Q4

Management's Discussion and Analysis

For the Period Ended December 31, 2024
March 25, 2025

CONTENTS

INTRODUCTION

This Management's Discussion and Analysis ("MD&A") focuses on Valeura Energy Inc.'s ("Valeura" or the "Company") results during the three and twelve months ended December 31, 2024. To better understand this MD&A, it should be read in conjunction with Valeura's consolidated financial statements for the year ended December 31, 2024 and 2023 (the "Financial Statements"), and related notes thereto. Additional information relating to Valeura is available on its website at www.valeuraenergy.com and on SEDAR+ at www.sedarplus.ca, including Valeura's annual information form for the year ended December 31, 2024 (the "AIF"). **The reporting currency is the United States Dollar ("$").**

NON-IFRS FINANCIAL MEASURES

This MD&A includes references to financial measures commonly used in the oil and gas industry such as adjusted EBITDAX, net working capital, adjusted net working capital, adjusted cashflow from operations, adjusted opex, adjusted capex, adjusted pre-tax cash flow from operations, net cash, debt which are not generally accepted accounting measures under International Financial Reporting Standards ("IFRS Accounting Standards") which are not generally accepted accounting measures under IFRS Accounting Standards as issued by International Accounting Standards Board ("IASB") and do not have any standardised meaning prescribed by IFRS Accounting Standards and, therefore, may not be comparable with similar definitions that may be used by other public companies. Management believes that adjusted EBITDAX, net working capital, adjusted net working capital, adjusted cashflow from operations, adjusted opex, adjusted capex, adjusted pre-tax cash flow from operations, net cash, debt are useful supplemental measures that may assist shareholders and investors in assessing the financial performance and position of the Company. Non-IFRS financial measures should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS Accounting Standards. The definition and reconciliation of each non-IFRS financial measure and ratio is presented in this MD&A. See "Non-IFRS Financial Measures and Ratios" on page 22.

BASIS OF PREPARATION

The Financial Statements have been prepared in accordance with the IFRS Accounting Standards by the International Accounting Standards Board as at and for the years ended December 31, 2024 and 2023, and have been prepared in accordance with the accounting policies and methods of computation as set forth in Note 3 of the Financial Statements.

The discussion and analysis of oil production is presented on a working-interest before royalty basis.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the revenues and expenses during the reporting period. Management reviews these estimates, including those related to accruals, reserves, environmental and decommissioning obligations, and income taxes at each financial reporting period. Changes in facts and circumstances may result in revised estimates and actual results may differ from these estimates. Readers should be aware that historical results are not necessarily indicative of future performance.

Any financial outlook or future oriented financial information in this MD&A, as defined by applicable securities legislation, has been approved by management of Valeura. Such financial outlook or future oriented financial information is provided for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that reliance on such information may not be appropriate for other purposes.

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The ability to make reliable estimates is further complicated when the political, economic, and security situation is uncertain. Management has based its estimates with respect to the Company's operations on information available up to the date of this MD&A and was approved by the board of directors of the Company. Significant changes could occur after the date of this MD&A which could materially impact the assumptions and estimates made in this MD&A.

COMPANY PROFILE

Valeura is a Canada-incorporated public company engaged in the exploration, production, development of oil and gas in Thailand, and exploration in Türkiye. Valeura is pursuing further inorganic growth in Southeast Asia. The common shares of the Company ("Common Shares") are listed and posted for trading on the Toronto Stock Exchange under the symbol "VLE" and quoted on the OTCQX in the United States of America under the trading symbol "VLERF". The head office of Valeura is located at 111 Somerset Road, #09-31, Singapore, 238164. Valeura's registered and records office is located at 4600, 525 – 8th Avenue SW, Calgary, Alberta, T2P 1G1. Valeura was incorporated under the *Business Corporations Act* (Alberta).

KEY ASSETS AND WORKING INTERESTS

The Company's material interests are summarised in the following table:

Country	Concession	Key Fields	Location	Life Cycle	Working Interests
Thailand	B5/27	Jasmine/Ban Yen	Offshore	Production	100% Operator
	G11/48	Nong Yao	Offshore	Production	90% Operator
	G1/48	Manora	Offshore	Production	70% Operator
	G10/48(1)	Wassana	Offshore	Production	100% Operator
Türkiye	West Thrace Deep / Banarli Deep Joint Venture(2)	N.A.	Onshore	Appraisal	63% / 100% Operator

(1) The Company announced on April 28, 2023 that its 11% partner in the G10/48 concession, Palang Sophon Limited ("PSL"), has opted to discontinue its participation in the block. By agreement between PSL and Valeura, PSL transferred its 11% working interest to Valeura. Completion of this 11% transfer is pending government approval.

(2) The Banarli and West Thrace Exploration Licences have been extended to a new expiry date of June 27, 2026, and the Company has engaged in discussions with the government in relation to another two-year Appraisal Period extension thereafter.

THAILAND

The Company has been active in Thailand since April 28, 2022, when the Company entered into a sale and purchase agreement with KrisEnergy (Asia) Ltd. to acquire all of the issued and outstanding shares of KrisEnergy International (Thailand) Holdings Ltd. (now known as Valeura Energy (Thailand) Holdings Ltd.), which held an interest in two operated licences in shallow water offshore Thailand, Licence G10/48 and Licence G6/48 (the "Kris Acquisition"). The Kris Acquisition closed on June 15, 2022.

On December 6, 2022, Valeura announced that Valeura Energy Asia Pte. Ltd. (formerly Panthera Resources Pte. Ltd.) had entered into a sale and purchase agreement with Mubadala Petroleum (Thailand) Holdings Limited ("Mubadala Petroleum") to acquire the Thailand upstream oil producing portfolio of Busrakham Oil and Gas Ltd, effective September 1, 2022, which included interests in three operated licences in shallow water offshore Thailand, Licence B5/27, Licence G11/48, and Licence G1/48 (the "Mubadala Acquisition"). The Mubadala Acquisition closed on March 22, 2023.

A subsidiary of the Company has divested its working interest of 43% in Licence G6/48, and a supplementary petroleum concession was later signed by Thailand's Minister of Energy. As of December 31, 2024, the Company had no proportion of the participating share in the licence.

TÜRKIYE

The Company has been active in Türkiye since its inception. The primary region of the Company's activity in Türkiye has been the Thrace Basin, just west of Istanbul where the Company operated its gas assets. Between 2017 and 2020, the Company undertook a large exploration and appraisal campaign of a deep, unconventional tight gas play (the "Deep Gas Play") in partnership with Equinor Turkey B.V. ("Equinor"). Equinor exited the Deep Gas Play in Q2 2020. In 2021, the Company sold its shallow conventional gas business in Türkiye. The Company is seeking a new partner to further progress appraisal of the Deep Gas Play.

The Banarli and West Thrace Exploration Licences have been extended to a new expiry date of June 27, 2026, and the Company has engaged in discussions with the government in relation to another two-year Appraisal Period extension thereafter.

COMPANY STRATEGY

Valeura is pursuing a disciplined strategy to create value through growth, predicated on the following priorities:

- organic growth within its portfolio, intended to sustain strong cash flows by re-investing to replace reserves and to develop underexploited opportunities.
- inorganic growth within the Southeast Asia region, focusing on value and operationally accretive merger and acquisition ("M&A") targets, with a preference for opportunities that provide current or near-term production and cash flow.
- operational excellence across its organisation, drawing upon the expertise of a proven international team to maintain a relentless focus on operational efficiency and margins while also aspiring to be a responsible corporate citizen and maintaining high safety standards in everything it does.

In addition, Valeura continues to hold an operated, high working interest position in the Deep Gas Play in the Thrace Basin of Türkiye, which it believes could be a source of significant value in the longer term. The Company intends to farm out a portion of its interest in the Deep Gas Play in order to jointly pursue the next phase of appraisal work.

HIGHLIGHTS

2024 Highlights

Operational:

- Production increased by 12% year-over-year to 22,825 bbls/d[1] on the back of a full year of drilling operations and development of the Nong Yao C Field;
- 100% success rate in exploration and appraisal activities with discoveries at Niramai, Wassana North, and Nong Yao D;
- Company's first full year of operations completed with no significant health, safety, or environment incidents; and
- Reduced greenhouse emissions intensity by approximately 20% compared to 2023 baseline.

Financial:

- Generated revenue of US$679 million, with average price realisation of US$81/bbl;
- Delivered Adjusted EBITDAX of US$378 million[2] and adjusted cashflow from operations of US$273 million[2];
- Strengthened the balance sheet with record high year-end cash position of US$259 million[3] and zero debt;
- Reduced asset retirement obligation ("ARO") by 54% since assuming operatorship in Q1, 2023;
- Completed internal restructuring to optimise operational and financial aspects of the Thai III petroleum concessions; and
- Implemented share buyback programme through a Normal Course Issuer Bid for up to 10% of the public float.

		Three months ended December 31, 2024	Year ended December 31, 2024
Oil Production[1]	*('000 bbls)*	2,402	8,354
Average Daily Oil Production[1]	(bbls/d)	26,109	22,825
Average Realised Price	($/bbl)	76.7	81.3
Oil Volumes Sold	*('000 bbls)*	2,948	8,349
Oil Revenue	($ 'mm)	226.1	678.8
Adjusted Opex per bbl[2]	($/bbl)	22.8	25.7
Adjusted Capex[2]	($ 'mm)	38.9	134.3
Adjusted Pre-Tax Cash Flow from Operations[2]	($ 'mm)	133.6	356.6
Adjusted Cash Flow from Operations[2]	($ 'mm)	107.1	272.6
Adjusted EBITDAX[2]	($ 'mm)	132.4	378.0

(1) Working interest share production before royalties.

(2) Non-IFRS financial measure or non-IFRS ratio – see "Non-IFRS Financial Measures and Ratios" section in this MD&A.

(3) Includes restricted cash of $22.8 million.

Q4 2024 Achievements

- Average working interest share oil production before royalties of 26,109 bbls/d;
- Sold 2.9 million bbls of oil at an average realised price of $76.7/bbl; and
- Generated adjusted EBITDAX of $132 million(2), and adjusted cash flow from operations of $107 million(2).

		Three months ended		Year ended	
		December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Average Daily Oil Production(1)	*(bbls /d)*	26,109	19,165	22,825	15,960
Oil Volumes Sold	*('000 bbls)*	2,948	1,987	8,349	5,854
Oil Revenues	*($'000)*	226,148	169,909	678,794	493,457
Net Income	*($'000)*	213,983	23,480	240,797	244,313
Adjusted EBITDAX(2)	*($'000)*	132,402	96,679	377,985	230,672
Adjusted Pre-Tax Cashflow from Operations(2)	*($'000)*	133,612	88,326	356,627	238,661
Adjusted Cashflow from Operations(2)	*($'000)*	107,134	56,023	272,641	152,375
Adjusted Opex(2)	*($'000)*	54,668	51,818	214,891	165,077
Adjusted Capex(2)	*($'000)*	38,870	30,374	134,259	103,733
Weighted average shares outstanding – basic	*('000 shares)*	106,955	102,652	105,778	99,227

		As at	
		December 31, 2024	December 31, 2023
Cash & Cash equivalents(3)	*($'000)*	259,354	151,165
Adjusted Net Working Capital(2)	*($'000)*	205,735	118,143
Shareholder's Equity	*($'000)*	528,283	284,178

(1) Working interest share production before royalties.
(2) Non-IFRS financial measure or non-IFRS ratio – see "Non-IFRS Financial Measures and Ratios" section in this MD&A.
(3) Includes restricted cash of $22.8 million.

