

Q1 2025 SUSTAINABILITY STATEMENT

The Corporate Affairs & Sustainability team presents the Q1 2025 Sustainability Impact Statement for Pan Ocean and the Newcross Companies. It reflects our commitment to delivering measurable, technically sound, and environmentally responsible performance across all assets.

Q1 was focused on execution—commissioning key infrastructure, reducing emissions, enhancing operational efficiency, and ensuring safe, compliant production across our value chain. With the Vapor Recovery Unit fully operational at OML 147, the LACT Unit project advancing, and the robust environmental audits completed across the Ovade Ogharefe Gas Plant and other assets, we are meeting regulatory thresholds and setting higher internal standards.

Safety remained at the core of our culture, with zero fatalities or lost-time incidents reported across all sites in Q1. Our HSSE metrics are a testament to the operational discipline, preparedness, and working systems we have in place to ensure the safety of our people, environment and operations. From stakeholder engagement to gas flare reduction, every initiative this quarter reflects the sustainability consciousness that we have committed to journeying onward.

In addition, we have highlighted the value that non-technical teams—ranging from HR, Legal, Audit, Corporate Affairs, and Security to IT and SCM—bring to our collective ESG journey. Through improved systems, culture-building, proactive stakeholder engagement, risk alignment, and policy reform, these strategic support functions have demonstrated that sustainability is everyone's business.

This statement for Q1 of 2025 captures and highlights how business and technical functions work collaboratively to enhance our ability to meet stakeholder expectations, remain resilient, and deliver on the non-financial performance indicators that matter most.

Executive Summary

The first quarter of 2025 marked a continuation of the Group's transition from ESG ambition to ESG delivery. Across the upstream and midstream value chain, assets under Pan Ocean and the Newcross Companies achieved essential milestones in safety performance, gas flare reduction, produced water management, and energy efficiency. Operational highlights include:

- ✓ A reduction in gas flaring at OML 147 to below 0.5 MMscf/day following full VRU commissioning
- ✓ Progress on the LACT Unit installation and fabrication in the United States
- ✓ Commissioning of Gas Generators 6 & 7 at Ovade Ogharefe Gas Plant, with increased condensate and LPG production
- ✓ Zero fatalities or LTIs across all locations, with improved reporting of near misses and unsafe conditions
- ✓ Completion of EIAs and Environmental Compliance Monitoring across multiple sites with NUPRC engagement.

Although production targets in some assets were marginally underachieved due to deferments and logistical bottlenecks, strategic infrastructure projects were accelerated to bridge those gaps. This impact statement summarises the technical actions taken, their relevance to sustainability, and the groundwork laid for sustained ESG delivery in 2025.

Technical Sustainability Performance

From a technical standpoint, the commissioning of the Vapour Recovery Unit (VRU) at OML 147 has demonstrated how engineering excellence directly advances ESG outcomes. Post-commissioning data confirmed a drop in flaring from 2.5 MMscf/day to approximately 0.5 MMscf/day. This intervention lowered emissions and increased gas capture, driving both environmental and possible commercial returns.

At Ovade Ogharefe Gas Plant, new Gas Generators 6 and 7 were successfully commissioned, and support systems such as fuel gas manifold redesign and Turbo-Expander component sourcing are underway. These upgrades support our continuing goal of expanding domestic gas availability and improving energy reliability within our operations and to third parties.

Environmental Stewardship

Q1 2025 featured the completion of Environmental Impact Assessments (EIAs) for the Anagba drilling prospect and the dual pipeline infrastructure. Our teams also completed Environmental Compliance Monitoring (ECM) across sites, with NUPRC attendance and statutory filings in progress.

Produced water management and gas reinjection studies continued in partnership with regulators and third-party field engineers. Gas flaring reduction remains a priority across all assets, with VRU deployment at OML 147 now serving as a model for replication elsewhere.

Health, Safety, Security & Environmental (HSSE) Outcomes

Across all assets, Q1 2025 recorded zero fatalities, zero lost-time injuries (LTIs), and zero Tier 1 process safety incidents. This reflects the maturity of our safety systems, the diligence of our operational teams, and ongoing improvements in hazard identification and reporting.

