HERITAGE PETROLEUM COMPANY LIMITED AND ITS SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 SEPTEMBER 2025
(Presented in Thousands of Trinidad and Tobago Dollars)

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HERITAGE PETROLEUM COMPANY LIMITED AND ITS SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2025

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HERITAGE PETROLEUM COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF MANAGEMENT RESPONSIBILITIES

Management is responsible for the following:

- Preparing and fairly presenting the accompanying consolidated financial statements of Heritage Petroleum Company Limited and its subsidiary ("the Group") which comprise the consolidated statement of financial position as at 30 September 2025, the consolidated statement of comprehensive income, consolidated statement changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements including material accounting policy information;

- Ensuring that the Group keeps proper accounting records;

- Selecting appropriate accounting policies and applying them in a consistent manner;

- Implementing, monitoring and evaluating the system of internal control that assures security of the Group's assets, detection/prevention of fraud, and the achievement of Group operational efficiencies;

- Ensuring that the system of internal control operated effectively during the reporting period;

- Producing reliable financial reporting that comply with laws and regulations, including the Companies Act; and

- Using reasonable and prudent judgement in the determination of estimates.

In preparing these audited consolidated financial statements, management utilised IFRS Accounting Standards as issued by the International Accounting Standard Board and adopted by Institute of Chartered Accountants of Trinidad and Tobago. Where IFRS Accounting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the Group will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying consolidated financial statements have been authorised for issue, if later. Management affirms that it has carried out its responsibilities as outlined above.



……..
Kathleen Alleyne
Chief Financial Officer (Ag)
Date : 23/04/2026



……..
Kerry Rampersad
Chief Executive Officer (Ag)
Date : 23/04/2026

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDER OF HERITAGE PETROLEUM COMPANY LIMITED AND ITS SUBSIDIARY

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Heritage Petroleum Company Limited and its subsidiary ("the Group"), which comprise the consolidated statement of financial position as at 30 September 2025 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 30 September 2025 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that in our professional judgment were of most significance in our audit of the consolidated financial statements of the current period. These matters are addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDER OF HERITAGE PETROLEUM COMPANY LIMITED AND ITS SUBSIDIARY

Report on the Audit of the Consolidated Financial Statements
(Continued)

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Estimation of decommissioning and restoration provisions Provisions associated with decommissioning and future restoration cost recognised by the Group are disclosed in Note 23 to the consolidated financial statements. The total decommissioning liability as at 30 September 2025 was TT$5,251 million (2024: TT$4,755 million) discounted. The calculation of decommissioning provision is performed by specialists and requires the use of significant judgment in the application of key assumptions in respect of asset lives, timing of restoration work being undertaken, the extent of restoration activities required and estimation of future costs. Changes in these assumptions may result in material changes to the decommissioning provision recorded by the Group and as a result is considered a key audit matter.	Our audit procedures focused on the evaluation and assessment work of the Group's internal and external specialists. In obtaining sufficient audit evidence, we: • assessed the competence and objectivity of both the Group's internal and external specialists involved in the estimation process; • assessed the reasonableness of the assumptions utilised by the specialists in the determination of the provisions; • understood the Group's decommissioning and restoration estimation processes; • tested the consistency in the application of principles and assumptions to other areas of the audit such as reserves estimation and impairment testing; • tested the mathematical accuracy of the net present value calculations and discount rate applied; • reconciled the calculations to the financial report prepared by internal and external specialists; and • reviewed the adequacy of the disclosures in the consolidated financial statements

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDER OF HERITAGE PETROLEUM COMPANY LIMITED AND ITS SUBSIDIARY

Report on the Audit of the Consolidated Financial Statements
(Continued)

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment of Oil Exploration Producing Assets The impairment assessment method adopted by the Group in determining the recoverable amount of the producing assets is value in use (VIU) as prescribed by IAS 36 'Impairment of Assets'. Management recorded an impairment charge of TT$ 127 million (2024: TT$ 14 million) related to joint ventures fields. Management's impairment assessment was determined by the analysis of available data and other qualitative factors. There is a significant level of management judgment and estimation uncertainty in the VIU model as well as the analysis of data and other qualitative factors which make impairment of oil exploration and producing properties a key audit matter.	We obtained an understanding of the process related to impairment testing. We assessed data used in the Value in Use (VIU) model, including testing of the forecasted future cash flows. We assessed management's determination of the relevant Cash Generating Units (CGUs) taking into consideration how management monitors and makes decisions about the Group's operations. Further, we analysed the sensitivity of key assumptions used in the valuation model and assessed historical accuracy of cash flows applied by management. We tested the mathematical accuracy of the models and assessed the assumptions utilised through the following substantive procedures: Prices • agreed the relevant market price for each index to the reports directly from third party sources. • assessed whether the assumptions used in the calculations were in line with the contracts where applicable. In other instances, we understood management's offset/discount applied to market prices relative to historical trends. and did a reasonableness test on the pricing utilised in the VIU model. • reviewed the mathematical accuracy of the formulas for each component of the model for all years in the calculation.

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDER OF HERITAGE PETROLEUM COMPANY LIMITED AND ITS SUBSIDIARY

Report on the Audit of the Consolidated Financial Statements
(Continued)

Key Audit Matters (continued)

Key Audit Matter	**How our audit addressed the Key Audit Matter**
Impairment of Oil Exploration Producing Assets (continued)	Discount Rate • independently evaluated the Group's discount rate used in the impairment tests with input from EY's valuation specialists. Reserves Estimate • assessed the Group's reserves estimation methods and policies. • compared total reserves included in the impairment assumptions model to the reserves as per the audited reserves report. • held discussions with management and their external expert to understand the production profile and evaluated whether it was consistent with our knowledge of the business activity. Expenditure Forecast • held discussions with management to understand the plan for the Group and source of funding to be implemented to maintain and grow production. • reviewed the opex expenditure forecasted relative to historical trends to determine the reasonableness of the assumptions.

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDER OF HERITAGE PETROLEUM COMPANY LIMITED AND ITS SUBSIDIARY

Report on the Audit of the Consolidated Financial Statements
(Continued)

Other information

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

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

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

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

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

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDER OF HERITAGE PETROLEUM COMPANY LIMITED AND ITS SUBSIDIARY

Report on the Audit of the Consolidated Financial Statements
(Continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements
(Continued)

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDER OF HERITAGE PETROLEUM COMPANY LIMITED AND ITS SUBSIDIARY

Report on the Audit of the Consolidated Financial Statements
(Continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements
(Continued)

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The partner in charge of the audit resulting in the independent auditor's report is Andrew Tom.

EY

.....
Port of Spain,
TRINIDAD:
23 April 2026

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2025
(Presented in Thousands of Trinidad and Tobago Dollars)

Assets	Notes	2025 $	2024 $
Non-current assets			
Oil and gas properties and exploration and evaluation assets	5	4,390,907	4,070,866
Other property, plant and equipment and intangible assets	6	1,319,038	1,105,454
Right of use assets	7	2,668	14,160
Other non-current financial assets	10	7,452	7,434
Due from related parties	11	10,295,610	10,235,159
Cash in escrow	8	428,676	389,718
Deferred tax assets	12	1,762,123	1,455,645
		18,206,474	17,278,436
Current assets			
Inventories	13	384,345	318,452
Trade and other receivables	14	443,792	436,376
Due from related parties	11	766,495	1,349,556
Income taxes recoverable	15	17,352	17,042
Restricted cash - debt service reserve	16	58,546	75,525
Short-term investment	17	13,646	148,504
Cash and cash equivalents	18	851,956	500,488
		2,536,132	2,845,943
Total Assets		20,742,606	20,124,379

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2025
(Presented in Thousands of Trinidad and Tobago Dollars)
(Continued)

	Notes	2025 $	2024 $
Equity attributable to owners of the parent			
Capital and reserves			
Stated capital	19	–	–
Retained earnings		5,999,077	5,581,703
Consolidated reserve	20	(237,366)	(237,366)
Currency translation differences	21	(168,825)	(164,798)
		5,592,886	5,179,539
Non-controlling interests		2,060	2,230
Total Equity		5,594,946	5,181,769
Non-current liabilities			
Trade and other payables	22	93,019	82,464
Decommissioning provision	23	5,251,334	4,754,889
Lease liabilities	7	3,728	4,450
Borrowings	24	5,097,633	5,518,246
Deferred tax liability	12	2,598,977	2,244,581
		13,044,691	12,604,630
Current liabilities			
Trade and other payables	22	1,117,588	1,164,182
Lease liabilities	7	1,619	14,949
Income tax liability		175,358	260,788
Due to related parties	11	368,628	492,906
Borrowings	24	439,776	405,155
		2,102,969	2,337,980
Total Liabilities		15,147,660	14,942,610
Total Equity and Liabilities		20,742,606	20,124,379

The accompanying notes form an integral part of these consolidated financial statements.

On 22 April 2026, the Board of Directors of Heritage Petroleum Company Limited authorised these consolidated financial statements for issue.

Director

Director

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2025
(Presented in Thousands of Trinidad and Tobago Dollars)

	Notes	2025 $	2024 $
Revenue from contracts with customers	25	7,253,265	8,246,344
Cost of sales	26	(4,966,644)	(5,181,552)
Gross profit		2,286,621	3,064,792
Other operating income	27	63,916	9,656
Impairment expense on oil and gas properties and exploration and evaluation assets	5	(127,243)	(14,516)
Administrative expenses	26	(247,875)	(272,292)
Operating profit		1,975,419	2,787,640
Net finance costs	28	(405,669)	(483,974)
Profit before taxation		1,569,750	2,303,666
Taxation expense	30	(752,546)	(1,363,387)
Profit for the year		817,204	940,279
Other comprehensive loss			
Items that would not be reclassified to profit or loss			
Currency translation differences		(4,027)	(7,743)
Total comprehensive income for the year		813,177	932,536

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2025
(Presented in Thousands of Trinidad and Tobago Dollars)
(Continued)

	2025 $	2024 $
Profit attributable to:		
Equity holders of the parent	817,374	938,606
Non-controlling interests	(170)	1,673
	817,204	940,279
Total comprehensive income attributable to:		
Equity holders of the parent	813,347	930,863
Non-controlling interests	(170)	1,673
	813,177	932,536

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2025
(Presented in Thousands of Trinidad and Tobago Dollars)

