK tax legislation.
- We understood how Serica Energy plc is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of Board minutes, papers provided to the Audit and Risk Committee and correspondence received from regulatory bodies, and noted there was no contradictory evidence.
- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur by meeting with management from various parts of the business to understand what areas were susceptible to fraud. We also considered performance targets and their propensity to influence management to manage earnings.

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved journal entry testing with a focus on manual consolidation journals and journals meeting our defined risk criteria based on our understanding of the business; enquiries of management, review of Board and Audit and Risk Committee reporting; and focused testing as referred to in the key audit matters section above.

We ensured our audit team has appropriate industry experience through working for many years on relevant audits, including experience of oil and gas companies. Our audit planning included considering external market factors, for example geopolitical risk, the potential impact of climate change, commodity price risk and major trends in the industry.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://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.

Khilan Shah (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London, United Kingdom
25 March 2026

GROUP INCOME STATEMENT for the year ended 31 December 2025

	Note	2025 \$000	2024 \$000
Continuing operations			
Sales revenue	4	601,429	727,178
Cost of sales	5	(536,689)	(503,981)
Gross profit		64,740	223,197
Hedging income/(expense)	16	75,166	(43,474)
Contract revenue – other	16	5,408	31,292
Exploration and pre-licence costs		(1,100)	(1,595)
E&E asset write-offs	12	(147)	(851)
General and administrative expenses	6	(23,075)	(21,601)
Transaction costs	29	(5,533)	–
Foreign exchange gain		38	3,234
Share based payments	25	(3,523)	(3,735)
Operating profit before net finance costs and tax		111,974	186,467
Change in fair value of financial liabilities	19	(2,471)	(2,538)
Finance revenue	8	6,102	13,927
Finance costs	8	(35,262)	(37,358)
Profit before taxation		80,343	160,498
Taxation charge for the year	9	(132,165)	(68,069)
(Loss)/profit for the year		(51,822)	92,429
(Loss)/profit for the year attributable to:			
Equity owners of the Company		(51,822)	92,429
(Loss)/earnings per ordinary share – EPS			
Basic EPS on (loss)/profit for the year (\$)	10	(0.13)	0.24
Diluted EPS on (loss)/profit for the year (\$)	10	(0.13)	0.23

GROUP STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 December 2025

	2025 \$000	2024 \$000
(Loss)/profit for the year	(51,822)	92,429
Other comprehensive profit/(loss)		
Items that may be subsequently reclassified to income statement:		
Exchange differences on translation	15,909	(5,217)
Other comprehensive profit/(loss) for the year	15,909	(5,217)
Total comprehensive (loss)/profit for the year	(35,913)	87,212
Total comprehensive (loss)/profit attributable to:		
Equity owners of the Company	(35,913)	87,212

GROUP BALANCE SHEET as at 31 December 2025

Registered Number: 05450950

	Note	2025 \$000	2024 \$000
Non-current assets			
Exploration & evaluation assets	12	43,283	20,367
Property, plant and equipment	13	1,155,716	991,588
Goodwill	29	56,497	–
Derivative financial assets	16	5,667	–
Deferred tax asset	9	–	55,139
		1,261,163	1,067,094
Current assets			
Inventories	14	31,423	14,884
Trade and other receivables	15	170,993	158,117
Corporate tax receivable		13,026	71,013
Derivative financial assets	16	24,260	5,185
Restricted cash	17	12,060	–
Cash and cash equivalents	17	18,840	148,460
		270,602	397,659
TOTAL ASSETS		1,531,765	1,464,753
Current liabilities			
Trade and other payables	18	211,646	168,287
Derivative financial liabilities	16	–	31,185
Contract liabilities	16	–	5,408
Financial liabilities	19	4,140	–
Lease liabilities	26	2,308	1,418
Provisions	20	18,712	–
Non-current liabilities			
Derivative financial liabilities	16	–	11,201
Financial liabilities	19	89,756	81,923
Deferred tax liability	9	77,132	–
Lease liabilities	26	3,415	3,769
Provisions	20	233,594	145,974
Interest bearing loans	21	221,488	219,130
TOTAL LIABILITIES		862,191	668,295
NET ASSETS		669,574	796,458
Share capital	23	245,715	245,537
Merger reserve	23	286,590	286,590
Other reserve	25	41,063	37,540
Treasury/own shares	23	(6,678)	(8,931)
Accumulated funds		101,087	249,834
Currency translation reserve		1,797	(14,112)
TOTAL EQUITY		669,574	796,458

Approved by the Board on 25 March 2026

Chris Cox

Chief Executive Officer

Martin Copeland

Chief Financial Officer

GROUP STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2025

	Share capital \$000	Merger reserve \$000	Other reserve \$000	Treasury/ own shares \$000	Currency translation reserve \$000	Accumulated funds \$000	Total \$000
At 1 January 2025	245,537	286,590	37,540	(8,931)	(14,112)	249,834	796,458
Loss for the year	–	–	–	–	–	(51,822)	(51,822)
Other comprehensive profit	–	–	–	–	15,909	–	15,909
Total comprehensive income/(loss)	–	–	–	–	15,909	(51,822)	(35,913)
Issue of shares	178	–	–	–	–	–	178
Share-based payments	–	–	3,523	–	–	–	3,523
Treasury/own shares	–	–	–	(9,819)	–	–	(9,819)
Release of shares	–	–	–	12,072	–	(12,072)	–
Dividend paid	–	–	–	–	–	(84,853)	(84,853)
At 31 December 2025	245,715	286,590	41,063	(6,678)	1,797	101,087	669,574
At 1 January 2024	245,257	283,367	37,650	–	(8,895)	276,789	834,168
Profit for the year	–	–	–	–	–	92,429	92,429
Other comprehensive loss	–	–	–	–	(5,217)	–	(5,217)
Total comprehensive (loss)/income	–	–	–	–	(5,217)	92,429	87,212
Issue of shares	280	3,223	–	–	–	–	3,503
Share-based payments	–	–	3,735	–	–	–	3,735
Treasury/own shares	–	–	–	(18,775)	–	–	(18,775)
Release of shares	–	–	–	9,844	–	(9,844)	–
Share payments	–	–	(3,845)	–	–	3,845	–
Dividend paid	–	–	–	–	–	(113,385)	(113,385)
At 31 December 2024	245,537	286,590	37,540	(8,931)	(14,112)	249,834	796,458

GROUP CASH FLOW STATEMENT for the year ended 31 December 2025

	Note	2025 \$000	2024 \$000
Cash inflow from operations	24	179,946	452,222
Taxation received/(paid)		63,358	(152,517)
Decommissioning spend		(1,088)	(18,142)
Net cash flow generated from operating activities	24	242,216	281,563
Investing activities:			
Interest received		5,486	13,927
Expenditures relating to E&E assets		(6,467)	(11,123)
Expenditures relating to property, plant and equipment		(242,567)	(249,050)
Acquisition of asset interests	30	(11,720)	(7,665)
Business combination, net cash acquired	29	2,235	–
Net cash flow used in investing activities		(253,033)	(253,911)
Financing activities:			
Payments of lease liabilities	26	(1,943)	(2,697)
Proceeds from issue of shares	23	178	280
Repayment of borrowings	21	(51,848)	(323,700)
Proceeds from borrowings	21	51,848	283,500
Dividends paid	11	(84,853)	(113,385)
Share buyback	23	(9,819)	(18,775)
Finance costs paid		(25,900)	(38,501)
Net cash flow used in financing activities		(122,337)	(213,278)
Net decrease in cash and cash equivalents		(133,154)	(185,626)
Effect of exchange rates on cash and cash equivalents		3,534	(1,347)
Cash and cash equivalents at 1 January	24	148,460	335,433
Cash and cash equivalents at 31 December	24	18,840	148,460

NOTES TO THE FINANCIAL STATEMENTS

1. Authorisation of the financial statements and statement of compliance with UK adopted international accounting standards

The Group's financial statements for the year ended 31 December 2025 were authorised for issue by the Board of Directors on 25 March 2026 and the balance sheet was signed on the Board's behalf by Chris Cox and Martin Copeland. Serica Energy plc is a public limited Company incorporated and domiciled in England & Wales with its registered office at 72 Welbeck Street, London, W1G 0AY. The principal activity of the Company and its subsidiaries (together the 'Group') is to identify, acquire and subsequently exploit oil and gas reserves. A listing of the Group's subsidiaries is contained in note 31 to these Group financial statements. Its current activities are located in the United Kingdom. The Company's ordinary shares are traded on AIM.

The Group's financial statements have been prepared in accordance with UK adopted International Accounting Standards as they apply to the financial statements of the Group for the year ended 31 December 2025. The principal material accounting policies adopted by the Group are set out in note 2.

2. Material accounting policies

Basis of Preparation

Other than as noted in the new and amended standards and interpretations section below, the accounting policies which follow set out those policies which have been applied consistently in preparing the financial statements for the year ended 31 December 2025.

The Group financial statements have been prepared on a historical cost basis and presented in US dollars. All values are rounded to the nearest thousand US dollars (\$000) except when otherwise indicated.

In preparing the Group financial Statements management has considered the impact of climate change. These considerations did not have a material impact on the financial reporting judgements and estimates and consequently climate change is not expected to have a significant impact on the Group's going concern assessment to June 2027 nor the viability of the Group over the next five years. However, governmental and societal responses to climate change risks are still developing, and are interdependent upon each other, and consequently financial statements cannot capture all possible future outcomes as these are not yet known. It is recognised that Net Zero targets and third-party expectations may drive government action that imposes further requirements and costs on companies in the future. The Group has additional planned expenditure related to flare gas recovery and other emission reduction measures, however, as all of the Group's existing portfolio of producing assets are currently projected to cease production by 2036, it is believed that any such future changes would have a relatively limited impact compared to assets with longer durations. The Group will continue to consider the impact of climate change on any future business developments.

Going Concern

The Directors are required to consider the availability of resources to meet the Group's liabilities for the period till 30 June 2027, the 'going concern period'.

As at 20 March 2026 the Group held cash and cash equivalents of \$94 million, restricted cash of \$12 million, and undrawn RBL facility amount of \$198 million. See note 21 for further details of the current RBL facility.

The Group has a balance in product mix between gas and oil, and two main operating hubs which reduces the potential impact of production interruptions. The Group regularly monitors its cash, funding and liquidity position, including available facilities and compliance with facility covenants. Ongoing capital requirements also include surety bonds which provide cover for decommissioning security. Near-term cash projections are revised and underlying assumptions reviewed, generally monthly, and longer-term projections are also updated regularly. Downside price and other risking scenarios are considered. In addition to commodity sales prices the Group is exposed to potential production interruptions and these are also considered under such scenarios. In recent years, management has given priority to building a strong cash reserve which can respond to different types of risk.

For the purposes of the Group's going concern assessment we have reviewed two cash projections for the going concern period. These projections cover a base case forecast and an extreme stress test scenario for the operations of the Group. RBL repayments have been assumed based on the current redetermination and no covenant compliance matters noted.

The base case assumptions for the going concern period included commodity pricing of 82 pence/therm for gas and US\$69/bbl for oil for the remainder of 2026 and 76 pence/therm gas and US\$72/bbl oil for H1 2027. Production, opex, capex and tax assumptions are those currently included in standard management forecasting which includes the continuation of existing surety bonds, the completion during 2026 of previously announced acquisitions (note 29) and associated surety bonds which provide cover for decommissioning security. The forward-looking price assumptions are considered as reasonable in light of recent commodity forward pricing and a consensus of published forecasts from the industry, brokers and other analysts.

The stress test assumptions assume a six-month Triton hub production shut-in and 25% reduced production volumes from the base case across the full portfolio of producing assets for H1 2027. Base case commodity pricing is retained for 2026 but lower commodity pricing of 50p/therm gas and US\$60/bbl oil are assumed for the H1 2027 period in this scenario which are significantly below the range of current market expectations for the going concern period. Under this scenario, which would result in lower cash inflows and any repayments of the RBL facility as redetermined, the Group was able to maintain sufficient cash to meet its obligations and maintain covenant compliance. A number of mitigating factors and mitigating actions that are under management control are available to management in the stress test event. These would mitigate the reduced operating cash flows experienced and are not included in the projection.

NOTES TO THE FINANCIAL STATEMENTS *continued*

2. Material accounting policies *continued*

After making enquiries and having taken into consideration the above factors, the Directors considered it appropriate that the Group has adequate resources to continue in operational existence for the going concern period. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Use of judgement and estimates and sources of estimation uncertainty

The preparation of financial statements in conformity with UK adopted International Accounting Standards requires management to make judgements and estimates that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. Estimates and judgements are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes could differ from these estimates. The Group has identified the following areas where significant judgement, estimates, and assumptions are required.

I) Uses of judgement

Key sources of judgement that may have a significant risk of causing material adjustment to the amounts recognised in the financial statements are as follows: assessing whether impairment triggers exist that might lead to the impairment of the Group assets (including oil and gas producing & development assets and Exploration and Evaluation "E&E" assets).

Details on these sources of judgements are given below.

Assessment of the impairment indicators of intangible and tangible assets

The Group monitors internal and external indicators of impairment relating to its intangible and tangible assets, which may indicate that the carrying value of the assets may not be recoverable. The assessment of the existence of indicators of impairment in E&E assets involves judgement, which includes whether licence performance obligations can be met within the required regulatory timeframe, whether management expects to fund significant further expenditure in respect of a licence, and whether the recoverable amount may not cover the carrying value of the assets. For development and production assets judgement is involved when determining whether there have been any significant changes in the Group's oil and gas reserves.

A review was performed for any indication that the value of the Group's oil and gas assets may be impaired at the balance sheet date of 31 December 2025 in accordance with the stated policy.

II) Sources of estimation uncertainty

Key sources of estimation uncertainty

The key sources of estimation uncertainty that may have a significant risk of causing material adjustment to the amounts recognised in the financial statements are: the assessment of commercial reserves and production profiles; and decommissioning provisions.

Details on these key sources of estimation uncertainty are given below.

Assessment of commercial oil and gas reserves

Management is required to assess the level of the Group's commercial reserves together with the future expenditures to access those reserves, which are utilised in determining the depletion charge for the period, decommissioning provisions, whether deferred tax assets are recoverable and assessing whether any impairment charge is required. Estimates of oil and gas reserves require critical judgement. The Group uses proven and probable (2P) reserves (excluding fuel gas) (see Review of Operations) as the basis for calculations of depletion and expected future cash flows from underlying assets because this represents the reserves management intends to develop. The Group employs independent reserves specialists who periodically assess the Group's level of commercial reserves by reference to data sets including geological, geophysical and engineering data together with reports, presentation and financial information pertaining to the contractual and fiscal terms applicable to the Group's assets. In addition, the Group undertakes its own assessment of commercial reserves and related future capital expenditure by reference to the same data sets using its own internal expertise. A 10% reduction in the assessed quantity of commercial reserves would lead to an increase in the depletion charge for 2025 of \$15.4 million (2024: \$20.4million).

Decommissioning provisions

Amounts used in recording a provision for decommissioning are estimates based on current legal and constructive requirements and current technology and price levels for the removal of facilities and plugging and abandoning of wells. Due to changes in relation to these items, the future actual cash outflows in relation to decommissioning are likely to differ in practice. To reflect the effects due to changes in legislation, requirements and technology and price levels, the carrying amounts of decommissioning provisions are reviewed on a regular basis. The effects of changes in estimates do not give rise to prior year adjustments and are dealt with prospectively. While the Group uses estimates and assumptions, actual results could differ from these estimates. Expected timing of expenditure can also change, for example in response to changes in laws and regulations or their interpretation, and/or due to changes in commodity prices. The payment dates are uncertain and depend on the production lives of the respective fields. For further details including sensitivities of the calculation to changes in input variables (see note 20).