2024 Performance versus Guidance

On January 16, 2024, the Company announced its guidance outlook for 2024 (the "Original 2024 Guidance"), and on August 8, 2024 revised its expectations to reflect a narrowing of the production guidance range, and a reduction to the top end of the anticipated capex range (the "Revised 2024 Guidance"). Highlights of the Company's guidance expectations and performance outcomes are summarised below.

		2024 Full Year Original Guidance	2024 Full Year Updated Guidance	Year ended December 31, 2024 Performance
Average Daily Oil Production(1)	*(bbls/d)*	21,500 – 24,500	22,000 – 24,000	22,825
Price realisations	*($/bbl)*	Approx. equivalent to the Brent crude oil benchmark	Approx. equivalent to the Brent crude oil benchmark	$0.5/bbl premium to Brent
Adjusted Opex(2)	*($ million)*	205 – 235	205 – 235	215
Adjusted Capex(3)	*($ million)*	135 – 155	135 – 145	134
Exploration expense	*($ million)*	Approx. 8	Approx. 8	8

(1) Working interest share production, before royalties.
(2) Represents Adjusted Opex which is a non-IFRS financial measure – see "Non-IFRS Financial Measures and Ratios" section in this MD&A.
(3) Represents Adjusted Capex which is a non-IFRS financial measure – see "Non-IFRS Financial Measures and Ratios" section in this MD&A.

2025 Guidance and Outlook

On January 8, 2025, the Company announced its guidance outlook for 2025. Valeura forecasts average 2025 full year oil production of 23,000 – 25,500 bbls/d (working interest share, before royalties), based on continuing production operations at its four Gulf of Thailand licences and an active drilling programme throughout the year. The Company continues to guide for price realisations approximately in line with the Brent crude oil benchmark price.

The Company is planning total capex of $125 – 150 million in 2025, in addition to approximately $11 million in planned exploration drilling. Approximately 85% of the Company's capex plus exploration spending is directed toward drilling, and is based on the plan of having one drilling rig on contract for the full year. The balance of planned capex is related to certain brownfield developments. Capex guidance does not include any post Final Investment Decision ("FID") costs for the Wassana redevelopment, and will be updated should the FID be approved.

Adjusted Opex guidance in 2025 (a non-IFRS measure, as more fully described above) is $215 – 245 million, which equates to approximately $26/bbl, based on the mid-point of the Company's production guidance range (Adjusted Opex per bbl is a non-IFRS ratio, as more fully described above). This includes the cost of leasing certain vessels as part of its ongoing operations, including the Nong Yao C MOPU, the Jasmine field's FPSO vessel, as well as FSO vessels at the Manora and Wassana fields, and a warehouse. Such leases are expected to total approximately $33 million.

		Full Year 2025
		Guidance Range
Average Daily Oil Production[(1)]	*(bbls/d)*	23,000 – 25,500
Price realisations	*($/bbl)*	Approx. equivalent to the Brent crude oil benchmark
Adjusted Opex[(2)]	*($ million)*	215 – 245
Adjusted Capex[(3)]	*($ million)*	125 – 150
Exploration expense	*($ million)*	Approx. 11

(1) Working interest share production, before royalties.
(2) Represents Adjusted Opex which is a non-IFRS financial measure – see "Non-IFRS Financial Measures and Ratios" section in this MD&A.
(3) Represents Adjusted Capex which is a non-IFRS financial measure – see "Non-IFRS Financial Measures and Ratios" section in this MD&A.

The Company intends to fund its 2025 spending through cash on hand plus cash flow generated from ongoing operations, and estimates that these sources will also continue to strengthen the Company's balance sheet. Valeura's financial position provides capacity for ongoing shareholder returns through share buybacks and for inorganic growth.

Reserves and Resources

The results of Valeura's third-party independent reserves and resources assessment for its Thailand assets as of December 31, 2024 were announced on February 13, 2025. Highlights were as follows:

- Record high year-end reserves: 32 MMbbl proved (1P), 50 MMbbl proved plus probable (2P) and 60 MMbbl proved plus probable plus possible (3P) reserves;
- Delivered 2P reserves replacement ratio of 245%, even after production increase of 12%;
- Increased 2P reserves and extended the end of field life ("EOFL") at every field;
- Grew 2P net present value (NPV10) before tax to US$934 million and US$753 million after tax[(1)];
- Considering year-end 2024 cash position, increased 2P net asset value after tax to US$1,012 million, equating to C$13.6 per share[(2)]; and
- Doubled contingent resources to 48 MMbbls compared to year-end 2023[(3)].

(1) Discounted at 10% (NPV10)
(2) Proved plus probable (2P) NPV10 after tax plus cash of $259.4 million (no debt), using $/C$ exchange rate of 1.435, and 106.65 million common shares outstanding, as at December 31, 2024. On a 1P basis, NAV after tax is $618 million, equating to C$8.3 per Common Share. On a 3P basis, NAV after tax is $1,250 million, equating to C$16.8 per Common Share.
(3) Unrisked 2C (best estimate) contingent resources

PERIOD OVERVIEW

Operations Overview

During Q4 2024, the Company had ongoing production operations on all of its Gulf of Thailand fields, comprised of the Jasmine, Nong Yao, Manora, and Wassana fields. One drilling rig was under contract during the quarter.

Oil production averaged 26.1 mbbls/d during Q4 2024 (Valeura's working interest share, before royalties).

		Three months ended		Year ended	
	Unit	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Average Oil Production(1)	**bbls/d**	**26,109**	**19,165**	**22,824**	**15,960**
Jasmine/Ban Yen	*bbls/d*	*8,512*	*8,864*	*7,792*	*7,237*
Nong Yao	*bbls/d*	*11,135*	*6,436*	*8,543*	*5,570*
Manora	*bbls/d*	*2,201*	*3,420*	*2,568*	*2,605*
Wassana	*bbls/d*	*4,261*	*445*	*3,921*	*548*

(1) Working interest share production, before royalties.

Jasmine/Ban Yen:

Oil production before royalties from the Jasmine/Ban Yen field, in Licence B5/27 (100% operated interest) averaged 8.5 mbbls/d during Q4 2024, an increase of 12% from Q3 2024. Increased production rates reflect the start-up of five new wells drilled as part of an infill drilling programme, with the last three wells coming onstream in late November 2024. In addition to adding new production, the Jasmine programme also evaluated several secondary appraisal targets which will be the subject of further infill development drilling in due course.

Although the Jasmine field is the most mature asset in the Company's portfolio, ongoing drilling success underscores the field's ability to continue serving as a key source of cash generation for the business. The Q4 Jasmine drilling results have been included in the Company's reserves evaluation for the year-ended December 31, 2024, and contributed to a further extension in the field's economic life, which on a 2P reserves basis, now lasts into mid 2031.

In February 2025 the drill rig returned to the Jasmine field where it has begun executing a seven-well infill campaign. In total 10 development and appraisal wells are currently planned for the Jasmine field in 2025 and one exploration well at the Ratree prospect. In addition, a workover rig is currently operating on the field completing two workovers.

The low-BTU gas generator was delivered to the Jasmine B platform in Q1 2025 and is expected to be commissioned and operational in Q2 2025. This creates an opportunity to significantly reduce greenhouse gas emissions from this platform as well as to reduce operating costs by using a waste gas stream for power generation.

Nong Yao:

At the Nong Yao field, in Licence G11/48 (90% operated working interest), Valeura's working interest share production before royalties averaged 11.1 mbbls/d, an increase of 18% from Q3 2024. Q4 production rates benefitted from a full quarter of operations at the Nong Yao C field extension, which came online in August 2024.

Performance from Nong Yao C is continuing in line with the Company's expectations. The Nong Yao field is now the Company's largest source of production. In addition, it also has the Company's lowest per unit Adjusted Opex and its oil fetches a premium to the Brent benchmark. As a result, Nong Yao is the Company's most cash generative asset.

In 2025, nine development wells are planned across the three Nong Yao platforms. This programme is expected to commence in late Q2 2025.

Wassana:

Oil production at the Wassana field, in Licence G10/48 (100% operated interest), averaged 4.3 mbbls/d (before royalties), an increase of 55% over Q3 2024. The increase reflects the effect of a full quarter of normal operations at the field, as compared to Q3 2024, during which the Company conducted a one-month precautionary suspension of production while performing underwater inspection work. There was no drilling on the Wassana field in Q4 2024 and no further drilling is planned at this location for 2025.

Valeura has completed the front end engineering and design work for the potential redevelopment of the Wassana field. Detailed contracting and procurement work commenced in late Q4 2024 to validate cost assumptions for the project. Valeura expects to consider a final investment decision in early Q2 2025.

Manora:

At the Manora field, in Licence G1/48 (70% operated working interest), Valeura's working interest share of oil production before royalties averaged 2.2 mbbls/d, a decrease of 11% from Q3 2024. During Q4, the Company began a five-well infill drilling campaign on the Manora field, including both production-oriented infill development wells and appraisal targets. The programme was completed in Q1 2025 and for the month of March to date, working interest share production before royalties has averaged 2.9 mbbls/d. In addition, several appraisal targets were evaluated, giving rise to between three and five potential future drilling targets, which will be further evaluated for inclusion in a future drilling programme.

Türkiye: West Thrace Deep Gas Play:

The Company had no active operations in Türkiye during Q4 2024, however it continues to hold an interest in a potentially large Deep Gas Play in the Thrace basin in the northwest part of the country. In 2024 the Company received official confirmation that it's leases and licences covering the play had been extended into 2025, and more recently the Company was granted an additional one-year extension, bringing the expiry date to June 27, 2026. Following the current period, Valeura may apply for a further two-year extension for appraisal purposes, and has engaged the government in discussions to that effect.

The Company believes the Thrace basin deep gas play could be a source of significant value in the longer term. Valeura intends to farm out a portion of its interest to a new partner in order to jointly pursue the next phase of appraisal work.

Sustainability Review

Valeura is committed to ensuring the sustainability of its business, and aspires toward world class standards for environmental responsibility, social wellbeing, and governance. Following the publication of its inaugural Sustainability Report (covering the year ended December 31, 2023), the Company has continued collecting a wide array of sustainability-related data. Valeura intends to publish a new Sustainability Report in 2025 for the year ended December 31, 2024, which will compare the Company's 2024 performance with the baseline data presented for 2023. Valeura strives to be transparent about its efforts to ensure the ongoing sustainability of its business.

Financial Overview

The Company's Q4 2024 financial performance was characterised by increased production volumes and oil sales, partially offset by the effect of lower realised oil prices, as compared to the previous quarter.

Performance in 2024 is not directly comparable to the year 2023, as the Mubadala Acquisition was completed on March 22, 2023, resulting in approximately nine months of production, revenue and costs associated with these assets for the 12 months of 2023.