	Stated capital $	Retained earnings $	Consolidated reserve $	Currency translation differences $	Non-controlling interests $	Total $
Year ended 30 September 2025						
Balance at 1 October 2024	–	5,581,703	(237,366)	(164,798)	2,230	5,181,769
Profit for the year	–	817,374	–	–	(170)	817,204
Other comprehensive loss for the year	–	–	–	(4,027)	–	(4,027)
Total comprehensive income for the year	–	817,374	–	(4,027)	(170)	813,177
Dividends	–	(400,000)	–	–	–	(400,000)
Balance as at 30 September 2025	**–**	**5,999,077**	**(237,366)**	**(168,825)**	**2,060**	**5,594,946**
Year ended 30 September 2024						
Balance at 1 October 2023	–	5,043,097	(237,366)	(157,055)	557	4,649,233
Profit for the year	–	938,606	–	–	1,673	940,279
Other comprehensive loss for the year	–	–	–	(7,743)	–	(7,743)
Total comprehensive income for the year	–	938,606	–	(7,743)	1,673	932,536
Dividends	–	(400,000)	–	–	–	(400,000)
Balance as at 30 September 2024	**–**	**5,181,703**	**(237,366)**	**(164,798)**	**2,230**	**5,181,769**

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2025
(Presented in Thousands of Trinidad and Tobago Dollars)

	Notes	2025 $	2024 $
Operating activities			
Profit before taxation		1,569,750	2,303,666
Adjustments to reconcile profit to net cash from operating activities:			
Depreciation, depletion and amortisation	5, 6, 7	432,928	306,286
Impairment expense on oil and gas properties	5	127,243	14,516
Change in decommissioning provision	23	29,630	(121,757)
Finance cost – unwinding of decommissioning provision	23	346,277	334,012
Finance cost – leases net of adjustment	7	(1,388)	928
Dividend income		(373)	(327)
Amortised costs on borrowings		16,721	16,714
Loss on disposal		4	–
Interest expense on borrowings		555,111	622,530
Working capital changes:			
Supplemental petroleum tax		829,889	1,062,786
Increase in cash in escrow	8	(38,958)	(43,761)
(Increase)/decrease in inventory		(65,893)	82,532
(Increase)/decrease in trade and other receivables		(7,416)	82,241
Decrease/(increase) in due from related parties		857,263	(305,951)
Decrease in due to related parties		(121,721)	(145,696)
(Decrease)/increase in trade and other payables		(36,039)	45,128
		4,493,028	4,253,847
Taxes paid		(1,619,583)	(2,206,281)
Net cash generated from operating activities		2,873,445	2,047,566
Investing activities			
Sale/ (purchase) of investments		134,858	(135,412)
Dividend income		373	327
Purchase of oil and gas properties and exploration and evaluation assets		(693,728)	(661,430)
Purchase of other property, plant and equipment and intangible assets	6	(263,456)	(415,380)
Net cash used in investing activities		(821,953)	(1,211,895)

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2025
(Presented in Thousands of Trinidad and Tobago Dollars)
(Continued)

	Notes	2025 $	2024 $
Financing activities			
Payment of principal portion of lease liabilities	7	(10,849)	(11,485)
Change in debt service reserve	16	16,979	17,337
Interest paid on borrowings		(555,111)	(622,530)
Principal repayment on borrowings		(417,161)	(385,293)
Dividends paid		(400,000)	(400,000)
Net movement in related parties		(337,210)	(262,302)
Net cash used in financing activities		(1,703,352)	(1,664,273)
Currency translation differences relating to cash and cash equivalents		3,328	(11,222)
Net increase/(decrease) in cash and cash equivalents		348,140	(828,602)
Cash and cash equivalent at the beginning of the year		500,488	1,340,312
Cash and cash equivalents, at end of year	18	851,956	500,488

The accompanying notes form an integral part of these consolidated financial statements.

1. Incorporation and principal activity

Heritage Petroleum Company Limited ("Heritage" or "Parent") was incorporated in the Republic of Trinidad and Tobago on 5 October 2018. Heritage is primarily engaged in exploration, development, production and marketing of crude oil. The sole shareholder is Trinidad Petroleum Holdings Limited (TPHL). The registered office is 9 Queen's Park West, Port of Spain, Trinidad and Tobago, West Indies. Heritage Petroleum Company Limited and its subsidiary ("the Group") operate in Trinidad and Tobago.

Prior to Heritage's formation, its exploration and production activities were conducted by a related party, Petroleum Company of Trinidad and Tobago Limited (Petrotrin). Petrotrin undertook a restructuring in 2018 and by virtue of the Miscellaneous Provisions (Heritage Petroleum Company Limited, Paria Fuel Trading Company Limited (Paria), Guaracara Refining Company Limited (Guaracara) Vesting) Bill, 2018 ('Vesting Act"); effective 1 December 2018, Petrotrin's assets relative to exploration and production (E&P), were vested in Heritage Petroleum Company Limited. Petrotrin's assets related to terminalling and refinery operations were vested to Paria and Guaracara respectively. The associated decommissioning and dismantlement obligations in respect of E&P, terminalling and refining operations were also transferred to the respective entities. As a result, Heritage's opening assets and liabilities originated as a result of the above, with the corresponding liability due to Petrotrin. The carrying amounts of the assets and liabilities were accounted for using the predecessor values method because they arose from a common-control transaction. The ultimate ownership of Heritage is with Corporation Sole, the same as before the restructuring described above.

The Group's subsidiary as at 30 September 2025 consists of Trinidad and Tobago Marine Petroleum Company Limited (Trintomar).

Name of entity	Place of business/ country of incorporation	Ownership interest held by the Company	Ownership interest held by non-controlling interest	Ownership interest held by the Company	Ownership interest held by non-controlling interest
		2025	2025	2024	2024
Trinidad and Tobago Marine Petroleum Company Limited (Trintomar)	Trinidad and Tobago	80%	20%	80%	20%

Trintomar is principally engaged in developing and producing natural gas from the Pelican Field which originally formed part of the South East Coast Consortium area.

2. Basis of preparation and material accounting policy information

This note provides a list of the material accounting policies adopted in the preparation of consolidated financial statements.

a. Basis of preparation

(i) Compliance with IFRS

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards. The consolidated financial statements have been prepared on a historical cost basis, except for financial assets that have been measured at fair value.

The consolidated financial statements have been prepared on a going concern basis, which assumes the Group will be able to meet its legal and financial obligations. The validity of the going concern basis is dependent on finances being available for the continuing working capital requirements of the Group for the foreseeable future, being a period of at least twelve months from the reporting date of the consolidated financial statements.

(ii) New accounting policies/improvements adopted

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 September 2025. The following interpretations and standards became effective and were adopted in the current year.

- Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7
  The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

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

2. Basis of preparation and material accounting policy information (continued)

a. Basis of preparation (continued)

(ii) New accounting policies/improvements adopted (continued)

- Lease liability in a sale and leaseback - Amendments to IFRS 16
  The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.

- Amendments to IAS 1: Classification of Liabilities as Current or Non-current
  The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

These amendments had no material impact on the consolidated financial statements of the Group.

(iii) Improvements to International Financial Reporting Standards

Standards in issue not yet effective

The following is a list of new and amended standards and interpretations that are issued, but not yet effective up to the date of issuance of the Group's consolidated financial statements. The Group intends to adopt these new and amended standards and interpretations, if applicable when they become effective. The Group is currently assessing the impact of adopting these standards and interpretations.

- Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments effective for annual periods beginning on or after 1 January 2026
- Amendments to IFRS 18: Presentation and Disclosure in Financial Statements effective for annual periods beginning on or after 1 January 2027
- Amendments to IFRS 19: Subsidiaries without Public Accountability Disclosures effective for annual periods beginning on or after 1 January 2027
- Annual improvements to IFRS Accounting Standards - Volume 11 effective for annual periods beginning on or after 1 January 2026
- Sale or contribution of assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28 on or after 1 January 2026

2. Basis of preparation and material accounting policy information (continued)

b. *Foreign currency translation*

(i) Functional and presentation currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The United States dollar is the Parent's functional currency. The consolidated financial statements are presented in Trinidad and Tobago dollars, rounded to the nearest thousand ($'000) , which is the Group's presentation currency except when otherwise indicated. The Group's main stakeholders are the Government of the Republic of Trinidad and Tobago, the Ministry of Finance and its employees.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the consolidated statement of comprehensive income. They are deferred in equity if it is attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statement of comprehensive income on a net basis within other gains/(losses).

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in the consolidated statement of comprehensive income as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

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

2. Basis of preparation and material accounting policy information (continued)

c. Fair value measurement

Fair values of financial instruments measured at amortised cost are disclosed in the relevant notes.

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

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

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

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

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2. Basis of preparation and material accounting policy information (continued)

d. Financial assets and financial liabilities

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

i) Financial assets

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the 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, in the case of a financial asset not at fair value through profit or loss, transaction costs.

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

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

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

The Group's financial assets include trade and other receivables, due from related parties, other financial assets and short-term investments.

2. Basis of preparation and material accounting policy information (continued)

d. Financial assets and financial liabilities (continued)

i) Financial assets (continued)

Financial assets at amortised cost
The Group only measures financial assets at amortised cost if both of the following conditions are met:

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

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

The Group's financial assets at amortised cost include trade and other receivables, due from related parties, other financial assets and short-term investments. There are no financial assets measured at fair value through profit or loss or fair value through other comprehensive income.

Impairment
Further disclosures relating to impairment of financial assets are also provided in Note 3 and 4.

2. Basis of preparation and material accounting policy information (continued)

d. Financial assets and financial liabilities (continued)

ii) 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.

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

The Group's financial liabilities include trade and other payables, lease liabilities, borrowings, and due to related parties.

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

- Financial liabilities at fair value through profit or loss (there were no liabilities at fair value through profit or loss).
- Financial liabilities at amortised cost (borrowings).

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

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

Reclassification of financial assets and liabilities
The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of or terminates a business line. Financial liabilities are never reclassified. The Group did not reclassify any of its financial assets or liabilities in 2025 and 2024.

2. Basis of preparation and material accounting policy information (continued)

d. Financial assets and financial liabilities (continued)

ii) Financial liabilities (continued)

De-recognition of financial assets
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired

Or

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

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

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

Derecognition of financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the consolidated statement of comprehensive income.

2. Basis of preparation and material accounting policy information (continued)

e. Oil and gas properties and exploration and evaluation assets

(i) Exploration and evaluation assets

Exploration and evaluation assets – Capitalisation
Oil and natural gas exploration and evaluation expenditures are accounted for using the successful efforts method of accounting. Under this method, costs are accumulated on a field-by-field basis and capitalised upon discovery of commercially viable mineral reserves. If the commercial viability is not achieved or achievable, such costs are charged to expense.