2. Material accounting policies continued

Non-key sources of estimation uncertainty

Non-key sources of estimation uncertainty include determining the fair value of contingent consideration, royalty liabilities, and the recoverability of deferred tax assets.

Determining the fair value of contingent consideration on BKR acquisitions

The Group determined the fair value of initial contingent consideration payable based on discounted cash flows at the time of the acquisition in 2018, calculated for each separate component of the contingent consideration. Any cash flows specific to the contingent consideration also reflect applicable commercial terms and risks. In calculating the fair value of the remaining contingent consideration on the BKR acquisitions payable as at 31 December 2025, assumptions underlying the calculation were updated from 2024. These included updated commodity prices, production profiles, future opex, capex and decommissioning cost estimates, discount rates, proved and probable reserves estimates and risk assessments. For further details including sensitivities of the calculation to changes in input variables (see note 19).

Royalty liabilities

In calculating the fair value of the royalty payable, assumptions included commodity prices, future production and discount rates. For further details including sensitivities of the calculation to changes in input variables (see note 19).

Recoverability of deferred tax assets

Deferred tax assets, including those arising from unutilised tax losses, require management to assess the likelihood that the Group will generate sufficient taxable profits in future periods, in order to utilise recognised deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These estimates are based on forecast cash flows from operations (which are impacted by production and sales volumes, oil and natural gas prices, reserves, operating costs, decommissioning costs, capital expenditure, dividends and other capital management transactions) and judgement about the application of existing tax laws. There is no critical estimation uncertainty at the end of the reporting period.

Basis of Consolidation

The consolidated financial statements include the accounts of Serica Energy plc (the "Company") and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Together these comprise the "Group".

Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of the subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

The results and financial position of all of the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of each transaction);
- The exchange differences arising on translation for consolidation are recognised in other comprehensive income; and
- Any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the acquired entity and are translated at the spot rate of exchange at the reporting date.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with the Group's accounting policies. All inter-company balances and transactions have been eliminated upon consolidation.

Foreign Currency Translation

Items included in the financial statements of each of the Group's subsidiaries are measured using the currency of the primary economic environment in which the entity operates ('functional currency'). The Group's financial statements are presented in US dollars, the currency which the Group has elected to use as its presentational currency.

NOTES TO THE FINANCIAL STATEMENTS *continued*

2. Material accounting policies *continued*

In the financial statements of Serica Energy plc and its individual subsidiaries, transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the foreign currency rate of exchange ruling at the balance sheet date and differences are taken to the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined. Exchange gains and losses arising from translation are charged to the income statement as an operating item.

Business Combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. Acquisition costs incurred are expensed.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. Any contingent consideration to be transferred to the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the income statement in accordance with IFRS 9.

Goodwill/gain on acquisition

Goodwill on acquisition is initially measured at cost being the excess of purchase price over the fair market value of identifiable assets, liabilities and contingent liabilities acquired. Following initial acquisition, it is measured at cost less any accumulated impairment losses. Goodwill is not amortised but is subject to an impairment test at least annually and more frequently if events or changes in circumstances indicate that the carrying value may be impaired. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of fair value of net assets acquired over the aggregate consideration transferred, then the gain on acquisition is recognised in profit or loss.

At the acquisition date, any goodwill acquired is allocated to each of the cash-generating units, or groups of cash generating units expected to benefit from the combination's synergies. Impairment is determined by assessing the recoverable amount of the cash-generating unit, or groups of cash generating units to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised.

Joint Arrangements

Oil and gas operations are usually conducted by the Group as co-licensees in unincorporated joint operations with other companies. Most of the Group's activities are conducted through joint operations, whereby the parties that have joint control of the arrangement have the rights to the assets and obligations for the liabilities, relating to the arrangement. The Group recognises its share of assets, liabilities, income and expenses of the joint operation in the consolidated financial statements on a line-by-line basis.

Full details of Serica's working interests in those petroleum and natural gas exploration and production activities classified as joint operations are included in table of Licence Holdings at the end of the Annual Report.

Exploration and Evaluation Assets

Pre-licence Award Costs

Costs incurred prior to the award of oil and gas licences, concessions and other exploration rights are expensed in the income statement.

Exploration and Evaluation ('E&E')

The costs of exploring for and evaluating oil and gas properties, including the costs of acquiring rights to explore, geological and geophysical studies, exploratory drilling and directly related overheads, are capitalised and classified as intangible E&E assets. These costs are directly attributed to regional CGUs for the purposes of impairment testing.

E&E assets are not amortised prior to the conclusion of appraisal activities but are assessed for impairment at an asset level and in regional CGUs when facts and circumstances suggest that the carrying amount of a regional cost centre may exceed its recoverable amount. Recoverable amounts are determined based upon risked potential, and where relevant, discovered oil and gas reserves. When an impairment test indicates an excess of carrying value compared to the recoverable amount, the carrying value of the regional CGU is written down to the recoverable amount in accordance with IAS 36. Such excess is expensed in the income statement. Where conditions giving rise to impairment subsequently reverse, the effect of the impairment charge is reversed as a credit to the income statement.

2. Material accounting policies continued

Costs of licences and associated E&E expenditure are expensed in the income statement if licences are relinquished, or if management do not expect to fund significant future expenditure in relation to the licence.

The E&E phase is completed when either the technical feasibility and commercial viability of extracting a mineral resource are demonstrable or no further prospectivity is recognised. At that point, if commercial reserves have been discovered, the carrying value of the relevant assets, net of any impairment write-down, is classified as an oil and gas property within property, plant and equipment, and tested for impairment. If commercial reserves have not been discovered then the costs of such assets will be written off.

Asset Purchases, disposals and exchanges

When a commercial transaction involves the exchange of E&E assets of similar size and characteristics, no fair value calculation is performed. The capitalised costs of the asset being sold are transferred to the asset being acquired. Proceeds from a part disposal of an E&E asset, including back-cost contributions, are credited against the capitalised cost of the asset, with any excess being taken to the income statement as a gain on disposal.

Farm-ins

In accordance with industry practice, the Group does not record its share of costs that are 'carried' by third parties in relation to its farm-in agreements in the E&E phase. Similarly, while the Group has agreed to carry the costs of another party to a Joint Operating Agreement ("JOA") in order to earn additional equity, it records its paying interest that incorporates the additional contribution over its equity share.

Property, Plant and Equipment – Oil and gas properties

Capitalisation

Oil and gas properties are stated at cost, less any accumulated depreciation and accumulated impairment losses. Oil and gas properties are accumulated into single field cost centres and represent the cost of developing the commercial reserves and bringing them into production together with the E&E expenditures incurred in finding commercial reserves previously transferred from E&E assets as outlined in the policy above. The cost will include, for qualifying assets, any applicable borrowing costs.

Depletion

Oil and gas properties are not depleted until production commences. Costs relating to each single field cost centre are depleted on a unit of production method based on the commercial proved and probable reserves for that cost centre. The depletion calculation takes account of the estimated future costs of development of management's assessment of proved and probable reserves, reflecting risks applicable to the specific assets. Changes in reserve quantities and cost estimates are recognised prospectively from the last annual reporting date. Proved and probable reserves estimates obtained from an independent reserves specialist have been used as the basis for 2024 and 2025 calculations.

Impairment

A review is performed for any indication that the value of the Group's development and production assets may be impaired.

For oil and gas properties when there are such indications, an impairment test is carried out on the cash generating unit. Each cash generating unit is identified in accordance with IAS 36. Serica's cash generating units are those assets which generate largely independent cash flows and are normally, but not always, single development or production areas. If necessary, impairment is charged through the income statement if the carrying amount of the cash generating unit exceed the recoverable amount of the related commercial oil and gas reserves.

Acquisitions, Asset Purchases and Disposals

Acquisitions of oil and gas properties are accounted for under the acquisition method when the assets acquired and liabilities assumed constitute a business.

Transactions involving the purchase of an individual field interest, or a group of field interests, that do not constitute a business, are treated as asset purchases. Accordingly, no goodwill and no deferred tax gross up arises, and the consideration is allocated to the assets and liabilities purchased on an appropriate basis. When the cost of an asset includes contingent or variable consideration that may become payable to the vendor, the Group develops an accounting policy for the recognition and measurement of those costs and the associated liability as is appropriate having regard to the nature of the obligation to make the contingent or variable payments. Subsequent measurement of such consideration is capitalised with E&E or oil & gas assets when payable as applicable. The policy is applied consistently to similar transactions. See note 30.

Proceeds from the entire disposal of a development and production asset, or any part thereof, are taken to the income statement together with the requisite proportional net book value of the asset, or part thereof, being sold.

NOTES TO THE FINANCIAL STATEMENTS *continued*

2. Material accounting policies *continued*

Decommissioning

Liabilities for decommissioning costs are recognised when the Group has an obligation to dismantle and remove a production, transportation or processing facility and to restore the site on which it is located. Liabilities may arise upon construction of such facilities, upon acquisition or through a subsequent change in legislation or regulations. The amount recognised is the estimated present value of future expenditure determined in accordance with local conditions and requirements. A corresponding tangible item of property, plant and equipment equivalent to the provision is also created.

Any changes in the present value of the estimated expenditure are added to or deducted from the cost of the assets to which it relates. If a decrease in the decommissioning liability exceeds the carrying amount of the asset, the excess is recognised immediately in profit or loss. The adjusted depreciable amount of the asset is then depreciated prospectively over its remaining useful life. The unwinding of the discount on the decommissioning provision is included as a finance cost. The discount and inflation rates applied have taken into consideration the applicable rig rates and expected timing of cessation of production on each field.

Underlift/Overlift

Lifting arrangements for oil and gas produced in certain fields are such that each participant may not receive its share of the overall production in each period. The difference between cumulative entitlement and cumulative production less stock is 'underlift' or 'overlift'. Underlift and overlift are valued at market value using an observable year-end oil or gas market price and included within debtors ('underlift') or creditors ('overlift').

Property, Plant and Equipment – Other

Computer equipment and fixtures, fittings and equipment are recorded at cost as tangible assets. The straight-line method of depreciation is used to depreciate the cost of these assets over their estimated useful lives. Computer equipment is depreciated over three years and fixtures, fittings and equipment over four years, and right-of-use assets over the period of lease.

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined by the first-in first-out method and comprises direct purchase costs and transportation expenses.

Financial Instruments

Financial instruments comprise financial assets, cash and cash equivalents, financial liabilities and equity instruments. Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus transaction costs (in the case of a financial asset not at fair value through profit or loss). Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

The Group determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end.

Financial assets at fair value through profit or loss include financial assets held for trading and derivatives. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term.

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

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with original maturities of three months or less at the date of deposit.

2. Material accounting policies continued

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group's financial liabilities currently include loans and borrowings, trade and other payables, BKR consideration liabilities, royalty liabilities, deferred shares in relation to the Tailwind acquisition and derivative liabilities. All financial liabilities are recognised initially at fair value.

Royalty liabilities

The fair value of the royalty liability is estimated as at applicable reporting dates from a valuation technique using future expected discounted cash flows and the calculations involve a range of assumptions related to oil prices, production volumes and discount rates (see note 19).

BKR consideration

The fair value of the BKR consideration is estimated as at applicable reporting dates from a valuation technique using future expected discounted cash flows. The methodology uses several significant unobservable inputs (see note 19).

Loans and borrowing

Obligations for loans and borrowings are recognised when the Group becomes party to the related contracts and are measured initially at the fair value of consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the amortisation process.

Emissions liabilities

The Group operates in an energy intensive industry and is therefore required to partake in emission trading schemes ("ETS"). The Group recognises an emission liability in line with the production of emissions that give rise to the obligation. To the extent the liability is covered by allowances held, the liability is recognised at the cost of these allowances held and if insufficient allowances are held, the remaining uncovered portion is measured at the spot market price of allowances at the balance sheet date. The expense is presented within 'production costs' under 'cost of sales' and the liability is presented in 'trade and other payables'.

Derivative financial instruments

The Group uses derivative financial instruments, such as forward commodity contracts, to hedge its commodity price risks. The Group has elected not to apply hedge accounting to these derivatives. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the income statement and other comprehensive income and presented within operating profit.

Further details of the fair values of derivative financial instruments and how they are measured are provided in Note 16.

Equity

Equity instruments issued by the Company are recorded in equity at the proceeds received, net of direct issue costs.

Treasury/own shares

The Group's holdings in its own equity instruments are shown as deductions from shareholders' equity. Treasury shares represent Serica shares repurchased and available for specific and limited purposes. For accounting purposes, shares held in Employee Benefit Trusts to meet the future requirements of the employee share-based payment plans are treated in the same manner as treasury shares and are, therefore, included in the consolidated financial statements as treasury/own shares. The cost of treasury shares subsequently sold or reissued is calculated on a weighted-average basis. Consideration, if any, received for the sale of such shares is also recognised in equity. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of equity shares.

Trade and other receivables and contract assets

Trade and other receivables and contract assets

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). A contract asset is the right to consideration in exchange for goods or services transferred to the customer.

NOTES TO THE FINANCIAL STATEMENTS *continued*

2. Material accounting policies *continued*

Provision for expected credit losses of trade receivables and contract assets

For trade receivables and contract assets, the Group applies a simplified approach in calculating expected credit losses 'ECLs'. Therefore, the Group does not track changes in credit risk, but instead, recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the receivables and the economic environment. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. The Group's receivables have a good credit rating and there has been no noted change in the credit risk of receivables in the year.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled to in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods provided in the normal course of business, net of discounts, customs duties and sales taxes. The Group has concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The sale of crude oil, gas or condensate represents a single performance obligation, being the sale of barrels equivalent on collection of a cargo or on delivery of commodity into an infrastructure, including FPSOs. Revenue is accordingly recognised for this performance obligation when control over the corresponding commodity is transferred to the customer. The Group principally satisfies its performance obligations at a point in time and the amounts of revenue recognised relating to performance obligations satisfied over time are not significant. The normal credit term is 15 to 30 days upon collection or delivery.

Finance Revenue

Finance revenue chiefly comprises interest income from cash deposits on the basis of the effective interest rate method and is disclosed separately on the face of the income statement.

Finance Costs

Finance costs of debt are allocated to periods over the term of the related debt using the effective interest method. Arrangement fees and issue costs are amortised and charged to the income statement as finance costs over the term of the debt.

Share-Based Payment Transactions

Employees (including Executive Directors) of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

Equity-settled transactions

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted. In valuing equity-settled transactions, no account is taken of any service or performance conditions, other than conditions linked to the price of the shares of Serica Energy plc ('market conditions'), if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the relevant employees become fully entitled to the award (the 'vesting period'). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance conditions are satisfied. For equity awards cancelled by forfeiture when vesting conditions are not met, any expense previously recognised is reversed and recognised as a credit in the income statement. Equity awards cancelled are treated as vesting immediately on the date of cancellation, and any expense not recognised for the award at that date is recognised in the income statement. Estimated associated national insurance charges are expensed in the income statement on an accruals basis.

Where the terms of an equity-settled award are modified or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period. In addition, an expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of the modification. No reduction is recognised if this difference is negative.

