

Annual Report 2023



A socially responsible contributor
to the global energy mix

Who we are

Genel is a socially responsible oil producer with low-cost and low-carbon production from the Kurdistan Region of Iraq.

Our strategy is focused on generating long-term resilient cash flows that ultimately support a material and sustainable dividend programme, as we strive to deliver on our ambition of being a world-class creator of shareholder value and fulfil our goal of being a socially responsible contributor to the global energy mix.

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I am pleased to welcome you to Genel Energy's twelfth annual report.

2023 was dominated by the suspension of the Iraq-Türkiye pipeline in March, which at present has cut off our route to the export market. Production was temporarily shut in across our assets, prior to us working with partners to generate cash from local sales in the second half of the year. This unsurprisingly resulted in a material negative impact on our performance in the year. However, our ongoing focus on resilience, something that is a core part of our business model, and reshaping of the business has positioned us well to move forward from this significant setback.

We enter 2024 with a material net cash balance of over \$100 million and local sales revenues that are set to keep this robust balance sheet intact. We have a solid financial platform from which we are able to continue executing our strategy, and there are numerous potential catalysts which mean that we are looking forward with confidence to the year ahead.

One area in which the pipeline closure did not impact our business was our ongoing focus on sustainability. To better illustrate how it is a core part of our business, we have this year incorporated our Sustainability Report into our Annual Report. We are proud of our work in this area, and our disclosure remains in line with Global Reporting Initiative standards.

David McManus
Chair

What we do

Genel is a socially responsible energy company, with low-cost and low-carbon production from the Kurdistan Region of Iraq and exploration assets in Africa.

Why we do it

Genel aims to achieve our goals in accordance with values that are inherently linked to our business model and strategic success. If we uphold our values, we will deliver our ambition: to become a world-class independent E&P creator of shareholder value.

As we do this, we aim to have a positive economic impact both by producing the hydrocarbons that will fuel economies during the energy transition, and directly supporting the communities in which we operate by improving infrastructure and providing employment and development opportunities.

Our values are fundamental to our behaviour, decision making, and the delivery both of our purpose and strategic objectives.



Integrity



Respect



Accountability



Collaboration



Ingenuity

Where we do it

Key

- Corporate offices
- Licences



Reshaped and resilient business, with potential catalysts to deliver significant shareholder value



It is difficult to look at 2023 without it being dominated by the closure of the Iraq-Türkiye pipeline ('ITP'). The suspension of our route to export resulted in a material reduction in production and cash flow. In a year in which we were buffeted by factors beyond our control, it was a reminder of the inherent resilience of our business model, a resilience that means we retain a strong position from which we view the future with confidence.

Going in to 2023, one of our key aims was to continue the simplification of the business, focusing on optimisation and cost control and investment in business improvement. With the ITP suspended, we accelerated this journey, significantly changing the size and shape of the organisation, materially reducing our cost base. We are now in a position where our income from strong local sales in January and February 2024 has covered our outflows, we have over \$100 million in net cash, and significant opportunities lie ahead.

A reshaped business

The closure of the pipeline prompted us to move quickly to reduce our capital expenditure, with \$50 million cut from our original budget. We have more than halved our workforce, and we have shed non-profitable assets. We allowed the Qara Dagh licence to lapse, and Sarta has been terminated. We are a significantly leaner vehicle than we were even six months ago, having efficiently closed out our activity at Sarta and having minimised our footprint and cost base in Kurdistan. And we are getting leaner still, encouraging a constant state of awareness in the business about how we can drive further cost efficiencies.

As we have cut costs we have ensured that we have kept the right personnel to grow the business in the better times that certainly lie ahead. It is important that a reshaped business does not mean a business that lacks skills, and we must ensure that we have the correct balance between being right sized in the current environment, and having the right people to drive Genel forward and take advantage of upcoming opportunities.

All of the changes that we have made to the business have been done with our shareholders in mind, protecting shareholder funds and ensuring that we remain resilient with a robust balance sheet, with a business that is set up to maximise shareholder value going forward.

“We have the correct balance between being right sized in the current environment, and having the right people to drive Genel forward and take advantage of upcoming opportunities.”

Robustly positioned

Our focus on resilience is bolstered by income from the Tawke licence, which remains the engine room of the business. Working with the operator, DNO, a great job has been done to build a new income stream from local sales, while cutting operational costs by 65%. Production ramped up through the second half of the year, and local sales have been material and robust so far this year.

Going forward we expect cash generation from these local sales to match our total business expenditure, should income remain at levels seen in Q1 2024. Should the ITP reopen, our cash generation has the potential to more than double overnight. Along with our industry peers, we continue to work hard to facilitate the resumption of exports with appropriate commercial terms. Positive comments are regularly being made by politicians from both the Federal Government of Iraq and the KRG, although these are not being supported by movement on key issues so far. The timing of export resumption is therefore not something that we can suggest with any certainty.

Opportunities ahead

The reopening of the export route, with a stable and predictable payment environment, is one of the numerous catalysts that we can see ahead in 2024. We are reviewing all options relating to the \$107 million that is still owed for past exports, the repayment of which would help to further strengthen our balance sheet and boost cash generation.

As we work to unlock the significant value from Kurdistan, we continue our search to add new income streams elsewhere. Our criteria for new assets have not changed - we are focused on cash generation, seeking a value accretive deal in a stable jurisdiction. We remain laser focused and disciplined as we seek the right deal for shareholders, and are comfortable looking beyond the MENA region to get a deal that ticks all of our boxes. As we reshaped our business in 2023, we have continued our search for the right opportunity to integrate within Genel. There remain opportunities out there that fit our criteria, and we are confident that we will find the correct deal.

Miran and Bina Bawi arbitration progressing

The Company has committed significant senior management time to the arbitration relating to the Miran and Bina Bawi PSCs. As a reminder, our position is that the KRG's termination of the Bina Bawi and Miran licences in December 2021 was repudiatory and caused us significant losses. By way of reference, we have spent over \$1.4 billion acquiring and attempting development of these assets, both as operator and non-operator up to the termination of both PSCs in December 2021.

The two-week hearing (including factual and expert evidence) was held in London as scheduled and ended on 1 March 2024. The timing of the result is uncertain, but is expected by the end of 2024 following the Parties making closing written submissions in April 2024 and reply written submissions in May 2024. Our views on the merits of the case are unchanged since the dispute process under the PSCs was commenced in Q3 2021.

Outlook

Genel retains a robust cash position, a resilient business model, and a focus on taking advantage of the material catalysts ahead.

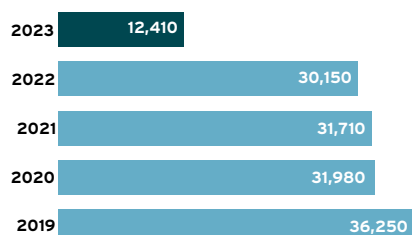


Paul Weir
Chief Executive Officer

Measuring our progress

Net production

12,410 bopd



Definition

Production is measured in barrels of oil produced per day.

Performance

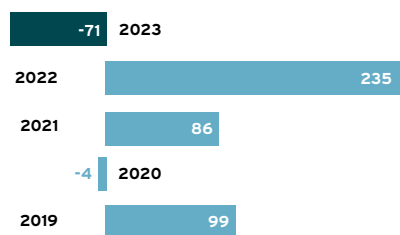
Genel's production was robust in Q1 2023 and in line with our guidance of 27-29,000 bopd. Following the closure of the Iraq-Türkiye pipeline on 25 March 2023, production was shut in at all producing fields once the limited storage capacity was used. Production for the local market resumed from the Tawke field in Q3, and gross production reached 65,780 bopd in the final quarter of 2023.

Relevance to strategy

Production from our fields provides Genel's revenue generation, and is a key measure of our operational performance. Our oil production in the KRI is managed to ensure long-term value creation and maximise cash generation, with production maximised over the life of the field.

Free cash flow

-\$71 million



Definition

Cash flow generated from operating activities, minus capital expenditure.

Performance

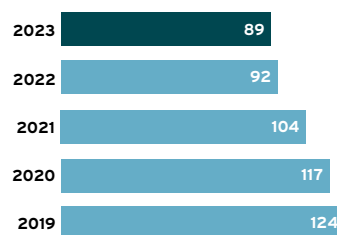
Cash generation in 2023 suffered from the closure of the ITP, and the lack of a route to export sales and international pricing. Total proceeds in the year were \$102 million, with only two payments relating to export sales received in Q1 prior to the closure of the pipeline. Expenditure was reduced materially, while local sales from the Tawke licence helped to more than cover operational costs from the licence in Q4. Given the cost reductions achieved, and with the expectation of ongoing local sales, Genel expects to be free cash flow neutral from the end of Q1 2024.

Relevance to strategy

Production from operating activities forms Genel's revenue generation. Net cash illustrates the success of monetisation of these activities, reflecting both money received and the minimisation of operating costs.

Net 2P reserves

89 MMbbls



Definition

2P reserves are proved plus probable reserves.

Performance

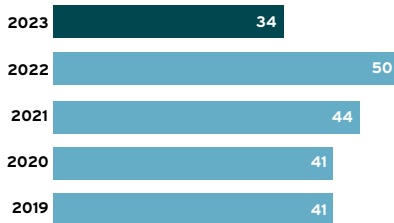
Genel's 2P working interest reserves totalled 89 MMbbls at the end of 2023. A positive 4 MMbbls revision of 2P reserves at the Tawke PSC offset the removal of 2.7 MMbbls of 2P reserves from the terminated Sarta PSC, with 4.5 MMbbls of production in 2023.

Relevance to strategy

Our strategy is to enhance the value of our existing 2P reserves through active reservoir management and cost-effective development. The Company also looks to replace 2P reserves through a combination of maturing contingent resource to commerciality, exploration for new sources of hydrocarbons, and M&A activity.

Dividends announced

\$34 million



Definition

The combined total distribution of the final and interim dividends announced in the calendar year.

Performance

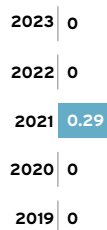
Genel's dividend programme paid over \$200 million of dividends (72p per share) since inception in 2019, with a final dividend totalling 12¢ per share paid in 2023 (2022: 18¢ per share), a total distribution of \$33.5 million. Due to the lack of visibility on the timing of pipeline exports resuming and the re-establishment of a reliable record of payments, Genel suspended its dividend programme at the half-year results.

Relevance to strategy

Genel's strategy aims to increase low-cost production, invest in growth, and retain sufficient liquidity to pay a material and sustainable dividend. Dividend distributions are therefore a signifier of the success of Genel's overall strategy.

Lost time incidents

0 frequency



Definition

Lost time incident frequency measures the number of lost time incidents per million work hours.

Performance

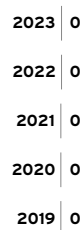
Genel strives for safe operations with zero lost time injuries ('LT1'), and this goal was achieved in 2023, matching the performance of 2022. There have now been well over four million hours worked since the last incident.

Relevance to strategy

The safety of our workforce remains of paramount importance. Genel is committed to running safe and reliable operations across our portfolio, aiming at zero fatalities and no lost time incidents.

Spills - loss of primary containment

0



Definition

Loss of primary containment records any unplanned or uncontrolled release of material from a piece of equipment (such as a pipe, vessel, or tank) used for containment of potentially harmful or hazardous substances and products.

Performance

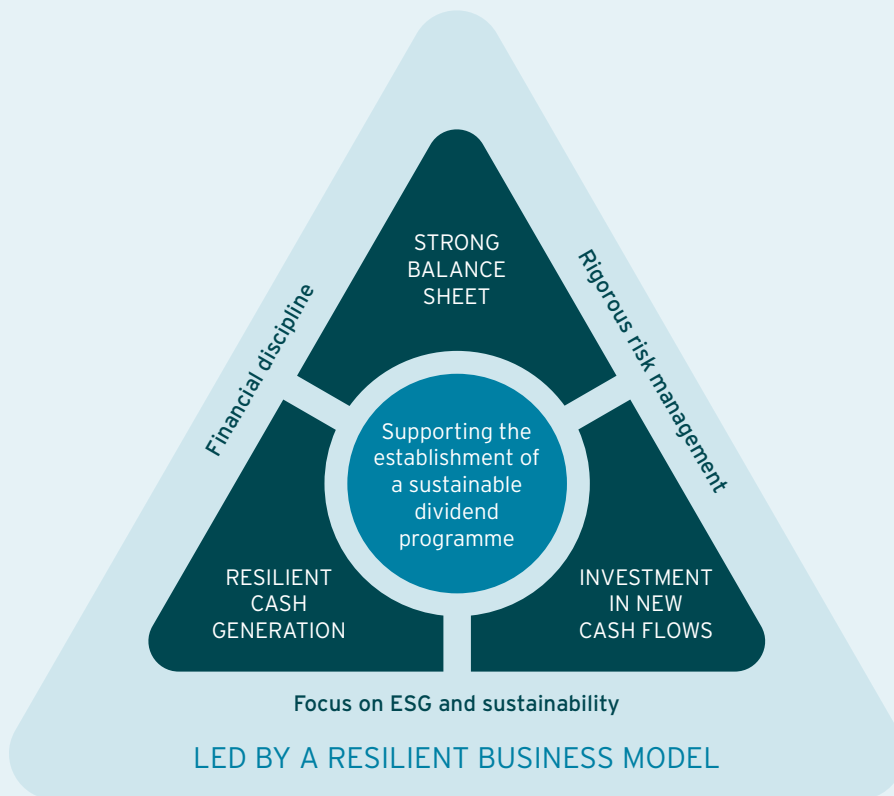
There were zero incidents of losses of primary containment in 2023, and it is now six years since our last incident.

Relevance to strategy

Part of our commitment to being a sustainable business is for the impact on the environment around our operations to be minimised. Asset integrity is a major priority for Genel and we plan and execute the operations of our business and our engagement of subcontractors so as to minimise risk and mitigate potential impact.

Our business model and strategy

Our strategy



Values that define us



Ingenuity



Collaboration



Accountability



Respect



Integrity

Genel aims to be a socially responsible contributor to the global energy mix, generating cash from low-cost and low-carbon production in order to be a world-class creator of shareholder value, and a company that has a positive impact by fuelling economic growth and directly supporting the communities in which we operate.

Benefitting all stakeholders



Shareholders

We aim to provide a compelling mix of growth and returns through increasing low-cost production through disciplined investment, generating material and sustainable cash flows and building towards a business that supports the establishment of a material and sustainable dividend.



Host governments

We aim to have a positive economic impact by growing production of the hydrocarbons that fuel economic growth. Since starting production, over \$21 billion has been directly generated for the KRG from operations at Taq Taq and Tawke, with a further considerable boost to the economy from employment and supply chain development.



Local communities

We directly support the communities in which we operate through maximising local employment and economic development opportunities, as well as direct investment in community projects and the infrastructure surrounding our operations.



Employees

We aim to benefit our employees and contractors through responsible business practices, the promotion of a work culture centred on safety and inclusion, fair remuneration, and job development opportunities.