Costs incurred in the exploration and evaluation of assets include:

- License and property acquisition costs - License and property acquisition costs are capitalised within intangible assets. Licence costs paid in connection with a right to explore in an existing exploration area are capitalised and amortised over the term of the permit. Licence and property acquisition costs are reviewed at each reporting date to confirm that there is no indication that the carrying amount exceeds the recoverable amount. This review includes confirming that exploration drilling is still under way or firmly planned, or that it has been determined, or work is under way to determine that the discovery is economically viable based on a range of technical and commercial considerations and that sufficient progress is being made on establishing development plans and timing. If no future activity is planned or the licence has been relinquished or has expired, the carrying value of the licence and property acquisition costs are written off through the consolidated statement of comprehensive income. Upon recognition of proved reserves and internal approval for development, the relevant expenditure is transferred to oil and gas properties.
- Exploration and evaluation expenditure - activity involves the search for hydrocarbon resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource. Once the legal right to explore has been acquired, costs directly associated with an exploration well are capitalised as exploration and evaluation intangible assets until the drilling of the well is complete and the results have been evaluated. These costs include directly attributable employee remuneration, materials and fuel used, rig costs and payments made to contractors. Costs directly associated with an exploration well are capitalised until the determination of commercial reserves is evaluated. If commercial reserves are found the costs continue to be carried as an asset. If commercial reserves are not found, exploration and evaluation expenditures are written off as a dry hole.

Once commercial reserves are found, exploration and evaluation assets are tested for impairment and transferred to oil and gas properties assets as applicable. No depreciation and/or amortisation is charged during the exploration and evaluation phase.

2. Basis of preparation and material accounting policy information (continued)

e. Oil and gas properties and exploration and evaluation assets (continued)

(ii) Oil and gas properties

Oil and gas properties - Capitalisation

Acquisitions, asset purchases and disposals
The cost of development and production assets includes the cost of acquisitions and purchases of such assets, directly attributable overheads, finance costs capitalised, and the cost of recognising provisions for future restoration and decommissioning.

Development expenditures are costs incurred to obtain access to proven reserves and to provide facilities for extracting, treating, gathering and storing the oil and gas. These costs include transfers from exploration and evaluation subsequent to finding commercially viable reserves, development drilling and new reserve type, infrastructure costs and development, geological and geophysical ("G&G") costs.

Oil and gas properties are stated at cost, less accumulated depletion and accumulated impairment losses.

Transactions involving the purchases of an individual field interest, or a group of field interests, are treated as asset purchases, irrespective of whether the specific transactions involve the transfer of the field interests directly, or the transfer of an incorporated entity. Accordingly, the consideration is allocated to the assets and liabilities purchased on a relative fair value basis.

Proceeds on disposal are applied to the carrying amount of the specific intangible asset or development and production assets disposed. Any excess is recorded as a gain on disposal, and any shortfall between the proceeds and the carrying amount is recorded as a loss on disposal, in the consolidated statement of comprehensive income.

Expenditure on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling and development of commercially proven wells is capitalised within tangible and intangible assets according to its nature. When development is completed on a specific field it is transferred to production assets. No depreciation and/or amortisation is charged during the development phase.

Depreciation, amortisation and depletion
Oil and gas properties are depreciated generally on a field-by-field basis using the unit-of-production method. Unit-of-production rates are based on production and proved producing reserves, which are oil, gas and other mineral reserves estimated to be recovered from existing wells with existing facilities using current operating methods.

This results in a depreciation/amortisation charge proportional to the depletion of the anticipated remaining production from the field. Under the unit-of-production method, oil and gas volumes are considered produced once they have been measured through meters at custody transfer or sales transaction points at the outlet valve on the field storage tank.

2. Basis of preparation and material accounting policy information (continued)

e. Oil and gas properties and exploration and evaluation assets (continued)

(ii) Oil and gas properties (continued)

Oil and gas properties – Capitalisation (continued)

Depreciation, amortisation and depletion (continued)
Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the consolidated statement of comprehensive income. Any change in the present value of the estimated expenditure or discount rates is reflected as an adjustment to the provision and the intangible asset and dealt with prospectively.

(iii) Impairment

The Group evaluates assets or groups of assets called cash generating units (CGUs) for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset or CGU may not be recoverable. Management has determined its CGUs to be based on a combined field basis for its onshore and offshore fields and at an individual basis for its joint operations. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the assets or CGU's recoverable amount. The recoverable amount is the higher of an assets or CGU's fair value less costs of disposal (FVLCD) and value in use (VIU). The recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or groups of assets, in which case, the asset is tested as part of a larger CGU to which it belongs. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset/CGU is considered impaired and is written down to its recoverable amount. In calculating VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset/CGU. In determining FVLCD, recent market transactions (where available) are considered. If no such transactions can be identified, an appropriate valuation model is used.

2. Basis of preparation and material accounting policy information (continued)

e. Oil and gas properties and exploration and evaluation assets (continued)

(iii) Impairment (continued)

The Group bases its impairment calculation on the VIU model which is based on cashflows expected to be generated by the projected oil and natural gas production profiles up to the expiration of the license agreements. Key assumptions used for the VIU calculations are as follows:

- Revenues were derived using projected production and future prices. This data was obtained from market experts;
- Direct operating costs were projected based on past experience and available historical data on lifting costs;
- The time horizon used for the valuation of the reserves was between two (2) and fifty (50) years as this represents management's estimation of the economic useful life of the economic productive life of the field at current rates of extraction;
- The cash flows beyond the 5-year period were extrapolated using projections based on constant prices and costs;
- The growth rates used for revenue and costs were 2% (2024: 2%) and 3% (2024: 3%) respectively, with a discount rate of 8.88% (2024: 8.30%)

Impairment losses of continuing operations, including impairment of inventories, are recognised in the consolidated statement of comprehensive income in those expense categories consistent with the function of the impaired asset. For assets/CGUs excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's/CGU's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset/CGU does not exceed the lower of its recoverable amount, or the carrying amount that would have been determined, net of depreciation/amortisation, had no impairment loss been recognised for the asset/CGU in prior years. Such a reversal is recognised in the consolidated statement of comprehensive income.

(iv) Assets pledged as security

There is no property, plant and equipment pledged as security by the Group.

(v) Oil and gas reserve estimate

The oil and gas reserves are assessed by management and reviewed by external engineers in accordance with the Standards pertaining to the Estimating of Oil and Gas Reserves Information promulgated by the Society of Petroleum Engineers.

Engineering estimates of the Group's oil and gas reserves are inherently uncertain. Proved reserves are the estimated volumes of crude oil, natural gas and gas condensates, liquids and associated substances which geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions.

2. Basis of preparation and material accounting policy information (continued)

e. Oil and gas properties and exploration and evaluation assets (continued)

(v) Oil and gas Oil and gas reserve estimate (continued)

Although there are authoritative guidelines regarding the engineering criteria that have to be met before estimated oil and gas reserves can be designated as proved, the accuracy of any reserve estimate is a function of the quality of available data and engineering and geological interpretation; the accuracy of assumptions and judgment. There may be substantial upward and downward revisions to the results of drilling, testing and production after the date of the estimate. In addition, changes in oil and natural gas prices could have an effect on the value of proved reserves as regards the initial estimate. Accordingly, the estimated reserves could be materially different from the quantities of oil and natural gas that ultimately will be recorded.

Estimated proved reserves are used in determining depletion and impairment expenses. Depletion rates on oil and gas assets using the unit-of-production (UoP) basis are determined from the ratio between the amount of hydrocarbons extracted in the year and proved producing reserves existing at the year-end increased by the amounts extracted during the year. Assuming all other variables are held constant, an increase in estimated proved producing reserves decreases depreciation, depletion and amortisation expense. On the contrary, a decrease in estimated proved producing reserves increases depreciation, depletion and amortisation expense.

Also, estimated total proved and probable reserves are used to calculate future cash flows from oil and gas properties, which serve as an indicator in determining whether an asset impairment test is to be carried out. The larger the volume of estimated reserves, the less likely the asset is impaired.

(vi) Licenses

It is assumed that licences to develop oil and gas properties acreages will continue to be extended to the Group by the Government of the Republic of Trinidad and Tobago throughout the remaining productive lives of the related fields. The fields below were vested by virtue of the Miscellaneous Provisions Bill 2018 (Note 1).

Field Name	**Terms of Agreement**
Balata East Shallow Horizon	Effective period from 2006 for twenty-five (25) years
Guapo-Oropouche-Brighton Horizon (Area D)	Effective period from 2007 for twenty-five (25) years
Cruise Horizon (Area A)	Effective period from 2007 for twenty-five (25) years
Mayaro/Guayaguayare Horizon	Effective period from 2007 for twenty-five (25) years
Herrera Horizon (Area C)	Effective period from 2007 for twenty-five (25) years
TNA Licence	Effective period from 2021 for six (6) years

2. Basis of preparation and material accounting policy information (continued)

f. Other property, plant and equipment and intangible assets

(i) Other property, plant and equipment

Other property, plant and equipment are stated at historical cost net of accumulated depreciation and accumulated impairment losses except for land which is not depreciated. Depreciation of other non-oil and gas assets is calculated using the following rates and methods to allocate the cost to their residual values over their estimated useful lives.

Furniture and fixtures, and domestic appliances fall under the category of the other plant and equipment.

Buildings	5% - diminishing balance
Furniture and fixtures	20% - diminishing balance
Domestic appliances	20% - straight line

The expected useful lives of the other property, plant and equipment are reviewed on an annual basis, and if necessary, changes in useful lives are adjusted for prospectively.

These assets are derecognised upon disposal or when no future economic benefits are expected to arise from continued use. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(ii) Other intangible assets - software assets

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (ten years for specialised software, three years for non-specialised software).

Software assets:	
Computer equipment (specialised)	10% - straight line
Computer equipment (non-specialised)	33.3% - straight line

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

Directly attributable costs that are capitalised as part of the software product include software development, employee cost, and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

2. Basis of preparation and material accounting policy information (continued)

g. Leases

(i) Accounting policy

The Group assesses at contract inception whether a contract is, or contains, a lease, that is, whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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

The Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Right-of-use assets are measured at cost at the commencement date comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received; and
- Any initial direct costs.

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments), less any lease incentives receivable.

The right-of-use assets are also subject to impairment.