2. Material accounting policies continued

Income Taxes

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

Deferred tax is provided using the liability method and tax rates and laws that have been enacted or substantively enacted at the balance sheet date. Provision is made for temporary differences at the balance sheet date between the tax bases of the assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is provided on all temporary differences except for:

- temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future; and
- temporary differences arising from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the income statement nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised. Deferred tax assets and liabilities are presented net only if there is a legally enforceable right to set off current tax assets against current tax liabilities and if the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority.

Dividends

The Company recognises a liability to pay a dividend when the distribution is authorised, and the distribution is no longer at the discretion of the Company. A corresponding amount is recognised directly in equity.

Earnings Per Share

Earnings per share is calculated using the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is calculated based on the weighted average number of ordinary shares outstanding during the period plus the weighted average number of shares that would be issued on the conversion of all relevant potentially dilutive shares to ordinary shares. It is assumed that any proceeds obtained on the exercise of any options and warrants would be used to purchase ordinary shares at the average price during the period. Where the impact of converted shares would be anti-dilutive, these are excluded from the calculation of diluted earnings.

Leases

As a lessee, the Group recognises a right-of-use asset and a lease liability at the lease commencement date. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease, or, if that rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently recorded at amortised cost, using the effective interest rate method. The liability is remeasured when there is a change in future lease payments arising from a change in an index or rate or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

The Group does not currently act as a lessor.

New and amended standards and interpretations

The Group has adopted and applied for the first time, certain new standards, amended standards or interpretations, which are effective for annual periods beginning on or after 1 January 2025. These include the following:

- Amendments to IAS 21 – Lack of Exchangeability

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. Other than the Amendments to IAS 21 described above, which had no impact, the accounting policies adopted are consistent with those of the previous financial year.

There are no new or amended standards or interpretations adopted from 1 January 2025 onwards, that have a significant impact on the consolidated financial statements of the Group.

NOTES TO THE FINANCIAL STATEMENTS continued

2. Material accounting policies continued

Standards issued but not yet effective

Certain standards or interpretations issued but not yet effective up to the date of issuance of the Group's financial statements. These include the following:

- Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments
- Amendments to IFRS 9 and IFRS 7 – Power Purchase Agreements
- Annual Improvements to IFRS Accounting Standards–Volume 11
- IFRS 18 – Presentation and Disclosure in Financial Statements
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures

The Group intends to adopt them when they become effective. The Group is reviewing the potential impacts of IFRS 18 but the other new or amended standards not yet adopted are not expected to have a material impact on the financial statements.

3. Segment information

For the purposes of segmental reporting, the Group currently operates a single class of business being oil and gas exploration, development and production and related activities in a single geographical area, being presently the UK North Sea.

4. Sales revenue

	2025 \$000	2024 \$000
Gas sales	360,925	374,719
Oil sales	218,984	317,478
NGL sales	21,520	34,981
Total revenue	601,429	727,178

Gas sales revenue in 2025 arose from three key customers (2024: three). Oil sales revenue in 2025 was from three key customers (2024: three), and NGL sales in 2025 were made to eight customers (2024: eight).

The revenue from three significant customers individually comprising \$416.5 million, \$115.9 million and \$60.5 million constitutes more than 98% of total revenue amounting to \$592.9 million (2024: three customers comprising \$441.4 million, \$181.1 million and \$78.2 million individually comprising \$700.7 million).

5. Cost of sales

	2025 \$000	2024 \$000
Operating costs	366,605	329,820
Lifting costs	8,006	6,874
Change in decommissioning estimates expensed (note 20)	–	601
Depletion and depreciation (note 13)	158,141	187,250
Movement in liquids overlift/underlift	9,660	(20,564)
Movement in oil inventory	(5,723)	–
	536,689	503,981

6. Operating profit

General and administrative expenses

General and administrative expenses of \$23,075,000 (2024: \$21,601,000) included depreciation of right of use assets of \$1,045,000 (2024: \$1,070,000).

Depreciation and depletion expense

Depreciation of right of use assets totalled \$2,085,000 (2024: \$2,114,000) of which \$1,040,000 (2024: \$1,044,000) was allocated to cost of sales and \$1,045,000 (2024: \$1,070,000) allocated to administrative expenses.

Depletion charges on oil and gas properties of \$157,101,000 (2024: \$186,206,000) are classified within cost of sales.

Auditor's Remuneration

	2025 \$000	2024 \$000
Audit of the Group accounts*	1,425	960
Audit of the Company's accounts	53	50
Audit of accounts of Company's subsidiaries	216	120
Total audit fees	1,694	1,130

* Group audit fees disclosed in 2025 include \$264,000 related to incremental 2024 audit fees.

No fees were paid to Ernst & Young LLP and its associates for non-audit services in 2024 or 2025.

7. Staff Costs and Directors' Emoluments

a) Staff Costs – Group

	2025 \$000	2024 \$000
Wages and salaries	39,408	35,641
Social security costs	6,197	7,238
Other pension costs	4,281	3,140
Share-based long-term incentives	3,523	3,735
	53,409	49,754

The average number of persons employed by the Group during the year was 233 (2024: 222), with 13 in management functions (2024: 12), 193 in technical functions (2024: 185) and 27 (2024: 25) in finance and administrative functions.

Staff costs for key management personnel:

Short-term employee benefits	3,670	3,855
Post-employment benefits	178	130
Share-based payments (note 25)	951	193
	4,799	4,178

NOTES TO THE FINANCIAL STATEMENTS continued

7. Staff costs and Directors' emoluments continued

b) Directors' emoluments

The emoluments of the individual Directors were as follows. All amounts are paid in £ sterling.

Figures in the table below are translated into \$ at a 2025 average exchange rate.

	2025 Salary and fees \$000	2025 Bonus \$000	2025 Pension \$000	2025 Benefits in kind \$000	2025 Total \$000	2024 Total \$000
M Flegg ^{1,2}	–	–	–	–	–	569
A Bell ^{1,3}	–	–	–	–	–	61
D Latin	369	–	–	–	369	971
C Cox ^{1,4}	817	511	107	1	1,436	599
M Copeland ^{1,5}	547	274	71	1	893	684
M Webb ⁶	–	–	–	–	–	64
K Coppinger	132	–	–	–	132	96
J Schmitt ⁷	44	–	–	–	44	89
M Soeting	112	–	–	–	112	89
R Lawson	92	–	–	–	92	77
G Vermersch	92	–	–	–	92	77
K Van Hecke	112	–	–	–	112	89
S Lloyd Rees	104	–	–	–	104	77
	2,421	785	178	2	3,386	3,542

1 Cash in lieu of pension

2 Mitch Flegg stepped down as Director on 23 April 2024

3 Andrew Bell retired on 5 February 2024

4 Chris Cox was appointed on 1 July 2024

5 Martin Copeland was appointed on 5 February 2024

6 Malcolm Webb retired on 27 June 2024

7 Jérôme Schmidt resigned on 22 May 2025

	2025	2024
Number of Directors securing benefits under defined contribution schemes during the year	2	4
Number of Directors who exercised share options	–	2
	2025 \$000	2024 \$000
Aggregate gains made by Directors on the exercise of options	–	–

Details of Directors' interests in share options and other long-term incentive plans are included in the Directors' Remuneration report in the Corporate Governance section of the Annual Report.

The Group defines key management personnel as the Directors of the Company. There are no transactions with Directors other than their remuneration as disclosed above and those described in Note 28.

8. Finance revenue/costs

	2025 \$000	2024 \$000
Bank interest receivable	4,704	13,927
Other interest receivable	1,398	–
Total finance revenue	6,102	13,927
	2025 \$000	2024 \$000
Loan interest payable	19,194	22,917
Loan commitment fees amortised (note 21)	2,358	2,199
Other financing fees	4,057	3,945
Other charges and interest payable	3,016	2,733
Unwinding of discount on provisions (note 20)	6,637	5,564
Total finance costs	35,262	37,358

9. Taxation

	2025 \$000	2024 \$000
a) Tax charged/(credited) in the income statement		
Charge for the year	–	14,191
Adjustment in respect of prior years	1,761	(315)
Total current income tax charge	1,761	13,876
Deferred tax		
Origination and reversal of temporary differences in the current year	130,175	61,128
Adjustment in respect of prior years	229	(6,935)
Total deferred tax charge	130,404	54,193
Tax charge in the income statement	132,165	68,069

NOTES TO THE FINANCIAL STATEMENTS continued

9. Taxation continued

b) Reconciliation of the total tax charge/(credit)

The tax in the income statement for the year differs from the amount that would be expected by applying the standard UK corporation tax rate for the following reasons:

	2025 \$000	2024 \$000
Accounting profit before taxation	80,343	160,498
Statutory rate of corporation tax in the UK of 40% (2024: 40%)	32,137	64,199
Permanent differences	9,875	9,067
Movement in unrecognised deferred tax assets	2,453	811
Investment Allowance	(9,342)	(14,216)
EPL – Rate differential	–	11,085
EPL – Income taxed at different rates	90,793	28,263
EPL – Investment allowance	–	(25,158)
Income tax at different rates	4,259	1,268
Adjustment in respect of prior years	1,990	(7,250)
Tax charge reported in the income statement	132,165	68,069

c) Recognised and unrecognised tax losses

Deferred tax assets are recognised only to the extent that it is probable that sufficient taxable profits will be available in future against which deductible temporary differences, tax losses and allowances can be utilised. In accordance with IAS 12 Income Taxes, the Group assessed at 31 December 2025 the recoverability of deferred tax assets recognised in respect of ring fence losses and allowances and other deductible temporary differences, together with the availability of future taxable profits based on corporate assumptions to support recognition.

At 31 December 2025, the Group had recognised deferred tax assets of \$635.8 million (2024: \$576.6 million), arising principally from ring fence losses, decommissioning liabilities, other temporary differences, derivative financial liabilities and the oil revenue contract liability. These deferred tax assets are expected to be recovered through offset against deferred tax liabilities, principally those arising on property, plant and equipment of \$689.6 million and derivative financial assets of \$23.3 million, and through future taxable profits. Overall, the Group moved from a net deferred tax asset of \$55.1 million at 31 December 2024 to a net deferred tax liability of \$77.1 million at 31 December 2025, primarily reflecting the increase in deferred tax liabilities associated with higher property, plant and equipment balances and the extension of the Energy Profits Levy to 31 March 2030.

At 31 December 2025, the Group had not recognised deferred tax assets for tax losses, allowances and other deductible temporary differences amounting to approximately \$1,684 million (2024: \$148 million). These other deductible temporary differences include investment allowances, decommissioning provisions and employee share options. The significant increase compared with the prior year primarily reflects tax losses, allowances and other deductible temporary differences arising on the acquisitions of Parkmead (E&P) Limited and Prax Upstream Limited for which no deferred tax asset has been recognised at the balance sheet date, as there is insufficient evidence that sufficient future taxable profits will be available for recovery. These deferred tax assets may be recognised in future periods to the extent that it becomes probable that suitable taxable profits will arise against which they can be utilised.

Unrecognised tax losses and allowances	2025 \$000	2024 \$000
Tax losses with no expiry:		
Ring fence tax losses	855,158	–
Mainstream corporation tax losses	154,036	140,088
	1,009,194	140,088
Other deductible temporary differences and allowances:		
Investment allowances	593,697	–
Decommissioning provisions	56,136	–
Employee share options	5,242	7,788
Unused tax credits	20,023	–
	675,098	7,788
Total unrecognised tax losses and allowances	1,684,292	147,876

9. Taxation continued

In addition, there are attributes carried forward relating to supplementary tax charge (\$718.3 million) and energy profit levy (\$224.9 million) which are subject to tax rates of 10% and 38% respectively which can be offset against ring fence tax losses.

d) Deferred tax

The deferred tax included in the balance sheet is as follows:

	2025 \$000	2024 \$000
Deferred tax liability:		
Temporary differences on capital expenditure	(689,587)	(521,436)
Derivative financial assets	(23,343)	–
Deferred tax liability	(712,930)	(521,436)
Deferred tax asset:		
Tax losses	492,772	427,568
Decommissioning liabilities	77,977	58,264
Investment allowances	60,602	53,765
Contract liability	–	4,218
Other temporary differences	4,447	3,743
Derivative financial liabilities	–	29,017
Deferred tax asset	635,798	576,575
Net deferred tax (liability)/asset	(77,132)	55,139

Reconciliation of net deferred tax assets/(liabilities)

	2025 \$000	2024 \$000
At 1 January	55,139	107,071
Acquisitions (note 29)	6,654	–
Tax charge during the year recognised in profit	(130,404)	(54,193)
Currency translation adjustment	(8,521)	2,261
At 31 December	(77,132)	55,139

The deferred tax in the Group income statement is as follows:

	2025 \$000	2024 \$000
Deferred tax in the income statement:		
Temporary differences on capital expenditure	157,225	73,285
Tax losses	(57,086)	(5,842)
Other temporary differences	30,265	(13,250)
Deferred income tax charge	130,404	54,193

9. Taxation continued

e) Changes to UK corporation tax legislation

Changes to UK corporation tax legislation

In October 2024, the UK government announced changes (effective from 1 November 2024) to the Energy Profits Levy including a 3% increase in the rate taking the headline rate of tax on North Sea profits to 78%, an extension to the period of application of the Levy to 31 March 2030 and the removal of the Levy's main investment allowance. The changes to the rate and to the investment allowance were substantively enacted in November 2024 and have been applied in both 2024 and 2025 when accounting for current tax and deferred tax.

The extension of the EPL to 31 March 2030 was substantively enacted on 3 March 2025 and has therefore been reflected in the 2025 financial statements. The impact of the extension is an additional deferred tax expense of \$65 million that has been recognised in the current financial statements.

Following the introduction of the Energy Profits Levy in 2022, on 24 May 2024, Finance (No.2) Act 2024, enacted the Energy Security Investment Mechanism (ESIM). The original ESIM threshold prices were \$71.40 per barrel for oil and 54 pence per therm for gas. These thresholds were based on a 20-year average to the end of 2022. These thresholds were adjusted from 1 April 2024, and will be adjusted annually thereafter, by the preceding December's year-on-year increase in the Consumer Prices Index. The ESIM operates to remove EPL if both average oil and gas prices fall to, or below, from 1 April 2026 to \$78.65 per barrel for oil and 61p per therm for gas (as adjusted for prior year CPI with effect from 1 April 2024), for two consecutive quarters. The headline tax rate on UK oil and gas profits will then return to 40 per cent. The UK Government has also announced the oil and gas price mechanism ("OGPM"). The OGPM will be a revenue-based tax but will only apply during periods of high prices and the amount that will be chargeable to the OGPM will be the part of the consideration that exceeds the threshold. The OGPM will come into effect once the EPL ends – either on 1 April 2030 or earlier if the ESIM triggers.

The UK has introduced legislation implementing the Organisation for Economic Co-operation and Development's ("OECD") proposals for global minimum corporation tax rate (Pillar Two) which is effective for periods beginning on or after 31 December 2023. The only jurisdiction in which the Group has material operations is the UK, and the Group does not expect an exposure to Pillar Two income taxes.

10. Earnings Per Share

Basic earnings or loss per ordinary share amounts are calculated by dividing net profit or loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. The weighted average number of shares outstanding excludes treasury shares and shares held by Employee Benefit Trusts.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of dilutive potential ordinary shares granted under share-based payment plans (see note 25) and, for the 2024 period, deferred consideration for a previous acquisition into ordinary shares.