Strong balance sheet providing long-term resilience and opportunity



With the export pipeline suspended from March, 2023 did not generate the financial performance that we had planned for, but we have taken decisions that mean we have ended the year in a resilient position, with an outlook where we can see a clear route to delivery of material shareholder value. While the closure of the ITP accelerated and deepened some of our planned cost cutting, we were already well on the way to reshaping the business and ensuring that it has the financial strength to endure challenges and maintain our exposure to the significantly value accretive potential events that we hope to see materialise in 2024.

(all figures \$ million)	FY 2023	FY 2022
Brent average oil price	\$82/bbl	\$101/bbl
Revenue	84.8	401.9
Production costs	(21.3)	(34.3)
Cost recovered production asset capex	(55.2)	(85.9)
Production business net income after cost recovered capex	8.3	281.7
Other operating costs	(3.6)	-
G&A (excl. non-cash)	(25.5)	(17.7)
Net cash interest ¹	(4.2)	(19.2)
Working capital	4.7	47.2
Free cash flow before investment in growth	(20.3)	292.0
Non-cost recovered capex	(12.8)	(57.2)
Net (expense) / income from discontinued operations	(11.6)	12.5
Working capital and other	(26.3)	(12.5)
Free cash flow	(71.0)	234.8
Dividend paid	(33.5)	(47.9)
Purchases of own shares	(1.8)	-
Purchases of own bonds	(24.9)	(6.0)
Net change in cash	(131.2)	180.9
Cash	363.4	494.6

¹ Net cash interest is bond interest payable less bank interest income (see note 5)



2023 financial priorities

The table below summarises our progress against the 2023 financial priorities of the Company as set out in our 2022 results.

2023 financial priorities	Progress
<ul style="list-style-type: none"> – Maintain business resilience and balance sheet strength 	<ul style="list-style-type: none"> – On suspension of exports, completed work efficiently, significantly cut capital and operating expenditure, suspended the dividend programme – Developed a new income stream through domestic sales – Cash at \$363 million at end of 2023
<ul style="list-style-type: none"> – Put our significant cash balance to work, earning appropriate returns to deliver value to shareholders primarily through our dividend programme and diversify our cash generation 	<ul style="list-style-type: none"> – Final dividend of 12¢ per share paid – On the Tawke licence, new wells were completed in the first half, and 2P reserves increased to offset production in the year – Bond debt reduced by \$26 million at an average price below 95¢ in the dollar – Continued to actively screen and work up opportunities to acquire new production assets, with the ultimate aim of resuming dividend returns to shareholders
<ul style="list-style-type: none"> – Deliver the 2023 work programme on time and on budget, and continue simplification of the business with a focus on optimisation and cost control and investment in business improvement 	<ul style="list-style-type: none"> – Work programme reduced due to external conditions – Remaining activities completed on time and below budget – Simplification of the business was accelerated and deepened, with a two thirds reduction to our total workforce

Outlook and financial priorities for 2024

The key principles of our financial focus remain largely unchanged. We have a resilient business model that will continue to mitigate negative events and maximise potential upside, all with a firm focus on maximising cash generation. Ultimately, successful strategic delivery will lead to a resumption of shareholder returns, through delivering robust, resilient, diverse, and predictable cash flows.

- Maintain business resilience and balance sheet strength

Running a resilient business with a strong balance sheet is a key component of our business model. It is particularly relevant at the current time, with the lack of access to export prices and volumes and the delayed receipt of amounts owed. While the ITP remains closed, we protect the balance sheet and resilience of the business by balancing the sources and uses of our cash flows. Actions taken to reduce costs and restructure the organisation in 2023 have prepared us well for this, with monthly organisation spend excluding the cash-generative Tawke PSC reduced to under \$3 million per month at the time of writing.

Local market sales since November 2023 have seen relatively consistent volumes, which has required constant attention from the operator. We believe the Tawke PSC is well positioned to continue to deliver stable and meaningful cash flows that will be sufficient to cover our costs, and as a consequence we expect to retain a net cash position of over \$100 million in 2024. Should the pipeline open, which we expect, then the subsequent establishment of regular payments would materially boost our cash generation, with the receipt of our outstanding receivable of \$107 million offering further significant upside.

- Ensure capital availability for funding of key strategic objectives

Our capital allocation priorities remain maintenance of a strong balance sheet and funding of the Company's strategic objectives in order to generate long-term value for shareholders.

We are currently retaining a significant cash balance in excess of the cash required to fund the organic business in order to fund the acquisition of new assets, as we seek to diversify our income streams. This balance is partly funded by our bond debt of \$248 million, which matures in October 2025. We retain strict discipline as we seek new opportunities, with appropriate economic analysis and downside planning key considerations.

With a coupon that is low relative to prevailing market rates, the net cost of retaining this optionality is low.

- Ensure appropriate capital allocation

In pursuit of our strategic objectives, robust assessment of the expected benefit to be obtained from invested capital underpins our processes to ensure appropriate allocation of capital, making sure that each dollar spent is done so in the knowledge that we are custodians of shareholder funds.

In 2023, as well as cutting our capital allocation appropriately in the face of the ongoing ITP closure, with Tawke drilling suspended, we ensured that any investment was necessary and effective towards improving the profitability of our business and achieving our objectives.

At the start of the year, we took the decision to exit the Qara Dagh licence, due to the extent of certainty that re-drilling on the licence would have a positive outcome. For similar reasons, it was decided not to pursue other drilling opportunities at Sarta, and to reduce costs appropriately at Taq Taq. This focus has meant that our future activity at that licence is under review. Finally, we agreed with the government and our partner to extend the

exploration period on the Toosan-1 well in Somaliland. There is the opportunity for significant value creation in Somaliland, where we remain excited about the potential of the subsurface.

In addition, we invested in the Miran and Bina Bawi arbitration process, where we are seeking to protect our contractual position under the PSCs which are governed by English law. We have invested over \$1.4 billion in the acquisition and attempted development of these assets, and we will continue to ensure that funds are available to pursue collection in the event of an Award in Genel's favour.

Finally we reduced our debt by nominal \$26 million of our debt at a cost of below 95 cents in the dollar, which provided an attractive level of return without significantly impacting our capital availability for other strategic objectives.

Financial results for the year

Income statement

(all figures \$ million)	FY 2023	FY 2022
Brent average oil price	\$82/bbl	\$101/bbl
Production (bopd, working interest)	12,410	30,150
Profit oil	25.4	143.4
Cost oil	58.6	116.1
Override royalty	0.8	142.4
Revenue	84.8	401.9
Production costs	(21.3)	(34.3)
Other operating costs	(3.6)	-
G&A (excl. depreciation and amortisation)	(27.1)	(18.5)
EBITDAX	32.8	349.1
Depreciation and amortisation	(44.0)	(134.3)
Exploration expense	(0.1)	(1.0)
Net write-off / impairment of oil and gas assets	1.2	(75.8)
Net (ECL) / reversal of ECL of receivables	(9.1)	8.6
Net finance expense	(9.1)	(24.5)
Income tax expense	(0.2)	(0.2)
Loss from discontinued operations	(32.8)	(129.2)
Loss	(61.3)	(7.3)

Production of 12,410 bopd was significantly lower than last year (2022: 30,150 bopd) as a result of the suspension of exports through the ITP. This resulted in very limited production between April and July, with production from Tawke only restarting from July at lower levels, selling into the domestic market. This decrease in production, together with the significantly lower realised price per barrel for local sales, resulted in a reduction in revenue from \$402 million to \$85 million, with \$38 million generated from local sales in H2 2023 and the remainder of \$47 million generated from export sales between January and March inclusive.

Production costs of \$21 million decreased from the prior year (2022: \$34 million), with cost per barrel \$4.8/bbl in 2023 (2022: \$3.3/bbl), with the higher cost per barrel being the result of a combination of lower production and some fixed costs.

Other operating costs of \$4 million were related to Taq Taq which were incurred after production cease. Corporate cash costs were \$12 million (2022: \$14 million).

The decrease in revenue resulted in a similar decrease to EBITDAX, which was \$33 million (2022: \$349 million). EBITDAX is presented in order to illustrate the cash operating profitability

of the Company and excludes the impact of costs attributable to exploration activity, which tend to be one-off in nature, and the non-cash costs relating to depreciation, amortisation, impairments and write-offs.

Depreciation of \$40 million (2022: \$95 million) and Tawke intangibles amortisation of \$4 million (2022: \$39 million) decreased due to lower production and pipeline closure.

While Genel expects to recover its overdue receivables of \$107 million in full, given there is currently no repayment plan, a net expense of \$10 million has been recognised relating to the expected credit loss on overdue receivables. Further explanation is provided in note 1 to the financial statements.

Interest income of \$21 million (2022: \$7 million) has significantly increased as a result of the increase in interest rates, in turn reducing our net cost of debt. Bond interest expense of \$25 million (2022: \$26 million) was in line with the previous year. Other finance expense of \$5 million (2022: \$5 million) related to non-cash discount unwinding on provisions and bond which is partly offset by gain on buyback of bonds in the year.

In relation to taxation, under the terms of KRI production sharing contracts, corporate income tax due is paid on behalf of the Company by the KRG from the KRG's own share of revenues, resulting in no corporate income tax payment required or expected to be made by the Company. Tax presented in the income statement was related to taxation of the service companies (2023: \$0.2 million, 2022: \$0.2 million).

Following the termination of Sarta PSC in the year, income statement figures of Sarta PSC have been disclosed as discontinued operation. Further details are provided in note 7 to the financial statements.

Capital expenditure

Capital expenditure was reduced to \$68 million (2023: \$143 million), a reduction of around \$50 million from our initial guidance. Spend on production assets was \$59 million, and pre-production assets \$9 million, with \$20 million spent in H2 as expenditure cuts were made following the ITP closure.

(all figures \$ million)	FY 2023	FY 2022
Cost recovered production capex	55.1	85.9
Non cost recovered production capex	3.8	47.5
Other exploration and appraisal capex	9.1	9.7
Capital expenditure	68.0	143.1

Cash flow, cash, net cash and debt

Gross proceeds received totalled \$102 million (2022: \$473 million).

(all figures \$ million)	FY 2023	FY 2022
Brent average oil price	\$82/bbl	\$101/bbl
EBITDAX	32.8	349.1
Working capital	22.3	63.3
Operating cash flow	55.1	412.4
Producing asset cost recovered capex	(66.6)	(77.8)
Development capex	(22.2)	(50.4)
Exploration and appraisal capex	(9.7)	(20.0)
Interest and other	(27.6)	(29.4)
Free cash flow	(71.0)	234.8

Free cash flow is presented in order to illustrate the free cash generated for equity. Free cash outflow was \$71 million (2022: \$235 million inflow) with an overall decrease due to pipeline closure and delay in proceeds.

(all figures \$ million)	FY 2023	FY 2022
Free cash flow	(71.0)	234.8
Dividend paid	(33.5)	(47.9)
Other	(1.8)	-
Bond repayment	(24.9)	(6.0)
Net change in cash	(131.2)	180.9
Opening cash	494.6	313.7
Closing cash	363.4	494.6
Debt reported under IFRS	(243.7)	(266.6)
Net cash	119.7	228.0

The bonds maturing in 2025 have two financial covenant maintenance tests:

Financial covenant	Test	YE 2023
Equity ratio (Total equity/Total assets)	> 40%	55%
Minimum liquidity	> \$30m	\$363m

Net assets

Net assets at 31 December 2023 were \$434 million (31 December 2022: \$528 million) and consist primarily of oil and gas assets of \$331 million (31 December 2022: \$327 million), net trade receivables of \$93 million (31 December 2022: \$117 million) and net cash of \$120 million (31 December 2022: \$228 million).

Liquidity / cash counterparty risk management

The Company monitors its cash position, cash forecasts and liquidity on a regular basis. The Company holds surplus cash in treasury bills, time deposits or liquidity funds with a number of major financial institutions. Suitability of banks is assessed using a combination of sovereign risk, credit default swap pricing and credit rating.

Going concern

The Directors have assessed that the Company's forecast liquidity provides adequate headroom over forecast expenditure for the 12 months following the signing of the annual report for the year ended 31 December 2023 and consequently that the Company is considered a going concern. Further explanation is provided in note 1 to the financial statements.

The Company is in a net cash position with no near-term maturity of liabilities.



Luke Clements
Chief Financial Officer

A focused portfolio, with robust production from Tawke



Mike Adams
Technical Director

Reserves and resources development

Genel's proven plus probable (2P) net working interest reserves totalled 89 MMbbls (31 December 2022: 92 MMbbls) at the end of 2023. A positive 4 MMbbls revision of 2P reserves at the Tawke PSC offset the removal of 2.7 MMbbls of 2P reserves from the terminated Sarta PSC, with 4.5 MMbbls of production in 2023.

Production

Net production in 2023 averaged 12,410 bopd, significantly down on the prior year (2022: 30,150 bopd) due to the suspension of the ITP. This caused there to be minimal sales in the second quarter of the year, before the local sales market was established in Q3 and production was then ramped up in Q4. Production was dominated by the Tawke PSC, which produced 11,570 bopd.

All Genel production in H2 2023 came from the Tawke PSC. Gross production from the Tawke licence increased to 65,780 bopd in Q4 2023, up from 25,980 bopd in Q3, with the field partners selling their entitlement share into the local market.

Producing assets

Tawke PSC (25% working interest)

Gross production from the Tawke licence averaged 46,280 bopd in 2023, impacted by the closure of the ITP. Following the start of local sales in H2, production increased to 65,780 bopd in Q4 2023.

At the end of 2023, gross production from the Tawke licence was averaging 80,000 bopd, with entitlement barrels sold at prices in the low-to-mid \$30s per barrel. The operator, DNO, expects gross production at the licence to continue to average 80,000 bopd. That figure could change depending on the outcome of ongoing discussions related to recovery of arrears for past deliveries to the KRG and payment terms and conditions for any future oil exports, which in turn will drive investments in wells.

With operational spend having been reduced by 65%, the Tawke PSC is currently generating over \$3 million a month in net cash flow for Genel from strong local sales, which if retained at current levels is able to cover total organisational spend away from the licence.

	Remaining reserves (MMbbls)				Resources (MMboe)						
	1P		2P		Contingent				Prospective		
	Gross	Net	Gross	Net	1C		2C		Best		
				Gross	Net	Gross	Net	Gross	Net		
31 December 2022	267	69	349	92	37	11	129	36	4,722	3,006	
Production	(18)	(5)	(18)	(4)	-	-	-	-	-	-	-
Acquisitions and disposals	-	-	(9)	(3)	(28)	(8)	(85)	(25)	(142)	(43)	
Extensions and discoveries	-	-	-	-	-	-	-	-	-	-	-
New developments	-	-	-	-	-	-	-	-	-	-	-
Revision of previous estimates	(4)	(1)	16	4	4	1	(5)	(1)	-	-	
31 December 2023	245	63	338	89	13	3	39	10	4,580	2,964	



Taq Taq (44% working interest, joint operator)

Prior to the closure of the ITP, field partners were planning a resumption of drilling at Taq Taq. In line with Genel's focus on reducing costs, and lack of clarity regarding the resumption of exports and payments, this plan was dropped. Costs were reduced to below \$1 million per month at the start of 2024, and further cuts are expected to reduce this to around half a million dollars per month. Given the lack of meaningful cash flows expected to come from Taq Taq going forward, its place in the Genel portfolio is under review.