Unsafe acts and unsafe conditions were tracked and mitigated promptly. Notably, the OML 147 team closed out a potential gas leak in the Abe valve chamber without incident while replacing non-operational fire water monitors at the flow station.

In safeguarding our people and assets, our collaboration with host communities and the Joint Task Force (JTF) helped achieve 100% pipeline patrol coverage. Quarterly security audits, incident response training, and RoW clearing maintained the group's proactive and risk-averse operational climate.

Strategic Sustainability Investments

The Group made several targeted investments to embed ESG into core infrastructure. Key spending areas include \$26 million for completing the Obi Anyima-7ST2 well, \$7.23 million toward LACT Unit installation and monitoring, and over N108 million allocated to VRU installation and flare reduction optimisation.

The Ovade Ogharefe Gas Plant continued working on its gas expansion program, targeting 170 MMscf/d in domestic supply, developing CNG facilities, and converting operational vehicles to gas-powered alternatives. These investments signal our continued effort to link infrastructure with impact and profitability with responsibility.

Site-Specific Sustainability Highlights

OML 147

The OML 147 team focused on critical integrity upgrades and emissions reduction. Notably, replacing pressure relief valves (PSVs) and a site-wide hazard hunt improved emergency readiness. Following the

VRU installation, flaring has remained below regulatory thresholds. Internal safety reviews and HAZOP compliance documentation have been updated.

OML 24

OML 24 continued production optimisation and security reinforcement. Patrols by the Joint Task Force and community stakeholders ensured uninterrupted pipeline operations. Preparations began for installing high-capacity gas compressors and completing effluent discharge system upgrades in accordance with the Nigerian Upstream Petroleum Regulatory Commission (NUPRC) standards.

PML 18 / OML 152

Across these assets, efforts focused on flare reduction studies, well integrity checks, and future-proofing the facility for water injection and CNG deployment. Engagements with regulators on waste management and HCDT setup continued. ESG alignment within project planning is now standard.

OPL 276

OPL 276 focused on building foundational governance. The asset completed baseline community engagement and preliminary EIA scoping for upcoming drilling activities. Project environmental risks are mapped and aligned to the Group's integrated ESG risk register.

Ovade Ogharefe Gas Plant

The gas plant operated efficiently despite minor logistical challenges. Gas generator upgrades, LPG storage expansion, and process safety audits were completed. Plans are underway to monetise gas byproducts, including condensate sales, and to enhance community-focused off-take models. HSSE indicators remained fully compliant with zero LTI and minimal first aid cases.

Strategic Governance, Risk & Compliance

In Q1, the Group's Internal Audit and Legal functions contributed to ESG assurance through risk-based auditing, policy reviews, and controls revalidation. Efforts included conflict-of-interest declarations, anti-bribery policy updates, and the integration of ethics into compliance monitoring—legally provided ESG-aligned advisory on joint venture obligations and host community development frameworks. The audit team concluded assessments of contractor practices and process alignment, which are in tandem with international sustainability norms.

People, Culture & Industrial Harmony

Human Resources and Industrial Relations teams advanced a more inclusive and secure workplace. A new Employee Recognition Policy was introduced to reward performance, innovation, and integrity. Quarterly workforce analytics were deployed to improve productivity tracking and balance.

Engagements with unions were constructive and culminated in reviewing grievance protocol and structured dialogue around the Group's transition and workforce realignment strategy. The HSE team supported this by launching monthly safety campaigns and field-based wellness checks.

Technology and Data

The IT and Systems team continued to build a digital-first organisation. During Q1, cybersecurity protocols were enhanced to meet NDPR compliance, while the ERP project team accelerated ESG-linked modules for procurement and operations. Power and connectivity uptime exceeded 95%, and automation dashboards were deployed for finance and asset monitoring. These tools lay the groundwork for better sustainability data capture and emissions tracking over time.