10. Earnings per share continued

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	2025 \$000	2024 \$000
Net (loss)/profit from continuing operations	(51,822)	92,429
Net (loss)/profit attributable to equity holders of the parent	(51,822)	92,429
	2025 \$000	2024 \$000
Basic weighted average number of shares	392,017	389,095
Dilutive potential of ordinary shares granted under share-based payment plans	–	10,110
Dilutive potential of ordinary shares under deferred consideration for acquisition	–	339
Diluted weighted average number of shares	392,017	399,544
	2025 \$	2024 \$
Basic EPS on (loss)/profit for the year (\$)	(0.13)	0.24
Diluted EPS on (loss)/profit for the year (\$)	(0.13)	0.23

7,248,484 share options, that could potentially dilute the basic earnings per share in the future, were not included in the calculation of diluted earnings per share because they are anti-dilutive for the 2025 year-end.

11. Dividends proposed

Proposed dividends on ordinary shares

A final cash dividend for 2025 of 10.0 pence per share (2024: 10.0 pence per share) is proposed which would generate a payment of approximately \$52.7 million (2024: \$49.0 million). Proposed dividends on ordinary shares are subject to approval at the annual general meeting and are not recognised as a liability as at 31 December.

Dividends on ordinary shares paid in 2025

A final cash dividend for 2024 of 10.0 pence per share was proposed in April 2025 and approved at the annual general meeting on 22 May 2025 and \$53.9 million (£39.3 million) was paid in July 2025.

An interim cash dividend for 2025 of 6.0 pence per share was announced in August 2025 and \$31.0 million (£23.5 million) was paid in November 2025.

NOTES TO THE FINANCIAL STATEMENTS continued

12. Exploration and evaluation assets

	Total \$000
Cost:	
1 January 2024	2,457
Acquisitions (note 30)	7,665
Additions	11,123
Write-offs	(851)
Currency translation adjustment	(27)
31 December 2024	20,367
Acquisitions (note 30)	19,391
Additions	6,467
Transfers (note 13)	(4,694)
Write-offs	(147)
Currency translation adjustment	1,899
31 December 2025	43,283
Net book amount:	
31 December 2025	43,283
31 December 2024	20,367

During the year, following the reclassification of the Kyla asset from 2C resources to 2P reserves, management concluded that technical feasibility and commercial viability had been demonstrated. Accordingly, the related E&E asset of \$4.7 million was transferred from E&E assets to oil and gas assets within property, plant and equipment.

13. Property, plant and equipment

	Oil and gas properties \$000	Equipment, fixtures and fittings \$000	Right-of-use assets \$000	Total \$000
Cost:				
1 January 2024	1,312,468	270	5,342	1,318,080
Additions	264,000	–	5,069	269,069
Decom asset revisions (note 20)	9,711	–	–	9,711
Currency translation adjustment	(10,576)	(4)	(114)	(10,694)
31 December 2024	1,575,603	266	10,297	1,586,166
Acquisitions (note 29)	1,877	–	–	1,877
Additions	257,410	–	791	258,201
Transfers (note 12)	4,694	–	–	4,694
Decom asset revisions (note 20)	41,676	–	–	41,676
Currency translation adjustment	42,746	20	444	43,210
31 December 2025	1,924,006	286	11,532	1,935,824
Depreciation and depletion:				
1 January 2024	410,229	270	1,821	412,320
Charge for the year (note 5)	186,206	–	1,044	187,250
Charge for the year – G&A	–	–	1,070	1,070
Currency translation adjustment	(6,021)	(4)	(37)	(6,062)
31 December 2024	590,414	266	3,898	594,578
Charge for the year (note 5)	157,101	–	1,040	158,141
Charge for the year – G&A	–	–	1,045	1,045
Currency translation adjustment	26,150	20	174	26,344
31 December 2025	773,665	286	6,157	780,108
Net book amount:				
31 December 2025	1,150,341	–	5,375	1,155,716
31 December 2024	985,189	–	6,399	991,588

Depreciation and depletion

Depletion charges on oil and gas properties are classified within 'cost of sales'. \$1,040,000 (2024: \$1,044,000) and \$1,045,000 (2024: \$1,070,000) of right of use asset depreciation has been charged to cost of sales and administrative expenses respectively.

Impairment indicator

The Group reviewed its oil and gas property, plant and equipment for indicators of impairment at 31 December 2025. In the prior year, an impairment indicator was identified as the Group's market capitalisation was lower than the book value of its net assets. An impairment assessment was performed at that time, which did not result in an impairment charge. At 31 December 2025, management concluded that this prior year indicator was no longer present and that no new impairment indicators existed at the reporting date. Accordingly, no impairment test was required for these assets and no impairment charge was recognised in the year.

NOTES TO THE FINANCIAL STATEMENTS continued

14. Inventories

	2025 \$000	2024 \$000
Materials and spare parts	11,065	7,365
Hydrocarbons	20,358	7,519
	31,423	14,884

Inventories are valued at the lower of cost and net realisable value. Cost is determined by the first-in first-out method and comprises direct purchase costs and transportation expenses. Inventories are recorded net of an obsolescence provision of \$4.1 million (2024: \$3.8 million).

15. Trade and Other receivables

	2025 \$000	2024 \$000
Trade receivables and accrued income	63,030	56,847
Amounts recoverable from JV partners	2,979	2,733
Other receivables	10,988	7,436
BKR advance payments	41,476	27,989
Prepayments	8,177	9,572
VAT recoverable	6,872	6,923
Liquids underlift	37,471	46,617
	170,993	158,117

Trade receivables at 31 December 2025 arose from seven (2024: seven) customers. They are non-interest bearing and are generally on 15 to 30-day terms.

BKR advance payments consist of annual contractual cash advances made towards remaining BKR contingent consideration potentially payable, recorded as a financial liability (see note 19).

None of the Group's receivables are considered impaired and there are no financial assets past due but not impaired at the year end. The Directors consider the carrying amount of trade and other receivables approximates to their fair value. Management considers that there are no other significant concentrations of credit risk within the Group.

16. Derivative financial assets/(liabilities)

	2025 \$000	2024 \$000
Financial assets		
Derivative financial instruments (<1 year)	24,260	5,185
Derivative financial instruments (>1 year)	5,667	-
Derivative financial instruments	29,927	5,185
Financial liabilities		
Derivative financial instruments (<1 year)	-	(31,185)
Derivative financial instruments (>1 year)	-	(11,201)
Derivative financial instruments	-	(42,386)

16. Derivative financial assets/(liabilities) continued

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows: Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities; Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly (i.e. as prices) or indirectly (i.e. derived from prices) observable; Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. The valuation methodology for derivative financial instruments is detailed below and for contingent consideration is disclosed in note 19. A table summarising the Group's liabilities measured at fair value is included in note 22.

Derivative financial instruments

The Group enters into derivative financial instruments with various counterparties. Commodity and foreign currency derivative contracts are designated as at fair value through profit and loss (FVTPL), and gains and losses on these contracts are recognised in the income statement. Derivative financial instruments held at 31 December 2024 and 2025 comprised oil and gas swaps and collars. These were valued by counterparties, with the valuations reviewed internally and corroborated with readily available market data of forward pricing (level 2). Details of the Group's derivative financial instruments held as at 31 December 2025 are provided in note 22. The mark-to-market of the Group's open contracts as at 31 December 2025 was a net asset of \$29.9 million (2024: net liability of \$37.2 million).

The following gains and losses were recognised in the income statement:

Commodity contracts designated as FVTPL

	2025 \$000	2024 \$000
Mark-to-market unrealised gains/(losses)	67,371	(31,814)
Unrealised hedging income/(expense)	67,371	(31,814)
Oil and gas swaps and options matured during the year	7,795	(4,940)
Other contracts matured during the year	–	(6,720)
Realised hedging income/(expense)	7,795	(11,660)
Hedging income/(expense)	75,166	(43,474)

Unrealised hedging gains in 2025 arose from oil and gas instruments held (2024: losses on gas instruments partially offset by unrealised gains on oil and UKA ETS instruments held). Unrealised hedging losses on gas and other swaps comprise unrealised charges on the movement during the year in the calculated fair value liability and asset of outstanding gas price or other derivative contracts measured at the respective balance sheet dates.

Realised hedging gains measured at fair value through profit or loss for 2025 comprise gains realised on oil and gas swaps. For 2024 losses were realised on oil, gas and UKA ETS swaps.

Contract liabilities

	2025 \$000	2024 \$000
Contract liabilities	–	5,408
	–	5,408

NOTES TO THE FINANCIAL STATEMENTS continued

17. Cash and cash equivalents

	2025 \$000	2024 \$000
Cash at bank and in hand	18,840	123,390
Short-term deposits	–	25,070
Cash and cash equivalents	18,840	148,460
Restricted cash	12,060	–
Cash and restricted cash	30,900	148,460

As at 31 December 2025, the cash and restricted cash balance of \$30.9 million (2024: \$148.5 million) contained amounts of \$12.1 million held in separate bank accounts for the purpose of providing security against Lancaster field decommissioning work on the Aoka Mizu FPSO. This amount does not meet the definition of cash and cash equivalents in IAS 7 and held in escrow accounts for expected future decommissioning expenditure. In 2024 \$31.0 million held in a separate bank account for the purpose of providing security against letters of credit issued in respect of certain decommissioning liabilities). The use of cash is restricted by virtue of contractual restrictions with a 3rd party and did not prevent the balance from meeting the definition of cash and cash equivalents in IAS 7.

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods with original maturities of between one day and three months at the date acquired. They are considered to be readily convertible into cash and subject to an insignificant risk of changes in value. The placing of deposits depends on the immediate cash requirements of the Group and they earn interest at the respective short to medium-term deposit rates.

The Group's exposure to credit risk arises from potential default of a counterparty, with a maximum exposure equal to the carrying amount. The Group seeks to minimise counterparty credit risks by only depositing cash surpluses with major banks of high-quality credit standing and spreading the placement of funds over a range of institutions.

Financial institutions, and their credit ratings, which held greater than 10% of the Group's cash and short-term deposits at the balance sheet date were as follows:

	S&P/ Moody's credit rating	2025 \$000	2024 \$000
Barclays Bank plc	A-1	189	59,472
Lloyds Bank plc	A-1	7,925	55,980
DNB Bank ASA	P-1	7,613	32,945
HSBC	A-1	15,173	–

18. Trade and other payables

	2025 \$000	2024 \$000
Trade payables	31,074	40,884
Other payables	11,570	2,112
Deferred revenue	7,171	22,357
Accrued expenses	144,862	87,485
Liquids overlift	16,969	15,449
	211,646	168,287

Trade payables are non-interest bearing and are generally on 15 to 30 day terms.

Accrued expenses include accruals for operating and capital expenditure in relation to the oil and gas assets. The Directors consider the carrying amount of trade and other payables approximates to their fair value.

Deferred revenue includes \$7.2 million (2024: \$22.4 million) relating to oil not yet delivered. \$22.4 million from FY 2024 has been moved to revenue in 2025, reflecting the completion of the performance obligation.

19. Financial liabilities

	BKR consideration \$000	Deferred consideration \$000	Royalty liability \$000	Total \$000
At 31 December 2024	49,754	–	32,169	81,923
Acquisitions (note 30)	–	8,275	–	8,275
Change in fair value liability	7,322	457	(5,308)	2,471
Payments and settlements	(639)	–	–	(639)
Transfer to accruals	–	–	(2,107)	(2,107)
Currency translation adjustment	3,790	183	–	3,973
At 31 December 2025	60,227	8,915	24,754	93,896
Classified as:				
Current	–	4,140	–	4,140
Non-current	60,227	4,775	24,754	89,756
At 31 December 2025	60,227	8,915	24,754	93,896
Classified as:				
Current	–	–	–	–
Non-current	49,754	–	32,169	81,923
At 31 December 2024	49,754	–	32,169	81,923

NOTES TO THE FINANCIAL STATEMENTS *continued*

19. Financial liabilities *continued*

BKR consideration

On 30 November 2018 Serica completed the four BKR acquisitions. The following elements of consideration were outstanding at 31 December 2024 and 2025:

- BP, Total E&P and BHP retain liability, in respect of the field interests Serica acquired from each of them, for all the costs of decommissioning those facilities that existed at the date of completion. Serica will pay contingent consideration equal to 30% of actual future decommissioning costs, reduced by the tax relief that each of BP, Total E&P and BHP receives on such costs. Serica makes annual contractual advance stage payments to counterparties in respect of the potential deferred consideration (see note 15) that might ultimately be due.
- Serica will pay to each of BP, Total E&P and BHP, contingent consideration equal to 90% of their respective shares of the realised value of oil in the Bruce pipeline at the end of field life (see note 20).

Fair value measurement of BKR contingent consideration

The fair value of the contingent consideration is estimated as at applicable reporting dates from a valuation technique using future expected discounted cash flows. This methodology uses several significant unobservable inputs which are categorised within Level 3 of the fair value hierarchy.

The calculations are complex and involve a range of projections and assumptions related to estimates of future decommissioning expenditure, taxation, future operating and development costs, production volumes, oil and gas sales prices and discount rates. The underlying assumptions have been updated from 2024. Estimated contingent consideration payments have been calculated at a discount rate of 10% (2024: 10%).

Given the multiple input variables and judgements used in the calculations, and the inter relationships between changes in these variables, an estimate of a reasonable range of possible outcomes of undiscounted value of the contingent consideration has not been considered feasible. In isolation, the calculations are most sensitive to discount rates, the timing of and estimated decommissioning costs, and future commodity prices.

A sensitivity analysis to the discount rate used shows a decrease in the discount rate used from 10% to 9% would result in an increase in the fair value of the contingent consideration by \$4.3 million, and an increase from 10% to 11% would result in a decrease in the fair value of the contingent consideration by \$3.8 million.

Royalty liability

Royalty represents amounts payable under a sale and purchase agreement subject to future production volumes and commodity prices over the life of certain assets in the Triton Cluster.

The fair value of the royalty liability is estimated as at applicable reporting dates from a valuation technique using future expected discounted cash flows. This methodology uses several significant unobservable inputs which are categorised within Level 3 of the fair value hierarchy. The calculations involve a range of assumptions related to oil prices, production volumes and discount rates. Estimated payments have been calculated at a discount rate of 9% (2024: 9.0%).

Given the multiple input variables and judgements used in the calculations, and the inter relationships between changes in these variables, an estimate of a reasonable range of possible outcomes of undiscounted value of the royalty liability has not been considered feasible. In isolation, the calculations are most sensitive to assumed future commodity prices, oil and gas reserves, production profiles and estimated decommissioning costs.

A sensitivity analysis to the oil price assumption used shows a 10% increase in the oil price assumed would result in an increase in the fair value of the royalty liability by \$7.6 million (2024: \$8.8 million).

Deferred consideration

The deferred consideration represents deferred consideration totalling £7 million payable in two tranches in 2026 and 2027 in respect of the acquisition of 100% of the shares in Parkmead (E&P) Limited (renamed Serica Energy Norte Limited during 2025) from Parkmead Group Plc in April 2025 (see note 30). Payments have been calculated at a discount rate of 8.2%.