Sarta (30% working interest, operator)

Genel's focus at the start of 2023 was on making ongoing production from Sarta profitable, and capital investment was contingent on both licence profitability and the extent to which there could be confidence that such investment would add cash generative production. Given the investment required, and the lack of certainty over a resumption of payments, Genel and its joint venture partner, Chevron, informed the Ministry of Natural Resources of its intention to surrender the asset and thereby terminate the Sarta PSC on 1 December 2023.

Remediation work was completed in Q1 2024, at a net cost of \$1 million, and there will be no further material expenditure at Sarta going forward.

Pre-production assets

Somaliland

Work continued in 2023 on readiness towards the potential drilling of a well at the Toosan-1 well site on the SL10B13 block (51% working interest and operator). The Environmental, Social and Health Impact Assessment was finished, and required civil work at the well site at this stage of the project is now complete.

Genel continues to believe that there is a tremendous opportunity in Somaliland, and is assessing the timing of further investment. There is no significant expenditure expected in 2024, and a licence extension has been granted which allows for drilling to be undertaken in due course.

Morocco (Lagzira block - 75% working interest, operator)

The farm-out programme on the Lagzira block is ongoing.

Risk management

The successful delivery of our strategy and business model requires strong corporate governance and effective risk management.

We deliver effective risk management through a simple framework and an active assurance plan.

The Company categorises risks into three categories:

- **Strategy:** risks that will impact delivery of company objectives and shareholder value
- **External:** risks that are largely outside of the Company's control and arise from the external environment
- **Routine:** risks that are principally managed by standard business processes and procedures

For each identified and assessed risk, the Board sets clear executive-level accountability, the appropriate risk management action, the appropriate level of assurance to be obtained, and the monitoring and reporting to be delivered.



Risk identification

Risk identification is comprised principally of two approaches.

- Firstly, from the top down, the Board and Executive Committee identify potential risks that may impact delivery of the Company strategy and business objectives
- Secondly, each business area identifies potential risks that may affect delivery of the objectives relevant to that business area. Business areas are comprised of functions and projects, with each business area led by an Executive Committee member

Both processes include considering future risks that may impact the business, which are identified as emerging risks. We identify emerging risks to track their evolution and assess whether mitigating controls in place for the Company are appropriate relative to the expected evolution of the risk.

Risk assessment and treatment objective

Once risks have been identified, they are assessed for post-mitigation impact and likelihood using a simple matrix, with post-risk mitigation assessment determined by evaluating existing controls and mitigation activities. This assessment is then used to define the risk treatment objective for each risk.

The Company uses four specific categorisations of risk treatment objectives:

Mitigate	Put in place processes or take actions that minimise the likelihood or impact of negative consequences of a risk or maximise positive consequences
Eliminate	Remove the risk or reduce the importance of the risk to the business
Transfer	Transfer the risk to a third-party
Accept	Accept the post-mitigation assessment of the likelihood and impact

The appropriate management action is assessed in the context of the agreed treatment objective.

Risk management and assurance

Appropriate management of risks includes, but is not limited to:

- Ensuring appropriate and adequate controls are in place
- Ensuring that appropriate systems are in place to ensure that those controls are designed and operating effectively
- Ensuring appropriate monitoring and re-evaluation systems are in place
- Ensuring that appropriate reporting systems are in place so that the Board can identify if intervention is required

Key risk developments and mitigation progress are monitored and reported to provide adequate oversight by the Board at least yearly. The Executive Committee conducts regular in-depth reviews of the status of the key risks and their mitigation.

The assurance process provides a clear and transparent link between risks, the existing controls and mitigating actions, and assurance that these controls and mitigating actions are adequate, and risks are managed to acceptable levels. We implement a three-tier assurance model to provide different levels of the organisation with assurance that risks are being adequately and appropriately managed and that mandatory requirements and standards are being adhered to.

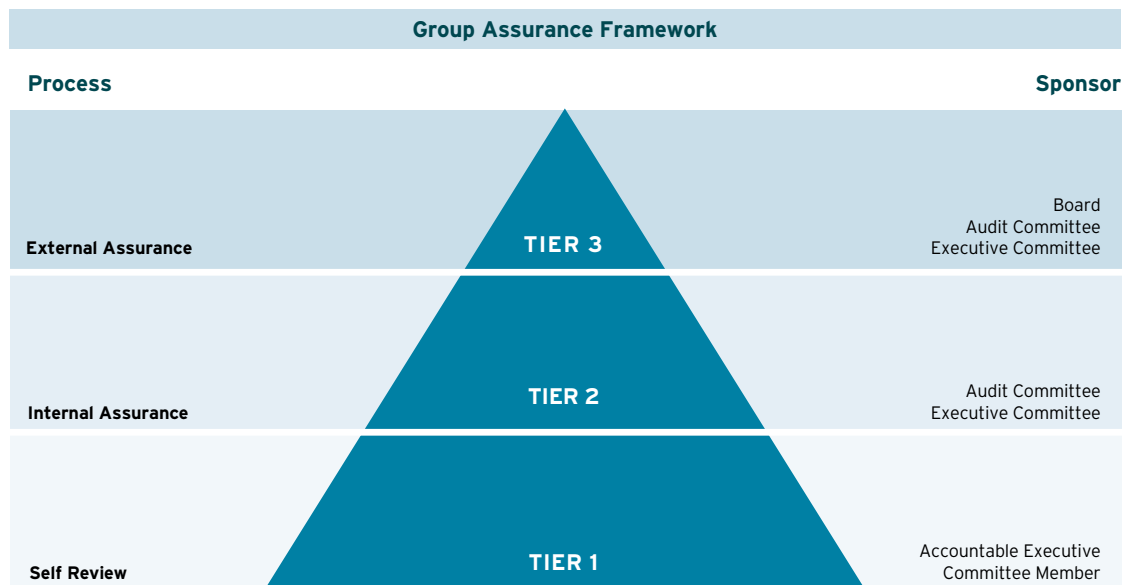
Risk monitoring and reporting

For each identified risk, the depth and frequency of monitoring and reporting is determined depending on the likelihood of the risk and its potential impact, with risks with more significant potential impact being reported more frequently and in greater depth.

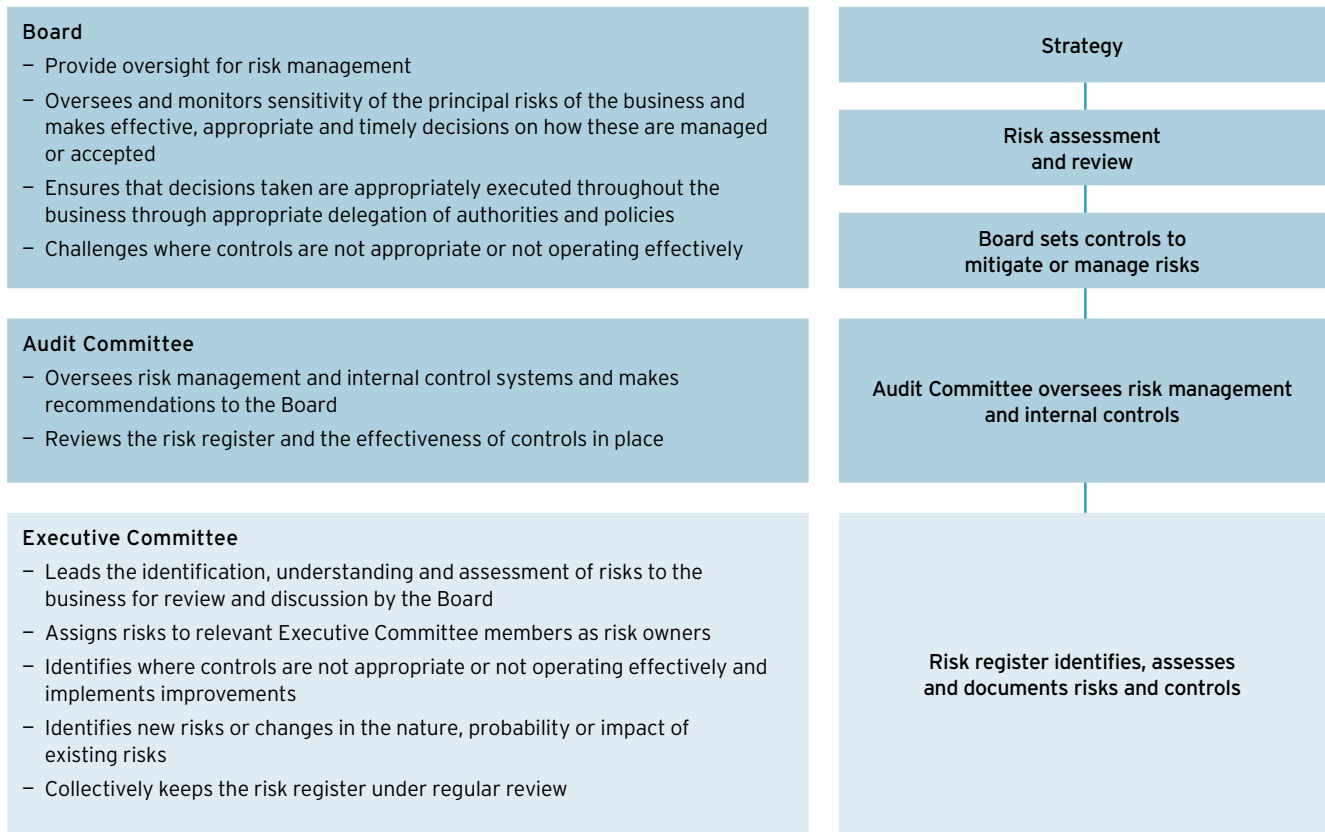
Risks can develop and evolve, and their potential impact or likelihood may vary in response to internal and external events. Sometimes, there may be insufficient information to fully understand the risk's likelihood, impact, or velocity. Additionally, it may not be possible to fully define a mitigation plan until the risk is better understood.

Reporting on risks takes various forms, with external specialist expertise employed where appropriate to ensure the Board is provided with the appropriate understanding of the relevant issues.

In addition, the Company continuously monitors the external and strategic environment to assess and reassess risks, uncertainties, and opportunities, both current and emerging, that may impact delivery on strategy and key business objectives.



Roles and Responsibilities



The system for managing risks is embedded in the organisational structure, operations, and management systems.

Board

The Board is responsible for maintaining and reviewing the effectiveness of the Company's internal control system. The Board has established processes to meet the obligations placed on listed companies and the expectations of the UK Corporate Governance Code to publish a long-term viability statement and continually monitor risk management systems and internal control systems. These processes include having clear lines of responsibility, documented delegated authority levels, and appropriate operating procedures.

We recognise that the system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable, and not absolute, assurance against misstatement or loss.

The Board has reviewed the effectiveness of the internal control system for the year ended 31 December 2023 and up to the date of signing the financial statements. It is satisfied that it remains appropriate to the business.

Audit Committee

The Audit Committee provides oversight and reviews the effectiveness of the Company's risk management systems and reports its assessment to the Board. The risk management systems are designed to identify, evaluate, and manage the principal risks to which the Company is exposed. It reports to the Board on those systems' effective design and operations. The Audit Committee sets the annual assurance programme, within the framework of an assurance cycle, and reviews findings and recommendations. Further information on the actions taken by the Audit Committee during the year can be found on pages 96 to 99.

Executive Committee

The Executive Committee is responsible for the day-to-day management of risks, with each risk assigned to an executive owner accountable for managing the risk.

Principal risks

Key	
Strategic pillars	<ul style="list-style-type: none"> ① Resilient cash generation ② Investment in new cash flows ③ Strong balance sheet
Change assessment	<ul style="list-style-type: none"> ▲ Risk level increased ◄► Risk level stable ▼ Risk level decreased

2023-2024 Group principal risks

The following provides an overview of the principal risks at the end of 2023, the potential impacts and mitigation measures. The risks are grouped thematically, not in order of importance.

KRI Regional Oil & Gas Sector Risk		
Strategic link:	Risk owner:	Year-on-year risk movement:
① ② ③	CEO	▲
Context	<p>The region in which the Company produces oil and generates revenues has seen long-standing regional tensions.</p> <p>There has been long-standing disagreement between the FGI and the KRG regarding the quantum and payment of the KRG's budget allocation and its right to run its oil and gas sector and to export oil independently.</p> <p>In March 2023, an international arbitration ruling regarding Türkiye accepting the export of Kurdish oil through the ITP to Ceyhan without explicit FGI approval found in favour of the FGI. Following the ruling, Türkiye immediately suspended access to the export pipeline. In October 2023, Türkiye declared the pipeline available, although it remains closed.</p> <p>While both FGI and KRG have consistently stated that they would like exports to resume, the extended closure period demonstrates that these key stakeholders cannot agree on the terms for exports to take place.</p>	
What is this risk?	<ul style="list-style-type: none"> - Suspension of access to the export pipeline continues, denying the Company and its peers access to higher pricing and sales volumes available through exporting oil - The FGI and/or the KRG seeks to use political tension to try to void the extant PSCs, impose terms on the IOCs that are averse to their extant contractual position and/or requires IOCs to export oil without being provided clarity on the offtake terms of the sale - Escalation of the reported Iraqi Supreme Court decision and/or the FGI more generally seek to void Kurdistan PSCs 	
How we manage it	<p>Genel is actively working with its Kurdistan partners, peers, the KRG, and the FGI to seek a negotiated solution to restart exports.</p> <p>The Company is a founding member and holds a Directorship in the Kurdistan trade association APIKUR, that seeks to influence governmental bodies.</p> <p>The Company's ultimate remedy for protecting the value of its extant contracts will be through the provisions within these PSCs, namely under English law, with remediation for a dispute in the London Court of International Arbitration.</p>	