Financial Metrics

	Three months ended		Year ended	
In $'000	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Revenue and other income				
Oil revenues	226,148	169,909	678,794	493,457
Other income	4,158	6,984	10,198	12,321
	230,306	**176,893**	**688,992**	**505,778**
Expenses				
Operating	55,607	49,622	186,407	180,192
Exploration	264	785	3,092	1,441
General and administrative	11,653	8,187	31,634	28,186
Royalties	27,919	22,827	81,723	66,664
Special remuneratory benefit (SRB)	25,839	6,292	29,221	15,123
Finance costs	8,049	9,535	28,447	34,022
Depletion and depreciation	45,838	28,004	197,604	128,719
Other expenses	-	1	-	5,417
	175,169	**125,253**	**558,128**	**459,764**
Profit for the period before other items	**55,137**	**51,640**	**130,864**	**46,014**
Bargain purchase gain	-	-	-	238,143
Change in net monetary position due to hyperinflation	207	88	987	472
Profit for the period before income taxes	**55,344**	**51,728**	**131,851**	**284,629**
Income taxes				
Deferred tax (recovery) expense	(159,600)	2,237	(177,210)	(30,847)
Current tax expense	961	26,011	68,264	71,163
Net income	**213,983**	**23,480**	**240,797**	**244,313**
Net income attributable to:				
Shareholders of Valeura Energy	213,983	23,480	240,797	245,026
Non-controlling interest	-	-	-	(713)
Net income	**213,983**	**23,480**	**240,797**	**244,313**
Other comprehensive income (loss)				
Currency translation adjustments	(189)	579	(308)	792
Actuarial gain	745	640	745	853
Total comprehensive income	**214,539**	**24,699**	**241,234**	**245,958**
Total comprehensive income attributable to:				
Shareholders of Valeura Energy	214,539	24,699	241,234	246,671
Non-controlling interest	-	-	-	(713)
Earnings per share				
Basic	*2.00*	*0.23*	*2.28*	*2.47*
Diluted	*1.94*	*0.22*	*2.21*	*2.34*

Oil Revenues

		Three months ended		Year ended	
		December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Oil Volumes Sold	mbbl	**2,948**	**1,987**	**8,349**	**5,854**
Jasmine/Ban Yen	*mbbl*	*919*	*918*	*2,807*	*2,673*
Nong Yao	*mbbl*	*1,284*	*656*	*3,156*	*2,000*
Manora	*mbbl*	*389*	*413*	*1,019*	*1,029*
Wassana	*mbbl*	*356*	*-*	*1,367*	*152*

		Three months ended		Year ended	
		December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Brent Average	$/bbl	74.8	84.4	80.8	82.1
Dubai Average	$/bbl	73.6	83.6	79.6	81.6
Realised	**$/bbl**	**76.7**	**85.5**	**81.3**	**84.3**
(Discount) / Premium to Brent	*$/bbl*	*2.0*	*1.1*	*0.5*	*2.2*
(Discount) / Premium to Dubai	*$/bbl*	*3.1*	*1.9*	*1.7*	*2.7*

In Q4 2024, the Company sold approximately 2.9 mmbbls from its four producing oil fields, which included both crude oil held as inventory as at September 30, 2024 and a portion of the production from Q4 2024. The Company sold crude oil to both domestic Thai refiners and export buyers.

Price realisations averaged approximately $76.7/bbl during Q4 2024 equating to an approximate $3.1/bbl premium to the monthly average Dubai crude oil during the period. Dubai crude is the key oil benchmark used for selling crude oil in Thailand. All the Company's crudes realised a premium to Dubai crude benchmark at every lifting during the period.

		Three months ended
Beginning Inventory at September 30, 2024	***mbbl***	**1,193**
Add: Production	*mbbl*	2,402
Less: Fuel used and crude condition adjusted	*mbbl*	(11)
Available for sale	*mbbl*	3,584
Less: Lifting	*mbbl*	(2,948)
Ending Inventory at December 31, 2024	***mbbl***	**636**

		Year ended
Beginning Inventory at January 1, 2024	***mbbl***	**672**
Add: Production	*mbbl*	8,354
Less: Fuel used and crude condition adjusted	*mbbl*	(41)
Available for sale	*mbbl*	8,985
Less: Lifting	*mbbl*	(8,349)
Ending Inventory at December 31, 2024	***mbbl***	**636**

As at December 31, 2024, the Company had 636 mbbl of crude oil inventory, while the Company had 672 mbbl of crude oil inventory as at December 31, 2023. The quarter-on-quarter comparison indicates that the reduction in ending crude inventory was due to an increase in the volume of liftings.

Adjusted Opex[1]

$'000	Three months ended December 31, 2024	Three months ended December 31, 2023	Year ended December 31, 2024	Year ended December 31, 2023
Operating Costs	**55,607**	**49,622**	**186,407**	**180,192**
Reversal of inventory write-down to Net Realisable Value (Wassana field)[2]	271	(6,157)	7,126	(7,126)
Cost of Goods Sold	**55,878**	**43,465**	**193,533**	**173,066**
Reversal of accounting adjustments related to PPA inventory valuation and capitalisation[3]	(9,964)	(1,994)	(11,368)	(35,734)
Adjusted Opex (excluding Leases)	**45,914**	**41,471**	**182,165**	**137,332**
Leases[4]	8,754	10,347	32,726	27,745
Adjusted Opex	**54,668**	**51,818**	**214,891**	**165,077**
Production Volumes during the period (mbbl)	2,402	1,763	8,354	5,825
Adjusted Opex per Barrel[1] ($/bbl)	**22.8**	**29.4**	**25.7**	**28.3**

(1) *Non-IFRS financial measure – see "Non-IFRS Financial Measures and Ratios" section in this MD&A.*
(2) *Represent write down inventory to net realisable value.*
(3) *The item is not shown in the Financial Statements. As a result of the Mubadala Acquisition, and in accordance with IFRS 3 Business Combinations, the Company is required to calculate the purchase price allocation ("PPA") of the identifiable assets acquired and liabilities assumed at fair value. Crude oil inventory is one the identifiable assets acquired at fair value. The cost of crude inventory is capitalised from operating costs. As a result, the Company has excluded the effect of crude inventory capitalisation during the period including the effect of crude inventory from PPA valuation.*
(4) *In accordance with IFRS 16 - Leases, the Company recognised cost related to its operating leases – attributed to FSO and FPSO vessels and MOPU used at its Jasmine/Ban Yen, Nong Yao, Manora, and Wassana fields, as well as onshore warehouse facilities costs to its balance sheet and finance cost in the profit and loss statement. In order to report a more relevant lifting cost, the Company has included costs associated with these leases in the adjusted operating cost calculation. This will be a recurring adjustment.*

Operating costs as reported under IFRS Accounting Standards were $55.6 million for Q4 2024 (Q4 2023: $49.6 million) and $186.4 million for the year ended December 31, 2024 (2023: $180.2 million). To allow for a more meaningful periodic comparison, the above material adjustments were made in order to arrive at the Company's adjusted opex per barrel or often cited as lifting cost per barrel in the common industry term. See the "Non-IFRS Financial Measures and Ratios" section in this MD&A for reconciliation and definition.

Adjusted opex per barrel is calculated as adjusted opex divided by the number of barrels produced in the same period. Adjusted opex was largely comprised of bareboat charter contracts and operation and maintenance expenses associated with the FSO and FPSO vessels, MOPU, logistics expenses, workovers, and fuel. The most material variable components of adjusted opex were fuel costs and workovers.

In Q4 2024, the Company's adjusted opex per barrel was $22.8/bbl, while in Q4 2023, the Company's adjusted opex per barrel was $29.4/bbl. In Q4 2024, the adjusted opex per barrel was lower compared to the same period in Q4 2023, primarily due to increased crude production volume. For the year ended December 31, 2024, the Company's adjusted opex per barrel was $25.7/bbl, while for the year ended December 31, 2023 the Company's adjusted opex per barrel was $28.3/bbl. Adjusted opex per barrel was lower in the year ended December 31, 2024 compared to the same period in 2023, due to higher crude production volume.

Special Remuneratory Benefit

SRB is a unique form of tax on Windfall Profits (as such term is defined under the Thailand Petroleum Income Tax Act ("PITA")) or annual additional petroleum profits, arising from substantial increases in the price of petroleum, or very low-cost discoveries under the PITA. SRB is calculated annually on a block-by-block basis and varies from year-to-year, depending on the revenue per one meter of well drilled in the year. SRB will not apply unless capital expenditures have been recovered in full.

The Company recognised SRB expense of $25.8 million in Q4 2024 (Q4 2023: $6.3 million), and $29.2 million for the year ended December 31, 2024 (2023: $15.1 million). The SRB expense in 2024 was related to Licence G11/48, having been triggered since Q3 2024 as a result of higher annual revenue per one meter of well drilled in the year.

General and Administrative ("G&A") Expenses

	Three months ended		Year ended	
$'000	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Personnel and office costs	8,617	4,890	22,234	16,696
Share-based compensation	1,549	936	5,926	1,978
Severance	1,653	313	1,699	1,556
IT hardware & software licences	267	384	651	1,167
Transaction costs	-	-	-	970
Consultancy and professional services	(433)	1,664	1,124	5,819
Total G&A expenses	**11,653**	**8,187**	**31,634**	**28,186**
Share-based compensation (1)	(1,549)	(936)	(5,926)	(1,978)
Severance (Non-recurring)	(155)	(313)	(155)	(1,556)
Transaction costs (Non-recurring)	-	-	-	(970)
Consultancy for merger and acquisition (Non-recurring)	-	-	-	(627)
Recurring G&A expenses	**9,949**	**6,938**	**25,553**	**23,055**

(1) Share-based compensation does not represent operating activities; therefore, it is excluded from the recurring G&A expenses.

General and administrative expenses increased in Q4 2024 compared to Q4 2023, primarily due to higher accrued expenses related to personnel and office costs, and severance in 2024. Consultancy and professional services costs were reduced compared to the same quarter a year earlier due to 2023 including professional consulting services associated with the Kris Acquisition and Mubadala Acquisition.

Share-based compensation expense also increased in Q4 2024, compared to Q4 2023, driven by deferred share units ("DSUs"), performance share units ("PSUs"), and restricted share units ("RSUs") granted in 2024, as well as the vesting of PSUs and RSUs that were settled for cash.

Performance in the nine months ended December 31, 2023 is not directly comparable to the twelve months ended December 31, 2024, as the Mubadala Acquisition was completed 10 days prior to the end of the Q1 2023 period, and hence G&A costs for the enlarged organisation were only recorded for approximately nine months of the twelve month period ended December 31, 2023.

Royalties

Royalty arrangements that are based on production or sales are recognised by reference to the underlying arrangement.

(i) Royalties to government in Thailand

Royalties paid to the Thai government are based on sales volumes and are payable in cash in each calendar quarter which commences from January, April, July, and October for Thai I licences and, in the month, following sales for Thai III licences. Royalties for Thai I licences are a flat 12.5%, and for Thai III licences are a sliding scale between 5% and 15% based on sales volumes.

(ii) Payment to previous owner in Thailand

Under the terms of the sales and purchase agreement between the Company and the previous owner of Licence B5/27, the Company is required to make payments to the previous owner in cash based on sales volumes computed as follows:

1) 6% of gross revenue from certain production areas within Licence B5/27;
2) $2 per barrel of oil produced from certain production areas within Licence B5/27; and
3) 4% of gross revenue from certain production areas other than that mentioned in (1) above within Licence B5/27.

Historically the payment to previous owners represented around 7% to 8% of the oil revenues from the Jasmine field.

	Three months ended		Year ended	
$'000	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Royalties to government in Thailand	22,292	16,704	63,721	48,795
Payment to previous owner in Thailand	5,627	6,123	18,002	17,682
Marketing fee	-	-	-	187
Royalties	**27,919**	**22,827**	**81,723**	**66,664**

Finance Costs

	Three months ended		Year ended	
$'000	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Interest expense and commitment fee on facility	-	228	-	417
Amortisation of financing transaction costs	-	199	-	6,545
Accretion on decommissioning obligations	2,980	4,823	11,914	15,395
Accretion on contingent consideration	26	157	97	494
Interest expenses on lease liabilities	2,082	2,401	8,216	7,315
Financing fee	2,961	1,727	8,220	3,856
Total finance costs	**8,049**	**9,535**	**28,447**	**34,022**

The decrease in finance costs in Q4 2024 compared to Q4 2023 was due to a reduction in the discount rate used to calculate the decommissioning obligations. Finance costs in Q4 2024 included costs related to accretion of decommissioning obligations, and interest expense for leases, unwinding contingent consideration and financing fees. Lower finance costs for the year ended December 31, 2024, while higher amounts for the year ended December 31, 2023, were primarily the result of interest on the debt which was fully repaid in October 2023. Additionally, the decommissioning obligation and lease liabilities as of December 31, 2023, were higher compared to those stated for 2024 in the Lease Liabilities and Decommissioning Obligation sections.