2. Basis of preparation and material accounting policy information (continued)

g. Leases (continued)

(ii) Significant judgements

Determining the lease term of contracts with renewal and termination options

Group as lessee
The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group's land lease includes an extension option. The Group applies judgement in evaluating whether it is reasonably certain whether to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset). The Group typically exercises its option to renew for these leases because there will be a significant negative effect on production if a replacement asset is not readily available. The renewal periods for leases of plant and machinery with longer non-cancellable periods (i.e., ten to fifteen years) are not included as part of the lease term as these are not reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

The Group has lease contracts that includes extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension options are reasonably certain to be exercised (see Note 3). Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension options that are not included in the lease term:

30 September 2025	**Within five years $**	**More than five years $**	**Total $**
Extension options expected not to be exercised	5,067	16,046	21,113

30 September 2024	**Within five years $**	**More than five years $**	**Total $**
Extension options expected not to be exercised	5,040	16,800	21,840

2. Basis of preparation and material accounting policy information (continued)

g. Leases (continued)

(ii) Significant judgements (continued)

Estimating the incremental borrowing rate
The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease.

The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain company-specific assumptions.

Group as lessor
The Group has entered into operating leases for land. Rental income recognised by the Group during the year is $1,659 (2024: $1,784). This is included within miscellaneous rental and other income (Note 27).

Future minimum rentals receivable under non-cancellable operating leases as at 30 September are as follows:

	2025 $	2024 $
Within one year	1,659	1,784
After one year but not more than five years	9,296	9,282
More than five years	14,373	15,763
Total	25,328	26,829

2. Basis of preparation and material accounting policy information (continued)

h. Current and deferred taxation

(i) Current taxation

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the group and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities are offset when such a right exists and the entity intends to settle the amounts on a net basis or to realise the asset and settle the liability simultaneously.

(ii) Deferred taxation

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax to be recovered.

Deferred tax assets and liabilities are offset when the entity has a legally enforceable right to offset and the balances relate to the same taxation authority.

Current and deferred tax is recognised in the consolidated statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2. Basis of preparation and material accounting policy information (continued)

h. Current and deferred taxation (continued)

(ii) Deferred taxation (continued)

Deferred income taxes are calculated in full, on temporary differences under the liability method using a principal tax rate of 55%.

i. Inventories

(i) Crude oil

Inventories of crude oil are stated at the lower of cost and net realisable value.

The cost of produced crude oil for the month is computed on the basis of the related month's production costs. Net realisable value is based on the market prices of an equivalent grade of crude oil.

(ii) Materials and supplies

Materials and supplies used mainly in drilling wells, recompletion and workovers are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses of the materials and supplies. Cost is determined using the weighted average cost.

(iii) Provision for obsolescence

Materials and supplies are reviewed on an annual basis. Items are provided for based on the age of the items and stock movement. Management determines the provision based on the aging of materials or based on items being determined as obsolete or damaged.

j. Trade and other receivables

(i) Trade receivables

Trade receivables are amounts due from customers for the sale of crude oil, natural gas and rental fees or services performed in the ordinary course of business.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less expected credit losses.

2. Basis of preparation and material accounting policy information (continued)

j. Trade and other receivables (continued)

(ii) Accrued revenue

Revenue from the sale of international crude oil is recognised at the point in time when control of the product is transferred to the customer, which is generally when the product is physically transferred into a vessel. Revenue is accrued based on the bill of lading date at an estimated front month Ice Brent average settlement price.

(iii) Fair value of trade receivables

Due to the short-term nature of the current receivables, their carrying amount is assumed to be the same as their fair value.

k. Short-term investment

Short-term investments are investments that are more than three months but not more than twelve months.

l. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdraft. Short term bank deposits are presented as cash and cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable within 24 hours' notice with no loss of interest.

m. Stated capital

The ordinary share has no par value and entitles the holder to participate in dividends, and to share in the proceeds of winding up the parent company in proportion to the number of the shares held. On show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll share is entitled to one vote.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

n. Trade and other payables

(i) Trade payables

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. They are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

2. Basis of preparation and material accounting policy information (continued)

o. Decommissioning provision

The Group recognises a decommissioning liability where it has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. A corresponding oil and gas properties is also created at an amount equal to the provision.

Assumptions based on the current economic environment have been made, which management believes form a reasonable basis upon which to estimate the future liability. The Group assesses its decommissioning provision at each reporting date. These estimates are reviewed to take into account any material changes to the assumptions. However, actual decommissioning costs will ultimately depend upon future market prices for the necessary decommissioning works required that 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.

External valuers have been used to assist with the assessment of future decommissioning costs. The involvement of external valuers is determined on a case-by-case basis, taking into account factors such as the expected gross cost or timing of abandonment. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

Changes in the estimated timing or cost of decommissioning are dealt with prospectively by recording an adjustment to the provision and a corresponding adjustment to oil and gas properties. Any reduction in the decommissioning liability and, therefore, any deduction from the asset to which it relates, may not exceed the carrying amount of that asset. If it does, any excess over the carrying value is taken immediately to the consolidated statement of comprehensive income.

Over time, the discounted liability is increased or decreased for the change in present value based on the discount rate that reflects current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognised in the consolidated statement of comprehensive income as a finance cost.

The decommissioning provision represents the present value of decommissioning costs relating to oil and gas properties, which are expected to be incurred up to 2076. These discount rates were obtained from the US Treasury Yield Curve as quoted by Bloomberg and the escalation rate is obtained from reliable external sources who provide industry data and market information and projections, as at 30 September 2025. The provision has been estimated using existing technology, at current prices using an escalation rate of 2.50% (2024: 2.38%) and discounted at a rate between 7.144% and 8.022% (2024: 7.144% and 8.022%) based on reserves end of life.

2. Basis of preparation and material accounting policy information (continued)

p. Borrowings

Borrowings consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowings are recognised initially at fair value and, net of directly attributable transaction costs. Finance charge on borrowings is calculated using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial liability.

In May 2022, TPHL together with Heritage successfully concluded a refinancing exercise for TPHL's existing debt. The refinancing included a cash tender offer by Heritage for any and all of TPHL's US$570.265 million 2026 Notes, the issue of new 2029 Notes by Heritage, as well as a consent solicitation for certain proposed amendments to the Indenture and other applicable security documents governing TPHL's 2026 Notes and the 2029 Notes. The tender offer expired on 24 May 2022. 94.2% of the Holders of TPHL's 2026 Notes accepted the tender offer and the consent solicitation was secured for the proposed amendments.

Concurrent with the tender offer, Heritage also raised new debt in the international capital market and closed a Term Loan Credit Agreement on terms that allow for more operational flexibility for Heritage. Proceeds from this new debt, together with Heritage's own cash were used to redeem the principal amounts outstanding on TPHL's 2026 Notes and the TPHL Term Loan respectively. Part proceeds from the Heritage Term Loan were also used for other corporate purposes.

2. Basis of preparation and material accounting policy information (continued)

q. Revenue from contracts with customers

Revenue comprises the fair value of the consideration received or receivable for the sale of crude oil, natural gas and related products in the ordinary course of activities.

Heritage bases its estimates on the type of customer, the type of transaction and the specifics of each arrangement.

(i) Sales revenue

Revenue from the sales of crude oil, natural gas and related products is recognised when control is transferred for the ownership of the product. In general, revenue is recognised:

- For crude oil – when the oil passes the vessels inlet manifold flange at the loading port for sales via shipments; or
- For natural gas and natural gas liquids – when it is transferred via pipelines to the customer's storage area.

The customer has full discretion over the channel and price to sell the product, and there is no unfulfilled obligation that could affect the customer's acceptance of the product.

Revenue is recognised as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

No element of financing is deemed present as, typically, payment for the sale of the product is received either immediately or by the end of the month following the month in which the sale is recognised, which is consistent with market practice.

Revenues from the sale of crude oil and natural gas in properties in which Heritage has an interest together with other producers are recognised at a point in time on the basis of Heritage's working interest in those properties (entitlement method).

2. Basis of preparation and material accounting policy information (continued)

r. Principles of consolidation and equity accounting

Investments – Subsidiary and interest in equity-accounted investees

(i) Basis of consolidation

The consolidated financial statements comprise the financial statements of Heritage Petroleum Company Limited and its subsidiary. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to effect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

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

The Group re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

2. Basis of preparation and material accounting policy information (continued)

r. Principles of consolidation and equity accounting (continued)

Investments – Subsidiary and interest in equity-accounted investees (continued)

(i) Basis of consolidation (continued)

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

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

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in the consolidated statement of comprehensive income. Any investment retained is recognised at fair value.

(ii) Joint arrangements

Under IFRS 11- *Joint Arrangements* investments in joint arrangements are classified as either joint operations or joint ventures. A joint arrangement is an arrangement over which two or more parties have joint control. Joint control is the contractually agreed sharing of control over an arrangement which exists only when the decisions about the relevant activities (being those that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Joint operations
A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement. Heritage recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the consolidated financial statements under the appropriate headings.

3. Material accounting judgements, estimates and assumptions

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

Other disclosures relating to the Group's exposure to risks and uncertainties includes:

- Capital management Note 4
- Financial instruments risk management and policies Note 4

The areas involving significant estimates, judgements and assumptions are:

- Impairment of property, plant and equipment – Note 2 e (iii)
- Oil and gas reserves estimate – Note 2 e (v)
- Licenses – Note 2 e (vi)
- Leases (Incremental borrowing rate) – Note 2 g
- Income taxes (current and deferred taxes) – Note 2 h
- Decommissioning provision – Note 2 o
- Borrowing costs – Note 2 p
- Expected credit losses of trade receivables – Note 4 a (iii)

Judgements, estimates and assumptions are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

4. Financial instruments risk management objectives and policies

The Group's principal financial liabilities comprise borrowings, and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade receivables and other receivables, and cash and cash equivalents that derive directly from its operations. The Group also holds short-term investments in financial instruments.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The financial risk committee provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors and the executive management reviews and agrees policies for managing each of these risks, which are summarised below.

The Group has exposure to the following risks:

a. Credit risk

The Group is exposed to credit risk, which is the risk that its customers and counterparties may cause a financial loss by failing to discharge their contractual obligations. Credit risk arises from cash and cash equivalents and deposits with financial institutions as well as outstanding receivables and committed transactions. The credit quality of customers, their financial position, past experience and other factors are taken into consideration in assessing credit risk. Management does not expect any losses from non-performance by counterparties.

(i) Risk management

Credit risk is managed on a Group basis. For banks and financial institutions, only independently rated parties with a minimum rating of 'BBB+' are accepted. Cash and deposits are held with a number of reputable financial institutions, in amounts varying between $524 and $273,443 (2024: $900 and $41,777).