Sustainable Procurement & Logistics

The Supply Chain Management (SCM) and Materials Management Division (MMD) continued to reform procurement practices that align with ESG principles. In Q1, vendor audits were expanded to include environmental compliance and social risk screening. Efforts were made to onboard local and community-based contractors aligned with the Group's local content inclusion and growth agenda. Quality Assurance/Quality Control (QA/QC) teams also ensured environmental and safety standards were embedded in all materials inspection procedures.

Security & Asset Protection

The Security Department ensured asset protection while advancing community peace-building initiatives. Collaborations with local vigilante groups, JTF, and intelligence networks ensured 100% security patrol compliance and rapid incident reporting. The security team adopted proactive measures by mapping socio-political risks, reviewing early warning systems, and retraining security personnel on humane security protocols.

Stakeholder Engagement & Sustainability Culture

The Corporate Affairs and Sustainability team led internal and external communications aligned with the Group's ESG goals. Q1 featured the consolidation of data for the first sustainability statement. Onboarding of the ESG integration partner and the awareness sessions on sustainability laid the foundation for adoption and practice.

Looking Ahead: Q2 2025 and Beyond

As we proceed to the second quarter, the focus will be on pursuing the ESG Integration and Maturation Work Plan and preparing for our first ESG materiality assessment. With the support of industry experts, this assessment will align future disclosures with updated stakeholder expectations.

Developing ESG metrics that will feed into the Group's operational dashboards. Additional attention will be placed on improving field-level sustainability data capture and analysis, driven by collaboration between operations, HSSE, and finance.

Plans are underway to operationalise the HCDDTs across all producing assets and initiate CNG-powered logistics pilot projects. Strategic Support functions will continue embedding sustainability through system upgrades, policy revisions, and people-first practices. Planned initiatives from the integration and maturation project include launching ESG onboarding for new employees, streamlining ethics reporting channels, completing supply chain sustainability scorecards, and upgrading cybersecurity risk controls.

A key deliverable for Q2 is developing ESG KPIs per department and providing measurable metrics that align daily work with long-term sustainability goals.

Conclusion

Q1 2025 reflects a continuation of our Group's disciplined commitment to sustainability. Actions were deliberate, aligned, and operationally grounded. Whether through flare reduction, well integrity, environmental monitoring, or social infrastructure investment, the various results reinforce our vision of a responsible and resilient energy business. The rest of the year will build on these gains, with a better-integrated ecosystem and a deepening culture of sustainability embedded across all operations.

SUSTAINABILITY IMPACT SUMMARY

Environmental Commitment: We secured permits (EIA, NNRA, NUPRC) and cleaned the San Barth spill site (OML 24). Gas flaring persists as a challenge—557.68 MMscf (24.41%) in OML 24 and 3.1 MMscfd in PML 18 (vs.

Safety Excellence: Achieved zero LTIF and TRCF across 6.9M person-hours (199,444 Q1 PML 18, 121,768 Q1 Ovade), with robust training (e.g., 10 HSSE meetings at Ovade) ensuring workforce safety.

Community Value: Delivered 668 incident-free shuttles (OML 24) and planned HCDTs (OPL 276, PML 18), fostering local stability and growth.

Sustainable Business Portfolio: Secured \$5M for 30 mini-grids (\$500/connection) and a 1 MW grid (\$450/connection), with WTE/hydrogen studies nearing completion, targeting OML 24, 147, and 152 efficiencies in Q2.

Operational Strength: PML 18 exceeded production at 3,279.9 bpd (+5.7% vs. target); OML 24 hit 26,852 bopd (-6.4% vs. target).

METRICS IN A SNAPSHOT

Gas Flaring (OML 24: 557.68 MMscf, 24.41%; PML 18: 3.1 MMscfd vs. Positive Environmental impact, regulatory compliance, and progress toward flare-out goals.

Safety Performance (Zero LTIF/TRCF; Man-Hours: 6.9M total, 199,444 PML 18, 121,768 Ovade). Operational stability and workforce safety, reduced liability.

Environmental Compliance (Permits, spill cleanup, CDM alignment). Legal adherence and environmental care are key metrics for our regulators.