Depletion and Depreciation

	Three months ended		Year ended	
$'000	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Property, plant and equipment ("PP&E")	17,693	19,152	163,076	131,116
Right-of-use assets	11,980	1,801	33,003	14,264
Capitalised	16,165	7,051	1,525	(16,661)
Depletion and depreciation	**45,838**	**28,004**	**197,604**	**128,719**

Depletion and depreciation expenses for Q4 2024 are mostly related to the Company's producing assets in Thailand. For the year ended December 31, 2024, the Company recognised higher depletion and depreciation expenses than in the same period in 2023, largely due to recognition of a full period of operations, which includes the MOPU installed in the Nong Yao field in July 2024.

Other Expenses

	Three months ended		Year ended	
$'000	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Impairment on E&E asset *(a)*	-	1	-	4,279
Impairment loss on receivable *(b)*	-	-	-	955
Foreign exchange loss	-	-	-	183
Other expenses, net	**-**	**1**	**-**	**5,417**

(a) Impairment on Exploration and Evaluation (E&E) asset

The Company divested its working interest in Licence G6/48 to its partner Northern Gulf Petroleum by way of an agreement to withdraw from and transfer its working interest in the G6/48 concession, dated April 27, 2023. In October 2024, the transfer of the Company's interest in the G6/48 licence was approved by the government, and is currently awaiting the DMF to proceed with the signing of a supplementary petroleum concession with Northern Gulf Petroleum. In Q2 2023, the outstanding balance of E&E asset related to the Licence G6/48 of $4.3 million was fully impaired.

The Company recognised additions of $4.9 million from two oil discoveries in Niramai-4 well and Niramai-4ST1 well (both within Licence G10/48) as E&E assets during Q2 2024. There are no indications of impairment during Q4 2024.

(b) Impairment Loss on Receivable

The Company's 11% partner in Licence G10/48, PSL, discontinued its participation in the block during Q2 2023 and transferred its 11% working interest to the Company for no consideration. Completion of this 11% transfer is pending government approval. In Q3 2023, the outstanding balance of receivables from PSL from Licence G10/48 of $0.96 million was recognised in impairment loss on receivable.

Income Tax

	Three months ended		Year ended	
$'000	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Tax obligation relating to periods under previous ownership	322	-	13,499	-
Current income tax expense	639	26,011	54,765	71,163
Deferred income tax expense (recovery)	(159,600)	2,237	(177,210)	(30,847)
Income tax expense (recovery)	**(158,639)**	**28,248**	**(108,946)**	**40,316**

On November 5, 2024, the Company announced the completion of an internal restructuring of its Thailand subsidiaries, effective November 1, 2024. Valeura's working interests in all its Thai III fiscal contracts, covering the Nong Yao, Manora and Wassana fields, became held thereafter by Valeura Energy (Thailand) Ltd, a wholly owned subsidiary of Valeura, which previously had only held an interest in the Wassana field. As a result of the new structure, the Company can optimise various operational and financial aspects of these assets, including efficient application the historical tax loss carry-forwards associated with these assets. As of December 31, 2024, Valeura had cumulative tax loss carryforwards of $373.2 million, which will be available to utilise against future profit from Wassana, Manora and Nong Yao. This has resulted in the Company's deferred tax recovery of $159.6 million for Q4 2024, compared to a deferred tax expense of $2.2 million in Q4 2023. This recovery offsets the deferred tax liabilities associated with the Jasmine field, which operates under separate tax units.

Profits generated by the Company's Thai oil concessions are assessed in accordance with the PITA. Taxable profits are subject to a 50% tax rate under PITA. The Company incurred additional tax obligation of $13.5 million arising from a tax re-assessment by local tax authorities in respect of the periods before the effective date of Valeura's acquisition of certain Thai assets. As of December 31, 2024, the Company has made a payment of $13.2 million for the assessment periods of 2018, 2019 and 2021. The Company is currently evaluating the prospects of recovering those additional taxes from the former owner of the assets and is intent on pursuing all available remedies.

Capital Expenditure / Investing

	Three months ended		Year ended	
$'000	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Drilling	27,142	25,408	113,811	70,809
Brownfield	9,555	4,324	22,343	22,635
Other PPE	2,173	642	(1,896)	10,289
Adjusted capex(1)	**38,870**	**30,374**	**134,258**	**103,733**

(1) Non-IFRS financial measure – see "Non-IFRS Financial Measures and Ratios" section in this MD&A.

Capex for Q4 2024 is mostly related to the Company's Thailand assets. The Company spent $38.9 million on drilling activities associated with the development of the Jasmine D and the Manora drilling campaign. In Q4 2023, the Company spent $30.3 million on drilling activities associated with the infill drilling programmes on the Jasmine, Manora and Wassana fields.

For the year ended December 31, 2024, the Company incurred total capex of $134.3 million, as compared to $103.7 million in the year ended December 31, 2023, the increase was primarily attributed to capex associated with the major projects including Nong Yao A and Nong Yao C infill wells, as well as the Jasmine A and Jasmine D infill wells, while the drilling campaign activities in 2023 commenced following the Mubadala Acquisition.

Acquisition: Before the acquisition, the Company had leased the Nong Yao FSO from the owner. On December 7, 2023, the Company exercised the purchase option by sending a notice of its right to purchase the Nong Yao FSO system, which consists of the FSO and Catenary Anchor Leg Mooring ("CALM") Buoy, from the Nong Yao FSO system owner and the owner acknowledged receipt of the Company's notice on January 15, 2024. The Company entered into an agreement dated February 3, 2024 to purchase the Nong Yao FSO system. On June 11, 2024, ownership of the Nong Yao FSO system completely transferred to the Company. For the year ended December 31, 2024, the Company purchased the Nong Yao FSO system for $19.0 million in Q2 2024, while the Company paid the final deferred $5.0 million payment on the Wassana MOPU during Q2 2023.

	Three months ended		Year ended	
$'000	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
MOPU final deferred acquisition payment	-	-	-	5,000
Nong Yao FSO (Acquisition)	-	-	19,000	-
Acquisition(1)	**-**	**-**	**19,000**	**5,000**

(1) Non-IFRS financial measure – see "Non-IFRS Financial Measures and Ratios" section in this MD&A.

Lease Liabilities

The Company has lease contracts for various items used in its operations, including FSO and FPSO vessels, MOPU, and warehouses. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Lease terms are between 2 and 5 years. The discount rate used range from 8.8% to 13% reflecting the Company's cost of borrowing.

During 2022, prior to the Mubadala Acquisition, the Company's subsidiary entered into an agreement for MOPU bareboat charter. On July 26, 2024, the contractual party met all conditions, and the Company issued the MOPU Provisional Acceptance Certificate, marking the official start date of the agreement.

$'000	FSO, FPSO and MOPU	Buildings	Total
Balance, December 31, 2023	71,559	2,076	73,635
Additions	44,685	-	44,685
Interest expenses on lease liabilities	7,992	224	8,216
Lease payments	(51,045)	(1,018)	(52,063)
Balance, December 31, 2024	**73,191**	**1,282**	**74,473**
Current	**28,074**	**672**	**28,746**
Non-current	**45,117**	**610**	**45,727**

Decommissioning Obligations

The Company's decommissioning obligations result from its working interest holdings in oil and natural gas assets. The total decommissioning obligation is estimated based on the Company's working interest in all wells and associated field assets, estimated costs to reclaim and abandon these wells and facilities and the estimated timing of the costs to be incurred in future years.

in $'000	December 31, 2024	December 31, 2023
Balance, December 31, 2023	129,464	15,091
Acquisitions[(1)]	-	144,769
Change in estimates	(57,691)	(45,599)
Accretion of decommissioning obligations	11,914	15,395
Settled during the year	(43)	(4)
Effects of movements in exchange rates	-	(188)
Balance, December 31, 2024	**83,644**	**129,464**

(1) Refer to the Mubadala Acquisition section below.

As at each year end, material assumptions used in calculating the Company's decommissioning obligation are as follows:

	December 31, 2024	December 31, 2023
Undiscounted cash flows (in $'000)	192,391	256,619
Credit adjusted interest rate	8.8%	9.2%
Inflation rate	2%	2%
Timing of cash flows	4 - 18 years	4 - 13 years

The Mubadala Acquisition

As announced on December 6, 2022, the Company entered into a sale and purchase agreement with Mubadala Petroleum to acquire all of the shares of Busrakham Oil and Gas Ltd. On March 22, 2023, the Mubadala Acquisition closed with $10.4 million in consideration paid. Contingent payments of up to $50.0 million are based on certain upside price scenarios and have been recorded at estimated fair value.

The Mubadala Acquisition had been accounted for as a business combination under IFRS 3 *Business Combinations*. In 2023, the Company completed the PPA exercise to determine the fair values of the net assets acquired within the stipulated time period of 12 months from the acquisition date of March 22, 2023. The fair values of identifiable assets and liabilities have been reflected in the consolidated statement of financial position as at March 22, 2023 as follows:

In $'000	Preliminary PPA	Adjustments	Final PPA
Cash	10,438	-	10,438
Contingent consideration	9,117	(5,183)	3,934
Total consideration	**19,555**	**(5,183)**	**14,372**
Purchase Price Allocation			
Cash and cash equivalents	242,496	-	242,496
Accounts receivable	54,902	-	54,902
Prepaid expenses and deposits	6,680	-	6,680
Inventory	86,114	-	86,114
Property, plant and equipment	336,537	27,934	364,471
Right of use asset	58,382	(11,189)	47,193
Accounts payable and accrued liabilities	(171,749)	(500)	(172,249)
Lease liability	(59,764)	11,189	(48,575)
Provision for employee benefits	(9,696)	-	(9,696)
Income tax payable	(112,019)	-	(112,019)
Decommissioning obligations	(168,515)	23,746	(144,769)
Deferred tax liability	(36,193)	(25,840)	(62,033)
Total purchase price allocation	**227,175**	**25,340**	**252,515**
Bargain purchase gain	**207,620**	**30,523**	**238,143**

The identifiable assets and liabilities have been measured at their individual fair value as at the date of acquisition. The fair value of property, plant and equipment was recorded based on the estimate of proved and probable reserves as determined by an independent third-party reserve evaluation prepared as at December 31, 2022 and adjusted for production from January 1, 2023 to March 22, 2023. Deferred taxes were calculated by applying the statutory tax rate to the fair values of property, plant and equipment, right of use assets, decommissioning obligation, and lease liabilities less available tax pools. The fair value of decommissioning obligations was determined by applying a credit adjusted interest rate.

The fair value of the accounts receivable acquired (which principally comprised of trade receivables) approximate their carrying values due to the relatively short-term maturity. The total carrying value reflects the gross contractual value of $54.9 million and there was no contractual cash flows not expected to be collected based on the best estimate at acquisition date.

The contingent consideration was payable if the arithmetical average of the daily "close" of all quotations in US dollars for Dubai crude oil in the Platts Crude Oil Marketwire on a $/bbl basis (the "Benchmark") had averaged over $100 for 2022, 2023 or 2024. No contingent consideration was payable for 2023 and 2024 as the reference price did not average over $100. Such contingent consideration was capped at a maximum of $50 million, and each year was calculated independently of each other year. As at December 31, 2024, there is no outstanding contingent consideration.

In the preliminary PPA exercise, the Company used expected future price scenarios from a number of sources and discounted any possible payments at a credit adjusted interest rate.