Commercial Terms & Payment for Kurdish Sales		
Strategic link:	Risk owner:	Year-on-year risk movement:
① ② ③	CFO	◄►
Context	<p>Cash generation from oil production is maximised via exports, where production is sold to the KRG at the wellhead, with the sales then priced on a netback price derived from the onward sale realised price per barrel adjusted for various costs or charges. When exports are not available, prices for domestic sales are negotiated with local buyers, with payment received in advance of sale.</p>	
What is this risk?	<ul style="list-style-type: none"> - Future offtake arrangements for exports may be different, either positively or negatively, to the terms imposed from September 2022. Until September 2022, exports were priced using a formula that had previously been established with the KRG. From September 2022 to March 2023, the KRG unilaterally imposed a change to this formula - The KRG, the Company's sole counterparty, delays payments of amounts due once exports begin, as has happened sporadically in the past, adversely impacting the cash generation of the Company's production - The Company is currently owed a significant sum for sales made between September 2022 and March 2023. Although the KRG has consistently committed to pay all the monies that it owes to the Company, there is currently no agreed plan for collection of amounts owed, and consequently there is uncertainty around the timing of collection 	
How we manage it	<p>Under the terms of its PSCs, the Company is entitled to benefit from a prescribed proportion of barrels sold and the netback price based on the actual realised price per barrel achieved from its sale in the international markets, with an adjustment for the cost of the oil being delivered to the customer. The Company will defend its contractual position on both issues.</p> <p>In terms of payment risk, the Company has consistently maintained a strong balance sheet and run appropriate downside scenarios to mitigate the risk of insufficient funding for its objectives, or insolvency, arising from an unexpected material reduction in its cash generation from Kurdistan. This has generally resulted in carrying a significant cash balance and underlevered balance sheet.</p>	

Development & Recovery of Oil Reserves							
	<table border="1"> <tr> <th>Strategic link:</th> <th>Risk owner:</th> <th>Year-on-year risk movement:</th> </tr> <tr> <td>1 2 3</td> <td>CEO</td> <td>▲</td> </tr> </table>	Strategic link:	Risk owner:	Year-on-year risk movement:	1 2 3	CEO	▲
Strategic link:	Risk owner:	Year-on-year risk movement:					
1 2 3	CEO	▲					
Context	The Company aims to realise the value of the reserves in its portfolio by deploying capital in line with the value creation expected from our asset development plans.						
What is this risk?	<ul style="list-style-type: none"> - Underestimation of reservoir uncertainty, low side reservoir performance, and poor drilling execution impact the ability to extract maximum reserves value 						
How we manage it	Genel implements life-of-field asset development plans to manage risks, ensuring a structured approach to mitigate uncertainties. The Company also prioritises the correct categorisation of uncertainties to facilitate informed decision-making.						
Arbitration							
	<table border="1"> <tr> <th>Strategic link:</th> <th>Risk owner:</th> <th>Year-on-year risk movement:</th> </tr> <tr> <td>1</td> <td>GC</td> <td>New Risk</td> </tr> </table>	Strategic link:	Risk owner:	Year-on-year risk movement:	1	GC	New Risk
Strategic link:	Risk owner:	Year-on-year risk movement:					
1	GC	New Risk					
Context	<p>The main evidentiary hearing for the London-seated international arbitration, including Genel's claim for substantial compensation from the KRG following the termination of the Miran and Bina Bawi PSCs, took place in London between 19 February 2024 and 1 March 2024. The timing of a final resolution in respect of the arbitration is currently unclear although a final ruling is expected in the second half of 2024.</p> <p>The KRG's claim is that the KRG was entitled to terminate the Bina Bawi and Miran PSCs. Genel's claim is that the KRG's termination of the PSCs was repudiatory and, as a consequence, is claiming substantial damages.</p> <p>The KRG is not claiming any damages from Genel. In total, Genel spent in excess of \$1.4 billion acquiring and attempting to develop the Bina Bawi and Miran fields.</p> <p>Our views on the merits of the case are unchanged since the arbitration was launched in December 2021.</p>						
What is this risk?	<ul style="list-style-type: none"> - As with any arbitration, there can be no certainty as to the outcome of the proceedings - In the event of a successful award of damages there is a risk associated with the successful enforcement of such award - There can also be no certainty as to how the legal costs incurred will ultimately be borne between the Company and the KRG, with the Arbitration Tribunal having a discretion to allocate such costs as part of its Award 						
How we manage it	Genel has sought to mitigate the risks outlined above by instructing a leading international law firm and barristers specialising in such matters to advise in relation to the arbitration, with the Company's management ensuring that they dedicate sufficient time and attention to the arbitration. The Company will continue to ensure sufficient internal and external resources are committed to the arbitration until a final resolution has been reached.						

Reserves Replacement & Additions

Strategic link:

① ②

Risk owner:

TD

Year-on-year risk movement:

Context

Genel has a clear objective of increasing its reserves and its long-term cash-generative production, both organically and inorganically.

What is this risk?

- Genel is unable to replace and add reserves produced from the existing asset base due to the mature nature of producing fields with limited contingent resources conversion potential, or from addition of inorganic opportunities to broaden the portfolio
- Organic reserves replacement from exploration is inherently higher risk from both a subsurface and above ground geopolitical perspective

How we manage it

Genel manages this risk through a combination of life-of-field existing asset development planning while correctly categorising uncertainty.

Retaining the optionality for future exploration drilling in Somaliland with the potential for future contribution to contingent resources and reserves.

The pursuit and addition of assets through new business remains a key mitigant to depletion of the Company's reserves base.

New Business Activity

Strategic link:

① ② ③

Risk owner:

TD

Year-on-year risk movement:

Context

The Company has set out its clear objective of adding new assets to its portfolio to progress its strategy to create shareholder value through the diversification of production and revenue streams.

What is this risk?

- Cash generation and investor returns decline as the Company is unable to add new assets
- The Company executes a transaction that adversely impacts the Company's long-term liquidity, balance sheet, asset portfolio quality and equity story, negatively impacting shareholder returns

How we manage it

Genel mitigates this risk through a clear set of strategic objectives, against which an experienced management team can deliver.

The Board oversees and approves all significant new business decisions, ensuring thorough scrutiny and alignment with our strategy.

Capital Structure & Financing

Strategic link:

② ③

Risk owner:

CFO

Year-on-year risk movement:

Context

The Company's balance sheet and capital structure provide funding for achieving its objectives.

The range of possible outcomes for its cash position over five years is extensive due to several uncertainties, including but not exclusive to commodity price volatility, geopolitics, uncertainty regarding production and reserves, the timing of payments and spending, the quantum of spend, availability of debt and equity capital markets.

What is this risk?

- One of, or a combination of, the various uncertainties result in a significant impact on capital available to the Board to fund the achievement of its objectives. Should this happen, prospects for delivery of shareholder value decrease and the risk of reduction in shareholder value increases

How we manage it

The Company has consistently maintained a strong balance sheet and run appropriate downside scenarios to mitigate the risk of insufficient funding for its objectives or insolvency arising from an unexpected material reduction in its cash generation from the Kurdistan Region of Iraq.

This has generally resulted in a significant cash balance and underleveraged balance sheet.

Attract & Maintain Organisational Capability	
Strategic link:	Risk owner: Year-on-year risk movement:
1 2 3	CHRO ▲
Context	The Company aims to attract, retain, and develop the appropriate level of talent and organisational capability required for delivery of its strategy.
What is this risk?	<ul style="list-style-type: none"> - Risk mitigation and the successful delivery of strategy is negatively impacted through not having the right capability in the business to meet obligations - A gap in our capabilities jeopardises our ability to meet our obligations in the regions the Company serves - A failure to prioritise recruitment practices that involve discussions and adherence to local government and community guidelines impacts Genel's reputation and hinders the Company's ability to carry out activities efficiently - The recent reduction in headcount, as a result of the downsizing of operations, affects our ability to retain core personnel in a buoyant oil and gas market and strategic measures are required to both retain existing and attract new skilled professionals
How we manage it	<p>Genel regularly determines its capability needs and reports to the Board periodically through various Committees.</p> <p>The annual performance management process is instrumental in supporting high performance while identifying areas for necessary development, ensuring a proactive approach to skill enhancement and growth. Our Annual TalentMAP process is designed to identify key individuals and facilitate broad succession planning, minimising the impact of talent gaps.</p> <p>Furthermore, our balanced approach to internal and external talent acquisition allows for immediate insights and swift reactions to staff changes, ensuring seamless transition and operational efficiency. These strategic talent management practices collectively contribute to our risk mitigation efforts, fostering a resilient and adaptable workforce.</p>

Environmental, Social & Governance Expectations	
Strategic link:	Risk owner: Year-on-year risk movement:
1 2	CEO ▲
Context	Position the Company during the energy transition, supporting communities where we operate. Identifying and addressing relevant ESG risks is integral to our strategy.
What is this risk?	<ul style="list-style-type: none"> - Ineffective management of risks associated with ESG elements results in reduced access to capital and reputational harm - Carbon taxation or future climate-related regulation results in a negative impact on operations and/or cash generation - A failure in ongoing engagement with our host communities and an inability to maintain strong local community support results in disruption to field operations
How we manage it	Genel prioritises mitigating ESG risks, which is evident in the Board's and senior management's strong commitment to the approved strategy. This strategy outlines responsible practices across all ESG aspects, allowing adaptation to emerging trends and operational changes. This strategy also extends to Genel's social investment projects and furthermore, emphasises the importance of robust community engagement practices in contributing positively to host communities. Monitoring progress involves an integrated ESG scorecard and sustainability metrics, enhancing transparency and accountability. By prioritising ESG, Genel aims to mitigate risks and uphold responsibility through the energy transition.

Regulatory & Compliance Failure

Strategic link:

1

Risk owner:

GC

Year-on-year risk movement:



Context

The Company and its staff are subject to various laws and regulations governing corporate and personal conduct.

What is this risk?

- Failure to adhere to our legal and regulatory obligations could result in financial penalties, a negative impact on performance, regulatory oversight, and reputational damage

How we manage it

Genel is committed to conducting business in compliance with all applicable laws and regulations and in accordance with the highest ethical standards. We have defined a clear set of values, adopted our Code of Conduct and implemented a robust set of policies and procedures across the business which establishes a framework that sets clear expectations.

We have in place a legal compliance programme that includes due diligence processes, an annual training and certification process, a whistleblowing and grievance procedure and an investigations procedure.

New legislation and regulations are closely monitored and our Board of Directors examine the application of our compliance programme and governance framework.

Health & Safety

Strategic link:

1

Risk owner:

CEO

Year-on-year risk movement:



Context

Health and safety management are primary considerations across all Genel operations.

What is this risk?

- HSE procedure failures result in harm, including injuries, environmental impact, and reputational damage

How we manage it

Genel highlights the link between HSE performance and our operating licence, emphasising the need for strong controls. Managing these risks protects our workforce, environment, and operational licence. High HSE standards are crucial for employee motivation and a safe work environment.

The Company prioritises hiring competent personnel and strives for incident-free operations through continual improvement in our HSE management system. A robust HSE plan defined KPIs, and proactive risk mitigation are integral. Genel conducts thorough HSE and process safety assessments, and ongoing assurance activities reinforce safety protocols. Incident response capabilities are enhanced through workforce training, and HSE supervision ensures a vigilant environment. This comprehensive approach aims to minimise health and safety risks, fostering a culture of continuous improvement.

Viability statement

In accordance with provision 31 of the 2018 revision of the UK Corporate Governance Code ('the Code'), the Directors have assessed the prospects and viability of the Company over a longer period than the 12 months required by the 'Going Concern' provision.

Choice of assessment period

Given the extant uncertainty around the timing and terms of any export restart, the Directors have reduced their assessment of the appropriate period for their viability statement from five years to three years. Although a shorter period, it importantly still captures the maturity of the Company's bonds in October 2025 and there remains inevitable cash flow uncertainty given the inherent volatility in long-term oil price and uncertainty regarding netbacks, route to market, payment terms, receivable recovery, cost and production forecasting.

Business assumptions when assessing viability are derived from the Company's forecast of its cash generation and value delivery.

Review of financial forecasts

In reviewing the expected evolution of the company's business, cash flows and capital structure over the review period the Directors took into account:

- The Company's five-year plan, which incorporates the Company's latest life of field cash flow projections for producing assets
- The various capital allocation scenarios that may evolve and the Company's potential asset portfolio investment decisions
- The Company's bond and compliance with its covenants
- The availability of debt capital markets and other sources of finance, together with the debt capacity of the business
- The oil price forecast set out in the notes of our financial statements

A range of sensitivities were run on the assumptions set out above to reflect different scenarios including, but not limited to, changes to production profiles, oil price and netback assumptions, route to markets, receivable recovery, capital allocation, and payments.

Consideration of principal risks

The principal assumptions underlying the forecasts above were reviewed in the context of the risks and mitigating actions set out in the Principal Risks in the Annual Report including in particular those that specifically relate to the company's viability, including:

- Commercial terms & payment for Kurdish sales
- Arbitration
- Development & recovery of oil reserves
- KRI oil and gas sector and regional risk
- Capital structure & financing

Viability assessment

Based on their review of these assumptions and sensitivities in the context of the funding options and risks referred to above, the Directors found that there was a reasonable expectation that the Company will be able to continue in operation and manage its liabilities as they fall due over the three-year period to December 2026.

Our 2023 Strategic Report from pages 1 to 69 has been reviewed and approved by the Board of Directors on 25 March 2024.



Paul Weir
Chief Executive Officer

Stakeholder engagement

As a Jersey registered company, Genel Energy plc is not required to prepare a s172(1) statement in accordance with UK legislation, however, in line with the UK Corporate Governance Code we have voluntarily chosen to report how we take our stakeholders into consideration in running the business.

We recognise that the Company has a range of stakeholders including but not limited to our investors, the local government and communities in the regions in which we operate, our joint venture partners, employees, and suppliers. When making business decisions the Board of Directors considers, both individually and collectively, that they have acted in good faith and in a way that would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1) ((a-f) of the Act) in the decisions taken during the year ended 31 December 2023 (see Corporate Governance report). In particular, the Board considers this to be the case, by reference to the approval of our strategy and business model supported by our viability statement on page 24:

(a) The likely consequences of any decision in the long-term

Genel aims to have a portfolio of assets that positions us well for a future of fewer and better natural resource projects, with an organic portfolio funded by cash generated from our producing assets, while we seek to deploy capital on adding new assets. The Company continues to maintain its strong balance sheet, and its liquidity runway and debt maturity profile is proactively managed, for example through the market purchases of bonds and the bond buy-back tender executed during the year.

(b) The interests of the Company's employees

Although an organisational review during 2023 resulted in a significant reduction of the workforce Genel continues to be committed to employing a diverse and balanced team, enabling us to build an effective and talented workforce at all levels of the organisation. To this end, we continue to use our annual Talent MAP process to identify high-potential employees including areas where additional professional development support can be provided. In 2023 a coaching and leadership programme was initiated with eight participants. Further information on employee management can be found on pages 52 to 54.

The Board has appointed Canan Ediboğlu as the Designated Independent Non-Executive Director, responsible for workforce engagement and providing insight into our employees' perspectives on the business to the Board. Further information on workforce engagement can be found on page 77.

(c) The need to foster the Company's business relationships with suppliers, customers, and others

Long-term strategic thinking, aligning our goals with those of host governments and business partners to build deep and valuable relationships, helping to unlock value in complex commercial situations helps Genel to fulfil its strategy. In 2023, the Company continued to engage with host governments at all levels in order to drive forward our business strategy. In the wake of the shut-in of the ITP we collaborated with our partners and host government to switch to domestic sales, and with our suppliers to reduce expenditure.