20. Provisions

	Decommissioning provision \$000	Other provision \$000	Total \$000
At 1 January 2024	148,346	412	148,758
Change in estimate (note 13)	9,711	–	9,711
Change in estimate expensed (note 5)	601	–	601
Unwinding of discount (note 8)	5,564	–	5,564
Payments	(18,142)	(97)	(18,239)
Currency translation adjustment	(421)	–	(421)
At 31 December 2024	145,659	315	145,974
Acquisitions (note 29)	56,480	–	56,480
Change in estimate (note 13)	41,676	–	41,676
Unwinding of discount (note 8)	6,637	–	6,637
Payments	(1,088)	(108)	(1,196)
Additions	–	987	987
Currency translation adjustment	1,748	–	1,748
At 31 December 2025	251,112	1,194	252,306
Classified as:			
Current	17,518	1,194	18,712
Non-current	233,594	–	233,594
At 31 December 2025	251,112	1,194	252,306
Classified as:			
Current	–	–	–
Non-current	145,659	315	145,974
At 31 December 2024	145,659	315	145,974

Decommissioning provision

The decommissioning provision represents the present value of decommissioning costs relating to oil and gas interests in the UK which are expected to be incurred up to 2036.

Bruce, Keith and Rhum fields

The Group makes full provision for the future costs of decommissioning its production facilities and pipelines on a discounted basis. With respect to the Bruce, Keith and Rhum fields, the decommissioning provision is based on the Group's contractual obligations of 3.75%, 8.33334% and 0% respectively of the decommissioning liabilities rather than the Group's equity interests acquired. The Group's provision represents the present value of decommissioning costs which are expected to be incurred up to 2036 and assumes no further development of the Group's assets. The liability is discounted at a rate of 4.7% (2024: 4.5%) and the unwinding of the discount is classified as a finance cost (see note 8).

NOTES TO THE FINANCIAL STATEMENTS *continued*

20. Provisions *continued*

Triton area

The Triton area decommissioning provision is based on Serica group's obligations which are in excess of certain agreed decommissioning liability caps with the previous owners of Tailwind's equity interests in Triton. The Group's provision represents the present value of decommissioning costs which are expected to be incurred up to 2036 and assumes no further development of the Group's assets. These provisions have been created based on the Group's internal estimates and, where available, operator estimates and third-party reports. The increase in the current year includes additions to decommissioning provisions arising from the Belinda and Evelyn wells drilled during 2025 and other revisions to existing estimates. These estimates are reviewed regularly to take into account any material changes to the assumptions. The liability is discounted at a rate of 4.7% (2024: 4.5%) and the unwinding of the discount is classified as a finance cost (see note 8).

Orlando and Columbus fields

The Group makes full provision for the decommissioning liabilities for these fields on its respective equity interests. The Group's provision, as at 31 December 2025, represents the present value of decommissioning costs which are expected to be incurred between 2026 and up to 2030 and assumes no further development of the Group's assets. The liability is discounted at rates ranging from 3.6% to 4.1% (2024: 4.5%) and the unwinding of the discount is classified as a finance cost (see note 8).

Erskine field

No provision for decommissioning liabilities for the Erskine field is recorded as at 31 December 2024 or 2025 as the Group's current estimate for such costs is under the agreed capped level to be funded by BP. This has been fixed at a gross £174.0 million (£31.32 million net to Serica) with this figure adjusted for inflation.

Lancaster field

The provision for decommissioning relates to the costs required to decommission the Lancaster FPS installations and the costs required to clean, remove and restore the Aoka Mizu FPSO at the end of the charter term. The liability has been discounted at a rate of 3.6% and the unwinding of the discount is classified as a finance cost (see note 8).

The assumed cessation of production ('COP') of the Lancaster field is May 2026. Decommissioning costs are expected to be incurred between 2026 to 2028, work on the FPSO will commence shortly after COP with these costs classified as short-term.

Other

The estimation of costs, inflation and discount rates are considered to be judgemental and actual decommissioning costs will ultimately depend upon future market prices for the necessary decommissioning works required, which will reflect market conditions at the relevant time. Furthermore, the timing of decommissioning is likely to depend on when the fields cease to produce at economically viable rates. This in turn will depend upon future oil and gas prices, which are inherently uncertain. If the cost estimates were increased by 10% and the discount rate reduced by 1%, the value of the provisions could increase by c.\$45.3 million (2024: c. \$30.9 million).

The Group considers the impact of climate change and Net Zero targets, including action that may impose further requirements and costs on companies in the future, on decommissioning provisions, specifically the timing of future cash flows, and has concluded that it does not currently represent a key source of estimation uncertainty. As all of the Group's currently producing assets are projected to cease production by 2036 it is believed that any such future changes would have limited impact compared to assets with longer durations.

The Group has in issue £76.0 million (\$102.3 million) of surety bonds to cover its obligations under DSAs for fields and infrastructure.

21. Interest bearing loans and borrowings

The Group's loan is carried at amortised cost as follows:

	2025 \$000	2024 \$000
Reserve based lending – at 1 January	219,130	271,200
Repayments of borrowings – original facility	–	(271,200)
Proceeds from borrowings	51,848	283,500
Repayments of borrowings – new facility	(51,848)	(52,500)
RBL commitment fees on entering loan	–	(14,069)
Amortisation of fees (note 8)	2,358	2,199
Reserve based lending – at 31 December	221,488	219,130
Due within one year	–	–
Due after more than one year	221,488	219,130
	221,488	219,130

The Group has a Reserve Based Lending (RBL) facility of \$525 million with a syndicate of leading international banks, with a borrowing base of \$490 million, of which \$231 million was drawn as at 31 December 2025 (31 December 2024: \$231 million). The RBL facility is a multi-currency revolving credit facility that provides significant liquidity to support future acquisitions and investments.

The facility amortises on a six-monthly basis from 1 July 2027 to final maturity on 31 December 2029. The interest rate for loan drawings is SOFR plus a margin of 3.90% per annum and the Borrowing Base Assets comprise all of Serica's interests in producing fields with the exception of Serica's largest single producing field the Rhum field. The available amount under the facility is subject to semi-annual redeterminations. The RBL includes a financial covenant to maintain net debt/EBITDAX cover ratio below 3.5x and other terms and conditions are consistent with Loan Market Association terms for comparable syndicated RBL financings, with the financial covenant tested on a biannual basis. As at 31 December 2025 Serica is fully compliant with the financial covenant and all other terms of the facility. The facility also includes a separate \$100 million sub limit which can be utilised to issue Letters of Credit without the need for cash security.

The facility agreement also has an uncommitted accordion feature which provides an option for an additional financing of up to \$525 million, amounting to total facilities of up to \$1,050 million. The accordion facility can be exercised within thirty-six months of the RBL signing date of January 2024, subject to certain conditions.

During the year, the Group made drawdowns of \$6 million in October 2025, £25 million in November 2025, and \$13 million in December 2025, all of which were voluntarily repaid in full in December 2025. In the prior year, an amount of \$283.5 million was drawn down from the RBL facility in January 2024 to repay a previous RBL balance of \$271.2 million as well as previous RBL interest and fees (\$1.7 million) and the main portion of RBL commitment fees (\$10.6 million). These payments were made directly by the RBL banks to the relevant parties on Serica's instructions. In February 2024, the Group made a voluntary repayment of \$52.5 million.

In December 2025, Serica completed the semi-annual redetermination under its RBL facility. Following that redetermination, the borrowing base was confirmed at \$456 million effective 1 January 2026 with no change to the committed facility of \$525 million.

NOTES TO THE FINANCIAL STATEMENTS continued

22. Financial instruments

The Group's financial instruments comprise cash and cash equivalents, bank loans and borrowings, accounts payable and accounts receivable, derivative financial instruments and contingent consideration. It is management's opinion that the Group is not exposed to significant interest, credit or currency risks arising from its financial instruments other than as discussed below:

- Serica has exposure to interest rate fluctuations on its cash deposits and given the level of expenditure planned over 2026/27 this is managed in the short-term through selecting treasury deposit periods of one to three months. Cash and treasury credit risks are mitigated through spreading the placement of funds over a range of institutions each carrying acceptable published credit ratings to minimise concentration and counterparty risk.
- Serica sells oil, gas and related products only to recognised international oil and gas companies and has no previous history of default or non-payment of trade receivables. Where Serica operates joint ventures on behalf of partners it seeks to recover the appropriate share of costs from these third parties. The majority of partners in these ventures are well established oil and gas companies. In the event of non-payment, operating agreements typically provide recourse through increased venture shares.
- Serica retains certain non-\$ cash holdings and other financial instruments relating to its operations. The \$ reporting currency value of these may fluctuate from time to time causing reported foreign exchange gains and losses. Serica maintains a broad strategy of matching the currency of funds held on deposit with the expected expenditures in those currencies. Management believes that this mitigates most of any actual potential currency risk from financial instruments.

It is management's opinion that the fair value of its financial instruments approximate to their carrying values, unless otherwise noted.

Interest Rate Risk Profile of Financial Assets and Liabilities

The interest rate profile of the financial assets and liabilities of the Group as at 31 December is as follows:

Group

Year ended 31 December 2025

	Within 1 year \$000	1-2 years \$000	2-5 years \$000	Total \$000
Floating rate				
Cash and restricted cash	30,900	–	–	30,900
Loans and borrowings	–	(68,000)	(163,000)	(231,000)
				(200,100)

Year ended 31 December 2024

	Within 1 year \$000	1-2 years \$000	2-5 years \$000	Total \$000
Fixed rate				
Short-term deposits	25,070	–	–	25,070
				25,070

	Within 1 year \$000	1-2 years \$000	2-5 years \$000	Total \$000
Floating rate				
Cash	123,390	–	–	123,390
Loans and borrowings	–	–	(231,000)	(231,000)
				(107,610)

22. Financial instruments continued

The following table demonstrates the sensitivity of finance revenue and finance costs to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on fixed rate short-term deposits and applicable bank loans).

Increase/decrease in interest rate

	Effect on profit before tax 2025 \$000	Effect on profit before tax 2024 \$000
+0.75%	(1,018)	319
-0.75%	1,018	(319)

The other financial instruments of the Group that are not included in the above tables are non-interest bearing and are therefore not subject to interest rate risk.

Credit risk

The Group's exposure to credit risk relating to financial assets arises from the default of a counterparty with a maximum exposure equal to the carrying value as at the balance sheet date. Cash and treasury credit risks are mitigated through spreading the placement of funds over a range of institutions each carrying acceptable published credit ratings to minimise counterparty risk.

In addition, there are credit risks of commercial counterparties including exposures in respect of outstanding receivables. The Group's oil and gas sales are all contracted with well-established oil and gas or energy companies. Also, where Serica operates joint ventures on behalf of partners it seeks to recover the appropriate share of costs from the third-party counterparties. The majority of partners in these ventures are well established oil and gas companies. In the event of non-payment, operating agreements typically provide recourse through increased venture shares. Receivable balances are monitored on an ongoing basis with appropriate follow-up action taken where necessary.

Foreign currency risk

The Group enters into transactions denominated in currencies other than its US dollar reporting currency. The Group's non-US dollar denominated balances, subject to exchange rate fluctuations, at year-end were as follows:

	2025 \$000	2024 \$000
Cash and cash equivalents:		
Pounds Sterling	13,617	121,618
Norwegian kroner	-	-
Euros	74	269
Accounts receivable:		
Pounds Sterling	103,983	78,306
Euros	217	369
Trade and other payables:		
Pounds Sterling	136,834	113,081
Norwegian kroner	16	259
Euros	620	224

NOTES TO THE FINANCIAL STATEMENTS continued

22. Financial instruments continued

The following table demonstrates the Group's sensitivity to a 10% increase or decrease in the Pounds Sterling against the US Dollar. The sensitivity analysis includes only foreign currency denominated monetary items and adjusts their translation at the year-end for a 10% change in the foreign currency rate.

Increase/decrease in foreign exchange rate

	Effect on profit before tax 2025 \$000	Effect on profit before tax 2024 \$000
10% strengthening of US\$ against Pounds Sterling	1,923	31,300
10% weakening of US\$ against Pounds Sterling	(1,923)	(31,300)

Liquidity risk

The table below summarises the maturity profile of the Group and Company's financial assets and liabilities at 31 December 2025 based on contractual undiscounted payments. The Group monitors its risk to a potential shortage of funds by monitoring the maturity dates of existing debt.

As at 31 December 2025	Within 1 year \$000	1-2 years \$000	2-5 years \$000	Total \$000	Total \$000
Assets					
Derivative financial assets	24,260	5,667	–	–	29,927
Liabilities					
Trade and other payables*	187,506	–	–	–	187,506
Leases	2,507	1,920	1,632	–	6,059
Loans and borrowings	21,091	84,377	174,699	–	280,167
Royalty liability	–	3,671	17,461	16,312	37,444
Deferred consideration	4,171	4,978	–	–	9,149
As at 31 December 2024					
	Within 1 year \$000	1-2 years \$000	2-5 years \$000	Total \$000	Total \$000
Assets					
Derivative financial assets	5,185	–	–	–	5,185
Liabilities					
Trade and other payables*	130,481	–	–	–	130,481
Leases	1,418	1,301	2,468	–	5,187
Loans and borrowings	22,920	37,036	256,728	–	316,684
Derivative financial liabilities	31,185	11,201	–	–	42,386
Royalty liability	–	9,123	21,725	13,870	44,718

*excludes overlift balances and deferred revenue

Amounts payable as BKR contingent consideration are explained in detail in note 19.

Commodity price risk

The Group is exposed to commodity price risk due to the fluctuations in prevailing market commodity prices. Where and when appropriate the Group will put in place suitable hedging arrangements to mitigate the risk of a fall in commodity prices as per the Group's hedging policy. This will also meet any hedging requirements under the RBL. All gas production is currently sold at prices linked to the spot market and the significant majority NGL production is sold at prices linked to the spot market. Oil production for 2026 will be sold at spot market linked pricing.

22. Financial instruments continued

At 31 December 2025 Serica held the following hedging arrangements in place.

Oil hedges

	Units	2026				2027
		Q1-26	Q2-26	Q3-26	Q4-26	Q1-27
Weighted Average	Units					
Swap price	\$/bbl	75	–	–	–	–
Collar floor net	\$/bbl	69	61	60	61	60
Total weighted average	\$/bbl	70	61	60	61	60
Collar ceiling	\$/bbl	85	77	76	72	69
Hedged Volume	Kboe/d	4	7	5	3	3

Gas hedges

	Units	2026				2027
		Q1-26	Q2-26	Q3-26	Q4-26	Q1-27
Weighted Average	Units					
Swap price	\$/bbl	94	–	–	–	–
Collar floor net	\$/bbl	83	67	65	71	71
Total weighted average	\$/bbl	85	67	65	71	71
Collar ceiling	\$/bbl	139	102	99	121	121
Hedged Volume	Kboe/d	8	7	5	8	8

Fair values of financial assets and liabilities

Management assessed that the fair values of cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. As such the fair value hierarchy is not provided.

The table below details the Group's fair value measurement hierarchy for liabilities and assets as at 31 December:

Assets/(liabilities) measured at fair value	Note	Fair value measurement using		
		Quoted prices in active markets Level 1 \$000	Significant observable inputs Level 2 \$000	Significant unobservable inputs Level 3 \$000
Year ended 31 December 2025				
Derivative financial assets	16	–	29,927	–
Contingent consideration liability	19	–	–	(60,227)
Royalty liability	19	–	–	(24,754)
Year ended 31 December 2024				
Derivative financial assets	16	–	5,185	–
Derivative financial liabilities	16	–	(42,386)	–
Contingent consideration liability	19	–	–	(49,754)
Royalty liability	19	–	–	(32,169)

There were no transfers between Level 1 and Level 2 during 2024 or 2025.