In the final PPA exercise, the valuation methodology for valuing the contingent consideration was based on Monte Carlo simulation of the future expected Dubai crude oil prices. A Monte Carlo simulation was used to model the probability of different outcomes in a process that cannot easily be predicted due to the intervention of random variables. The simulation estimated a fair value of the contingent consideration as at March 22, 2023 of $3.9 million. Using the same methodology, the simulation estimated a fair value as at December 31, 2023 of $0.7 million. The change in the fair value of the contingent consideration has been recorded on the statement of profit or loss and other comprehensive income.

A bargain purchase gain of $238 million was recognised primarily related to results of operations between the effective and closing date of the acquisition with the fair value of the assets acquired exceeding the fair value of the liabilities assumed and consideration paid. The Mubadala Acquisition was subject to a closing provision generally known as a 'locked box' mechanism whereby the net cash and liabilities accumulated in the business after September 1, 2022 would be assumed by the buyer at closing. The seller had agreed on a purchase price tied to a valuation that was built on a certain oil price assumptions which, in hindsight, were materially lower than the realised price achieved during the period between September 1, 2022 and closing date of March 22, 2023 (the "Interim Period"). Accordingly, the record high oil price achieved during the Interim Period resulted in a material cash balance at closing.

The bargain purchase gain of $238.1 million thus reflected the combination of a broader higher oil price environment during the Interim Period which resulted in a material cash balance, and have helped lift the value of the net assets beyond what the consideration agreed on may have suggested.

Financial Position and Liquidity

The Company's capital structure includes net working capital and shareholders' equity. The Company's objective when managing capital is to maintain a flexible capital structure which allows it to manage its operations safely and efficiently and execute its growth strategy, while maintaining a strong financial position.

The following provides selected financial information of the Company, which was derived from, and should be read in conjunction with, the Financial Statements:

$'000	**December 31, 2024**	**December 31, 2023**
Non-current assets	516,399	410,759
Current assets	340,911	293,555
Non-current liabilities	143,387	202,678
Current liabilities	185,640	217,458
Shareholders' equity	528,283	284,178

As at December 31, 2024, the Company had a net working capital balance including cash of $155.3 million and adjusted net working capital of $205.7 million. Net working capital and adjusted net working capital are non-IFRS financial measures. See "Non-IFRS Financial Measures and Ratios" section in this MD&A for reconciliation and definition.

$'000	**December 31, 2024**	**December 31, 2023**
Net working capital	**155,271**	**76,097**
Adjusted net working capital	**205,735**	**118,143**

Adjusted net working capital is derived by deducting current lease liabilities from the net working capital and adding the non-current restricted cash. The leases for key operating equipment contracts, such as FSOs, FPSOs, MOPU, and warehouses, which are included in the Company's disclosed Adjusted opex.

$'000	**December 31, 2024**	**December 31, 2023**
Cash & cash equivalents	236,543	133,866
Restricted cash (Current)	1,093	17,299
Restricted cash (Non-current)	21,718	-
Cash balance	**259,354**	**151,165**

Credit facilities and restricted cash

Letter of credit facility: The Company's account performance security guarantee facility ("APSG Facility") with Export Development Canada with a limit of $4.0 million (2023: $11.0 million) was renewed to December 31, 2025. The APSG Facility, which was issued to National Bank of Canada ("NBC"), allows the Company to use the APSG Facility as collateral for certain letters of credit issued by NBC. Following completion of the Company's acquisition of the Nong Yao FSO vessel in June 2024, the $7.2 million letter of credit was released in July 2024. As at December 31, 2024, there was approximately $3.0 million in letters of credit issued under the APSG Facility (2023: $10.2 million).

Restricted Cash: The Company has restricted cash in the total amount of $22.8 million as at December 31, 2024 (2023: $17.3 million). Of the $22.8 million, (i) $21.7 million is held with banks in Thailand and is related to securing a financial security issued in accordance with decommissioning regulations issued by the DMF for Valeura's Manora field (equating to 100% of decommissioning security required under the regulation); and (ii) $1.1 million is related to letters of credit lodged with the Thai Customs department, and for securing licence deposits with the General Directorate of Mining and Petroleum Affairs of the Republic of Türkiye.

Selected Quarterly Information

		Three months ended							
		Dec 31, 2024	Sep 30, 2024	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023
Average daily oil Production(1)	*bbl/d*	26,109	22,210	21,068	21,882	19,165	19,961	22,097	2,388
Oil volumes sold	*mbbl*	2,948	1,765	1,870	1,765	1,987	1,701	2,167	-
Net income /(loss) attributable to shareholders	*$'000*	213,983	(3,913)	11,309	19,418	23,480	(6,198)	(7,252)	234,994
Per share basic & diluted	*$*	*2.00/1.94*	*(0.04)/(0.04)*	*0.11/0.10*	*0.19/0.18*	*0.23/0.22*	*(0.06)/(0.06)*	*(0.07)/(0.07)*	*2.59 / 2.44*

(1) Working interest share production, before royalties.

Outstanding Share Data

	December 31, 2024	December 31, 2023
Common Shares	106,650,213	102,954,826
Stock options	1,941,664	6,038,164
PSUs and RSUs	2,054,146	1,499,433
Total	**110,646,023**	**110,492,423**

On November 12, 2024, the Company received approval from the Toronto Stock Exchange to commence a Normal Course Issuer Bid ("NCIB") to purchase up to 7.39 million Common Shares from November 14, 2024 to November 13, 2025. For the year ended December 31, 2024, the Company purchased and cancelled 348,800 Common Shares through the NCIB. The shares purchase were recorded at a volume weighted average book value price of C$2.76 per Common Share equating to a total of C$1.0 million. Retained earnings was reduced by C$1.2 million representing the excess of the purchase price of the Common Shares over their average carrying value.

Off Balance Sheet Arrangements

The Company had no material off-balance sheet arrangements outstanding as at December 31, 2024, other than those discussed in Note 27 of the Financial Statements.

Financial Instruments

Financial instruments of the Company include cash, accounts receivable, accounts payable, accrued liabilities and debt. The carrying values of the financial instruments approximate their fair values due to their relatively short periods to maturity. Financial instruments are discussed in more detail in Note 25 of the Financial Statements.

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

The Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") have designed, or caused to be designed under their supervision, disclosure controls and procedures ("DC&P") to provide reasonable assurance that: material information relating to the Company is made known to the Company's CEO and CFO by others, particularly during the period in which the annual and interim filings are being prepared; and information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarised and reported within the time period specified in securities legislation.

The Company's CEO and CFO along with participation from other members of management, are responsible for establishing, or have caused to be designed under their supervision, internal controls over financial reporting ("ICFR") to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company is required to disclose herein any change in the Company's ICFR that occurred during the period of December 31, 2024, that has materially affected, or is reasonably likely to materially affect, the Company's ICFR. No material changes in the Company's ICFR were identified during such period that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.

During the year ended December 31, in accordance with NI 52-109, the CEO and CFO have implemented the control policies and procedures in the operation following the control framework. The Company's design and operation of ICFR including the operation under the Mubadala Acquisition on March 22, 2023, are assessed as efficient and effective, which is in a manner consistent with the Company's other operations.

The Company notes that a control system, including the Company's DC&P and ICFR, no matter how well conceived can provide only reasonable, but not absolute, assurance that the objectives of the control system will be met, and it should not be expected that the disclosure and internal controls and procedures will prevent all errors or fraud.

NON-IFRS FINANCIAL MEASURES AND RATIOS

Adjusted EBITDAX: is a non-IFRS financial measure which does not have a standardised meaning prescribed by IFRS Accounting Standards. This non-IFRS financial measure is included because management uses the information to analyse the financial performance of the Company. Adjusted EBITDAX is a non-IFRS and non-standardised variant of EBITDAX, adjusted to remove non-cash items as well as certain non-recurring costs including severance payments and other one-off items in relation to the Company's recent acquisitions. Adjusted EBITDAX is calculated by adjusting profit (loss) for the year before other items as reported under IFRS Accounting Standards to exclude the effects of other income, exploration, SRB, finance income and expense, depletion, depreciation & amortisation ("DD&A"), other costs, and certain non-cash items (such as impairments, foreign exchange, unrealised risk management contracts, reassessment of contingent consideration and gains or losses arising from the disposal of capital assets). In addition, other unusual or non-recurring items are excluded from Adjusted EBITDAX, as they are not indicative of the underlying financial performance of the Company.

	Three months ended		Year ended	
$'000	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Profit (loss) for the period before other items	55,137	51,640	130,864	46,014
Other income	(4,158)	(6,079)	(10,198)	(11,416)
Exploration	264	785	3,092	1,441
SRB	25,839	6,292	29,221	15,123
Finance costs	8,049	9,535	28,447	34,022
DD&A	45,838	28,004	197,604	128,719
Other expenses, net	-	(904)	-	4,512
Reversal of loss on inventory due to decline in resale value associate with the Wassana field(1)	(271)	6,157	(7,126)	7,126
Other non-recurring G&A costs (1)(2)	1,704	1,249	6,081	5,131
Adjusted EBITDAX	**132,402**	**96,679**	**377,985**	**230,672**

(1) Items are not shown in the Financial Statements.
(2) Represents non-recurring costs associated with share-based compensation, actual severance incurred, transaction costs and consultancy for merger and acquisition incurred as part of the Mubadala Acquisition - See "General and Administrative ("G&A") Expenses" for more details.

Adjusted opex and adjusted opex per bbl: are a non-IFRS financial measure and a non-IFRS financial ratio, respectively, which do not have standardised meanings prescribed by IFRS Accounting Standards. This non-IFRS financial measure and ratio are included because management uses the information to analyse cash generation and financial performance of the Company. Operating cost represents the operating cash expenses incurred by the Company during the period including the leases that are associated with operations, such as bareboat contracts for key operating equipment, such as FSOs, FPSOs, MOPU, and warehouses. Adjusted opex is calculated by effectively adjusting non-cash items from the operating cost and adding lease costs.

Adjusted opex is divided by production in the period to arrive at adjusted opex per bbl. Valeura calculates adjusted opex per barrel, to provide a more consistent indication of the cost of field operations. Adjusted opex, as opposed to operating expenses, excludes the impacts of non-recurring, non-cash items such as prior period adjustments, and adds back lease costs in relation to FSOs, FPSOs, MOPU, and other facilities.

	Three months ended		Year ended	
$'000	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Operating Costs	**55,607**	**49,622**	**186,407**	**180,192**
Reversal of Loss of Net Realisable Value (Wassana field)(1)	271	(6,157)	7,126	(7,126)
Cost of Goods Sold	**55,878**	**43,465**	**193,533**	**173,066**
Reversal of accounting adjustments related to PPA inventory valuation and capitalisation(2)	(9,964)	(1,994)	(11,368)	(35,734)
Adjusted Opex (excluding Leases)	**45,914**	**41,471**	**182,165**	**137,332**
Leases(3)	8,754	10,347	32,726	27,745
Adjusted Opex	**54,668**	**51,818**	**214,891**	**165,077**
Production Volumes during the period (mbbl)	2,402	1,763	8,354	5,825
Adjusted Opex per Barrel(1) ($/bbl)	**22.8**	**29.4**	**25.7**	**28.3**

(1) Represent write down inventory to net realisable value.
(2) The item is not shown in the Financial Statements. As a result of the Mubadala Acquisition, and in accordance with IFRS 3 Business Combinations, we are required to calculate the PPA of the identifiable assets acquired and liabilities assumed at fair value. Crude oil inventory is one the identifiable assets acquired at fair value. The cost of crude inventory is capitalised from operating costs. As a result, we excluded the effect of crude inventory capitalisation during the period including the effect of crude inventory from PPA valuation.
(3) In accordance with IFRS 16 - Leases, the Company recognised cost related to its operating leases – attributed to FSO and FPSO vessels, MOPU used at its Jasmine/Ban Yen, Nong Yao, Manora and Wassana fields, as well as onshore warehouse facilities costs to its balance sheet and finance cost in the profit and loss statement. In order to report a more relevant lifting cost, the Company has included costs associated with these leases in the adjusted operating cost calculation. This will be a recurring adjustment.