If trade customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, credit agency information, industry information and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The compliance with credit limits by trade customers is regularly monitored by line management.

4. Financial instruments risk management objectives and policies (continued)

a. Credit risk (continued)

(i) Risk management (continued)

The Group has some concentration of credit risk as the majority of receivables are from several large customers. However, this risk is minimised as the Group maintains formal contracts with each of these customers that stipulate invoicing and payments terms. Additionally, an impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. Exposure to credit risk is disclosed below.

(ii) Credit quality

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to historical information about counterparty default rates:

	2025 $	2024 $
Cash and cash equivalents	851,956	500,488

4. Financial instruments risk management objectives and policies (continued)

The Group has exposure to the following risks: (continued)

a. Credit risk (continued)

(iii) Exposure to credit risk

The following is a summary of the Group's maximum exposure to credit risk:

30 September 2025	**Fully performing** $	**Past due** $	**Impaired** $	**Provision for impairment** $	**Total** $
Cash in escrow	428,676	–	–	–	428,676
Other financial assets	7,452	–	–	–	7,452
Short-term investment	13,646	–	–	–	13,646
Cash and cash equivalents	851,956	–	–	–	851,956
Trade receivables	13,688	–	5,324	(5,324)	13,688
Due from related parties	11,062,105	–	5,350	(5,350)	11,062,105
Accrued revenue	343,870	–	–	–	343,870
Other receivables (excluding prepayments)	62,306	–	11,970	(11,970)	62,306
	12,783,699	–	22,644	(22,644)	12,783,699
30 September 2024	**$**	**$**	**$**	**$**	**$**
Cash in escrow	389,718	–	–	–	389,718
Other financial assets	7,434	–	–	–	7,434
Short-term investment	148,504	–	–	–	148,504
Cash and cash equivalents	500,488	–	–	–	500,488
Trade receivables	1,391	–	5,311	(5,311)	1,391
Due from related parties	11,584,715	–	627	(627)	11,584,715
Accrued revenue	333,096	–	–	–	333,096
Other receivables (excluding prepayments)	77,601	–	2,060	(2,060)	77,601
	13,042,947	–	7,998	(7,998)	13,042,947

The Group does not hold any collateral in relation to these assets.

The Group uses the simplified approach for trade and other receivables in arriving at expected credit losses (ECL). In 2025, the Group applied an ECL on balances due from related party (TPHL) totalling $5,350 (2024: $627).

4. Financial instruments risk management objectives and policies (continued)

a. Credit risk (continued)

(iii) Exposure to credit risk (continued)

The simplified approach
The Group applies the IFRS 9 simplified approach to measuring expected credit losses for trade receivables. The simplified approach eliminates the need to calculate 12-month ECL and to assess when a significant increase in credit risk has occurred. Accordingly, a lifetime expected loss allowance is used from day 1. To measure the lifetime loss allowance, the Group first considers whether any individual customer accounts require specific provisions. All other non-specific trade receivables are then grouped based on shared credit risk characteristics and the days past due.

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

Incorporation of forward-looking information
Historical loss rates for trade receivables are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Assets written off
Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group categorises a loan or receivable for write off when a debtor fails to make contractual payments, even after several attempts at enforcement and/or recovery efforts. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in the consolidated statement of comprehensive income.

Summary of ECL calculations
A summary of the assumptions underpinning the Group's expected credit loss model under the simplified approach is further analysed below showing:

Specific provisions
- General provisions using a standardised provision matrix

4. Financial instruments risk management objectives and policies (continued)

a. Credit risk (continued)

(iii) Exposure to credit risk (continued)

Summary of ECL calculations (continued)
The following is a summary of the ECL on trade receivables, accrued revenue and due from related parties

Aging Bucket	Average ECL rate %	Estimated exposure at default $	Expected credit loss $
Current (0-30 days)	0%	–	–
31 to 60 days	0%	–	–
61 to 90 days	0%	–	–
Over 90 days	99%	5,351	5,324
Accrued revenue	0%	343,870	–
Due from related parties	5%	11,067,455	5,350

	2025 $	2024 $
Opening loss allowance as at 1 October – calculated under IFRS 9	(7,998)	(1,810)
Current year provision (Note 26)	(14,634)	(6,192)
Foreign exchange	(12)	4
Balance as at 30 September	(22,644)	(7,998)
The following is an analysis of the net impairment expense on financial assets recognised in the consolidated statement of comprehensive income:		
Net changes to provisions for the period per above	14,646	6,188

b. Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due. The Group's liquidity risk management process is measured and monitored by senior management within the Group.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

The main method for the measurement and monitoring of liquidity is cashflow forecasting. The Group's treasury function co-ordinates relationships with banks and cash management.

4. Financial instruments risk management objectives and policies (continued)

b. Liquidity risk (continued)

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the consolidated statement of financial position date to contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

30 September 2025	**Up to 1 year $**	**1 – 5 years $**	**> 5 years $**	**Total $**
Trade payables (note 22)	176,009	–	–	176,009
Lease liabilities	1,619	3,728	–	5,347
Due to related parties (excluding statutory liabilities)	112,520	–	–	112,520
Accruals and other liabilities	941,579	–	93,019	1,034,598
Borrowings (note 24)	439,776	5,097,633	–	5,537,409
Total	1,671,503	5,101,361	93,019	6,865,883
30 September 2024				
Trade payables (note 22)	128,820	–	–	128,820
Lease liabilities	14,949	4,450	–	19,399
Due to related parties (excluding statutory liabilities)	117,276	–	–	117,276
Accruals and other liabilities	1,035,362	–	82,464	1,117,826
Borrowings (note 24)	405,155	5,518,246	–	5,923,401
Total	1,701,562	5,522,696	82,464	7,306,722

c. Market risk

Market risk is the risk that the fair value of future cash flows of the financial instrument will fluctuate because of changes in market prices. The Group takes on exposure to market risks from changes in foreign exchange rates and interest rates. Market risk exposures are measured using sensitivity analysis.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

4. Financial instruments risk management objectives and policies (continued)

c. Market risk (continued)

(i) Foreign currency risk (continued)

The functional currency of the Group's cashflows is the United States dollar (USD) since the Group's major product, oil is priced internationally at USD.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities. Foreign currency transaction exposures mainly arise on the Group's sales or purchases in currencies other than USD.

The following exchange rates were used in translating United States dollars to Trinidad and Tobago dollars at the period end and in conversions during the period:

	As at 2025 30 September	As at 2024 30 September
Year-end	6.75540	6.73895
Average rate during the year	6.74979	6.74884

Translational exposure in respect of non-functional currency monetary items

The following tables demonstrate the exposure of the Group's profit after tax to possible movements of the USD against the TTD holding all other variables constant.

	As at 30 September 2025		
	TT$ $	US$ $	Total $
Assets			
Trade and other receivables (excluding prepayments)	21,204	398,660	419,864
Due from related parties	516,917	10,545,188	11,062,105
Cash in escrow	58	428,618	428,676
Short-term investment	–	13,646	13,646
Other financial assets	7,452	–	7,452
Cash and cash equivalents	275,937	576,019	851,956
Financial assets	821,568	11,962,131	12,783,699

4. Financial instruments risk management objectives and policies (continued)

c. Market risk (continued)

(i) Foreign currency risk (continued)

	As at 30 September 2025		
	TT $	**US $**	**Total $**
Liabilities			
Trade and other payables	(660,174)	(457,414)	(1,117,588)
Lease liabilities	(948)	(4,399)	(5,347)
Borrowings	–	(5,537,409)	(5,537,409)
Due to related parties (excluding statutory liabilities)	(15,970)	(96,550)	(112,520)
Financial liabilities	(677,092)	(6,095,772)	(6,772,864)
Net currency exposure	**144,476**	**5,866,359**	**6,010,835**
Reasonably possible change in exchange rate	2%		
Effect on profit after tax	**2,890**		

	As at 30 September 2024		
	TT$ $	**US$ $**	**Total $**
Assets			
Trade and other receivables (excluding prepayments)	23,508	388,580	412,088
Due from related parties	516,350	11,068,365	11,584,715
Cash in escrow	57	389,661	389,718
Short-term investment	20,381	128,123	148,504
Other financial assets	7,434	–	7,434
Cash and cash equivalents	124,684	375,804	500,488
Financial assets	692,414	12,350,533	13,042,947
Liabilities			
Trade and other payables	(671,111)	(493,071)	(1,164,182)
Lease liabilities	(1,230)	(18,169)	(19,399)
Borrowings	–	(5,923,401)	(5,923,401)
Due to related parties (excluding statutory liabilities)	(1,209)	(116,067)	(117,276)
Financial liabilities	(673,550)	(6,550,708)	(7,224,258)
Net currency exposure	**18,864**	**5,799,825**	**5,818,689**
Reasonably possible change in exchange rate	5%		
Effect on profit after tax	**943**		

4. Financial instruments risk management objectives and policies (continued)

c. Market risk (continued)

(ii) Price risk

The Group is exposed to fluctuations in the prices of natural gas and natural gas liquid sales and crude oil sales sold at market prices.

As a result of these market price fluctuations the Group may in the future use established over-the-counter swaps, for crude oil and natural gas or other appropriate instruments, to hedge exposures in order to protect budgeted revenues and margins. The Group does not currently have any such hedging instruments in place.

Commodity price risk
The Group is affected by the price volatility of certain commodities. Its operating activities require the ongoing production and purchase of crude and gas. The Group is exposed to changes in the price of these commodities, its revenue from customers and its purchases. Changes in gas pricing are immaterial.

The Group currently does not operate a hedge for its crude as all of the Group's crude is sold on a spot basis. While the Group's crude revenue is subject to international market price movements, the Group's Board of Directors believe that any reduction in price is short term in nature and markets rebound in the near term. Crude cargo pricing is based ten days around the bill of lading date and by utilising existing storage options to sell into rising price markets.

Commodity price sensitivity
The following table shows the effect of price changes in crude based on Heritage's Equity Barrels.

	Change in year-end price	Effect on profit before tax	Effect on equity
	%/barrel	'000	'000
2025	+15%	577,569	259,906
	-15%	(577,569)	(259,906)
2024	+15%	670,465	301,709
	-15%	(670,465)	(301,709)

4. Financial instruments risk management objectives and policies (continued)

d. Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the oil and gas industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated statement of financial position) and trade and other payables less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt. Gearing is the measure of financial leverage, demonstrating the degree to which the Group's activities are funded by owner's funds versus creditor's funds.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to its interest-bearing borrowings that form part of its capital structure requirements. Breaches in the financial covenants would permit the bank to immediately call on the borrowings. There have been no breaches in the financial covenants of any borrowings in the current period.