(d) The impact of the Company's operations on the community and the environment

Supporting and engaging with the communities in which we operate continues to be fundamental to Genel's success, and in 2023 we continued to support meaningful social investment initiatives that demonstrate our commitment to improve the wellbeing of our host communities. In addition, Genel also prioritises the promotion of local employment and contracting, where possible, so that the economic benefits generated from our operations are shared directly within the regions where our activities are taking place.

The Company was pleased to see the progress being made by each of the Genel20 Scholars following the launch of this programme in the KRI in 2022, which provides a university scholarship for 20 talented school graduates from disadvantaged backgrounds.

In response to the devastating earthquakes in Türkiye and Morocco during 2023, the Company made donations to support emergency response efforts in both regions, and also made contributions to education programmes in the earthquake-affected zones of Türkiye.

As our civil engineering work continued in Somaliland, Genel's social investments included funding a mobile health clinic programme to provide medical support to communities with limited or no existing facilities. In continuation of our focus on education, Genel also funded a programme of educational supplies across 20 schools, and also made a donation to Burao Academy of Science and Technology. The Company was also pleased to fund improvements to an existing orphanage in Burao.

We remain acutely aware of the challenges associated with climate change, and the requirement for a reduction in GHG emissions. We also recognise a breadth of environmental considerations associated with our activities beyond climate-related risks. This was reflected in 2023 in the manner in which we exited the Sarta asset; which included a cuttings and fluids treatment and disposal project, in order to address the potential residual environmental impact resulting from Genel's tenure as operator at the asset and remediate the site. More information can be found in the sustainability section on pages 26 to 69.

(e) The desirability of the Company maintaining a reputation for high standards of business conduct

Genel Energy plc is a Jersey incorporated, UK tax domiciled, Company with a standard listing on the London Stock Exchange. Our Code of Conduct defines the values that capture the heart of the Company's spirit and ensure the Company maintains a strong reputation for high standards of business conduct. Our 2023 Corporate Governance report illustrates how the Board and its Committees have supported these business activities.

(f) The need to act fairly towards members of the Company

The Board of Directors' aims to ensure that Genel behaves responsibly toward our shareholders and treats them fairly and equally, so they too may benefit from the successful delivery of our plan. The Chair and Independent Non-Executive Directors meet regularly in order to deliver on this responsibility. More information on our relationship with shareholders can be found in the Corporate Governance report.

Sustainability report - a message from the CEO



Sustainability practices have been an important priority in Genel's business and this focus remained unchanged throughout 2023. While it has been a year of change for Genel's operated licences, we have maintained our steadfast commitment to environmental management, engaging with and investing in our host communities, and operating as a socially responsible and transparent business.

Our focus on sustainability is a natural progression of our corporate values, which drive not only the way we conduct our business, but also the way we treat our stakeholders. Genel's robust governance structure provides a foundation for the high ethical standards to which we aim to adhere, and which in turn has helped build our company culture. Furthermore, in 2023 Genel continued our commitment to the communication of progress to the UN Global Compact's 10 Principles on human rights, labour standards, environment and anti-corruption.

The dedication and professionalism of our Health and Safety teams was apparent once again during 2023, and it was because of their continued hard work and diligence that I can once again report that there were no Lost Time Incidents or Tier One Losses of Primary Containment throughout the year. The changes to our operational activities in 2023 tested Genel's agility and I was pleased to see how the business responded to these challenges, as evidenced in the restructuring of the HSE and Security and Emergency Response teams during the changes to activities in Somaliland and the KRI.

While our exit from Sarta meant that we were unable to bring our planned operated emissions reduction projects at this asset to fruition, Genel will continue to focus our attention on climate-related risks during this critical period for the oil and gas industry. The implementation of our GHG Emissions Management Standard remains as the central tool for assessing climate-related risks in all

future operated ventures, and through its application we remain focussed on the role Genel can play as a responsible operator during the energy transition. On this front, we were also pleased to maintain our CDP Climate score of B in 2023.

We remain conscious of the broader sustainability challenges beyond climate-related risks and in 2023 I was particularly pleased by the environmental stewardship we demonstrated as part of our exit from Sarta which, at the end of the year, saw our field teams complete a treatment and disposal project for the waste drill cuttings and fluids that had been generated during Genel's presence at the asset. This work presented significant logistical and HSE challenges, and our KRI in-country team was able to complete the project ahead of schedule.

I was delighted to see the progress being made by the students enrolled in the Genel20 Scholars programme, which we launched in 2022 and which will provide a full four years university education for 20 students from disadvantaged backgrounds across the KRI. This programme has now entered its second year and Genel's staff were pleased to engage directly with the Scholars during the year. I was encouraged to hear of their stories from their first year of studies, and some of these accounts have been shared in this report. This programme continues to be a source of great pride for Genel and I am eagerly anticipating how the ambition of these 20 scholars will materialise over the next few years.

The ramp-up in our civil infrastructure work in Somaliland was coupled with important and productive engagement with our host communities, and also saw a broad range of social investments in the region. Our flagship social initiative in Somaliland is a mobile medical clinic programme which targets communities with few or no existing medical support services. In continuation of our focus on education, Genel also funded a programme of educational supplies which will benefit approximately 1000 students across 20 schools. We made a donation to Burao Academy of Science and Technology and earlier in the year Genel also funded improvements to an orphanage in Burao.

In reading this report you will notice that we have taken the decision to extend the sustainability content in this year's Annual Report, to reflect what would normally be issued as our separate Sustainability Report. This is an important step for Genel and reflects the significance we allocate to reporting and progressing our sustainability journey. I am particularly happy to share the work that we have completed in relation to commitments towards the TCFD recommendations over the past year, and the action items we have developed going forward.

As we look to Genel's future operations and activities, we do so as a responsible business with established sustainability practices at our core, and with ongoing commitment to supporting local communities.

Paul Weir
Chief Executive Officer

2023 Sustainability highlights

\$626,000

invested in social projects in 2023

**Maintained CDP
climate score of B**

Zero LTIs

across all Genel operations
with **over 4 million hours**
worked incident free

Zero

Tier 1 or Tier 2
Process Safety Events

Carbon Intensity of

13.6

kg CO₂e/bbl

200

employment opportunities

for local contractor workforce
in Somaliland

Genel20

Scholars programme

reaches first year milestone



Overview

The following chapter provides details of Genel's sustainability strategy, and of the activities that delivered on this strategy during 2023. Despite changes to our operated licences over the past twelve months sustainable practices remained at the core of our business. We were pleased to continue our commitment to the Communication on Progress under the United Nations Global Compact, and the following chapter expands further on our progress towards addressing a broad range of sustainability challenges as a responsible business.

Guided by Sustainable Development Goals

The UN Sustainable Development Goals ('SDGs') are a collection of 17 global goals established by the United Nations General Assembly which are intended to provide a 'blueprint to achieve a better and more sustainable future for all'. The SDGs provide valuable guidance to Genel and our continued commitment to these helps anchor our responsible business practices and moreover, helps Genel make a tangible difference to the lives of people in communities in which we operate.

Furthermore, by focussing on the goals that we consider to be of most relevance to Genel's business and operating landscape, we have been able to concentrate our sustainability efforts on delivering in a targeted and impactful way. The relevance of these goals is reviewed periodically depending on our operating environment, and regions of operation.

Education and health initiatives have long been a central pillar of our social investment programmes and both these themes remain as a key need for local communities in our regions of operation. Indeed, two of our key social investments in 2023 followed these themes - namely, the ongoing Genel20 scholarship programme in KRI, and a mobile medical clinic programme in Somaliland.

Additionally, we have also identified the critical need to support economic growth through maximising community employment opportunities, building local supply chains, and through capacity building and knowledge sharing. As a natural resources company, we are also acutely aware of our environmental footprint, and managing our potential impact on the natural environment is core to our activities and our social investments.

Accordingly, the following five UN SDG's are the goals which we have selected to be most appropriate as the focus of our attention:



Materiality: what matters most to Genel?

Understanding the materiality of our business has been key to shaping our sustainability strategy, and the key to accurately reflecting our materiality is meaningful engagement with our stakeholders.

Genel undertook a comprehensive materiality assessment which began in 2022 and was completed in early 2023, and which provided an opportunity for engagement with a broad range of our stakeholders. Proactive engagement with our stakeholders has always been a critical element of Genel's business and this exercise allowed us to understand the sustainability priorities for each respective stakeholder. This assessment included engagements with host communities, employees, business partners, regulatory authorities, non-government organisations ('NGOs') and the investment community.

Using the SASB (Sustainability Accounting Standards Board) industry-specific material topics for Oil & Gas Exploration and Production as its foundation and tailoring these to Genel's specific operations, this assessment considered the relevant boundaries of material topics. The scope of the assessment comprised the following:

- **Individual stakeholder interviews**
24 individual stakeholder interviews were completed with the intention of understanding the views of Genel's geographically and functionally diverse stakeholders.
- **Executive Committee workshop**
Genel's senior leadership team provided input into the likely business impact of each ESG topic and commentary around views of each topic.
- **Consideration of applicable sustainability trends in Genel's operating environment**
The priority of sustainability topics has evolved in the years since Genel's initial materiality assessment of 2019 and it was important that these emerging trends were considered in the assessment of materiality.

The **objective** of the materiality assessment was to characterise the sustainability topics considered to be of most importance to Genel's stakeholders, and to determine which of these topics could have most impact on Genel's business performance. The outcome of the assessment resulted in a revision to Genel's ESG strategy in line with the assessment findings. Genel's revised materiality matrix was first presented last year and is repeated below.

IMPORTANCE TO GENEL'S STAKEHOLDERS	HIGHER	<p>Social investments</p> <p>GHG emissions</p> <p>Human rights and modern slavery</p> <p>People and diversity</p>	<p>Business ethics</p> <p>Health and safety</p> <p>Regulatory compliance</p>
	<p>Supply chain management</p> <p>Air quality</p>	<p>Water and wastewater management</p>	<p>Community engagement</p> <p>Crisis and emergency management</p>
		<p>Ecological impact</p>	
		IMPACT ON GENEL'S BUSINESS	
			HIGHER

Genel's sustainability strategy

Genel has long acknowledged the importance of an integrated sustainability strategy within our broader business strategy, as the two do not occur in isolation. Our sustainability strategy provides a foundation for managing core sustainability topics within Genel's business-as-usual operations, while also providing a mechanism to respond to external trends and Genel's evolving business operations.

The strategy is structured around Environmental, Social and Governance ('ESG') elements that have been identified in Genel's materiality assessment and that have been assessed to be most relevant to our business activities and our regions of operation.

Vision

Genel's sustainability vision is to be a responsible business. In doing so, to be the creator of shareholder value as a responsible organisation throughout the energy transition.

Foundation

The foundation of Genel's strategy comprises the existing operational measures in place that manage sustainability risks. These are the business-as-usual processes at Genel that form the bedrock of being a responsible operator. Each of the material topics identified have an established mechanism to mitigate any potential risk and enhance our capabilities, where applicable.

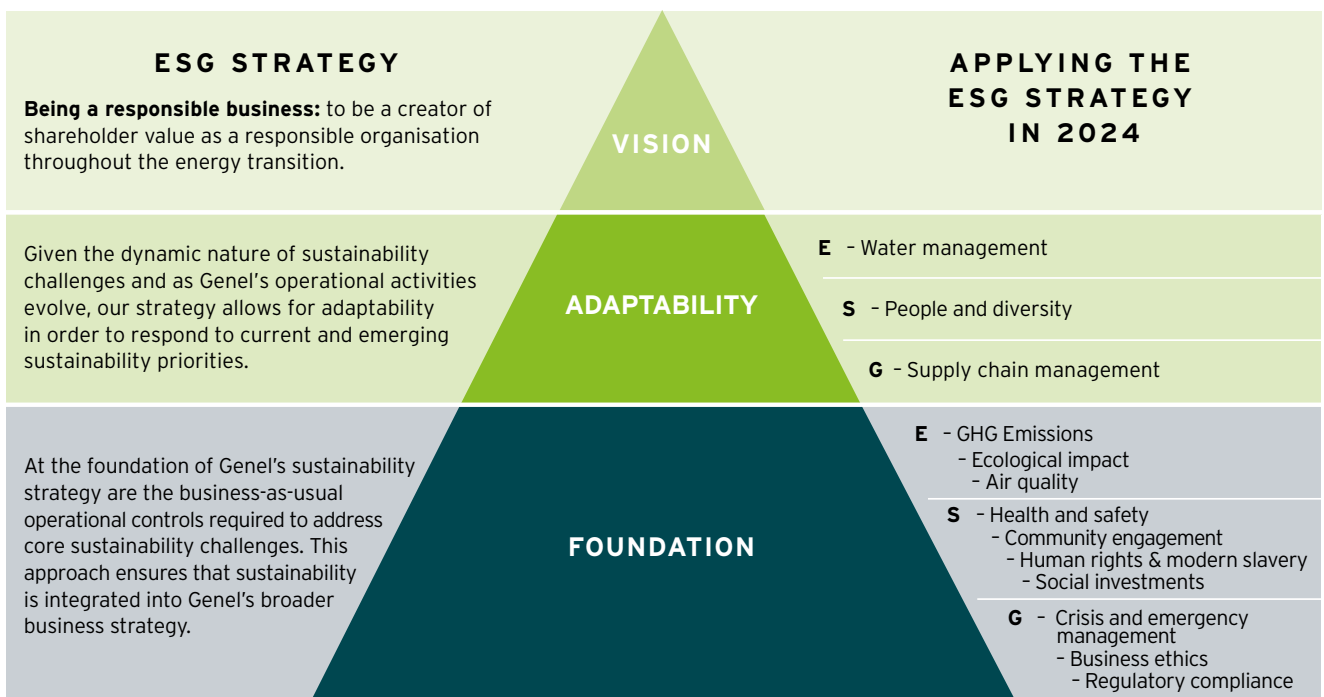
Adaptability

Genel remains aware of the breadth of sustainability topics that could potentially impact our business and moreover, how the importance or severity of impact of these topics may evolve over time. As such, Genel remains adaptable to emerging sustainability trends, and the need to bolster existing measures when required, in response to external factors or a change in Genel's activities.

Structuring Genel's ESG strategy in this manner is intended to provide a model that will evolve in line with changes to Genel's activities and in response to changes in the sustainability landscape.

Application

Based on the material topics identified by Genel and its stakeholders, and in the context of existing measures at Genel, the application of our sustainability strategy in 2024 is provided below, specifically, with our areas of focus for the year. As Genel's business evolves in the future, the application of this strategy will evolve with the needs and requirements of the surrounding environment.



Environmental responsibility

The nature of Genel's activities and the regions in which we operate require that we maintain focus on a broad range of environmental considerations. Genel takes pride in the business-as-usual operational controls we have developed to identify, manage, and mitigate potential environmental risk, and these controls remain at the core of all our business activities.