NOTES TO THE FINANCIAL STATEMENTS continued

22. Financial instruments continued

Capital management

The primary objective of the Group's capital management is to maintain appropriate levels of funding to meet the commitments of its forward programme of exploration, production and development expenditure, and to safeguard the entity's ability to continue as a going concern and create shareholder value. At 31 December 2025, capital employed of the Group amounted to \$891.1 million (comprised of \$669.6 million of equity shareholders' funds and \$221.5 million of borrowings), compared to \$1,015.6 million at 31 December 2024 (comprised of \$796.5 million of equity shareholders' funds and \$219.1 million of borrowings).

The Board regularly reassesses the appropriate dividend payments proposed within the capital structure of the Group. Any future payment of dividends is expected to depend on the earnings and financial condition of the Company and such other factors as the Board considers appropriate.

23. Equity share capital

As at 31 December 2025, the share capital of the Company comprised one "A" share of GB£50,000 and 393,568,407 ordinary shares of US\$0.10 each. The "A" share has no special rights.

The balance classified as total share capital includes the total net proceeds (both nominal value and share premium) on issue of the Group's equity share capital, comprising US\$0.10 ordinary shares and one 'A' share.

Allotted, issued and fully paid: Group	Number '000	Share capital \$000	Share premium \$000	Total Share capital \$000	Merger reserve \$000
As at 1 January 2024	391,321	39,132	206,125	245,257	283,367
Shares issued	2,147	215	65	280	3,223
As at 1 January 2025	393,468	39,347	206,190	245,537	286,590
Shares issued	100	10	168	178	-
As at 31 December 2025	393,568	39,357	206,358	245,715	286,590

During 2025, 100,000 ordinary shares were issued to satisfy awards under the Company's share-based incentive schemes.

As at 24 March 2026 the issued voting share capital of the Company was 393,468,407 ordinary shares and one "A" share.

Group merger reserve

Merger relief was applied by the Group's parent entity Serica Energy plc upon the respective issues of 108,170,426 ordinary shares in March 2023, 1,438,849 ordinary shares in September 2023 and 1,438,849 ordinary shares in March 2024, for the acquisition of Tailwind Energy Investments Ltd. The valuation of the shares issued was based on the fair value at the date of issue, with the nominal value of the shares issued credited to share capital and the excess value of \$286.6 million (£230.3 million) above nominal share capital credited to a merger reserve in the consolidated Group accounts.

Treasury/own shares reserve

Treasury and own shares represent Serica shares repurchased and available for specific and limited purposes. A balance of 3,013,783 own shares (2024: 4,430,193 treasury shares) included in the reserve of \$6,678,000 is held at 31 December 2025 (2024: \$8,931,000). The Company purchased 4,500,000 ordinary shares during 2025.

24. Additional cash flow information

Net cash flows from operating activities consist of:

For the year ended 31 December 2025

	Note	2025 \$000	2024 \$000
Operating activities:			
(Loss)/profit for the year		(51,822)	92,429
Adjustments to reconcile (loss)/profit for the year to generated net cash flow from operating activities:			
Taxation charge		132,165	68,069
Change in fair value liabilities		2,471	2,538
Change in provisions		987	601
Net finance costs		29,160	23,431
Depletion and depreciation		159,186	188,320
Oil and NGL over/underlift		9,660	(20,564)
E&E asset write-offs		147	851
Unrealised hedging (gains)/losses		(67,371)	31,814
Contract revenue – other		(5,408)	(31,292)
Share-based payments		3,523	3,735
Other non-cash movements		111	(81)
Decrease in DSA cash advances		–	35,055
(Increase)/decrease in trade and other receivables		(10,826)	36,170
(Increase) in inventories		(7,562)	(1,140)
Increase/(decrease) in trade and other payables		(14,475)	22,286
Cash inflow from operations		179,946	452,222
Taxation received/(paid)		63,358	(152,517)
Decommissioning spend		(1,088)	(18,142)
Net cash inflow from operating activities		242,216	281,563

NOTES TO THE FINANCIAL STATEMENTS continued

24. Additional cash flow information continued

Reconciliation of movement in net cash flow to movement in net cash/(borrowings)

	2025 \$000	2024 \$000
Repayment of borrowings	51,848	323,700
Proceeds from borrowings	(51,848)	(283,500)
Interest and other loan finance costs paid in year	23,251	26,862
Arrangement fees	–	14,069
Amortisation of fees	(2,358)	(2,199)
Interest and other loan finance costs payable in year	(23,251)	(26,862)
Movement in total borrowings (net)	(2,358)	52,070
Cash acquired on business combination	21,819	–
Movement in cash and cash equivalents	(154,973)	(185,626)
(Increase) in net debt in the year	(135,512)	(133,556)
Opening net (debt)/cash	(70,670)	64,233
Currency translation adjustments	3,534	(1,347)
Closing net debt	(202,648)	(70,670)

Analysis of Group net debt

	2025 \$000	2024 \$000
Cash	18,840	123,390
Short-term deposits	–	25,070
Loans (net)	(221,488)	(219,130)
Closing net debt	(202,648)	(70,670)

25. Share-based payments

Share Option Plans

The Company operates three discretionary incentive share option plans: the Serica Energy plc Long Term Incentive Plan (the "LTIP"), which was adopted by the Board on 20 November 2017 which permits the grant of share-based awards, the 2017 Serica Energy plc Company Share Option Plan ("2017 CSOP"), which was adopted by the Board on 20 November 2017, and the Serica 2005 Option Plan, which was adopted by the Board on 14 November 2005. Awards can no longer be made under the Serica 2005 Option Plan. However, options remain outstanding under the Serica 2005 Option Plan. The LTIP and the 2017 CSOP together are known as the "Discretionary Plans".

The Discretionary Plans will govern all future grants of options by the Company to Directors, officers, key employees and certain consultants of the Group. The Directors intend that the maximum number of ordinary shares which may be utilised pursuant to the Discretionary Plans will not exceed 10% of the issued ordinary shares of the Company from time to time in line with the recommendations of the Association of British Insurers.

The objective of these plans is to develop the interest of Directors, officers, and key employees of the Group in the growth and development of the Group by providing them with the opportunity to acquire an interest in the Company and to assist the Company in retaining and attracting executives with experience and ability.

25. Share-based payments continued

Serica 2005 Option Plan

No options were granted in 2024 or 2025 under the Serica 2005 Option Plan and as at 31 December 2025, no options granted by the Company under the Serica 2005 Option Plan were outstanding. All options awarded under the Serica 2005 Option Plan since November 2009 had a three-year vesting period.

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

Serica 2005 option plan	2025 Number	2025 WAEP £	2024 Number	2024 WAEP £
Outstanding as at 1 January	300,000	0.07	800,000	0.07
Exercised during the year	(300,000)	0.07	(500,000)	0.07
Outstanding as at 31 December	–	–	300,000	0.07
Exercisable as at 31 December	–	–	300,000	0.07

The weighted average remaining contractual life of options outstanding as at 31 December 2024 was 0.5 years. The weighted average share price during 2025 across the period that options were exercised in was \$1.75 (2024: \$2.39).

For the Serica 2005 option plan, the exercise price for all outstanding options at the 2024 year-end was \$0.09.

Long Term Incentive Plan

The following awards granted to certain Directors and employees under the LTIP are outstanding as at 31 December 2025.

Performance Share Awards

Performance Share Awards have a three-year vesting period and are subject to performance conditions based on average share price growth targets to be measured by reference to dealing days in the period of 90 days ending immediately prior to expiry of a three-year performance starting on the date of grant of a Performance Share Award. Performance Share Awards are structured as nil-cost options and may be exercised up until the tenth anniversary of the date of grant.

Performance and Retention Share Awards	2025 Number	2024 Number
Outstanding as at 1 January	8,142,517	9,917,330
Granted during the year	2,048,825	2,546,134
Expired or cancelled during the year	(503,699)	(1,297,830)
Exercised during the year	(3,256,809)	(3,023,117)
Outstanding as at 31 December	6,430,834	8,142,517
Exercisable as at 31 December	1,428,703	4,604,881

The weighted average remaining contractual life of options outstanding as at 31 December 2025 is 7.8 years (2024: 6.7 years). The weighted average share price during 2025 across the period that options were exercised in was \$2.01 (2024: \$1.93).

LTIP awards in 2024

In May 2024, the Company granted nil-cost Performance Share Awards over 1,785,363 ordinary shares under the LTIP. The award was made to members of the Group's executive team and senior management.

The vesting criteria include sliding scale measures of share price performance (35% weighting) and of relative total shareholder return performance (35% weighting), in each case, in respect of a three year period ending at the end of April 2027; together with annual emissions intensity targets (30% weighting) in respect of 2024, 2025 and 2026. For the awards to vest in full, the 90 day end average share price must be at least equal to 400p, the Company's relative total shareholder return performance must be at least upper quartile relative performance (relative to a comparator group of companies) and an emissions intensity target (relating to CO₂e per barrel of oil equivalent from the Group's entire producing portfolio of assets) met in respect of each of 2024, 2025 and 2026. 1,462,611 of the total awards were outstanding and are not exercisable at 31 December 2025.

NOTES TO THE FINANCIAL STATEMENTS continued

25. Share-based payments continued

In November 2024, the Company granted nil-cost Retention Share Awards over 760,771 ordinary shares under the LTIP. The award was made to members of the Group's senior management. These awards are not subject to market conditions and vest after three years of service by the individual. All of the total awards were outstanding and are not exercisable at 31 December 2025.

LTIP awards in 2025

In May 2025, the Company granted nil-cost Performance Share Awards over 2,048,825 ordinary shares under the LTIP. The award was made to members of the Group's executive team and senior management.

The vesting criteria are based on two performance conditions a) up to a maximum of 70% of the total number of shares held under an award vest and become exercisable subject to achievement of relative TSR performance targets, measured at the end of a three-year performance period commencing on 1 May 2025; and b) up to a maximum of 30% of the total number of shares held under an award vest and become exercisable, subject to the achievement of Bruce gross emissions reduction related targets set for the last calendar year comprised within a three-year performance period commencing on 1 January. 2,048,825 of the total awards were outstanding and are not exercisable at 31 December 2025.

Share-based compensation

The Company calculates the value of share-based compensation using a Black-Scholes option pricing model (or other appropriate model for those options subject to certain market conditions) to estimate the fair value of share options at the date of grant. There are no cash settlement alternatives. The options granted in 2024 and 2025 were consistently valued in line with the Company's valuation policy. For the options subject to market conditions, assumptions made included a weighted average risk-free interest rate of 4%, a weighted average expected life of 5 years, and a volatility factor of expected market price of in a range from 55-70%. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome. The weighted fair value of options granted during the year was \$1.63 (2024: \$1.68). The estimated fair value of options is amortised to expense over the options' vesting period.

\$3,523,000 has been charged to the income statement for the year ended 31 December 2025 (2024: \$3,735,000) and a similar amount credited to the share-based payments reserve, classified as 'Other reserve' in the balance sheet. The 'Other reserve' was comprised solely of the share-based payment reserve which totaled \$41,063,000 as at 31 December 2025 (2024: \$37,540,000). A charge of \$951,000 (2024: \$193,000) of the total charge was in respect of key management personnel (defined in note 7).

26. Leases

The Group holds a right of use asset for oil and gas operations (note 13) and related lease liability. This lease is secured by the assets leased and bears interest at a fixed rate with repayments due over a 5-year period. A depreciation charge of \$1,040,000 (2024: \$1,044,000) was expensed within cost of sales.

The Group entered into a five-year lease at its new registered office, 72 Welbeck Street, following the expiry of its previous London office lease at 52 George Street in 2024. A depreciation charge of \$1,045,000 (2024: \$1,070,000) was expensed within administrative expenses in respect of office leases.

Changes in lease liabilities arising from financing activities	2025 \$000	2024 \$000
Lease liability at beginning of the year	5,187	2,360
Acquisitions	957	–
Additions during the year	806	5,069
Cash payments for leases	(1,943)	(2,697)
Lease interest expense	475	524
Currency translation adjustment	242	(69)
Lease liability at end of the year	5,723	5,187
Of which:		
Current	2,308	1,418
Non-current	3,415	3,769
	5,723	5,187

27. Capital commitments and contingencies

The Company also has obligations to carry out defined work programmes on its oil and gas properties, under the terms of the award of rights to these properties. The Company is not obliged to meet other joint venture partner shares of these programmes.

Serica's planned 2026 investment programme includes further capital work on the Bruce facilities and Triton FPSO. At 31 December 2025, the Group had commitments for future capital expenditure relating to its oil and gas properties amounting to \$185 million.

The Group's only significant exploration commitment is the drilling of a commitment well on Licence P2400 (Skerryvore – Serica 20%). Given the lack of clarity regarding the future fiscal and licencing regime, the joint venture applied for an extension to the period, and the NSTA has agreed to extend the P2400 licence to 31 March 2027.

Serica has posted cash collateral of approximately \$12.1 million under decommissioning security arrangements which is disclosed as restricted cash.

The Group occasionally has to provide security for a proportion of its future obligations to defined work programmes or other commitments.

28. Related party transactions and transactions with Directors

The Group financial statements include the financial statements of Serica Energy plc and its subsidiaries listed in note 30. Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. The related party balances have no fixed repayment terms and bore no interest.

The Group's main related parties comprise the Directors and Mercuria Group entities, the latter being related parties due to the significant shareholding of a Mercuria Group subsidiary, Mercuria Holdings (UK) Limited, in Serica Energy plc. Balances and transactions with Mercuria Energy Trading S.A., a subsidiary of the Mercuria Group are disclosed below.

Balances with related party at year end

	2025 \$000	2024 \$000
Mercuria Energy Trading S.A.		
Trade and other payables	–	(4,336)
Accruals	(9,793)	(8,398)

Transactions in income statement with Mercuria Energy Trading S.A.

	Year ended 31 December 2025 \$000	Year ended 31 December 2024 \$000
Revenue	115,851	181,124
Cost of sales	(8,006)	(6,874)
Loss on commodity derivative contracts	–	(1,155)
Finance costs	–	(24)

The above transactions were conducted under contracts already in place when Serica acquired Tailwind Energy Investments Ltd on 23 March 2023, principally the Offtake and Marketing Agreement covering oil offtake from Serica's share in the Triton area and part of Serica's share in Columbus. These contracts were set on prevailing market terms.

Transactions with North Sea Midstream Partners Limited ('NSMP') are also considered related party transactions with effect from 1 July 2024, when a Director assumed a key management personnel position within Serica Energy plc and a close member of his family held a key management position within NSMP during 2024. The Group incurred pipeline tariff costs of \$13.0 million recorded within cost of sales in 2024 and had a trade payable of \$2.0 million owed to NSMP at 31 December 2024. The close family member of the Director no longer held the key management position within NSMP in 2025 and transactions with NSMP during 2025 are not considered related party transactions.

There are no related party transactions, or transactions with Directors that require disclosure except for the remuneration items disclosed in the Directors Report and note 7 above. These disclosures include the compensation of key management personnel.

NOTES TO THE FINANCIAL STATEMENTS continued

29. Acquisition of Prax Upstream Limited

Overview of transaction

On 11 December 2025, the Company completed the acquisition of 100% of the shares of Prax Upstream Limited ('PUL') for a purchase consideration of \$19.6 million and as a result of this acquisition Serica now holds a 100% operated interest in the Lancaster Field. The activities acquired comprise a production oil & gas asset in the West of Shetland Area that is capable of managing the provision of goods and generating income from its activities, and as it is therefore considered to constitute a business as defined in IFRS 3 Business Combinations, the acquisition is accounted for as a business combination.