	2025 $	2024 $
Borrowings	5,537,409	5,923,401
Trade and other payables	1,210,607	1,246,646
Less: Cash and cash equivalents	(851,956)	(500,488)
Net debt	5,896,060	6,669,559
Equity	5,592,886	5,179,539
Total Capital	11,488,946	11,849,098
Gearing ratio	51%	56%

4. Financial instruments risk management objectives and policies (continued)

e. Financial instruments by category

The accounting policies for financial instruments (Note 2 d) have been applied to the line items below:

Financial assets	**2025** **$**	**2024** **$**
Trade receivables	13,688	1,391
Accrued revenue	343,870	333,096
Other receivables (excluding prepayments)	62,306	77,601
Other non-current financial assets	7,452	7,434
Due from related parties	11,062,105	11,584,715
Cash in escrow	428,676	389,718
Short-term investment	13,646	148,504
Restricted cash - debt service reserve	58,546	75,525
Cash and cash equivalents	851,956	500,488
	12,842,245	13,118,472
Financial liabilities		
Borrowings	5,537,409	5,923,401
Trade and other payables	1,210,607	1,246,646
Lease liabilities	5,347	19,399
Due to related parties (excluding statutory liabilities)	112,520	117,276
	6,865,883	7,306,722

5. Oil and gas properties and exploration and evaluation assets

	Exploration and evaluation $	Oil and gas properties $	Dismantle-ment asset $	Total $
Cost				
At 1 October 2023	**14,468**	**5,890,716**	**78,123**	**5,983,307**
Additions	135,500	525,930	5,381	666,811
Transfer	(59,140)	59,140	–	–
Change in decommissioning provision (Note 23)	–	(53,433)	–	(53,433)
Exchange differences	(505)	(8,651)	(110)	(9,266)
At 30 September 2024	**90,323**	**6,413,702**	**83,394**	**6,587,419**
Additions	64,670	629,058	–	693,728
Transfer	(85,290)	85,290	–	–
Change in decommissioning provision (Note 23)	–	116,144	(4,258)	111,886
Exchange differences	499	18,763	–	19,262
At 30 September 2025	**70,202**	**7,262,957**	**79,136**	**7,412,295**
Depletion and impairment				
At 1 October 2023	**–**	**(2,192,765)**	**(77,313)**	**(2,270,078)**
Depletion charge for the year (Note 26)	–	(234,453)	(656)	(235,109)
Impairment	–	(14,516)	–	(14,516)
Trintomar asset written-off	–	(399)	–	(399)
Exchange differences	–	3,441	108	3,549
At 30 September 2024	**–**	**(2,438,692)**	**(77,861)**	**(2,516,553)**
Depletion charge for the year (Note 26)	–	(368,167)	(1,145)	(369,312)
Impairment	–	(127,243)	–	(127,243)
Exchange differences	–	(8,280)	–	(8,280)
At 30 September 2025	**–**	**(2,942,382)**	**(79,006)**	**(3,021,388)**
Net book value:				
At 30 September 2024	**90,323**	**3,975,010**	**5,533**	**4,070,866**
At 30 September 2025	**70,202**	**4,320,575**	**130**	**4,390,907**

5. Oil and gas properties and exploration and evaluation assets (continued)

Provision for Impairment

During the year ended 30 September 2025, the impairment assessment determined a net impairment loss on oil and gas properties assets of $127,243 (2024: $14,516).

The impairment review determined that the commercial viability of the fields (Teak, Samaan, Poui, South East Coast Consortium and Pt. Ligoure JV) noted below decreased and as a result, an impairment was recognised in the consolidated statement of comprehensive income for $127,243.

The fields showing impairment were as follows:	**2025**	**2024**
	$	**$**
Impairment loss:		
Teak, Samaan, Poui (TSP)	88,498	10,965
South East Coast Consortium (SECC)	37,623	3,551
Pt. Ligoure JV (PGB)	1,122	–
Total impairment loss	**127,243**	**14,516**

All of the CGUs for which there were impairment losses recognised in the consolidated statement of comprehensive income in the current year, form part of the oil and gas properties assets. The discount rate used in the value in use calculation was 8.88% (2024: 8.30%).

6. Other property, plant and equipment and intangible assets

Cost	Land and buildings $	Other plant and equipment $	Software assets $	Total $
At 1 October 2023	**432,733**	**486,403**	**133,047**	**1,052,183**
Additions	68,243	309,869	37,268	415,380
Retirements	–	(6)	–	(6)
Exchange differences	(780)	(1218)	(267)	(2,265)
At 30 September 2024	**500,196**	**795,048**	**170,048**	**1,465,292**
Additions	21,345	222,115	19,996	263,456
Retirements	–	(4)	–	(4)
Exchange differences	1,229	1,437	416	3,082
At 30 September 2025	**522,770**	**1,018,596**	**190,460**	**1,731,826**
Depreciation and amortisation				
At 1 October 2023	**(66,528)**	**(196,245)**	**(37,449)**	**(300,222)**
Depreciation charge for the year (Note 26)	(14,227)	(35,234)	(10,465)	(59,926)
Exchange differences	63	199	48	310
At 30 September 2024	**(80,692)**	**(231,280)**	**(47,866)**	**(359,838)**
Depreciation charge for the year (Note 26)	(11,666)	(30,284)	(10,147)	(52,097)
Exchange differences	(203)	(553)	(97)	(853)
At 30 September 2025	**(92,561)**	**(262,117)**	**(58,110)**	**(412,788)**
Net book value:				
At 30 September 2024	**419,504**	**563,768**	**122,182**	**1,105,454**
At 30 September 2025	**430,209**	**756,479**	**132,350**	**1,319,038**

7. Leases

The Group has lease contracts for land and building rentals, and office equipment used in its operations. Leases for office equipment generally have lease terms between 1 and 3 years. The building leases are for two years and the land lease is for a period of eleven (11) years. The vehicle leases are for a period of four (4) years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. The Group also has certain leases of office equipment and vehicles with lease terms of twelve (12) months or less. The Group applies the 'short-term lease' recognition exemptions for these leases. Payments made under such leases are expensed on a straight-line basis.

7. Leases (continued)

The consolidated statement of financial position shows the following carrying amounts of right-of-use and lease liabilities and the movements during the period:

Right of Use Assets	**Land** **$**	**Air conditioning units** **$**	**Fleet vehicles** **$**	**Total** **$**
As at 1 October 2023	**3,699**	**4**	**21,725**	**25,428**
Reclassification of assets	267	435	(702)	–
Depreciation (Note 26)	(663)	(256)	(10,332)	(11,251)
Exchange loss	(17)	–	–	(17)
As at 30 September 2024	**3,286**	**183**	**10,691**	**14,160**
Depreciation (Note 26)	(663)	(165)	(10,691)	(11,519)
Exchange gain	(18)	45	–	27
As at 30 September 2025	**2,605**	**63**	**–**	**2,668**
Lease liabilities				
As at 1 October 2023	**5,420**	**771**	**23,785**	**29,976**
Interest expense (Note 28)	278	11	639	928
Exchange loss	(20)	–	–	(20)
Payments	(841)	(333)	(10,311)	(11,485)
As at 30 September 2024	**4,837**	**449**	**14,113**	**19,399**
Interest expense net of adjustment (Note 28)	245	4	(1,637)	(1,388)
Adjustments	420	(390)	(1,765)	(1,735)
Exchange loss	(80)	–	–	(80)
Payments	(840)	–	(10,009)	(10,849)
As at 30 September 2025	**4,582**	**63**	**702**	**5,347**

	2025	**2024**
Lease liabilities – non-current	3,728	4,450
Lease liabilities – current	1,619	14,949
Total	5,347	19,399

7. Leases (continued)

The consolidated statement of comprehensive income includes the following amounts relating to leases:

	2025 $	2024 $
Depreciation charge on right of use assets (Note 26)	(11,519)	(11,251)
Interest expense on lease liabilities (Note 28)	1,388	(928)
Total amount recognised in consolidated statement of comprehensive income	**(10,131)**	**(12,179)**

The Group had total cash outflows for leases of $10,849 in 2025 (2024: $11,485).

8. Cash in escrow

The land licenses agreements effective in the year 2007, contain a clause requiring Heritage to establish an escrow account at the Central Bank of Trinidad and Tobago in the name of the Minister of Energy and Energy Affairs (the Minister). Cash reserves, calculated based on production volumes, are to be accumulated in the account for use as a contingency fund for remediation of pollution arising from petroleum operations carried out under the licenses, as well as the eventual decommissioning of wells and facilities in the licensed areas. The Minister has sole discretion to access these funds in the event that Heritage fails to effect any environmental clean-up, properly abandon wells or decommission facilities. However, once the Group fulfils all decommissioning obligations to the satisfaction of the Minister, and upon determination of the license, the Minister shall return all existing funds in the escrow account to Heritage.

Cash in escrow is subjected to regulatory restrictions and are therefore not available for general use by the Group.

	2025 $	2024 $
Balance as at 1 October	389,718	345,957
Add: Transfer and interest	38,958	43,761
Balance as at 30 September	428,676	389,718

9. Subsidiary company

The Group's principal subsidiary as at 30 September is set out below. Unless otherwise stated they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group.

Subsidiary	**2025 $**	**2024 $**
Current assets	41,630	45,788
Current liabilities	(2,697)	(2,863)
Non-current assets	–	–
Non-current liabilities	(26,962)	(34,842)
Net assets	**11,971**	**8,083**
Accumulated non-controlling interest	**2,060**	**2,230**
Other income	7,042	1,368
Operating and administrative costs	(13,975)	(1,059)
Finance costs	(634)	(665)
Change in decommissioning provision	6,716	9,195
Income taxes	–	(473)
Total comprehensive (loss)/ income	**(851)**	**8,366**
Non-Controlling Interest	**170**	**1,673**

10. Other financial assets

	2025 $	**2024 $**
Investment in First Citizens Group Financial Holdings Limited	7,452	7,434

This investment relates to Heritage's participation in the First Citizens Group Financial Holdings Limited additional public offer (APO) for the allotment of 150,848 shares. The investment is currently measured at amortised cost.

Fair value of investment in First Citizens Group Financial Holdings Limited	5,694	6,099

11. Transactions with related parties

In the ordinary course of its business, Heritage enters into transactions concerning the exchange of goods, provision of services and financing with affiliated companies and subsidiaries as well as entities directly owned or controlled by the Government of the Republic of Trinidad and Tobago.