Adjusted cashflow from operations and adjusted cashflow from operations per barrel: are a non-IFRS financial measure and a non-IFRS financial ratio, respectively, which do not have a standardised meaning prescribed by IFRS Accounting Standards. This non-IFRS finance measure and ratio are included because management uses the information to analyse cash generation and financial performance of the Company. Adjusted cashflow from operations is calculated using two methods which generate the same figures: a) by subtracting from oil revenues, adjusted opex, royalties, general and administrative costs which are adjusted for non-recurring charges (generating the adjusted pre-tax cashflow), and accrued PITA taxes and SRB expenses, and b) to enhance and facilitate to the reader a reconciliation of this non-IFRS measure, the Company also presented the adjusted cash flow from operations by calculating from cash generated from (used in) operating activities in the consolidated statement of cash flows, adjusting with non-cash items, adjusted opex, general and administrative costs which are adjusted for non-recurring charges (generating the adjusted pre-tax cashflow), and accrued PITA tax and SRB expenses.

Adjusted cashflow from operations is divided by production in the period to arrive at adjusted cashflow from operations per bbl. Valeura calculates Adjusted cashflow from operations per barrel, to provide a more consistent indication of cashflow generated from operations by the Company.

	Three months ended		Year ended	
$'000	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Oil revenues	226,148	169,909	678,794	493,457
Adjusted opex	(54,668)	(51,818)	(214,891)	(165,077)
Royalties	(27,919)	(22,827)	(81,723)	(66,664)
Recurring G&A costs	(9,949)	(6,938)	(25,553)	(23,055)
Adjusted pre-tax cashflow from operations	**133,612**	**88,326**	**356,627**	**238,661**
Income tax / PITA tax	(639)	(26,011)	(54,765)	(71,163)
SRB expenses	(25,839)	(6,292)	(29,221)	(15,123)
Adjusted cashflow from operations	**107,134**	**56,023**	**272,641**	**152,375**
Production during the period	2,402	1,763	8,354	5,825
Adjusted cashflow from operations per barrel ($/bbl)	**44.6**	**31.8**	**32.6**	**26.2**

	Three months ended		Year ended	
$'000	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Cash generated from (used in) operating activities	157,024	235,222	305,625	168,885
Change in non-cash working capital	(53,270)	1,200	(60,712)	54,038
Non-cash items	94,475	(89,340)	352,158	203,870
Adjusted opex	(54,668)	(51,818)	(214,891)	(165,077)
Recurring G&A costs	(9,949)	(6,938)	(25,553)	(23,055)
Adjusted pre-tax cashflow from operations	**133,612**	**88,326**	**356,627**	**238,661**
Income tax / PITA tax	(639)	(26,011)	(54,765)	(71,163)
SRB expenses	(25,839)	(6,292)	(29,221)	(15,123)
Adjusted cashflow from operations	**107,134**	**56,023**	**272,641**	**152,375**
Production during the period	2,402	1,763	8,354	5,825
Adjusted cashflow from operations per barrel ($/bbl)	**44.6**	**31.8**	**32.6**	**26.2**

Outstanding debt and net cash: are non-IFRS financial measures which do not have a standardised meaning prescribed by IFRS Accounting Standards. These non-IRFS financial measures are provided because management uses the information to a) analyse financial strength and b) manage the capital structure of the Company. These non-IFRS measures are used to ensure capital is managed effectively in order to support the Company's ongoing operations and needs.

$'000	December 31, 2024	December 31, 2023
Outstanding Debt	-	-
Cash & cash equivalents	236,543	133,866
Restricted cash (Current)	1,093	17,299
Restricted cash (Non-current)	21,718	-
Cash balance	**259,354**	**151,165**
Net cash (debt)	**259,354**	**151,165**

Net working capital and adjusted net working capital: are non-IFRS financial measures which do not have a standardised meaning prescribed by IFRS Accounting Standards. These non-IFRS financial measures are included because management uses the information to analyse liquidity and financial strength of the Company. Net working capital is calculated by deducting current liabilities from current assets. Adjusted net working capital is calculated by adding back the current leases liabilities and including non-current restricted cash in net working capital.

The leases are associated with operations, such as bareboat contracts for key operating equipment, such as FSOs, FPSOs, MOPU, and warehouses which are included in the Company's disclosed adjusted opex (and adjusted opex guidance). Management believes the adjusted net working capital provides a useful data point to the reader to ascertain the business' next-twelve-months surplus or deficit capital requirement. It is also a data point that management uses for cash management.

$'000	December 31, 2024	December 31, 2023
Current assets	340,911	293,555
Current liabilities	(185,640)	(217,458)
Net working capital	**155,271**	**76,097**
Current lease liabilities	28,746	42,046
Restricted cash (Non-current)	21,718	-
Adjusted net working capital	**205,735**	**118,143**

Adjusted capex: is a non-IFRS measure which does not have a standardised meaning prescribed by IFRS Accounting Standards. Adjusted Capex is defined as the addition in capital expenditure for drilling, brownfield, and other PP&E. Management uses this non-IFRS measure to analyse the capital spending of the Company and assess investments in its assets.

	Three months ended		Year ended	
$'000	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Drilling	27,142	25,408	113,811	70,809
Brownfield	9,555	4,324	22,343	22,635
Other PPE	2,173	642	(1,896)	10,289
Adjusted capex	**38,870**	**30,374**	**134,258**	**103,733**

BUSINESS RISKS AND UNCERTAINTIES

The reader is referred to the Financial Statements and the AIF for a more complete description of risks.

MATERIAL ACCOUNTING POLICIES

Use of Estimates and Judgments

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

New and Amended IFRS Accounting Standards that are Effective for the Current Year
In the current year, the Company has applied the following amendment to IFRS Accounting Standards issued by the IASB that are mandatorily effective for an accounting period that begins on or after January 1, 2024.

Amendments to IAS 1 Classification of Liabilities as Current or Non-current
The Company has adopted the amendments to IAS 1, published in January 2020, for the first time in the current year. The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

New and Revised IFRS Accounting Standards Issued but Not Yet Effective
At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Accounting Standard that has been issued but are not yet effective and had not yet been adopted by the Company:

IFRS 18 Presentation and Disclosures in Financial Statements
IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share. IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation.

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions. Accordingly, Management anticipates the initial application of the new IFRS 18 will result in changes to the structure of the Company's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. Management is still assessing the possible impact of implementing IFRS 18. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Company's financial statements in the initial application period. Management does not plan to early adopt the new IFRS 18.

(a) Basis of consolidation

(i) Subsidiaries:

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company made up to December 31 each year. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; or
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Company's accounting policies.

Non-controlling interests in subsidiaries are identified separately from the Company's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Company's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Company loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Company had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable IFRS Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 *Financial Instruments* when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

(ii) Transactions eliminated on consolidation:

Intercompany balances and transactions, and any unrealised income and expenses arising from intercompany transactions, are eliminated in preparing the consolidated financial statements.

(b) Interests in joint operations

A joint operation is a 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. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When the Company undertakes its activities under joint operations, the Company as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Company accounts for the assets, liabilities, revenue and expenses relating to its interest in a joint operation in accordance with the IFRS Accounting Standards applicable to the particular assets, liabilities, revenue and expenses.

A portion of the Company's exploration and development activities are conducted jointly with others. The joint interests are accounted for on a proportionate consolidation basis and as a result the financial statements reflect only the Company's proportionate share of the assets, liabilities, revenues, expenses and cash flows from these activities. Valeura has the following licences and working interests:

Name of the Joint Arrangement	Key Fields	Nature of the Relationship with the Joint Arrangement	Principal Place of Operation of Joint Arrangement	Thai Fiscal Regime	Working Interests
G10/48 Concession[(1)]	Wassana	Operator	Gulf of Thailand	Thai III	100%
B5/27 Concession[(2)]	Jasmine/Ban Yen	Operator	Gulf of Thailand	Thai I	100%
G1/48 Concession[(3)]	Manora	Operator	Gulf of Thailand	Thai III	70%
G11/48 Concession[(4)]	Nong Yao	Operator	Gulf of Thailand	Thai III	90%
West Thrace Deep JV[(5)]	-	Operator	Türkiye	N/A	63% (all rights)
Banarli Deep JV[(5)]	-	Operator	Türkiye	N/A	100% (all rights)

(1) The Company's interest in the G10/48 Concession is held by Valeura Energy (Thailand) Ltd.
(2) The Company's interest in the B5/27 Concession is held by Busrakham Jasmine Ltd.
(3) The Company's interest in the G1/48 Concession is held by Valeura Energy (Thailand) Ltd. (70%).
(4) The Company's interest in the G11/48 Concession is held by Valeura Energy (Thailand) Ltd. (90%).
(5) The Banarli and West Thrace Exploration Licences have been extended to a new expiry date of June 27, 2026, and the Company has engaged in discussions with the government in relation to another two-year Appraisal Period extension thereafter.

In prior years, a subsidiary of the Company has divested its working interest of 43% in Licence G6/48. The agreement for the withdrawal from and transfer of the G6/48 interest and the Rossukon exclusive operation was dated April 27, 2023, and a supplementary petroleum concession was signed by Thailand's Minister of Energy, effective February 26, 2025. As of December 31, 2024, the Company had no proportion of the participating share in the licence.

On November 1, 2024, Valeura's working interests in all its Thai III fiscal contracts, covering the Nong Yao, Manora and Wassana fields, were successfully transferred to Valeura Energy (Thailand) Ltd.

(c) Business combination

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange for control of the acquiree. Acquisition related costs are generally recognised in profit or loss as incurred except if related to the issue of debt securities. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value with certain exceptions.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Company in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

When a business combination is achieved in stages, the Company's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Company obtains control including control achieved in a business that was joint operation) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

(d) Financial instruments

(i) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial assets give rise to cash flows on specified dates that are solely payments of principal and interest on principal amounts outstanding.

<u>Classification of financial assets</u>

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

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

(ii) Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Company, are measured in accordance with the specific accounting policies set out below.

<u>Financial liabilities at FVTPL</u>

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the Company that are designated by the Company as at FVTPL are recognised in profit or loss.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Valeura does not currently have financial instrument contracts to which it applies hedge accounting.

(iii) Share capital

Common Shares are classified as equity. Incremental costs directly attributable to the issue of Common Shares and stock options are recognised as a deduction from equity, net of any tax effects.

(e) Inventory

Inventory consists of the Company's unsold Thailand crude oil and spare parts. Inventories are valued at the lower of cost and net realisable value (NRV). Cost is determined using the weighted average cost method, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value represents the estimated selling price in the ordinary course of business less costs to sell. Costs for unsold crude oil include operating expenses, and depletion associated with the production of crude oil in inventory. The Company assesses the net realisable value of the inventories at the end of each year and recognises the appropriate write-down if this value is lower than the carrying amount. When the circumstances that previously caused inventories to be written down no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the amount of the write-down is reversed.

Spare parts are valued at cost net of provision for obsolescence. The provision is recognised for spare parts used for exploration and production of oil that are obsolete and unserviceable.