At the acquisition date PUL was party to separate executed Sale and Purchase Agreements ('Existing SPAs') with TotalEnergies and ONE-Dyas for the purchase of certain assets for base consideration payable of \$1 and \$6.75 million respectively. The base consideration in both transactions will be adjusted by customary completion adjustments in the interim period. The Existing SPAs are subject to standard partner and regulatory approvals, and post completion, expected in H1 2026, Serica will hold a 40% operated interest in the Greater Laggan Area ('GLA'), 10% interest in the Catcher Field, 5.21% interest in the Golden Eagle Development ('GEAD').

Acquisition of PUL – assets acquired and liabilities assumed

The consolidated 2025 financial statements included the fair values of the identifiable assets and liabilities as at the date of acquisition 11 December 2025, and the results of the combined transaction assets for the three-week period from the acquisition date.

Assets acquired and liabilities assumed at date of acquisition	Provisional fair value recognised on acquisition \$000
Assets	
Property, plant and equipment (note 13)	1,877
Net deferred tax asset (note 9)	6,654
Debtors, prepayments and other assets	4,824
Inventory	8,410
Restricted cash	12,060
Cash and cash equivalents	21,819
	55,644
Liabilities	
Trade and other payables	35,120
Lease liabilities (note 26)	957
Provisions (note 20)	56,480
	92,557
Total identifiable net liabilities at fair value	(36,913)
Cash consideration	19,584
Other consideration	–
Purchase consideration	19,584
Provisional goodwill on acquisition	56,497
The cash inflow on acquisitions is as follows:	
Cash consideration paid	(19,584)
Cash acquired with subsidiary	21,819
Net cash inflow on acquisition	2,235

29. Acquisition of Prax Upstream Limited continued

Fair value of consideration

The combined purchase consideration of the transaction was \$19.6 million (£14.8 million), which comprised cash of \$19.6 million (£14.8 million).

The excess of the purchase consideration over the provisional fair value of the net liabilities assumed was recognised as provisional goodwill in the 2025 balance sheet. Debtors and other assets included in the total identifiable net assets at fair value were equivalent to gross contractual amount receivables.

The provisional fair value assets and liabilities identified at acquisition do not include future value that Serica expects to generate from future events being the completion of the Existing SPAs (including synergies). Serica did not own or control the assets and liabilities associated with the existing SPAs as at the date of acquisition of PUL as the SPAs were still subject to standard partner and regulatory approvals. Serica is not recognising deferred tax assets that are contingent on controlling those assets.

The provisional goodwill recognised can primarily be attributed to post completion value that Serica believes will crystallise upon completion of the existing SPAs including the potential benefits of additional tax losses which have not been recognised on acquisition of PUL. The Total SPA is expected to complete at the end of March 2026 and the One-Dyas SPA in June 2026. No element of goodwill is expected to be deductible for income tax purposes and is unallocated at year end and will be reviewed and finalised in the next year.

The purchase price allocation remains provisional as permitted by IFRS 3. The fair value of identifiable assets and liabilities may be adjusted within the measurement period of up to one year from the acquisition date and therefore finalised in Serica's full year 2026 financial statements.

From the date of acquisition, the Prax assets contributed \$nil of revenue and a loss of \$1 million to profit before tax from continuing operations of the Group. If the combination had taken place at the beginning of the year, PUL would have contributed \$130.5 million of revenue for the year ended 31 December 2025. Management consider that it is impractical to assess the impact on profit before tax if the acquisition had completed on 1 January 2025. Prior to its acquisition by Serica, PUL's parent entity was in administration and PUL's pre-acquisition results include significant administration process related and other exceptional items that do not permit a reliable reconstruction on a basis consistent with the Group's accounting policies.

Transaction costs of \$4.2 million were incurred in 2025 and expensed in the income statement. Other transaction costs of \$1.3 million were incurred in 2025 on the separate acquisition of assets from Spirit Energy which was announced on 16 December 2025 and expected to complete in 2026.

30. Acquisition of asset interests

Acquisition of Parkmead E&P Limited

In April 2025, Serica Energy (UK) Limited acquired 100% of the shares in Parkmead (E&P) Limited (renamed Serica Energy Norte during 2025) from Parkmead Group Plc ('Parkmead'), an entity holding a 50% working interest in licence P2400 (Skerryvore) and a 50% working interest in licence P2634 (Fynn Beaully). The transaction provides optionality regarding future projects, simplifies decision making, and provides strategic flexibility relating to the existing position in Skerryvore through consolidating the interests in the P2400 licence, in which Serica Energy (UK) Limited already holds a 20% interest. Following completion of the transaction, Serica holds 70% and is the operator. The P2634 licence was awarded in the 33rd Licencing Round in July 2024 to Parkmead (E&P) Limited, as operator, and Orcadian Energy, and includes the Fynn Beaully heavy oil discovery. The current licence commitment is limited to technical studies to assess the feasibility of reducing Fynn Beaully oil viscosity using enhanced oil recovery techniques.

The acquisition was made for the following consideration.

- An initial consideration of £7 million (\$9.1 million).
- An additional deferred consideration of £7 million (\$9.1 million) to be paid in stages over 2026 and 2027
- Contingent consideration which comprises contingent payments linked to certain development milestones – payable on receipt by Serica of approval by the North Sea Transition Authority ('NSTA') for a field development plan ('FDP') relating to Skerryvore or Fynn Beaully. These payments are calculated based on £0.8/bbl of net 2P reserves contained within the respective FDP, subject to a cap of £30 million and £90 million respectively.

The transaction was treated as an asset acquisition as it did not include relevant supplementary and other substantive activities beyond the assets acquired to be considered a business combination. The amounts of initial and deferred consideration and minor other costs are recorded as an Exploration and Evaluation asset acquisition cost of \$19.4 million (see note 12).

Serica's accounting policy (see note 2) in respect of this asset acquisition is that the cost of asset on initial recognition excludes any variable or contingent payments. Accordingly, no liability is currently recognised for those contingent amounts dependent on FDP approvals and the quantification of net 2P reserves at that time, which will not be known until respective FDP approvals.

30. Acquisition of asset interests continued

Acquisition of interest in Greater Buchan Area

In February 2024, Serica Energy (UK) Limited acquired JOG Fox Limited (renamed Serica GBA Limited during 2024), an entity holding 30% non-operated interests in the P2498 and P2170 licences (together the Greater Buchan Area from Jersey Oil & Gas ('JOG')). The interests were subsequently transferred to Serica Energy (UK) Limited in October 2024. The partners in the GBA are Serica Energy (UK) Limited (30%), NEO Energy (50% and operator) and JOG (20%). This transaction gives Serica the option of participating in the re-development of the Buchan field and other potential developments in the GBA. The transaction was treated as an asset acquisition as it did not include relevant supplementary and other substantive activities beyond the assets acquired to be considered a business combination.

The transaction is structured as a farm-in, with modest up-front consideration payments, a carry of pre-Financial Investment Decision ("FID") and development costs, and modest contingent consideration payments.

In return for a 30% working interest in the GBA licences, on completion Serica made a cash payment to JOG of \$7.7 million (£6 million) which reflected adjustments between buyer and seller to reflect an economic date for the transaction of 1 April 2023. This amount is recorded as an Exploration and Evaluation asset acquisition cost (see note 12). Serica is not committed under the terms of the transaction to participate in the GBA developments. In the event of participation at each relevant stage, Serica will make further payments to JOG as follows:

- \$7.5 million on approval of the Buchan Horst FDP by the NSTA
- A 7.5% carry of the Buchan Horst field pre-FID and development costs (paying 37.5% for a 30% working interest). The development cost carry is capped at 7.5% of the budget approved by the Buchan Joint Venture for the development of the Buchan Horst field at the time of the FDP. Subject to the cap, the development cost carry equates to a 1.25 carry ratio for development costs; the same as an arrangement previously agreed between JOG and NEO Energy
- \$3 million on approval by the NSTA of a J2 FDP
- \$3 million on approval by the NSTA of a Verbier FDP

Serica's accounting policy (see note 2) in respect of this asset acquisition is that the cost of asset on initial recognition excludes any variable or contingent payments dependent on FDP approvals. Accordingly, no liability is currently recognised for those contingent amounts.

31. Subsidiaries

The Group and the Company (unless indicated) had investments in the following subsidiaries as follows:

Name of Company	Holding	Nature of business	% voting rights and shares held 2025	% voting rights and shares held 2024
Serica Holdings UK Ltd (ii)	Ordinary	Holding	100	100
Serica Energy Investments Limited (ii)	Ordinary	Holding	100	100
Serica Energy Holdings BV (i & iii)	Ordinary	Holding	100	100
Serica Energy (UK) Ltd (i & ii)	Ordinary	E&P	100	100
NSV Energy Limited (v)	Ordinary	Holding	–	100
Serica Energy Meltemi Limited (i & ii)	Ordinary	E&P	100	100
Serica Energy Sirocco Limited (v)	Ordinary	Holding	–	100
Serica Energy Chinook Limited (i & ii)	Ordinary	E&P	100	100
Serica Energy Mistral Limited (i & ii)	Ordinary	E&P	100	100
Serica Energy Bora Limited (v)	Ordinary	E&P	–	100
Serica Energy Corporation (i & iv)	Ordinary	Dormant	100	100
APD Ltd (v)	Ordinary	Dormant	–	100
PDA Asia Ltd (v)	Ordinary	Dormant	–	100
Serica UK Exploration Limited (i & ii)	Ordinary	Dormant	100	100
Serica GBA Limited (i & ii) (note 30)	Ordinary	Dormant	100	100
Serica Energy Norte Limited (i & ii)	Ordinary	E&P	100	–
Prax Upstream Limited (ii)	Ordinary	E&P	100	–
Prax Hurricane Basement Limited (i & ii)	Ordinary	Dormant	100	–
Prax Hurricane GLA Limited (i & ii)	Ordinary	E&P	100	–
Prax Hurricane Group Limited (i & ii)	Ordinary	Dormant	100	–
Prax Hurricane GWA Limited (i & ii)	Ordinary	E&P	100	–
Prax Hurricane Holdings Limited (i & ii)	Ordinary	Holding	100	–
Prax Hurricane Petroleum Limited (i & ii)	Ordinary	Dormant	100	–
Prax Hurricane (Strathmore) Limited (i & ii)	Ordinary	Dormant	100	–
Prax Hurricane (Whirlwind) Limited (i & ii)	Ordinary	E&P	100	–

(i) Held by a subsidiary undertaking

(ii) Incorporated in the UK

(iii) Incorporated in the Netherlands

(iv) Incorporated in the British Virgin Islands

(v) Entity struck off in year

The registered office of Serica Holdings UK Limited, Serica Energy (UK) Limited, Serica Energy Investments Limited, Serica Energy Meltemi Limited, Serica Energy Mistral Limited, Serica UK Exploration Limited, Serica GBA Limited, Prax Upstream Limited, Prax Hurricane Basement Limited, Prax Hurricane GLA Limited, Prax Hurricane Group Limited, Prax Hurricane GWA Limited, Prax Hurricane Holdings Limited, Prax Hurricane Petroleum Limited, Prax Hurricane (Strathmore) Limited and Prax Hurricane (Whirlwind) Limited is 4th Floor, 72 Welbeck Street, London, W1G 0AY.

The registered office of Serica Energy Chinook Limited and Serica Energy Norte Limited is H1 Building, Hill of Rubislaw, Anderson Drive, Aberdeen, AB15 6BY.

The registered office of the Company's subsidiaries incorporated in the Netherlands is Hoogoorddreef 15, 1101 BA Amsterdam, The Netherlands.

The registered office of Serica Energy Corporation is P.O. Box 71, Road Town, Tortola, British Virgin Islands.

32. Events Since Balance Sheet Date

There have been no events since the balance sheet date that require disclosure.

DIRECTORS' RESPONSIBILITIES STATEMENT in relation to the Company financial statements

The Directors are responsible for preparing the Company financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under United Kingdom company law the Directors have elected to prepare the parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 101 'Reduced Disclosure Framework' (United Kingdom Accounting Standards and applicable law). 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 Company and the profit or loss of the Company for that period.

In preparing the Company financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 Company financial statements comply with 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.

COMPANY BALANCE SHEET as at 31 December 2025

Registered Number: 05450950

	Note	2025 \$000	2024 \$000
Non-current assets			
Property, plant and equipment		3,202	3,977
Investments in subsidiaries	3	588,637	525,803
		591,839	529,780
Current assets			
Trade and other receivables	4	210,155	123,456
Cash and cash equivalents	5	2,945	85,870
		213,100	209,326
Total assets		804,939	739,106
Current liabilities			
Trade and other payables	6	16,166	11,147
Leases		3,005	3,512
Total liabilities		19,171	14,659
Net Assets		785,768	724,447
Share capital	7	210,444	210,266
Merger reserve	7	398,762	398,762
Other reserve	7	41,063	37,540
Treasury/own shares	7	(6,678)	(8,931)
Accumulated funds		92,572	89,325
Currency translation reserve		49,605	(2,515)
Total equity		785,768	724,447

The profit for the Company was \$100.2 million for the year ended 31 December 2025 (2024: \$157.2 million).

Approved by the Board on 25 March 2026

Chris Cox
Chief Executive Officer

Martin Copeland
Chief Financial Officer

COMPANY STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2025

Company	Share capital \$000	Merger reserve \$000	Other reserve \$000	Treasury/ own Shares \$000	Currency translation \$000	Accum'd funds \$000	Total \$000
As at 1 January 2025	210,266	398,762	37,540	(8,931)	(2,515)	89,325	724,447
Profit for the year	-	-	-	-	-	100,172	100,172
Exchange differences on translation	-	-	-	-	52,120	-	52,120
Total comprehensive income	-	-	-	-	52,120	100,172	152,292
Share-based payments	-	-	3,523	-	-	-	3,523
Issue of share capital (note 8)	178	-	-	-	-	-	178
Treasury shares/ own shares	-	-	-	(9,819)	-	-	(9,819)
Release of shares	-	-	-	12,072	-	(12,072)	-
Dividend paid	-	-	-	-	-	(84,853)	(84,853)
At 31 December 2025	210,444	398,762	41,063	(6,678)	49,605	92,572	785,768
At 1 January 2024	209,986	395,539	37,650	-	9,465	51,473	704,113
Profit for the year	-	-	-	-	-	157,236	157,236
Exchange differences on translation	-	-	-	-	(11,980)	-	(11,980)
Total comprehensive income	-	-	-	-	(11,980)	157,236	145,256
Share-based payments	-	-	3,735	-	-	-	3,735
Issue of share capital (note 8)	280	3,223	-	-	-	-	3,503
Treasury shares	-	-	-	(18,775)	-	-	(18,775)
Release of shares	-	-	-	9,844	-	(9,844)	-
Share payments	-	-	(3,845)	-	-	3,845	-
Dividend paid	-	-	-	-	-	(113,385)	(113,385)
At 31 December 2024	210,266	398,762	37,540	(8,931)	(2,515)	89,325	724,447

NOTES TO THE COMPANY FINANCIAL STATEMENTS

1. Corporate information

The Company's financial statements for the year ended 31 December 2025 were authorised for issue by the Board of Directors on 25 March 2026 and the balance sheet was signed on the Board's behalf by Chris Cox and Martin Copeland. Serica Energy plc is a public limited Company incorporated and domiciled in England & Wales with its registered office at 4th Floor, 72 Welbeck Street, London, W1G 0AY. The principal activity of the Company and its subsidiaries (together the 'Group') is to identify, acquire and subsequently exploit oil and gas reserves.

2. Accounting policies

Basis of Preparation

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2025.