Most significant transactions concern:

- The exploration for and production of crude oil and natural gas through joint arrangements.
- Payment of insurance on behalf of TPHL.
- Processing fees for pipeline and marine services from Paria.
- Cash advances to Petrotrin and TPHL.
- Transfer of assets and the liabilities directly associated with those assets from Petrotrin.

These transactions are as follows:

a. Key management personnel compensation

Key management personnel are those having authority and responsibility for planning, directing and controlling the Group, including executive officers and consist of the following:

	2025 $	2024 $
Directors' fees (Note 26)	482	669
Short – term employee benefits	20,386	20,163
Long – term employee benefits	596	622
	21,464	21,454

b. Trade and financing transactions with related parties

Trinidad Petroleum Holdings Limited (TPHL) – Cash advances for settlement of loan and other fees and insurance	–	–
The Guaracara Refining Company Limited – Storage fees and Wayleave	1,127	1,238
Paria Fuel Trading Company Limited – Processing, bunker and storage fees	62,347	64,760
Petroleum Company of Trinidad and Tobago Limited – Cash advances	151,531	151,410
	215,005	217,408

11. Transactions with related parties (continued)

c. Outstanding balances arising from sales/purchases of goods and services

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

(i) *Due from related parties*	**2025** **$**	**2024** **$**
Non–current		
Trinidad Petroleum Holdings Limited - gross	10,300,960	10,235,786
Expected credit loss (ECL)	(5,350)	(627)
Trinidad Petroleum Holdings Limited - net	10,295,610	10,235,159
Current		
Trinidad Petroleum Holdings Limited	640,512	400,000
Petroleum Company of Trinidad and Tobago Limited	12,196	113
Guaracara Refining Company Limited	21,607	–
Paria Fuel Trading Company Limited	22	162
The Government of the Republic of Trinidad and Tobago (GORTT)		
- Other	53,867	53,159
- Value-Added Tax refundable	38,291	896,122
	766,495	1,349,556

(ii) *Due to related parties*		
Petroleum Company of Trinidad and Tobago Limited	105,534	107,631
Paria Fuel Trading Company Limited	6,885	9,083
The Guaracara Refining Company Limited	101	102
Trinidad Petroleum Holdings Limited	–	460
The Government of the Republic of Trinidad and Tobago (GORTT)		
- Royalties	141,078	167,005
- Production taxes	76,579	48,882
- Supplemental petroleum taxes	38,451	159,743
	368,628	492,906

11. Transactions with related parties (continued)

c. Outstanding balances arising from sales/purchases of goods and services (continued)

Production taxes include petroleum levy and petroleum impost which are all payable to the Ministry of Energy and Energy Industries (MEEI).

The Group also transacts in the normal course of business with other government owned entities such as Telecommunications Services of Trinidad and Tobago Limited (TSTT), Water and Sewage Authority (WASA) and Trinidad and Tobago Electricity Commission (T&TEC).

The Group has an intercompany loan receivable from its Parent Company arising out of the refinancing in financial year 2022 of TPHL's existing debt (Note 2 p.). This debt was interest free and due and payable on demand. However, effective 1 October 2022 the loan agreement was amended to state that the debt is repayable over (7) seven years at an effective interest rate of 7.51 (2024: 7.89). Accordingly, interest income of $564,351 (2024: $529,958) was recognised in the consolidated statement of comprehensive income (Note 28).

12. Deferred taxation

For the years ended 30 September 2025 and 2024, deferred income tax relates to the following:

	Consolidated statement of comprehensive income		Consolidated statement of financial position	
	2025	2024	2025	2024
	$	$	$	$
Deferred tax assets				
Decommissioning provision	(311,125)	99,744	1,757,904	1,446,779
Exchange difference	4,647	(8,866)	4,219	8,866
	(306,478)	90,878	1,762,123	1,455,645
Deferred tax liability				
Oil and gas properties and exploration and evaluation assets	185,091	103,636	(2,109,507)	(1,924,416)
Due from related parties	169,305	158,988	(489,470)	(320,165)
	354,396	262,624	(2,598,977)	(2,244,581)
Deferred income tax expense (Note 30)	47,918	353,502		

A valuation allowance of $1,115,502 (2024: $1,147,663) has been recorded at 30 September 2025 in relation to the net deferred tax asset on the decommissioning provision for assets to be decommissioned between 2026 to 2076. The change in the valuation allowance is as a result of the change in the recoverable amount.

13. Inventories	2025 $	2024 $
Crude oil and natural gas	272,026	233,275
Materials and supplies	149,552	123,057
Provision for obsolescence	(37,233)	(37,880)
	384,345	318,452

There was an overall decrease in the obsolescence provision of $647 (2024: $2,856) and this was recognised as a reduction in cost of sales (Note 26).

14. Trade and other receivables	2025 $	2024 $
Trade receivables – gross	19,012	6,702
Other receivables – gross	74,276	79,661
Expected credit losses	(17,294)	(7,371)
Trade and other receivables – net	75,994	78,992
Prepayments	23,928	24,288
Accrued revenue	343,870	333,096
	443,792	436,376

The ageing analysis of trade receivables is as follows:

	Current $	Days past due 31 to 60 days $	61 to 90 days $	>90 days $	Total $
As at 30 September 2025	13,611	25	25	5,351	19,012
As at 30 September 2024	1,391	–	–	5,311	6,702

15. Income taxes recoverable	2025 $	2024 $
Income taxes recoverable	17,352	17,042

These amounts primarily relate to income year 2021 and 2022 and represent overpayment of Petroleum Profit Taxes and Unemployment Levy. There was no offset in 2025, the recoverable is planned to be utilised in 2026.

16. Restricted cash - debt service reserve	2025 $	2024 $
Opening amount as at 1 October	75,525	92,862
Change	(16,979)	(17,337)
Closing amount as at 30 September	58,546	75,525

17. Short-term investment

Short-term investment	13,646	148,504

a. Short-term investment

The short-term investment as at 30 September 2025, relates to a USD fixed deposit held with a financial institution. The fixed deposit has an original maturity of six (6) months and represents cash collateral held for the Trinidad Northern Areas (TNA) Block Performance Guarantee.

b. Financial risk management

The effective interest rates on short-term deposits were between 0.1% and 0.2% (2024: 0.1% and 2%) per annum.

c. Fair value of short-term investments

Due to the short-term nature of these investments, the carrying amount is assumed to be the same as the fair value.

18. Cash and cash equivalents	2025 $	2024 $
Current bank and cash balances	851,956	500,488

19. Stated capital

Authorised:
An unlimited number of ordinary shares of no par value
An unlimited number of preference shares of no par value

Issued and fully paid:		
1 ordinary share of no par value	–	–

20. Consolidated reserves	**2025 $**	**2024 $**
Consolidated reserves	237,366	237,366

The Group accounts for common-control business combinations using the predecessor-values method.

Predecessor values of the assets and liabilities acquired are consolidated without any step up to fair value as at the date of the business combination. Under this method, the financial position of the acquired entity is recorded as a consolidated reserve within equity and there is no goodwill created by the transaction.

21. Currency translation differences	**2025 $**	**2024 $**
Currency translation differences	168,825	164,798

This represents cumulative foreign currency translation differences between the Group's functional currency which is United States dollars and its presentation currency which is Trinidad and Tobago dollars.

22. Trade and other payables	**2025 $**	**2024 $**
Non-current		
Abandonment liability – third party	93,019	82,464
Current		
Trade payables	176,009	128,820
Accruals	877,877	965,872
Abandonment liability – third party	16,432	17,219
Other payables	4,967	12,364
Royalties and other fees	42,303	39,907
	1,117,588	1,164,182

a. Fair value of trade payables

Due to the short-term nature of the current payables, their carrying amount is assumed to be the same as their fair value.

23. Decommissioning provision	2025 $	2024 $
Opening amount as at 1 October	4,754,889	4,594,250
Unwinding of discount (Note 28)	346,277	334,012
Additions (Note 5)	–	5,381
Increase/(decrease)in decommissioning provisions (Note 5)	111,886	(53,433)
Increase/(decrease) in decommissioning provisions (Note 26)	29,630	(121,757)
Translation differences	8,652	(3,564)
Closing balance as at 30 September	5,251,334	4,754,889
Of which:		
Non-current portion	5,251,334	4,754,889

This provision represents management's best estimate of the cost of dismantling exploration and production assets at the end of the producing lives of the fields and at the end of their useful life and includes the costs of environmental remediation. The estimated decommissioning cost at the end of the producing lives of fields is reviewed annually and is based on engineering estimates and reports. The estimated decommissioning cost was compiled using a third-party service provider, utilising information provided by management. Key information provided was offshore well information, onshore well information and onshore and offshore facilities including pipelines based on what was novated as part of the asset vesting.

The net increase in provisions of $29,630 (2024: decrease $121,757) relates to an adjustment to the abandonment liability for the fields where the assets net book values are nil. These adjustments are reflected in cost of sales within the consolidated statement of comprehensive income (Note 26) as these assets have a nil net book value.

The amount and timing of settlement in respect of future exploration and production decommissioning provisions are uncertain and dependent on various factors that are not always within management's control but are currently anticipated to be between 2027 and 2076. A 1% change in the escalation and discount rate will have the following impact on the decommissioning provision.

Sensitivities	$
1% increase in discount rate	(1,367,693)
1% decrease in discount rate	1,979,107
1% increase escalation rate	2,066,400
1% decrease escalation rate	(1,431,731)

24. Borrowings

	2025 $	2024 $
Total Borrowings consists of:		
Current portion	439,776	405,155
Non-current portion	5,097,633	5,518,246
	5,537,409	5,923,401

Transaction costs amortised during the year totalled $16,721 (2024: $16,714).

		Interest rate %	Maturity	2025 $	2024 $
Current					
i)	Term loan – US$475m	9.55	5 May 2029	439,776	405,155
Non-current					
ii)	2029 Notes – US$500m	9.00	12 August 2029	3,347,030	3,333,201
ii)	Term loan – US$475m	9.55	5 May 2029	1,750,603	2,185,045
				5,097,633	5,518,246

Heritage's borrowings

i) Term Loan Facility – US$475m (TT$3,209m)

This is a senior secured seven (7) years floating interest rate Term Loan facility with an initial principal of US$475 million. Interest is payable quarterly in arrears on 15 March, 15 June, 15 September, and 15 December. There was a one (1) year moratorium on principal with non-linear quarterly amortisations which commenced in June 2023. The Term Loan Credit Agreement was executed on 5 May 2022 and the facility matures on 5 May 2029. The principal balance outstanding on the Term Loan as at 30 September 2025 was US$327,750 (TT equivalent $2,214,082) (2024: US$389,500 (TT equivalent $2,624,821).