(f) Exploration and evaluation assets

The Company follows the successful efforts method of accounting to account for its oil and gas exploration, evaluation, appraisal and development expenditures. Under this method, costs of acquiring properties, drilling successful exploration and appraisal wells, and development costs are capitalised. All other costs such as pre-licence costs, exploratory geological and geophysical costs including seismic costs incurred during exploration phase, are recognised in profit or loss as incurred. Exploration and evaluation ("E&E") costs, including the costs of acquiring licences and directly attributable general and administrative costs, are initially capitalised as exploration and evaluation assets. The costs are accumulated by well, field or exploration area pending determination of technical feasibility and commercial viability. E&E assets is written off when the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the very near future, and is not expected to be renewed or exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area. The write-off of E&E assets is recognised in profit or loss.

(g) Property, plant and equipment

(i) Recognition and measurement:

Items of property, plant and equipment ("PP&E"), which include oil and gas production assets, are measured at cost less accumulated depletion and depreciation and accumulated impairment losses. Development and production assets are grouped into CGUs for impairment testing. When significant parts of an item of PP&E, including oil and natural gas interests, have different useful lives, they are accounted for as separate items (components).

Gains and losses on disposal of an item of property, plant and equipment, including oil and natural gas interests, are determined by comparing the proceeds from disposal with the carrying amount of PP&E and are recognised in profit or loss.

(ii) Subsequent costs:

Costs incurred subsequent to the determination of technical feasibility and commercial viability and the costs of replacing parts of PP&E are recognised as oil and natural gas interests only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognised in profit or loss as incurred. Such capitalised oil and natural gas interests generally represent costs incurred in developing proved and/or probable reserves and bringing in or enhancing production from such proved and probable reserves, and are accumulated on a field or geotechnical area basis. The carrying amount of any replaced or sold component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depletion and depreciation:

The net carrying value of oil and gas properties included in property, plant and equipment is depleted by area using the unit of production method by reference to the ratio of production in the year to the related proved and probable reserves, taking into account estimated future development costs necessary to bring those proved and probable reserves into production. Future development costs are estimated taking into account the level of development required to produce the proved and probable reserves for each area. These estimates are reviewed by independent reserve engineers at least annually. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Other PP&E are recorded at cost on acquisition and amortised on a straight-line basis. The estimated useful lives for the current and comparative periods are as follows:

Leasehold improvements	5 years
Furniture, fixtures and office equipment	5 years
Computers	5 years

(h) Impairment

(i) Financial assets:

Loss allowances are recognised for expected credit losses ("ECLs") on its financial assets measured at amortised cost. Due to the nature of the financial assets, loss allowances are measured at an amount equal to expected lifetime ECLs. Lifetime ECLs are the anticipated ECLs that result from all possible default events over the expected life of a financial asset. The ECLs on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

(ii) Non-financial assets:

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any).

PP&E and E&E assets are assessed for impairment if facts and circumstances suggest that the carrying amount exceeds the recoverable amount. The recoverable amount of an asset is the greater of its value-in-use and its fair value less costs of disposal. Fair value less costs of disposal is determined as the amount that would be obtained from the sale of the assets in an arm's length transaction between knowledgeable and willing parties.

In assessing value-in-use, 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 assets. Value-in-use is generally computed by reference to the present value of the future cash flows expected to be derived from production of proved and probable reserves.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

An impairment loss in respect of PP&E and E&E assets, recognised in prior years, is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depletion and depreciation, if no impairment loss had been recognised.

(i) Leases

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

As a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right of use assets representing the right to use the underlying assets. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options.
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Right of use assets are initially measured at an amount equal to the lease liability, adjusted by lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. It is subsequently measured at cost less any accumulated depreciation and impairment losses and adjusted for certain re-measurement of the lease liability. Right of use assets for assets related to oil and gas production are depreciated on a unit of production basis. All other leased assets are depreciated based on a straight-line basis over the shorter of its estimated useful life and the lease term. Right of use assets are subject to impairment review similar to property, plant and equipment assets.

If a lease transfers ownership of the underlying asset or the cost of the right of use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

(j) Employee benefits

(i) Short-term employee benefits

Salaries, annual rewards and related employment welfare are recognised as expenses when incurred.

(ii) Retirement and termination benefit costs

The Company has a provision for employee benefits (the "Provision") and an employee savings plan. The employee savings plan is a plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The cost of the employee savings plan benefit is expensed as earned by employees. These benefits are unfunded and are expensed as the employees provide service.

The provident funds are funded by payments from employees and from the Company which are held in a separate trustee-administered fund. The Company contributes to the funds at a rate of 5% - 15% of the employees' salaries which are charged to the statement of profit or loss in the period the contributions are made.

The provision for employee benefit is for Legal Severance Pay under the Thai Labour Protection Act 1998 (revised 2019) and Retirement Pension Plan. It specifies that an employee will receive a fixed one-time payment on retirement, dependent on factors such as age, years of service and compensation. The provision is accounted for under IAS 19 *Employee Benefits*. The calculation of the Provision is performed annually by a qualified actuary using the projected unit credit method. There are no assets related to the provision.

The Company's obligation in respect of the retirement benefit plans is calculated by estimating the amount of future benefits that employees will earn in return for their services to the Company in current and future periods. Such benefits are discounted to the present value. The employee benefits obligation is calculated by an independent actuary using the projected unit credit method. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income (loss) in the period in which they arise as disclosed in Note 15.

Past-service costs are recognised immediately in profit or loss.

(iii) Other long-term benefits

The other provision for employee benefit is long-term benefits based on employees' length of service. The Company calculates the amount of these benefits according to the employees' service period.

The expected obligations of retirement and termination benefit costs and other long-term benefits are calculated by independent actuarial experts and accrued over the period of employment. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions will be recognised in the statement of profit or loss and other comprehensive income in the period in which they arise.

The Company recognises the obligations in respect of employee benefits in the statements of financial position under "Provision for Employee Benefits" as disclosed in Note 15.

(k) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are not recognised for future operating losses.

Decommissioning obligations:

The Company's activities give rise to dismantling, decommissioning and site disturbance remediation activities. Provision is made for the estimated cost of site restoration and capitalised in the relevant asset category. Decommissioning obligations are measured at the present value of management's best estimate of expenditure required to settle the present obligation at the statement of financial position date. The Company uses a credit adjusted interest rate in the measurement of the present value of its decommissioning obligations. Subsequent to the initial measurement, the obligation is adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. The increase in the provision due to the passage of time is recognised as finance costs whereas increases/decreases due to changes in the estimated future cash flows are capitalised. Actual costs incurred upon settlement of the decommissioning obligations are charged against the provision to the extent the provision was established.

(l) Share based payments

(i) Stock options

The grant date fair value of options granted to certain employees are recognised as compensation expense, with a corresponding increase in contributed surplus over the vesting period on a straight-line basis. A forfeiture rate is estimated on the grant date and is subsequently adjusted to reflect the actual number of options that vest.

(ii) Performance share units and Restricted share units

The grant date fair value of PSUs and RSUs granted to certain employees are recognised as compensation expense, with a corresponding increase in contributed surplus over the vesting period. The PSU is subject to certain non-market performance conditions, of which, the impact is estimated at the grant date.

(iii) Deferred share units

The grant date fair value of cash-settled DSUs granted to a member of the board of directors are recognised as compensation expense, with a corresponding increase in compensation liability over the vesting period. Subsequent to initial recognition, the compensation liability and corresponding compensation expense are measured at fair value.

(m) Revenue from contracts with customers

The Company's oil revenues from the sale of crude oil are based on the consideration specified in the contracts with customers. Valeura recognises revenue when the performance obligation is satisfied by transferring control of the product to the customer, which is generally when legal title passes to the customer and collection is reasonably assured. Crude oil sales in Thailand are conducted on a tender basis for both domestic and export sales. The reference price generally used for Thailand crude oil is Dubai crude oil.

(n) Royalties

Royalty arrangements that are based on production or sales are recognised by reference to the underlying arrangement.

(i) Royalties to government in Thailand

Royalties paid to the Thai government are based on sales volumes and are payable in cash in each calendar quarter which commences from January, April, July, and October for Thai I licences and in the month following sales for Thai III licences. Royalties for Thai I licences are a flat 12.5%, and for Thai III licences are between 5% and 15% based on sales volumes.

(ii) Payment to previous owner in Thailand

1) Under the terms of the sales and purchase agreement between the Company and the previous owner of Licence B5/27, the Company is required to make payments to the previous owner in cash based on sales volumes computed as follows:
2) 6% of gross revenue from certain production areas within Licence B5/27;
3) $2 per barrel of oil produced from certain production areas within Licence B5/27; and
4) 4% of gross revenue from certain production areas other than that mentioned in 2) above within Licence B5/27.

(o) Special remuneratory benefit

SRB is a unique form of tax on Windfall Profits or annual additional petroleum profits, arising from substantial increases in the price of petroleum, or very low-cost discoveries under Thailand Petroleum Income Tax Act. SRB is calculated annually on a block-by-block basis and varies from year-to-year, depending on the revenue per one meter of well drilled in the year. SRB will not apply unless capital expenditures have been recovered in full.

If the concessionaire has Petroleum Profit for the Year, calculated based on related annual income per one meter of well, the SRB is calculated at the following rates, subject to a ceiling of 75% of Petroleum Profit for the Year.

Rated Annual Income Per One Meter of Well	SRB
Up to Baht 4,800	Zero
Baht 4,800 to 14,400	1.0% per each Baht 240 increment
Baht 14,400 to 33,600	1.0% per each Baht 960 increment
Over Baht 33,600	1.0% per each Baht 3,840 increment

In order to determine Rated Annual Income per One Meter of Well:

1) calculate annual Petroleum Income for the year, and adjust for inflation and exchange rates;
2) calculate the accumulated total meters of all wells (exploration wells, appraisal wells, production wells, etc.) drilled during the period of the concession; and Rated Annual Income per One Meter of Well = Adjusted Annual Petroleum Income divided by (Total depth of all wells + GSF)
3) GSF means Geological Stability Factor, which shall be fixed for each geological region of Thailand, and shall not be less than 150,000 meters. The number will increase in areas where drilling is more difficult.

(p) Finance costs

Finance costs comprise interest expense on any borrowings, accretion of the discount on provisions and interest expense arising from lease liabilities. Interest expense on borrowings is recognised as it accrues in profit or loss, using the effective interest method.

(q) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Current tax is the expected taxes payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to taxes payable in respect of previous years.

Deferred tax is providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised on the initial recognition of assets or liabilities in a transaction that is not a business combination.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(r) Foreign Currency Translation

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange prevailing at the balance sheet date and foreign exchange currency differences are recognised in the statement of profit or loss and other comprehensive income. Transactions in foreign currencies are translated at exchange rates prevailing at the transaction date. Foreign exchange gains and losses are presented within other income and other expenses in the statement of profit or loss and other comprehensive income.