Community Outputs (OML 24: 668 shuttles; OPL 276/PML 18: HCDT plans) quantify our social license and minimise disruptions.

Sustainability Investment (NewX: \$5M, 30 mini-grids, 1 MW grid): **Sustainability Impact:** Balanced Portfolio and Green growth, appeal to potential investors interested in ESG-focused businesses.

Production Metrics (PML 18: +5.7%; OML 24: -6.4%): **Sustainability Impact:** Balanced profitability.

Q1 SUSTAINABILITY ACTIONS – HIGHLIGHTS

1. Newcross Exploration & Production Limited (OML 24)

Environmental Management and Compliance

- Secured NNRA Premise Licenses (Ekulama 12, 15, 38, Awoba NW C/D), NUPRC Radiation Safety and Effluent Waste Discharge Permits, and renewed Barging Permit.
- Completed cleanup of a spill site near San Barth Bund wall.
- Gas flared: 557.68 MMscf, 24.41% flare rate (target unspecified).

Health and Safety

- Zero LTIF, TRCF, Tier 1 incidents; 21 near misses, nine first aid cases mitigated (e.g., safety gear enforced).
- 12 HSSE meetings (target met), one training (vs. two targets).

Community Engagement

- 668 crude shuttles with zero community disturbances; HCDTs funded and sensitised.

Production

- 26,852 bopd (vs. 28,686 bopd target, -6.4%).

2. Newcross Petroleum Limited (OPL 276)

Environmental Management and Compliance

- Planned quarterly Environmental Compliance Monitoring, NNRA, and NUPRC permits, targeting zero HC spills.

Health and Safety

- Targets of zero LTIF, TRCF, and incidents; no Q1 actuals (exploration phase).
- Planned 2 HSSE meetings and one training (no actuals).

Community Engagement

- The community entry plan was drafted, and the MOU and HCDT funds were planned.

Production

- Exploration phase, no production.

3. Newcross Petroleum Limited (PML 18 - Egbaoma Marginal Field)

Environmental Management and Compliance

- Secured EIA approval (5 years), Point Source emission permit (3 years), and fumigated facilities.
- Gas flared: 3.1 MMscfd

Health and Safety

- 6,787,370 cumulative person-hours, 199,444 Q1; zero LTIF, TRCF; 1 near miss mitigated.
- 3 HSSE meetings/trainings (targets met).

Community Engagement

- Planned HCDT training for Orhionmwon 1 & 2, Ethiopie West.

Production

- 3,279.9 bpd (vs. 3,103 bpd target, +5.7%).

4. Pan Ocean (OML 147)

Environmental Management

- No specific Q1 environmental data was isolated, but part of group-wide energy efficiency assessments planned for Q2 2025.
- Compliance via group permits

Health and Safety

- Under group safety targets (zero incidents), no specific Q1 safety data was assumed.

Community Engagement

- No direct Q1 community data referenced in risk mitigation with synergy among OML 147 operators.

Financial/Sustainability Context

- Statutory payments: \$8,513,680 (Q1 contribution: -\$28,991); part of AMCON loan restructuring (N280.01B savings).

Production

- It is not detailed separately; it is assumed to be part of the group output.

5. Pan Ocean (Ovade Ogharefe Gas Plant)

Environmental Management

- Environmental Compliance Monitoring with NUPRC; CDM project with 200 mmscf/d capacity.

Health and Safety

- 121,768 Q1 person-hours; zero LTIF, TRCF; 32 unsafe acts addressed.
- 10 HSSE meetings, three trainings (targets met).

Community Engagement

- Stakeholder liaison for security; no specific projects detailed.

Production

- 131 mmscf/d gas, 879 bbl/d condensate, 116 MT LPG.

6. NewX/NewVida (Group-Wide)

Sustainability Investments

- \$5M credit line for 30 mini-grids (\$500/connection), 1 MW grid (\$450/connection), WTE/hydrogen studies (close-out March 31, 2025).
- Solar IT upgrades and energy assessments (OML 24, 147, 152) are planned for Q2.