24. Borrowings (continued)

Heritage's borrowings (continued)

ii) 2029 Notes – US$500m (TT$3,378m)

This is a senior secured seven (7) years fixed coupon International Bond. US$500 million 7-years bullet Bond at a 9% p.a. fixed coupon rate. Interest on this bond is payable semi-annually in arrears in February and August of each year, with the first interest payment on 12 February 2023. The principal is payable at maturity on 12 August 2029. This borrowing was effective 12 May 2022. The principal balance outstanding on the 2029 Notes as at 30 September 2025 was US$500,000 (TT equivalent $3,377,700) (2024: US$500,000, TT equivalent $3,369,475).

iii) Loan Covenants

TPHL and Paria Fuel Trading Company Limited ("Paria") are Guarantors on Heritage's loan agreements. Senior lenders have a first priority security interest under New York law and/or Trinidad and Tobago law as applicable over certain of the assets of Heritage, TPHL and Paria including equipment and fixtures, inventory and receivables.

Heritage together with the Guarantors are required to comply with covenants under the Agreements. As of 30 September 2025, there was compliance with these covenants. Below we have outlined the major covenants which is not exhaustive:

(i) Heritage is required to maintain a debt service reserve account with a financial institution, which as of any date of determination must satisfy a debt service reserve requirement consisting of interest and additional amounts (other than principal), if any, and all letter of credit fees, if applicable, in each case, scheduled to become due and payable on the senior secured obligations during the three (3) consecutive months succeeding such date of determination. As at 30 September 2025, this requirement was satisfied.

(ii) At least 70% of Heritage's net revenues from the sale of product, as defined in the Agreements, must be paid into a collection account held with a financial institution and there are no restrictions over use of these funds except in the case of a collateral event of default under the Master Collateral and intercreditor agreement. As at 30 September 2025, there has been no collateral event of default.

(iii) There are a number of affirmative covenants, which are usual and customary for financings of this nature. These include notices to lenders upon occurrence of certain events, provision of periodic financial information, maintenance of collateral and compliance with applicable laws.

(iv) There are a number of negative covenants, including restrictions on the ability of the Borrower (Heritage) and the Guarantors to create liens, limitations on additional indebtedness, dividends and/or restricted payments, limitations surrounding capital expenditure and investments, transactions with Affiliates (including Petrotrin and Guaracara), negative pledges, financial ratio compliance requirements and conditions for mandatory prepayments.

24. Borrowings (continued)

Heritage's borrowings (continued)

iii) Loan Covenants (continued)

(v) Events of default include, subject to certain exceptions and grace periods, non-payment, material inaccuracy of representations and warranties, breach of covenants, bankruptcy and insolvency, cross default in respect of certain financial indebtedness exceeding US$25 million, inability to pay debt as it becomes due, and local government exchange controls that could have a material adverse effect. Other usual and customary events of default consistent with financings of this nature are also defined in the loan documents.

25. Revenue from contracts with customers	**2025 $**	**2024 $**
Crude oil sales	6,763,820	7,761,251
Natural gas sales	236,887	168,808
Royalty income	242,215	305,244
Natural gas liquid sales	10,343	11,041
	7,253,265	8,246,344

26. Expenses by nature	2025 Cost of sales $	2024 Cost of sales $
Purchases	(1,748,280)	(1,738,039)
Production expenses	(1,141,720)	(1,228,010)
Supplemental petroleum tax	(708,597)	(937,797)
Royalty	(493,689)	(585,662)
Depreciation, depletion and amortisation (Note 5, 6)	(421,409)	(295,035)
Production taxes	(279,633)	(267,548)
Employee benefits expense (Note 29)	(106,822)	(94,579)
Processing fees	(62,185)	(64,033)
Change in decommissioning provision (Note 23)	(29,630)	121,757
Depreciation on right of use assets (Note 7)	(11,519)	(11,251)
Stock written off	–	(7,361)
Change in provision obsolescence (Note 13)	647	2,856
Movement in crude oil inventories	36,193	(76,850)
	(4,966,644)	(5,181,552)

26. Expenses by nature (continued)

	2025 Administrative expenses $	2024 Administrative expenses $
Employee benefits expense (Note 29)	(180,845)	(166,256)
Insurance	(43,619)	(43,955)
Green fund levy	(22,111)	(25,029)
Other expenses	(15,185)	(18,800)
Expected credit loss (Note 4)	(14,634)	(6,192)
Management fees	(5,086)	(5,130)
Audit services and non-audit services	(2,322)	(5,602)
Director fees (Note 11a)	(482)	(669)
Legal and professional fees	389	(1,544)
Gain on exchange of foreign currencies	36,020	885
	(247,875)	(272,292)

27. Other operating income

	2025 $	2024 $
Pipeline rentals	2,157	2,940
Miscellaneous rental and other income	61,759	6,716
	63,916	9,656

28. Net finance cost	**2025 $**	**2024 $**
Finance charge – borrowings	(653,424)	(729,318)
Finance charge on decommissioning provision (Note 23)	(346,277)	(334,012)
Finance charge – bank interest	(3,179)	(2,976)
Finance charge on leases – net of adjustment (Note 7)	1,388	(928)
Interest income – related parties (Note 11)	564,351	529,958
Interest income on short term investments	255	28,150
Interest income from bank balances	31,217	25,152
	(405,669)	(483,974)

29. Employee benefits expense		
Salaries and wages benefit	(204,238)	(183,628)
Allowances	(52,118)	(50,869)
Overtime	(1,769)	(1,073)
Medical insurance	(8,104)	(4,898)
Defined contribution plan – pension expense	(13,569)	(12,507)
National insurance	(7,869)	(7,860)
	(287,667)	(260,835)
Broken down as follows:		
Cost of sales (Note 26)	(106,822)	(94,579)
Administration expenses (Note 26)	(180,845)	(166,256)
	(287,667)	(260,835)

The Group has a defined contribution plan. The Plan is governed by the Central Bank of Trinidad and Tobago (CBTT) and the Board of Inland Revenue (BIR) in accordance with the laws of Trinidad and Tobago. Responsibilities of the governance of the Plan including investment strategies, lies with Guardian Life Asset Management (GAM) and the Unit Trust Corporation of Trinidad & Tobago (UTC). The Group's contribution to the defined contribution plan is charged to the consolidated statement of comprehensive income in the year to which they relate.

30. Taxation expense

a. Income tax expense

	2025 $	2024 $
The major components of income tax charge for the years ended 30 September are:		
Current tax		
Current tax charge	704,628	1,009,885
Deferred tax		
Relating to origination and reversal of temporary difference on deferred tax assets (Note 12)	47,918	353,502
Income tax charge for the year	752,546	1,363,387

The tax assessed on the profit on ordinary activities for the year is different from the standard rates of tax of 55% in Trinidad and Tobago. This difference is reconciled below:

	2025 $	2024 $
Accounting profit before tax	1,569,750	2,303,666
Current tax expense at 55%	863,363	1,267,016
Non-deductible taxable expenditure	43,265	30,103
Change in valuation allowance	(33,747)	188,233
Transactions subject to different tax rates	(141,658)	(133,113)
Other	21,323	11,148
	752,546	1,363,387

31. Contingent liabilities

a. Litigation

The Group is a party to certain legal actions brought against it by third parties. In the opinion of the Directors, after taking appropriate legal advice, the outcome of such actions will not result in any significant additional liabilities and therefore no provision has been made in these consolidated financial statements.

On 22 December 2024, there was an incident in Heritage's offshore acreage involving Rig 110 which is owned and operated by Well Services Petroleum Company Limited (WSPCL). WSPCL was contracted to provide drilling equipment and services, while undertaking this work its rig lost stability and the rig-floor collapsed. Arising from this incident, one of WSPCL personnel was injured and another remains unaccounted for as at the date of this report. On 17 June 2025, the Occupational Safety and Health Agency (OSHA) laid charges against WSPCL, Kenson Production Services Limited and Heritage. As at the current date, the matter is still ongoing.

b. Letter of credit

(i) The Group has one outstanding letter of credit facility with a financial institution for US$26,926 (TT equivalent $181,456). This credit facility was established to meet Heritage's 15% share of its abandonment liability with respect to its TSP Joint Operation. Effective 1 January 2026, this facility was increased to US$28,133 (TT equivalent $190,473). Refer to note 34 b.

(ii) The Group has a performance guarantee with a financial institution for US$1,940 (TT equivalent $13,073). This facility was established to meet Heritage's minimum work obligation for its TNA license and has been in effect since February 2021. Refer to note 34c.

32. Commitments

a. Sales commitments

The Group has entered into sales contracts with a number of its customers. At the reporting date, these amounted to approximately $873,576 (2024: $1,035,555) as outlined below:

Product	***2025***		***2024***	
	Barrels	**$000**	**Barrels**	**$000**
Crude oil	2,053,061	873,576	2,141,138	1,035,555

b. Capital commitments

	2025	**2024**
	$	**$**
Authorised and contracted for and not provided for in the consolidated financial statements	72,900	37,715

33. Interests in other entities

Interest in joint operations
The Group has shared control in the following joint operations which are all based in Trinidad and Tobago:

Effective interest	2025	2024
Central Block	35.00%	35.00%
Point Ligoure, Guapo Bay, Brighton Marine (PGB)	30.00%	30.00%
Ortoire Block	20.00%	20.00%
South East Coast Consortium (SECC)	16.00%	16.00%
Teak, Samaan, Poui (TSP)	15.00%	15.00%
Buenos Ayres	15.00%	15.00%
Aripero	15.00%	15.00%
St. Mary's	10.00%	10.00%

These joint operations are involved in the exploration for and production of crude oil and natural gas. They represent unincorporated, jointly controlled operations. The Parent's interest in the assets, liabilities, income, losses and expenditures of these ventures is included in the relevant components of the Group's consolidated financial statements.

34. Subsequent events

a. Subsequent to the year end, crude oil prices (Brent ICE) averaged US$99.60/barrel up to March 2026, compared to US$70.94/barrel for the 12 months ended 30 September 2025.

b. The letter of credit established to meet Heritage's 15% share of its abandonment liability with respect to its TSP Joint Interest was increased to US$28,133 (TT equivalent $190,473) effective 1 January 2026.

c. Subsequent to the year end, the performance guarantee with a financial institution for US$1,940 (TT equivalent $13,073) was relinquished as Heritage achieved the minimum work obligation for its TNA license.