The Company financial statements have been prepared on a historical cost basis and presented in US dollars. The Company's functional currency remains as Pounds Sterling. All values are rounded to the nearest thousand US dollars (\$000) except when otherwise indicated.

These separate financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' ('FRS 101') and the Companies Act 2006. The Company meets the definition of a qualifying entity under FRS 100, 'Application of Financial Reporting Requirements' as issued by the Financial Reporting Council. The Company, as permitted by FRS 101, has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments, financial instruments, fair value measurement, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of assets and related party transactions. Where relevant, equivalent disclosures have been given in the Group accounts.

The Company has taken advantage of the exemption provided under section 408 of the Companies Act 2006 not to publish its individual income statement and related notes. The profit of the parent Company was \$100,172,000 (2024: \$157,236,000).

Going concern

The Directors' assessment of going concern concludes that the use of the going concern basis is appropriate and the Directors have a reasonable expectation that the Group, and therefore the Company, will be able to continue in operation and meet its commitments as they fall due over the going concern period. See note 2 of the Group financial statements for further details.

Critical accounting estimates and judgements

The management of the Company has to make estimates and judgements when preparing the financial statements of the Company. Uncertainties in the estimates and judgements could have an impact on the carrying amount of assets and liabilities and the Company's results.

The most important judgements and estimates in relation thereto are:

Impairment of investments in subsidiaries

Management is required to assess the carrying value of investments in subsidiaries in the parent Company balance sheet for impairment. This requires a judgement whether impairment triggers exist that might lead to the impairment of investments in subsidiaries. If a trigger is identified then the assessment for impairment requires an estimate of amounts recoverable from the underlying subsidiaries considering the oil and gas assets within them and their associated liabilities.

Investments

In its separate financial statements the Company recognises its investments in subsidiaries at cost less any provision for impairment.

Trade and other receivables and contract assets

Provision for expected credit losses of trade receivables and contract assets

The Company holds inter-company loans with subsidiary undertakings with repayment dates being repayable on demand. These inter-company loans are disclosed on the face of the balance sheet. None are past due nor impaired. The carrying value of these loans approximates their fair value. The expected credit loss on these loans with subsidiary undertakings is expected to be immaterial, both on initial recognition and subsequently.

Financial instruments

Equity

Equity instruments issued by the Company are recorded in equity at the proceeds received, net of direct issue costs.

NOTES TO THE COMPANY FINANCIAL STATEMENTS *continued*

2. Accounting policies *continued*

Treasury/own shares

The Company's holdings in its own equity instruments are shown as deductions from shareholders' equity. Treasury shares represent Serica shares repurchased and available for specific and limited purposes. For accounting purposes, shares held in Employee Benefit Trusts to meet the future requirements of the employee share-based payment plans are treated in the same manner as treasury shares and are, therefore, included in the Company's financial statements as treasury/own shares. The cost of treasury shares subsequently sold or reissued is calculated on a weighted-average basis. Consideration, if any, received for the sale of such shares is also recognised in equity. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of equity shares.

Foreign currencies

Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the foreign currency rate of exchange ruling at the balance sheet date and differences are taken to the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined. Exchange gains and losses arising are charged to the income statement.

The Company has a functional currency of GBPE sterling but from 1 January 2024 changed the presentational currency to US\$ for its financial statements. Items are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of each transaction).
- The exchange differences arising on translation are recognised in other comprehensive income.

3. Investments

<i>Company – Investment in subsidiaries</i>	<i>Total \$000</i>
Cost:	
At 1 January 2024	534,808
Revisions	(811)
Currency translation adjustment	(8,194)
At 31 December 2024	525,803
Acquisitions	23,792
Currency translation adjustment	39,042
At 31 December 2025	588,637
Provision for impairment:	
At 1 January 2024, 31 December 2024 and 31 December 2025	–
Net book amount:	
At 31 December 2025	588,637
At 31 December 2024	525,803
At 1 January 2024	534,808

3. Investments continued

2025 acquisition of Prax Upstream Limited

The Company completed the acquisition of Prax Upstream Limited in December 2025 (see note 29 of the Group financial statements) for \$23.8 million comprising consideration and other transaction costs.

2023 acquisition of Tailwind Energy Investments Ltd

Merger relief was applied by the Company upon the issue of ordinary shares in 2023 for the acquisition of Tailwind Energy Investments Ltd. The valuation of the shares issued was based on the fair value at the date of issue, with the nominal value of the shares issued credited to share capital and the excess value above nominal share capital credited to a merger reserve in the Company accounts (see note 7).

Details of the investments in which the Company's subsidiaries are provided in note 31 of the Group financial statements.

Historic reorganisation

In the Company financial statements, the cost of the investment acquired on an historic reorganisation in 2005 was calculated with reference to the market value of Serica Energy Corporation as at the date of the reorganisation. As a UK Company, under Section 612 of the Companies Act 2006, the Company is entitled to merger relief on its share reorganisation with Serica Energy Corporation, and the excess of £88,088,000 over the nominal value of shares issued (US\$7,475,000) was credited to a merger reserve. The merger reserve is adjusted for any write-down in the value of the investment in subsidiary.

4. Trade and other receivables

	2025 \$000	2024 \$000
Due within one year:		
Amounts owed by Group undertakings	206,375	121,776
Other receivables	3,780	1,680
	210,155	123,456

At the reporting date the amounts owed by Group undertakings to the Company are disclosed net of an impairment of \$nil (2024: \$nil). These amounts have not been secured, have no maturity and bear no interest.

The Company holds inter-company loans with subsidiary undertakings being repayable on demand. The carrying value of these loans approximates their fair value. The expected credit loss on these loans with subsidiary undertakings is expected to be immaterial, both on initial recognition and subsequently.

5. Cash and cash equivalents

	2025 \$000	2024 \$000
Cash at bank and in hand	2,945	60,800
Short-term deposits	–	25,070
Cash and cash equivalents	2,945	85,870

NOTES TO THE COMPANY FINANCIAL STATEMENTS continued

6. Trade and other payables

	2025 \$000	2024 \$000
Current:		
Amounts owed to Group undertakings	8,944	8,205
Trade payables	749	1,262
Other payables	1,315	1,358
Accrued expenses	5,158	322
	16,166	11,147

Accrued expenses in 2025 include amounts payable for transaction costs from the Company's acquisition of Prax Upstream Limited.

7. Equity share capital and reserves

As at 31 December 2025, the share capital of the Company comprised one "A" share of GBE50,000 and 393,568,407 ordinary shares of US\$0.10 each. The "A" share has no special rights.

The balance classified as total share capital includes the total net proceeds (both nominal value and share premium) on issue of the Company's equity share capital, comprising US\$0.10 ordinary shares and one 'A' share.

Allotted, issued and fully paid: Company	Number '000	Share capital \$000	Share premium \$000	Total share capital \$000
As at 1 January 2024	391,321	39,132	170,854	209,986
Shares issued	2,147	215	65	280
As at 1 January 2025	393,468	39,347	170,919	210,266
Shares issued	100	10	168	178
As at 31 December 2025	393,568	39,357	171,087	210,444

Company merger reserve

Merger relief was applied by the Company upon the issue of ordinary shares for the acquisition of Tailwind Energy Investments Ltd in 2023. The valuation of the shares issued was based on the fair value at the date of issue, with the nominal value of the shares issued credited to share capital and the excess value above nominal share capital credited to a merger reserve in the Company accounts.

Treasury/own shares reserve

A balance of 3,013,783 shares (2024: 4,430,193) included in the reserve of \$6,678,000 is held at 31 December 2025 (2024: \$8,931,000). The Company purchased 4,500,000 ordinary shares during 2025.

Other reserve

The 'Other reserve' was comprised solely of the share-based payment reserve which totaled \$41,063,000 as at 31 December 2025 (2024: \$37,540,000).

8. Auditor's remuneration

Fees payable to the Company's auditor for the audit of the Company and Group financial statements are disclosed in note 6 of the Group financial statements.

9. Directors' remuneration

The emoluments of the Directors are paid to them in their capacity as Directors of the Company for qualifying services to the Company and the Group. Further information is provided in note 7 of the Group financial statements. The Directors do not believe it is practicable to apportion these amounts between their services as Directors of the Company and their services as Directors of the operating group subsidiary entities.

RECONCILIATION OF NON-IFRS MEASURES

Serica uses certain measures of performance that are not specifically defined under IFRS or other generally accepted accounting principles ('GAAP'). These non-IFRS measures, which are presented within the financial review, are defined below:

EBITDAX: Earnings before interest, tax, depreciation and amortisation, impairments, transaction costs, unrealised hedging expenses, FX translation effects, asset revaluation effects, other non-cash gains or expenses and exploration expenditure. This is a useful indicator of underlying business performance and the definition adopted by Serica is consistent with that stipulated in the Group's reserve based lending ("RBL") facility. A reconciliation from Operating Profit to EBITDAX is provided below:

\$000	2025	2024
Operating Profit	111,974	186,467
Add Back Transaction Costs	5,533	–
Add Back DD&A	158,141	187,250
Add Back Depreciation in G&A	1,045	1,070
Add Back E&E Expenses and licence costs	1,247	2,446
Deduct contract revenue – other	(5,408)	(31,292)
Add Back/(Deduct) Unrealised Hedging	(67,371)	31,814
(Deduct)/Add Back FX Effects/Remeasurements	949	(2,633)
Add back share based payments	3,523	3,735
EBITDAX	209,633	378,857

Capital Expenditure (Capex and Abex): Comprises the cash spend (prior to tax allowances) on the acquisition of PP&E assets, the purchase of exploration and appraisal assets and decommissioning spend. Depicts how much the Group has spent, on a cash basis, on purchasing fixed assets in order to further its business goals and objectives. It is a useful indicator of the Group's organic expenditure on oil and gas assets, and exploration and appraisal assets, incurred during a period on a pre-tax basis.

\$000	2025	2024
Purchase of PP&E Assets	242,567	249,050
Purchase of E&E Assets	6,467	11,123
Decommissioning Spend	1,088	18,142
Capital Expenditure	250,122	278,315

Adjusted CFFO less tax: comprises Cash inflow from Operations adjusted by the current tax charge for the year as reflected in Note 9 and also excludes cash movement arising from the return or posting of security deposits for decommissioning and hedging. Serica considers that this is a useful measure of the cash generation of the business after tax charge more directly related to the activity of the period, prior to the decisions made by the Group in relation to capital allocation.

\$000	2025	2024
Cash inflow from operations	179,946	452,222
Less current tax (excluding prior year adjustments)	–	(14,191)
Changes in DSA advances	–	(35,055)
Adjusted CFFO less tax	179,946	402,976

RECONCILIATION OF NON-IFRS MEASURES continued

Free cash flow: net cash flow from operating activities less cash used in investing activities (excluding acquisition costs) and financing activities. This measure is considered a useful indicator of the Group's ability to invest, repay the Group's debt and meet other payment obligations. Group free cash flow reconciles to net cash flow from operating activities as follows:

\$000	2025	2024
Net cash flow from operating activities	242,216	281,563
Net cash flow from investing activities	(253,033)	(253,911)
Net cash flow from financing activities	(122,337)	(213,278)
Adjusted by:		
Repayment of loans and borrowings (net)	-	40,200
Facility fees and interest	-	12,300
Proceeds from issue of shares (net of costs)	(178)	(280)
Payment of dividends	84,853	113,385
EBT/Share buyback	9,819	18,775
Acquisition and transactions costs	15,018	-
Free Cash flow	(23,642)	(1,246)

Adjusted Net cash/(debt): Total cash and cash equivalents plus restricted cash on the consolidated balance sheet less the drawn balance under RBL. This is an indicator of the Group's indebtedness and contribution to capital structure.

\$000	2025	2024
Interest bearing loans	(221,488)	(219,130)
Add back unamortised fees	(9,512)	(11,870)
Cash and cash equivalents	18,840	148,460
Restricted cash	12,060	-
Adjusted Net (Debt)	(200,100)	(82,540)

GLOSSARY

AIM	Alternative Investment Market	NBP	National Balancing Point
ALARP	As Low as Reasonably Possible	NGLs	Natural gas liquids extracted from gas streams
bbl	barrel of 42 US gallons	NSTA	North Sea Transition Authority
bcf	billion standard cubic feet	NSTD	North Sea Transition Deal
boe	barrels of oil equivalent (barrels of oil, condensate and LPG plus the heating equivalent of gas converted into barrels at the appropriate rate)	NTS	National Transmission System
BKR	Bruce, Keith and Rhum fields	NZIA	Net Zero Industry Act
CCUS	Carbon Capture Utilisation & Storage	NZTC	Net Zero Technology Centre
CGU	Cash Generating Unit	OGMP	Oil & Gas Methane Partnership
CMT	Crisis Management Team	OMS	Operating Management System
CPR	Competent Persons Report	OPPC	Oil Pollution Prevention & Control
CSOP	Company Share Options Plan	OPRED	Offshore Petroleum Regulator for the Environment and Decommissioning
CSRD	Corporate Sustainability Reporting Directive	Overlift	Volumes of oil or NGLs sold in excess of volumes produced
CTO	Chief Technical Officer	P50	A best estimate that there should be at least a 50% probability that the quantities recovered will actually equal or exceed the estimate
DD&A	Depreciation, Depletion and Amortisation	P90	A low estimate that there should be at least a 90% probability that the quantities recovered will actually equal or exceed the estimate
D&I	Diversity & Inclusion	PEMS	Predictive Emissions Monitoring Systems
DTA	Deferred Tax Asset	PON	Petroleum Operation Notification
DYV	Developing Young Workforce	PPA	Purchase Price Allocation
EBITDAX	Earnings Before Interest Depreciation Amortisation and Exploration	Proved Reserves	Proved reserves are those Reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves
EEMS	Environmental Emissions Monitoring System	Probable Reserves	Probable reserves are those additional Reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved + probable reserves
ELT	Executive Leadership Team	Possible Reserves	Possible reserves are those additional Reserves that are less certain to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved + probable + possible reserves
EPL	Energy Profits Levy	RBL	Reserves Based Loan
ERAP	Emissions Reduction Action Plan	Reserves	Estimates of discovered recoverable commercial hydrocarbon reserves calculated in accordance with the revised June 2018 Petroleum Resources Management System (PRMS) version 1.01
ESA	Energy Services Agreement	ROV	Remote Operated Vehicle
ETS	Emissions Trading Scheme	SID	Senior Independent Director
FID	Final Investment Decision	SRS	Sustainability Reporting Standards
FDP	Field Development Plan	Tcf	trillion standard cubic feet
FGR	Flare Gas Recovery	TCFD	Taskforce on Climate-related Financial Disclosures
GBA	Greater Buchan Area	TRIR	Total Recordable Incident Rate
GHG	Greenhouse Gas	Underlift	Volumes of oil or NGLs produced but not yet sold
HSE	Health & Safety Executive	UKCS	United Kingdom Continental Shelf
HSEQ	Health Safety Environmental & Quality		
IFRS	International Financial Reporting Standards		
IMT	Incident Management Team		
INTOG	Innovation and Targeted Oil & Gas		
IPIECA	International Petroleum Industry Environmental Conservation Association		
ISSB	International Sustainability Standards Board		
JOA	Joint Operating Agreement		
KWh	Kilowatt-hour		
LTIP	Long Term Incentive Plan		
LWIV	Light Weight Intervention Vessel		
MA	Double Materiality Assessment		
MAR	Market Abuse Regulations		
mmbbl	million barrels		
mmboe	million barrels of oil equivalent		

CORPORATE INFORMATION

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SERICAENERGY

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