We acknowledge the challenges associated with climate-related risks and remain acutely aware of the requirement for reducing GHG emissions from our operations. Reflecting the importance that Genel assigns to climate-related risks, we have established robust policies and procedures for assessing and managing these risks throughout the business. We also recognise the wider range of environmental topics associated with our activities and relevant to our industry beyond climate-related risks, and because of this we have established robust processes to minimise our impact on the natural environment. This chapter aims to explain Genel's approach to managing this broad range of environmental aspects, as we consider our environmental responsibility. Additionally, a summary of the existing controls in place for each material topic is provided on page 66-67 of this report.



Climate-related risks

– Carbon intensity of 13.6 kgCO₂e/bbl
 – CDP climate change score of B

Genel acknowledges the risks represented by climate change and the significant challenges that will need to be overcome as the world navigates the necessary energy transition. We remain aware of the critical role that our industry will contribute throughout this transition, given that the energy needs of future generations are expected to be met by a mix of renewables, conventional oil and gas, and other non-renewable energy sources. Within this context we recognise the responsibility of Genel, and others in this industry, to take the actions required to mitigate climate-related risks. The following section of this report details the established tools and processes we have in place to manage these risks. This is led by our GHG Management Standard which is embedded within our business-as-usual operational activities and decisions. In reflection of Genel's commitment to transparency in reporting climate-related risks and opportunities, we have also included our responses to recommendations of the Task Force on Climate-related Financial Disclosures ('TCFD') within the next section.

Climate change and the energy transition

The most recent forecasts made by the International Energy Agency ('IEA') in the 2023 World Energy Outlook indicate an expected increase in global oil consumption to 2030, under the Stated Policies Scenario. After this initial increase, a gradual decline in relative consumption is forecasted to 2040, with a plateauing of consumption in the years towards 2050. As such, this suggests a continued supply of oil will contribute towards the overall energy demand to 2050, which will be supplemented by an increased capacity from developing non-fossil fuel energy sources. Accordingly, oil, and indeed hydrocarbons more broadly,

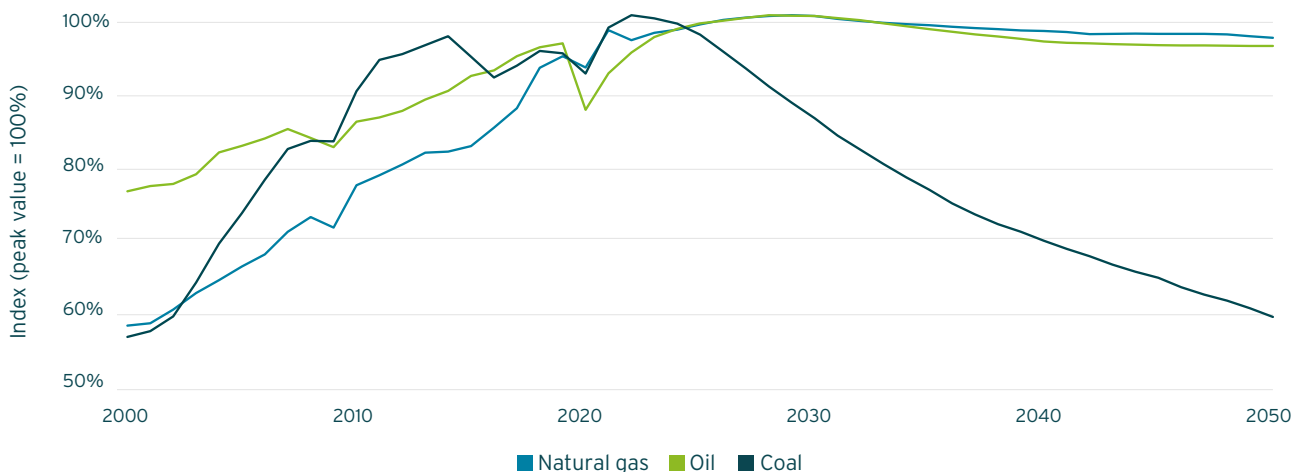
are projected to remain as part of the overall energy supply mix required as part of the energy transition. It is in this context that Genel considers that we can contribute to this supply as a socially responsible operator.

During this period of change, Genel acknowledges the need to develop existing and future assets in a manner which focuses on a reduction in emissions while also delivering a meaningful and positive impact to our host country communities. On this basis, and by operating as a responsible business, it is our belief that Genel has the right strategy to continue to navigate the energy transition successfully.

Greenhouse Gas Emissions Management Standard

Genel's GHG Emissions Management Standard is our primary tool for assessing the carbon intensity of our portfolio. The application of this Standard provides a robust understanding of our GHG footprint, which is essential to enable Genel to understand the scale of emission reductions required at each respective asset, to ensure that we contribute to the energy supply as a responsible, low carbon producer. The Standard calculates a life-of-field carbon budget which considers carbon limits under several climate scenarios and represents the foundation of our ambitions for managing and reducing emissions.

The Standard is applied in Genel's Asset Development Plans ('ADPs') as we continue to seek opportunities to reduce carbon emissions, maintain low carbon intensity, and embed a culture of assessing and mitigating climate change risks into our operational practices. The management of GHG emissions will continue to be an important consideration for our current business, and also within our new business pursuits.



Fossil fuel consumption by fuel in the stated policies scenario 2000-2050

Taken from the IEA World Energy Outlook 2023

2023 GHG emissions profile

Genel reports Global GHG emissions and intensity ratio in accordance with the requirements of the UK's Companies Act 2006, and The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. In addition, Genel is reporting last year's GHG emissions data, its underlying energy consumption for 2023 and 2022, the contribution of UK operations to global energy consumption and GHG emissions, in alignment with the additional requirements implemented as part of the 2018 Regulations for Streamlined Energy and Carbon Reporting. The methodology used for reporting follows guidance provided in the 2015 GHG Protocol Corporate Accounting and Reporting Standard.

Scope 1 and 2 emissions

Since 2020, Genel has reported Scope 1 and 2 emissions on an equity share basis, and we have chosen to continue to do so because we consider this to be the most transparent representation of our emissions footprint. GHG emissions data from non-operated assets are provided by our joint venture partners.

In 2023 Genel's emissions data has been subject to independent limited assurance by ERM Certification and Verification Services Limited ('ERM CVS') for selected metrics, as presented in the GHG emissions table below. The 2023 assurance statement and Genel's methodology for emissions reporting, which follows guidance provided in the 2015 GHG Protocol Corporate Accounting and Reporting Standard, is provided on Genel's website (genelenergy.com/sustainability/climate-risks).

Our carbon intensity was 13.6 kgCO₂e/bbl in 2023 and while this represents a decrease from 2022, given the inconsistencies in production experienced throughout 2023, this year-on-year trend has only limited value. Moreover, it is likely that Genel will establish a new baseline year, on account of the changes to our operated licences in the past year. For Genel's operated asset in 2023 (Sarta), we can also report that flaring accounted for 76% of the total operated Scope 1 emissions, liquid combustion 19%, process vents less than 1% and fugitive emissions 5%.

GHG emissions (equity based)	2023		2022	
	Global	UK	Global	UK
Scope 1 (direct) emissions (tCO ₂ e)	61,274*	-	192,637	-
Scope 2 (indirect) emissions (location based) (tCO ₂ e)	259*	9.4	176	6.4
Associated energy use (kWh)	84,881,821*	45,670	179,004,401	30,171
Carbon intensity (kgCO ₂ e/bbl)	13.6*	-	17.56	-

* For 2023, this metric has been subject to external independent limited assurance by ERM CVS. For the results of the assurance see ERM CVS's assurance report and Genel's reporting criteria (available from genelenergy.com/sustainability/climate-risks)

GHG emissions reduction

Genel's emissions reduction efforts requires effective design, efficient operations, and responsible energy use, in order that Genel's asset development plans are sustainable from both an economic and a climate perspective. The key contributor influencing our GHG emissions profile is flaring, and because of this gas management remains a primary element of Genel's emissions reduction strategy, supported by Genel's GHG Emissions Management Standard.

Throughout our tenure at Sarta, Genel had evaluated several initiatives with the overarching aim of minimising our operated emissions from this asset. While our exit from Sarta prevented Genel bringing these initiatives to fruition, our experience has provided a template for the necessary considerations and actions required to meet our ambitions as a low carbon producer. During field development Genel had explored potential gas management solutions, and we had also taken steps to address our own operational emissions through the installation of a solar panel and battery storage unit at the Sarta-1D wellsite, which continued to be operational in early 2023.

Furthermore, with our joint venture partner and operator of the Tawke PSC, DNO, Genel continues to be part of the first Associated Gas Injection (AGI) project in the KRI. Since 2020, Phase 1 of the project has successfully captured over 1.2 million tonnes of CO₂e from the Peshkibir field and subsequent transport of the captured gas, via pipeline, for reinjection at the Tawke field to enhance oil recovery, thereby reducing flaring rates across the Tawke PSC.

In 2023, an important milestone was reached on this project, with completion of Phase 2 of the AGI. This has allowed for capture and reinjection of the produced gas at the Tawke field, thereby reducing flaring further. The shutdown of the Kurdistan export pipeline in March 2023 resulted in variable production rates across both fields, which impacted the performance of the gas injection project in the last 12 months.

Scope 3 emissions

In 2023 Genel continued reporting our Scope 3 emissions on an operational control basis (accounting for Genel's activities at Sarta and in Somaliland), for the categories assessed to be within our boundary of reporting. Additionally, we have continued the precedent we set for ourselves in 2022 by equity share reporting for category 11 (sold products). The rationale for dual reporting category 11 being that this category is the overwhelming contributor to Genel's Scope 3 emissions footprint - in 2023 representing over 89% of scope 3 operated emissions - and so by extending the reporting boundary for this single category allows for increased transparency in our Scope 3 emissions footprint.

2023 saw a reduction in Scope 3 emissions reflected across most applicable categories which, as was the case with Scope 1 emissions, was largely a function of Genel's reduced activities and production profile in 2023. A summary of Genel's 2023 Scope 3 emissions is presented below, both as an operational control basis and as an equity share for Category 11.

	2023	2022	2021
Scope 3 Operational Control (tCO ₂ e)	41,926	264,686	356,847
Scope 3 Category 11 Equity share (tCO ₂ e)	1,950,970	4,757,588	Not reported in 2021

Portfolio resilience

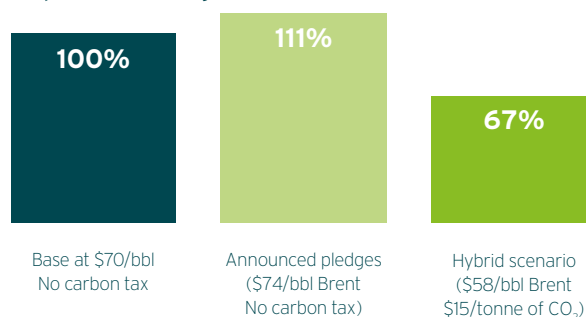
Genel is consistently reviewing its portfolio to assess its resilience through the energy transition. We evaluate our producing assets each year against common scenarios outlined by the IEA in their annual World Energy Outlook, with the intention of assessing our business to ensure that our assets remain competitive when stress-tested against variable carbon taxes and oil prices. The scenarios selected are those that are applicable to the regions in which Genel produces oil, and the anticipated operational time horizon of these producing assets.

For the purpose of the analysis, we have applied a base case scenario that assumes a Brent oil price of \$70/bbl and no carbon tax, on account of our assets being located in areas where carbon tax is currently not applicable. To this base case, and under our existing cost structure, we applied the oil price and carbon tax values under the IEA's Announced Pledges Scenario, with the time horizon for our analysis of 2030 corresponding with Genel's time horizon for our existing assets. This scenario is based on climate-related targets already announced by governments, and therefore is considered to represent the scenario with the lowest degree of uncertainty for future predictions.

Under the Announced Pledges scenario, Genel's margin was calculated to increase against the established base case, which indicates the conservative nature of Genel's base case.

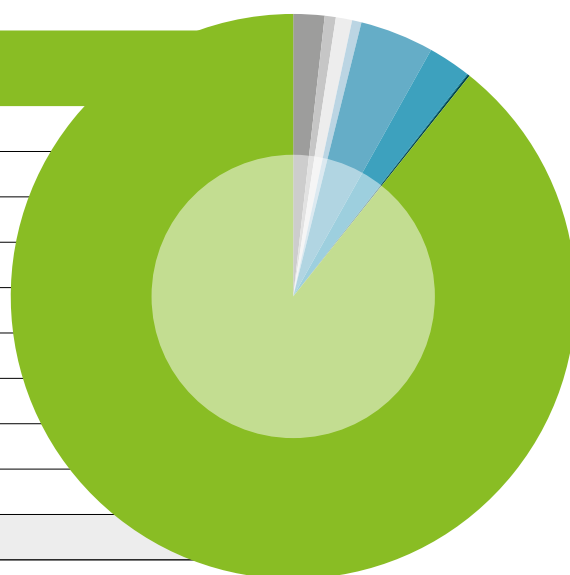
It should be noted that the IEA's Stated Policies Scenario is not applicable for this exercise, on account of the regions in which Genel currently operates. As such, Genel has also evaluated our business under a hybrid scenario, by applying the oil price and carbon tax variables at a point between the IEAs Announced Pledges and Net Zero scenarios. Within this hybrid scenario, Genel applied a 2030 crude price of \$58/bbl and a carbon tax of \$15 per tonne, and under this scenario Genel's margin was calculated to erode by 67%. This has helped indicate that fluctuating crude prices and punitive carbon taxation will have a manageable impact on our margin, which helps demonstrate the resilient performance of our business in a climate changing world.

Impact on margin on 2030



Summary of Genel's 2023 Scope 3 emissions shown as an operational control basis.

Scope 3 emissions category	Total GHG (tCO ₂ e)
Category 1: Purchased Goods & Services	747
Category 2: Capital Goods	266
Category 3: Fuel & Energy Related Activities	391
Category 4: Upstream Transportation & Distribution	226
Category 5: Waste Generated in Operations	1,773
Category 6: Business Travel	1,026
Category 7: Employee Commuting	22
Category 9: Downstream Transportation & Distribution	49
Category 11: Use of Sold Products	37,426
Total scope 3 emissions (operational control)	41,926



Transparency and climate disclosures

Sustainability disclosures remain an important channel of communication as we continue to provide our stakeholders with information on the progress we are making in our sustainability journey.

Genel welcomes the opportunity to communicate its climate strategy to a wider audience and in doing so aims to demonstrate commitment to our role in the energy transition, as a low carbon producer. In 2023 following our annual CDP Climate Change submission Genel was pleased to maintain a B score, which represents the second consecutive year we have held this score. Earlier in the year we also continued our annual voluntary environmental disclosure through IOGP (the International Association of Oil and Gas Producers).

Climate-related risks and opportunities

Governance of climate-related risks and opportunities

The management of climate-related risks is incorporated into Genel's wider business strategy. Responsibility for the management of sustainability risks and monitoring of other climate-related topics are integrated into Board oversight through the roles of the Chairman, CEO and - in 2023 - the Health, Safety, Security and Environment ('HSSE') Committee. Our CEO is an advocate for the prioritisation of sustainability and oversees the integration of awareness and management of this throughout the organisation, with appropriate oversight from Genel's senior management. Climate and energy transition topics are also included in Board meetings at least once a year, during the main strategy session, yet in practice the Board is informed more frequently through the HSSE Committee, and ongoing engagement opportunities.