ACRONYMS

bbl/d	barrels of oil per day
bbls	barrels of oil
Concessions	concessions and other similar agreements entered into with a host government providing for petroleum operations in a defined area
C$	Canadian dollars
E&E	Exploration and Evaluation
EBITDAX	Earnings before interest, tax, depreciation, depletion & amortisation and exploration expense
FPSO	Floating Production, Storage and Offloading vessel
FSO	Floating Storage and Offloading vessel
MOPU	Mobile Offshore Production Unit
MD&A	Management's Discussion and Analysis
mbbl	one thousand barrels of oil
mmbbl	one million barrels of oil
NI 52-109	National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Filings
PITA	Petroleum Income Tax Act
SRB	Special remuneratory benefit
US	United States of America
$	US dollars
Working Interest	A percentage of ownership in an oil and gas concession granting its owner the right to explore, drill and produce oil and gas from a concession. Working interest owners are obligated to pay a corresponding percentage of the cost of leasing, drilling, producing and operating the concession and to receive the corresponding income/revenues

FORWARD-LOOKING STATEMENTS

Certain information included in this MD&A constitutes forward-looking information under applicable securities legislation. Such forward-looking information is for the purpose of explaining management's current expectations and plans relating to the future. Readers are cautioned that reliance on such information may not be appropriate for other purposes, such as making investment decisions. Forward-looking information typically contains statements with words such as "anticipate", "believe", "expect", "plan", "intend", "estimate", "propose", "project", "target" or similar words suggesting future outcomes or statements regarding an outlook. Forward-looking information in this MD&A includes, but is not limited to: the Company's expectation that it will apply for further extensions to the Banarli and West Thrace Exploration Licences in the future; the Company's belief that the Deep Gas Play could be a source of significant value in the long term; the Company's intention to farm out a portion of its interest in the Deep Gas Play; the Company's assumptions underlying its 2025 guidance outlook including continuing production operations at its four Gulf of Thailand licences and an active drilling programme throughout the year; sources of funding for the Company's 2025 spending; the belief that Valeura's financial position provides capacity for ongoing shareholder returns through share buybacks and for inorganic growth; the inclusion of appraisal-led drilling targets in further infill development drilling programmes; the ability for Jasmine to continue serving as a key source of cash generation; timing to commission the low-BTU gas generator and to reduce greenhouse gas emissions and operating costs; planned drilling and well workovers in 2025; timing to consider a final investment decision on the Wassana field redevelopment project; the Company's belief that the Thrace basin deep gas play could be a source of significant value in the longer term; and the Company's ability to apply its substantial tax loss carry-forwards to the combined income of its fields and the resulting impact on cash flows. In addition, statements related to "reserves" are deemed to be forward-looking information as they involve the implied assessment, based on certain estimates and assumptions, that the resources can be discovered and profitably produced in the future.

Forward-looking information is based on management's current expectations and assumptions regarding, among other things: the ability to fully identify and execute infill drilling opportunities in its fields; the ability to achieve regulatory and partner approvals for a new development plan in the Wassana oil field; the accuracy of the independent engineering evaluation of the reserves and contingent resources attributable to the Company's four licences in the offshore Gulf of Thailand prepared by Netherland, Sewell and Associates Inc, effective December 31, 2024; the ability to successfully pursue further opportunities in Thailand and achieve synergies including utilisation of tax losses; management's estimate of cumulative tax losses being correct; the ability to extend the Thrace Basin exploration licences beyond their current expiry dates; the ability to identify attractive M&A opportunities to support growth; the Company's ability to operate the properties in a safe, environmentally responsible, efficient and effective manner; future sources of funding; future economic conditions; the ability to manage costs related to inflation; the ability of the Company to execute its strategy; the Company's ability to effectively manage growth; political stability of the areas in which Valeura is operating and completing transactions; the success of the Deep Gas Play; the ability of the Company to satisfy the drilling and other requirements under its licences and leases; continued operations of and approvals forthcoming from the governments and regulators in a manner consistent with past conduct; future seismic and drilling activity on the required/expected timelines; the prospectivity of the Company's lands; the continued favourable pricing and operating netbacks across its business; future production rates and associated operating netbacks and cash flow; Valeura's forecast for 2025 full year oil production; Valeura's planned capex for 2025; Valeura's opex guidance for 2025; Valeura's anticipated exploration expense for 2025; the Company's ability to fund its 2025 spending through cash on hand and cash flow generated from ongoing operations; the Company's intention to maintain a strong balance sheet, in support of its grown-oriented strategy; the ability to reach agreement with partners; the ability of the Company to maintain its directors, senior management team and employees with relevant experience; the ability of the Company to successfully manage the political and economic risks inherent in pursuing oil and gas opportunities in Thailand and Türkiye; field production rates and decline rates; the ability of the Company to secure adequate product transportation; the impact of increasing competition in or near the Company's plays; the ability of the Company to obtain qualified staff, equipment and services in a timely and cost-efficient manner to develop its business and execute work programmes; the timing and costs of pipeline, storage and facility construction and expansion; future oil and natural gas prices; currency, exchange and interest rates; the ability of the Company to maintain effective internal controls over financial reporting; the regulatory framework regarding royalties, taxes and environmental matters; the ability of the Company to successfully market its oil and natural gas products; the ability to successfully manage the political and economic risks inherent in pursuing oil and gas opportunities in foreign countries; the state of the capital markets; and the ability of the Company to obtain financing on acceptable terms. Although the Company believes the expectations and assumptions reflected in such forward-looking information are reasonable, they may prove to be incorrect.

Forward-looking information involves significant known and unknown risks and uncertainties. Exploration, appraisal, and development of oil and natural gas reserves and resources are speculative activities and involve a degree of risk. A number of factors could cause actual results to differ materially from those anticipated by the Company including, but not limited to: risks associated with the failure to realise transaction and anticipated benefits related to M&A; risks associated with the management of growth; risks associated with acquisitions, dilution and availability of debt; risks resulting from the Company's dependence on its directors, senior management team and employees with relevant experience; risks associated with the management of key local relationships; the risks of currency and interest rate fluctuations and hedging; risks associated with rising inflationary pressures; risks associated with estimates of reserves and resources; risks associated with the value of the Deep Gas Play; counterparty and partner risk; risks associated with the Company's reliance on third party service providers; operational risks with aging assets; risks relating to internal controls over financial reporting; risks relating to the use of foreign subsidiaries by the Company; income tax risks; the risk that the Company's tax advisors/or auditors assessment of the Company's cumulative tax losses varies significantly from management's expectations of the same; risks relating to public health crises, including a pandemic; risks relating to the Company's dependence on other operators of assets and joint venture partners; risks relating to the geopolitical situation in eastern Europe; exploration, development and production risks; offshore operational risks relating to Thailand; risks relating to the availability of drilling, hydraulic stimulation and other equipment and access; risks relating to the revocation or expiration of exploration licences, production leases and other licences, leases and permits; risks relating to the Company's insurance and indemnities; risks relating to the Company's operations and the environment, and the potential for compliance, clean-up or other costs; risks relating to compliance with environmental laws and regulations; climate change risks; risks relating to title to assets; risks relating to the number of laws and regulations applicable to the oil and gas industry; price volatility, markets and marketing risks; access to debt and equity markets risks; competition risks; operational, hazards and unexpected disruptions risks; foreign operations risks; government rules and regulations risks; bribery and corrupt practices risks; and risks relating to the Common Shares. The forward-looking information included in this MD&A is expressly qualified in its entirety by this cautionary statement. See the AIF for a detailed discussion of the risk factors. Certain forward-looking information in this MD&A may also constitute the "financial outlook" within the meaning of applicable securities legislation. Financial outlook involves statements about Valeura's prospective financial performance or position and is based on and subject to the assumptions and risk factors described above in respect of forward-looking information generally as well as any other specific assumptions and risk factors in relation to such financial outlook noted in this MD&A. Such assumptions are based on management's assessment of the relevant information currently available, and any financial outlook included in this MD&A is made as of the date hereof and provided for the purpose of helping readers understand Valeura's current expectations and plans for the future. Readers are cautioned that reliance on any financial outlook may not be appropriate for other purposes or in other circumstances and that the risk factors described above or other factors may cause actual results to differ materially from any financial outlook. The forward-looking information contained in this MD&A is made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless required by applicable securities laws. The forward-looking information contained in this MD&A is expressly qualified by this cautionary

statement.

Oil and Gas Advisories

Reserves and contingent resources disclosed in this MD&A are based on an independent evaluation conducted by the incumbent independent petroleum engineering firm, Netherland, Sewell & Associates, Inc. ("NSAI") with an effective date of December 31, 2024. NSAI's evaluation is presented in a report dated February 13, 2025 (the "NSAI 2024 Report"). The NSAI estimates of reserves and resources were prepared using guidelines outlined in the Canadian Oil and Gas Evaluation Handbook and in accordance with *National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities*. The reserves and contingent resources estimates disclosed in this MD&A are estimates only and there is no guarantee that the estimated reserves and contingent resources will be recovered.

This MD&A contains a number of oil and gas metrics, including "NAV", "reserves replacement ratio", and "EOFL" which do not have standardised meanings or standard methods of calculation and therefore such measures may not be comparable to similar measures used by other companies. Such metrics are commonly used in the oil and gas industry and have been included herein to provide readers with additional measures to evaluate the Company's performance; however, such measures are not reliable indicators of the future performance of the Company and future performance may not compare to the performance in previous periods.

"NAV" is calculated by adding the estimated future net revenues based on a 10% discount rate to net cash, (which is comprised of cash less debt) as of December 31, 2024. NAV is expressed on a per share basis by dividing the total by basic common shares outstanding. NAV per share is not predictive and may not be reflective of current or future market prices for Valeura.

"Reserves replacement ratio" for 2024 is calculated by dividing the difference in reserves between the NSAI 2024 Report and the previous independent evaluation conducted by NSAI with an effective date of December 31, 2023, plus actual 2024 production, by the assets' total production before royalties for the calendar year 2024.

"End of field life" is calculated by NSAI as the date at which the monthly net revenue generated by the field is equal to or less than the asset's operating cost.

Reserves

Reserves are estimated remaining quantities of commercially recoverable oil, natural gas, and related substances anticipated to be recoverable from known accumulations, as of a given date, based on the analysis of drilling, geological, geophysical, and engineering data, the use of established technology, and specified economic conditions, which are generally accepted as being reasonable. Reserves are further categorised according to the level of certainty associated with the estimates and may be sub-classified based on development and production status.
Proved reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

Developed reserves are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (e.g., when compared to the cost of drilling a well) to put the reserves on production.
Developed producing reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

Developed non-producing reserves are those reserves that either have not been on production, or have previously been on production, but are shut in, and the date of resumption of production is unknown.

Undeveloped reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g., when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (proved, probable, possible) to which they are assigned.

Probable reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved plus probable plus possible reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable plus possible reserves.

The estimated future net revenues disclosed in this MD&A do not necessarily represent the fair market value of the reserves associated therewith.
The estimates of reserves and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation.

Contingent Resources

Contingent resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingencies are conditions that must be satisfied for a portion of contingent resources to be classified as reserves that are: (a) specific to the project being evaluated; and (b) expected to be resolved within a reasonable timeframe.

Contingent resources are further categorised according to the level of certainty associated with the estimates and may be sub-classified based on a project maturity and/or characterised by their economic status. There are three classifications of contingent resources: low estimate, best estimate and high estimate. Best estimate is a classification of estimated resources described in the Canadian Oil and Gas Evaluation Handbook as the best estimate of the quantity that will be actually recovered; it is equally likely that the actual remaining quantities recovered will be greater or less than the best estimate. If probabilistic methods are used, there should be at least a 50 percent probability that the quantities actually recovered will equal or exceed the best estimate.

The project maturity subclasses include development pending, development on hold, development unclarified and development not viable. The contingent resources disclosed in this MD&A are classified as either development unclarified or development not viable and Valeura reasonably expects light and medium crude oil and heavy crude oil therefrom.

Development unclarified is defined as a contingent resource that requires further appraisal to clarify the potential for development and has been assigned a lower chance of development until commercial considerations can be clearly defined. Chance of development is the likelihood that an accumulation will be commercially developed.

Please see the AIF for more information with respect to the Company's contingent resources. There is uncertainty that any portion of the contingent resources disclosed in this MD&A will be commercially viable to produce.

CONTACT INFORMATION

Head Office

111 Somerset Road #09-31
Singapore 238164

Key Spokespersons

Sean Guest, President and CEO
Yacine Ben-Meriem, CFO
General Inquiries: Contact@valeuraenergy.com

Capital Markets / Investor Inquiries

Robin James Martin, Vice President, Communications and Investor Relations
Phone: +1 403 975 6752 (Canada) / +44 7392 940495 (UK)
Investor Inquiries: IR@valeuraenergy.com

valeura energy