Following the lead of the Board and the CEO, every function plays an active role in achieving Genel's sustainability objectives. The ESG Manager is responsible for the implementation of our annual ESG workplan and reports progress of climate-related Company performance to the Executive Committee, and to the Board.

Identifying climate-related risks and opportunities

Genel maintains continuous review of major risks - both current and emerging - to which its operations in all regions are exposed. This is achieved through leveraging its local expertise, industry knowledge and strategic relationships. Genel also aims to hold ourselves accountable to robust regulatory environmental standards in our operations. The Board conducts a robust assessment of the principal risks facing the Company with a focus on those risks that could impact our business model, strategy, solvency, liquidity, future performance and reputation, and climate related risks are included in this process.

Process for managing climate related risks

Sustainability risks, including the physical, socio-economic, political, and economic elements associated with climate change have been identified as a Board reserved matter and are reviewed at least biannually by the Board and, in 2023, by the HSSE Committee.

While Genel's risk management approach identifies climate risks across the life of field of an asset, for the purposes of classification we have defined short-term as one to three years, medium-term as three to five years, and long-term as five years and beyond. This timeline corresponds with our financial planning, and by taking a life of field approach we can proactively mitigate and manage climate-related risks while also providing us with the foresight to take advantage of new future-fit opportunities. Genel's identified climate-related risks and opportunities are summarised in the table below.

Climate-related risk	Time horizon	Detail
Reputation	SHORT-TERM	Stakeholder and investor perceptions and expectations throughout the energy transition, resulting in potential divestment. This could also represent an opportunity for Genel, by differentiating from our peers.
Climate disclosures		
Current regulation		
Acute physical		
Market	SHORT-MEDIUM	Fluctuating oil demand and price. Limited financing for fossil fuels having implications on ability to raise capital.
Legal	MEDIUM-LONG	International changes to climate-related legislation impacting assumptions in Genel's current business model.
Technology		Availability and cost of technology to minimise carbon emissions (e.g., relating to gas management or alternative energy).
Supply chain		Availability of suppliers in regions of operation, and potential climate-related impacts in supply chain (i.e. scope 3 emissions).
Emerging regulation		Potential future climate-related regulation requiring carbon reductions or abatement measures. Compliance with emerging climate-related and other sustainability regulations.
Chronic physical	LONG-TERM	Longer term climate changes beyond five years, potentially impacting Genel's regions of operation and reducing the potential regions for future operations.

TCFD disclosures

Genel supports the recommendations of the Task Force on Climate-related Financial Disclosures ('TCFD'), which aims to increase transparency of climate-related risks, and Genel welcomes the opportunity to provide responses to these recommendations as part of this report.

Genel has considered our 'comply or explain' obligation under the UK's Financial Conduct Authority's Listing Rules as well as the TCFD's guidance for All Sectors and Guidance for Non-Financial Groups. Of the TCFD's four Recommendations and eleven Recommended Disclosures, we consider that the following disclosures are consistent with the TCFD Recommended Disclosures:

- Governance recommended disclosures (a) and (b);
- Strategy recommended disclosures (a) and (c);
- Risk Management recommended disclosures (a), (b) and (c); and
- Metrics and Targets recommended disclosures (a) and (b).

During 2023, Genel has identified actions to be taken over the next three years to address, and ultimately make disclosures consistent with, the recommended disclosures relating to:

- Strategy recommended disclosure (b); and
- Metrics and Targets recommended disclosure (c).

Furthermore, Genel has identified where we consider action can be taken to further improve our disclosures against Strategy recommended disclosures (a), and Metrics and Targets recommended disclosures (a).

To address where Genel considers that our disclosure is either not currently compliant with the TCFD recommended disclosures, or where we consider further improvements can be made against compliant disclosures, we have provided a relevant action in the disclosures below, which are intended to be progressed during 2024.



Disclosure level key






Disclosures consistent with TCFD recommendations






Actions identified for consistency with or further improvement against TCFD recommendations

TCFD Recommendation	TCFD Recommended Disclosures	Genel Response	Disclosure level
Governance			
a) Describe the Board's oversight of climate-related risks and opportunities	Processes and frequency by which the board are informed about climate-related issues	Climate topics are included in Genel's Board meeting agendas at least once a year, during our main strategy session. The Board is also informed more frequently through ongoing engagement opportunities, in 2023 for example, through engagement with the HSSE Committee. These engagements provide updates of the ESG workplan, which include an evaluation of Genel's GHG performance, and any other emission reduction initiatives or pertinent climate-related issues, for the attention of the Board.	
	Board consideration of climate-related issues when making decisions	The management of climate-related risks and opportunities is incorporated into Genel's corporate risk management process, and as such, into our wider business strategy. Responsibility for the management of sustainability risks, and monitoring of other climate-related topics is integrated into Board oversight through the roles of the Chair, CEO and in 2023, the HSSE Committee. The Board considers climate-related issues when reviewing and guiding strategy, considering major plans of action, business plans and budgets, and overseeing major capital expenditure or acquisitions.	
	Board monitoring of progress against goals and targets for addressing climate-related issues	Climate-related issues, including GHG emissions performance, are included in Genel's Asset Development Plans ('ADPs') which are developed and used as a mechanism for forecasting and monitoring performance as assets mature. Our Board's commitment to robust sustainability governance is illustrated by the inclusion of an ESG component within the Company's annual performance scorecard, which allows oversight and monitoring of progress, with details of this process provided on pages 112-113 of this report.	
b) Describe management's role in assessing and managing climate-related risks and opportunities	Organisational structure, with internal climate-related responsibilities and reporting duties	Genel's Executive Committee, which is chaired by the CEO and ultimately reports to the Board, oversees implementation of the approved sustainability strategy, which includes the identification, assessment and management of climate-related risks and opportunities. The Executive Committee is informed regularly through quarterly updates with the ESG Manager, who reports to the Chief Human Resource Officer; a member of the Executive Committee. The ESG Manager's responsibility within the business is to collaborate with the applicable business functions (e.g. Head of HSE or Asset Managers), on climate-related issues, where necessary, and report to the Executive Committee and Board on these matters.	
	Processes of informing management about climate-related issues	The ESG Manager is responsible for implementing the ESG workplan, applicable to all Genel assets, and reports directly to Genel's Executive Committee at least once each quarter. The ESG Manager is also advised by external specialists to ensure Genel remains informed of emerging climate-related issues relevant to Genel's business. For example, in 2023 a third-party consultant was engaged to provide guidance on emerging climate-related regulations applicable to Genel.	
	How management monitors climate-related issues	Information and updates on progress on climate-related matters are provided by the ESG Manager to the Executive Committee, and these issues are, in turn, raised with the Board. The ESG Manager also provides a report directly to the Board on all climate-related matters, at least once a year, and in 2023 presented to the HSSE Committee on three occasions.	

TCFD Recommendation	TCFD Recommended Disclosures	Genel Response	Disclosure level
Strategy			
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	<p>Description of time horizons of climate-related risks</p> <hr/> <p>Description of specific climate-related issues potentially arising in each time horizon and process to determine material risks and opportunities</p>	<p>For the purpose of Genel's assessment of climate-related risks and opportunities, presented on page 35, short term is defined as one to three years, medium term as three to five years, and long term as five years and beyond. These timelines correspond with our financial planning, and by taking a life of field approach we can proactively mitigate and manage climate-related risks while also providing us with the foresight to take advantage of new future fit opportunities.</p> <hr/> <p>Genel has conducted a high-level initial assessment of climate-related risks across the three time horizons described above, the results of which are set out on page 35.</p> <p>Genel continuously reviews major risks and opportunities to which its operations are exposed in our respective regions of operation. This is achieved through internal workshops and by leveraging local in-country expertise, and industry knowledge. Moreover, in 2023, Genel conducted a regulation applicability review to inform the emergence of new climate-related risks or opportunities which could be applicable to our business.</p> <p>TCFD Roadmap improvement action: revise the relevant and material physical & transition related climate risks and opportunities applicable to Genel's current and emerging business. This exercise will update the details provided on page 35 of this report and will include an evaluation of how the activities specific to Genel's geographic regions of operations will result in a bespoke series of risk and opportunities, and furthermore, will determine how these identified risks and opportunities may materialise over the short, medium- and long-term, their potential financial impact (in terms of cost) on Genel's business, and the magnitude of this potential impact. As part of this action, Genel will refine which climate-related risks and opportunities have a material financial impact on Genel. We intend to provide the results of this work with further disclosures in next year's Annual Report.</p>	
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	<p>How climate-related issues serve as an input to the financial planning process</p> <hr/> <p>Impact on strategy, business, and financial planning</p> <hr/> <p>Impact on supply chain</p>	<p>Genel has considered the impact of climate-related issues on our businesses, strategy, and financial planning (described in more detail below) and we acknowledge that access to capital may be impacted by reputational concerns as a result of climate-related issues. However, we acknowledge that we do not currently fully disclose the potential impact of climate-related issues on our financial performance or financial position.</p> <p>TCFD Roadmap compliance action: integration into financial planning. In continuation of the preceding TCFD roadmap task under this TCFD recommendation, Genel intends to establish a process that ensures climate-related risks and opportunities will serve as an input into Genel future financial planning process and how these can be prioritised in such process.</p> <hr/> <p>Genel's GHG Emissions Management Standard, as described on page 32 of this report, underpins Genel's approach to incorporating climate-related risks and opportunities, and ensuring they remain integrated in our broader strategy and financial planning. The Standard calculates a life-of-field carbon budget which considers carbon limits under several climate scenarios and then is applied in our Asset Development Plans ('ADPs') to seek opportunities to reduce carbon emissions, maintain low carbon intensity and embed a culture of assessing and mitigating climate change risks into our operational practices. The implementation of the standard informs our 'ADPs' which form the basis of strategic and financial decisions.</p> <p>TCFD Roadmap improvement action: as part of the action described above, Genel will refine which climate-related risks and opportunities have a material financial impact on Genel.</p> <hr/> <p>Genel's 2023 Scope 3 emissions are presented on page 34 of this report and Genel's intention of assessing our supply chain in this manner is to monitor its emissions profile in order to understand any trends or necessary changes required from our supply chain engagements. Moreover, Genel has developed an ESG supply chain roadmap which provides the steps required over the next two years to encourage engagement with contractors to increase awareness of ESG risk, including climate-related risks, with their own operations.</p>	

TCFD Recommendation	TCFD Recommended Disclosures	Genel Response	Disclosure level
Strategy			
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning. (Continued)	Impact on acquisitions or divestments	Genel's climate scenario analysis, shown on page 34, allows Genel to assess the resilience of our business under a range of climate scenarios, and furthermore, Genel's GHG emissions Management Standard is also applied to any of Genel's potential new acquisitions, to understand potential climate-related risks associated with these acquisitions.	
	Impact on adaptation and mitigation activities	<p>Genel's emissions reduction efforts focus on effective design, efficient operations, and responsible energy use, so that Genel's asset development plans are sustainable from both an economic and a climate perspective. The key contributor influencing our GHG emissions profile is flaring and because of this, gas management remains a primary element of Genel's emissions reduction strategy, supported by Genel's GHG Emissions Management Standard.</p> <p>Throughout our tenure at Sarta, Genel evaluated several initiatives with the aim of minimising our operated emissions from this asset. For example, during field development Genel explored potential gas management solutions, and we also took actions to address our own operational emissions through the installation of a solar panel and battery storage unit at the Sarta-1D wellsite, which continued to be operational in early 2023.</p>	
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Description of the resilience of Genel's strategy to climate-related risks and opportunities, taking into consideration different climate-related scenarios	<p>Genel is consistently reviewing the resilience of our portfolio to ensure it remains fit for purpose through the energy transition. We evaluate our producing assets each year against common scenarios outlined by the International Energy Agency ('IEA'), with the intention of assessing our business to ensure that our assets remain competitive when stress-tested against variable oil prices and carbon taxation. In 2023 we applied a base case scenario that assumes a Brent oil price of \$70/bbl and no carbon tax, on account of our assets being located in areas where carbon tax is currently not applicable. To this base case, and under our existing cost structure, we have applied the oil price and carbon tax values under the IEA's Announced Pledges Scenario, with the time horizon for our analysis of 2030 corresponding with Genel's time horizon for production at our existing assets. In order to stress test our business further, we have also evaluated our business under a hybrid scenario, by taking a point between the IEA's Announced Pledges and Net Zero scenario. Within this hybrid scenario, Genel applied a 2030 crude price of \$58/bbl and a carbon tax of \$15 per tonne.</p> <p>These scenario variables were selected to provide a broad range of potential future scenarios. The most recent analysis is provided on page 34 of this report, which also includes an assessment of Genel's portfolio resilience identified by this analysis.</p>	
	Adapting our strategies	<p>The scenario analysis is repeated on an annual basis by Genel, and the results of our climate scenario analysis are intended to aid decision making, with respect to Genel's broader strategy, but also to understand any additional capabilities that require development in response to these results.</p> <p>Genel will continue to enhance our climate scenario analysis and use the results to inform decision making of our broader strategy, whether that will include considerations in new business acquisitions, or to inform operational changes at the asset or project level.</p>	

TCFD Recommendation	TCFD Recommended Disclosures	Genel Response	Disclosure level
Risk management			
<p>a) Describe the organisation's processes for identifying and assessing climate-related risks.</p>	<p>Description of process for identifying and assessing climate-related risks</p> <hr/> <p>Current and emerging regulatory requirements</p>	<p>Identification of climate-related risks follows the processes described in Genel's risk management framework, which is presented on page 16 of this report. Genel's approach involves the following:</p> <ul style="list-style-type: none"> – From the top down, the Board and Executive Committee identify potential risks that may impact delivery of the Company strategy and business objectives. – Each business area identifies potential risks that may affect delivery of the objectives relevant to that specific business area. Business areas are comprised of functions and projects, with each business area led by an Executive Committee member. <p>Once climate-related risks have been identified, the impact of these risks are assessed by evaluating existing controls and mitigation activities. Based on this assessment, Genel designs and implements controls to mitigate any residual potential negative impact. The size and potential scope of the impact of climate-related risks, and potential mitigation and controls, are managed at Genel through assessment by the ESG Manger and escalated to the Executive Committee, which in turn raises these matters, when applicable, with the Board.</p> <hr/> <p>Following identification of climate-related risks, Genel also monitors the evolution of these risks to assess whether the existing management controls remain appropriate in consideration of the evolution of the risk. Furthermore, as part of the ESG workplan in 2023 Genel's ESG Manager engaged an independent third party to undertake a regulation applicability review. The purpose of the engagement was to understand the emerging sustainability regulations that will be applicable to Genel's business. In doing so, Genel has positioned itself to be able to integrate future regulations into our broader strategy.</p>	
<p>b) Describe the organisation's processes for managing climate-related risks.</p>	<p>Process of managing climate-related risks</p>	<p>Climate-related risks are considered under ESG risks and the risk owner for climate-related risks is the CEO, who is a member of the Board. In 2023, the HSSE Committee supported the Board on overall management of identified risks. The CEO is supported by the ESG Manager who develops the annual ESG workplan which includes means of assessing the identified climate-related risks. The materiality of climate-related risks, to Genel's business, is assessed periodically through a materiality assessment, which involves obtaining the views of Genel's stakeholders on the relevance of climate-related issues in the context of broader sustainability topics. The most recent materiality assessment was completed in 2023.</p> <p>The progress of the ESG workplan is communicated through periodic updates to the Executive Committee, and in turn, with the Board. For each identified and assessed risk, the Board sets clear executive-level accountability, the appropriate risk management action, the appropriate level of assurance to be obtained, and the monitoring and reporting to be delivered.</p>	
<p>c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.</p>	<p>Our integration of climate-related risks</p>	<p>The process of identifying and assessing climate-related risks is integrated within Genel's established risk management framework, which has ultimately resulted in climate-related risks being captured under the principal risk of Environmental, Social, Governance expectations. The risk owner for climate-related risks is the CEO, who is supported at Genel by the ESG Manager. This allocation of responsibilities allows for the assessment of climate-related risks to be integrated into Genel's broader risk assessment and risk management discussions with the Executive Committee or Board. Physical climate risks are identified through a combination of external advisory support and internal workshops with Genel's Executive Committee. The identified climate-related risks are managed through implementation of the ESG strategy, which encompasses climate-related risk management and has been designed to allow Genel to adapt to emerging climate-related trends while also responding to changes in Genel's operational activities.</p>	

TCFD Recommendation	TCFD Recommended Disclosures	Genel Response	Disclosure level
Metrics and targets			
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Metrics used to assess the impact of climate-related risks, and metrics used to monitor and progress against risks and opportunities	<p>Scope 1, Scope 2, and Scope 3 GHG emissions (tonnes CO₂e) are presented on page 33 and 34 of this report. Genel also tracks the following climate-related metrics which are disclosed on page 68 of this report: methane emissions (tonnes CO₂e), carbon intensity (kgCO₂/bbl), and flaring intensity (kgCO₂/bbl). Genel's emissions are calculated in line with the GHG Protocol and our Scope 1, Scope 2 and carbon intensity figures are subjected to assurance from an accredited third-party assurance provider.</p> <p>In relation to water-related climate risks, we report freshwater withdrawals and produced water reinjected (cubic meters) and in 2023 we received a score of C for our CDP water disclosure. Genel remains open to consideration of additional metrics as the business evolves.</p> <p>TCFD Roadmap improvement action: following the revision of Genel's relevant and material physical & transition related climate risks and opportunities, Genel will establish additional metrics, beyond those described above, to enable the monitoring of climate-related risks and opportunities.</p>	
	Board or senior management incentives	Sustainability has been integrated into the agenda of our Board meetings, and our ESG performance, which includes climate-related elements, continues to be embedded in the remuneration schemes for all employees by representing a percentage of the total annual bonus. This is achieved by meeting KPIs within the annual ESG workplan, including climate-related elements.	
	Integration of internal carbon price to assess climate-related risks	Genel's latest climate scenario analysis is presented on page 34 of this report and applies the carbon tax for common scenarios provided by the IEA in their annual World Energy Outlook. In 2023 Genel has applied a maximum carbon price of \$15/bbl in our scenario analysis.	
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Scope 1 and Scope 2 emissions	Scope 1 and 2 are reported by Genel on an equity share basis and the Company's 2023 emissions are presented on page 33 of this report.	
	Scope 3 emissions	The applicable categories for our Scope 3 emissions are presented on page 34 of this report. Genel reports Scope 3 emissions on an operated control basis, with the exception of category 11 (use of sold products), which is reported both as equity share and operated control.	
	Historical emissions reporting	To enable a year-on-year comparison Genel has provided the 2022 and 2021 emissions on page 68 of this report for our equity share Scope 1, Scope 2, and total operated control Scope 3 emissions. Genel has reported Scope 1 and 2 emissions on an equity share basis since 2020 and furthermore since this time, we are pleased to have subjected our Scope 1 and Scope 2 emissions to limited assurance from an accredited third-party assurance provider. Each of Genel's previous Annual and Sustainability Reports, containing this information can be found on Genel's website (https://genelenergy.com/investor-relations/results-presentations/).	
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Details of climate-related targets absolute or intensity targets.	<p>Genel does not currently have any specific climate-related targets, though Genel does report absolute emissions and the carbon intensity of our portfolio assets on an equity share basis, with our portfolio being assessed against the life-of-field carbon budgets outlined in the GHG Emission Management Standard.</p> <p>TCFD Roadmap compliance action: Genel will identify suitable targets aligned with the revised climate-related risks and opportunities. These targets are to be linked with associated metrics which can be used to track performance over time following establishment of a base year, for future reporting. This process will consider potential targets relating to emissions reductions, internal energy use, and application of alternative energy sources in operations.</p>	

Managing the natural environment

Our approach to environmental management

As we navigate this period of the energy transition, Genel acknowledges the critical importance of preserving the natural environment and furthermore, the importance of conducting our operations in such a way that minimises any potential adverse impact to the environment. Moreover, we embed consideration of this into all elements of our business, and our risk-based approach ensures that we allocate our efforts and investment where it is most required, based on our activities and our regions of operation. In the context of progressively increased pressure on natural ecosystems, Genel's approach to environmental management focuses on reducing resource and water use, managing waste, preventing pollution, maintaining air quality, and the protection of biodiversity.

Given the diverse nature of our activities and the varied environmental settings in which we operate, it is our agility that enables us to adapt to changes in our operating landscape and ensure ongoing management of the environment remains a constant thread in our operational activities.

Our approach comprises the following pillars:

- **Environmental Social Impact Assessments**
- **Prudent water management**
- **Robust waste management practices**
- **Spill response preparedness**
- **Continuous air quality monitoring**
- **Protecting biodiversity**

Environmental Social Impact Assessments ('ESIAs')

The ESIA process has long provided the cornerstone to Genel's environmental due diligence and helps to protect both the natural and the built environment. Specifically, an ESIA will precede any new development activities in order to identify potential impact from said activities and crucially, will detail the necessary actions required to mitigate this impact.

The ESIA process forms an essential part of our business-as-usual operational practices and broadly includes the following:

- **Stakeholder engagement:** an opportunity for prior and informed discussion with potentially affected stakeholders in advance of project approvals.
- **A baseline assessment:** to establish the environmental and social baseline conditions prior to the presence of any activities.
- **Impact assessment:** to assess the scope and scale of development activities and the potential impact to the baseline environmental and social conditions.
- **An Environmental and Social Management Plan ('ESMP'):** developed to monitor and respond to the potential environmental, social and human rights impacts identified in the ESIA.
- **A grievance mechanism:** to provide local affected communities with an avenue to voice grievances that may arise, associated with any project activities.

By undertaking ESIA's in this manner, we aim to meet demands from local host governments and communities in preserving the integrity of the environment and communities of the areas in which we operate. Genel follows the guidance provided by the International Finance Corporation ('IFC') throughout this process and we pride ourselves on application of these best-practice international standards, which will remain at the core of our social and environmental responsibility.

During 2023 Genel completed an ESIA for the proposed drilling of the exploratory wells at block SL10B13 in Somaliland. The assessment was completed by a specialist third party consultant, Earthview, and the scope of the ESIA included the civil infrastructure work completed during 2023. This assessment resulted in the project's ESMP which was applied to all field work in 2023 and which will be applied with equal rigour to ongoing community engagement in 2024, and all future exploration activities in Somaliland.



Water management

In acknowledgement of the increasingly sharpened focus on global water resources, and in reflection of the water-restricted regions in which Genel operates, water management forms a key priority of our commitment to environmental responsibility. This commitment considers not only our water use but also our responsible water disposal, and Genel maintained robust operational practices for both these elements in 2023.

We continued to record water use, its source, and its disposal for our operations at Sarta during 2023. Our focus remained on reducing freshwater consumption by increasing the quantity of water for recycling; for example, through the use of our high-grade sewage treatment unit which remained operational in 2023. The re-injection of Sarta produced water remained a key tool for water disposal, and significantly reduced the volumes required for off-site disposal. Produced water not reinjected was held in lined ponds prior to treatment and disposal at a licenced facility, as described in more detail below.

As activities in Somaliland develop, we will take the opportunity to bolster our existing water management practices to ensure that these can adapt to the dynamic and unique operating conditions of this region.

Water management remains a key priority for Genel as we continually strive for incremental improvements in water resource use, and in reflection of our ongoing efforts on this front we were pleased to receive a CDP Water Security score of C in 2023.

Waste management

- **Zero waste to landfill from Sarta operations**
- **100% of hazardous waste from Sarta operations remediated or recycled**
- **25,336m³ of drill cuttings treated and disposed**
- **24,271 tonnes of drill fluids and produced water transferred to licenced facilities for treatment**

Genel continued robust waste management practices during 2023 which concluded in successfully and safely treating and disposing the residual waste that had been generated from Genel's exploration and production activities at Sarta.

Prior to Genel's exit from Sarta, we continued our robust operational waste management practices that had formed a fundamental part of our operations throughout our tenure at the asset. This included continuation of our established waste segregation programme, where site personnel and contractors followed the principles and hierarchy of waste management. In reflection of continued focus in waste management practices, our waste streams from Sarta resulted in zero non-hazardous waste being sent to landfill, with approximately 42% being incinerated and 35% of waste recycled. 100% of Genel's hazardous waste from Sarta, generated from our exploration and production activities at the asset, was recycled or remediated.

For our future operational activities, Genel's ambitions will be to implement waste management practices and establish a waste management supply chain that will support the targets which we have achieved in the KRI.

Case study: treatment and disposal of drill cuttings and fluids

In advance of our exit from Sarta, Genel completed a treatment and disposal project for the residual drill cuttings and fluids that had resulted from Genel's activities at the asset. The process involved separating debris from the drill cuttings before treatment with quicklime, prior to disposal in purpose built and lined disposal pits. Additionally, the waste drilling fluids which had been temporarily stored in lined pits at Sarta 2 were trucked away from the asset for treatment at a licenced facility.

A summary of the outcome of the treatment and disposal works:

- 25,336m³ of drill cuttings were transferred from six sites across the Sarta asset to the central disposal location and placed into three separate lined pits.
- 24,271 tonnes of drill fluids and produced water trucked to a licenced facility for treatment and disposal.

This project allowed Genel to showcase its commitment to environmental stewardship and maintain the approach to waste management that had been in place during Genel's entire tenure at the asset.



Spill response capability

Genel acknowledges the potential risk represented by spill events. Our commitment to spill response capabilities, and our progressive continuous improvements in this area reflects the critical role that Genel considers this contributes to our sustainable and responsible business practices.

Genel maintained its tier 1 and 2 oil spill response capability during 2023, which included provision of specialist equipment to enhance capabilities to deal with specific spill scenarios. As part of our annual preparedness exercises Genel conducted a SIMEX (simulation exercise) relating to operations at Sarta field, and a separate SIMEX for Somaliland operations in 2023.

On 31 March 2023, a tier 1 environmental spill occurred at Sarta S4 well pad which was the result of overfilling a lined fluids pit, and which subsequently over-flowed into the well pad's drainage channel. 0.2 bbls of crude was contained within this produced water spill. Genel's immediate spill response measures contained the spill and furthermore, laboratory analysis of surrounding soil samples as part of the post-spill investigation, indicated that the spill had not resulted in residual impact to the surrounding area.

In a separate tier 1 environmental spill incident, as part of the Sarta treatment and disposal work completed at the end of the year, 2.5 bbls of oily sludge was spilled on 27 December 2023 during the transfer of material for off-site disposal. This spill was contained and remediated by Genel's spill response team, and all material was contained for off-site disposal.

Air Quality

The importance of air quality has always formed a key element of Genel's environmental management practices, in consideration not only of the nearby communities but also of our site personnel. We have never compromised on maintaining these air quality standards and have implemented robust and continuous monitoring throughout the entirety of our operations at Sarta. In 2023, this was also a focus in our Somaliland operations, on account of the increased civil infrastructure activities.

KRI monitoring

During 2023 Genel maintained continuous air quality monitoring from three permanent units in the vicinity of the Sarta production facility. In doing so allowed Genel to monitor any potential adverse impacts associated with our operations and to implement mitigation measures, if needed.

This ongoing programme provided an understanding of local air quality conditions at Sarta compared to the baseline conditions established in 2019, and helped prevent any potential adverse impact to neighbouring communities resulting from poor air quality. In 2023 the air quality data was compared against the draft 2020 KRI regulations and with the exception of one exceedance in particulate matter PM2.5 on account of nearby agricultural activities, no air quality exceedances were recorded.

Somaliland monitoring

Managing air quality for our host communities in Somaliland during the civil infrastructure work in 2023 was of key importance, and mitigation measures were detailed in the Environmental Management Plan that was developed in advance of the field work. The robust measures implemented, which in 2023 included a series of diffusion tubes, ensured that no community grievances were received in relation to air quality or dust generation.

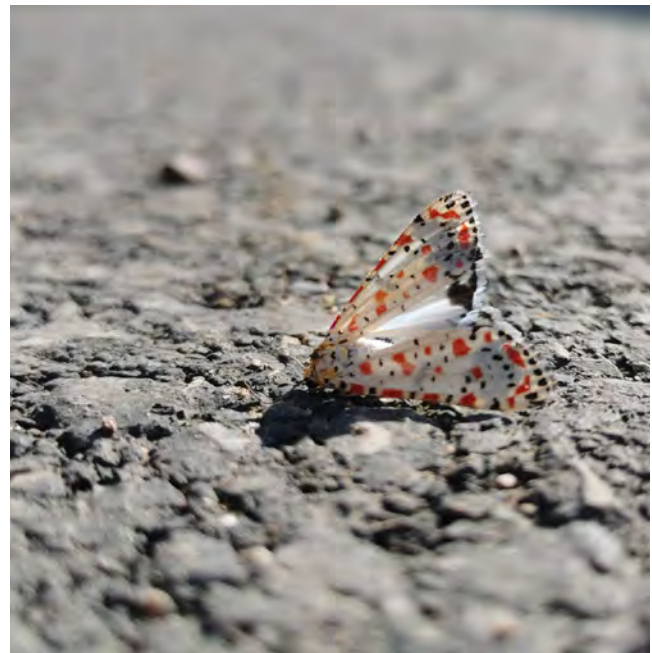
Our ongoing performance from our operated assets demonstrates the importance that we assign to this topic, and the business-as-usual operational measures we have in place to manage this risk. This forms one element of the foundation to Genel's approach to being a responsible business, and one that will be applied to all future operations.



Protecting biodiversity - minimising ecological impact

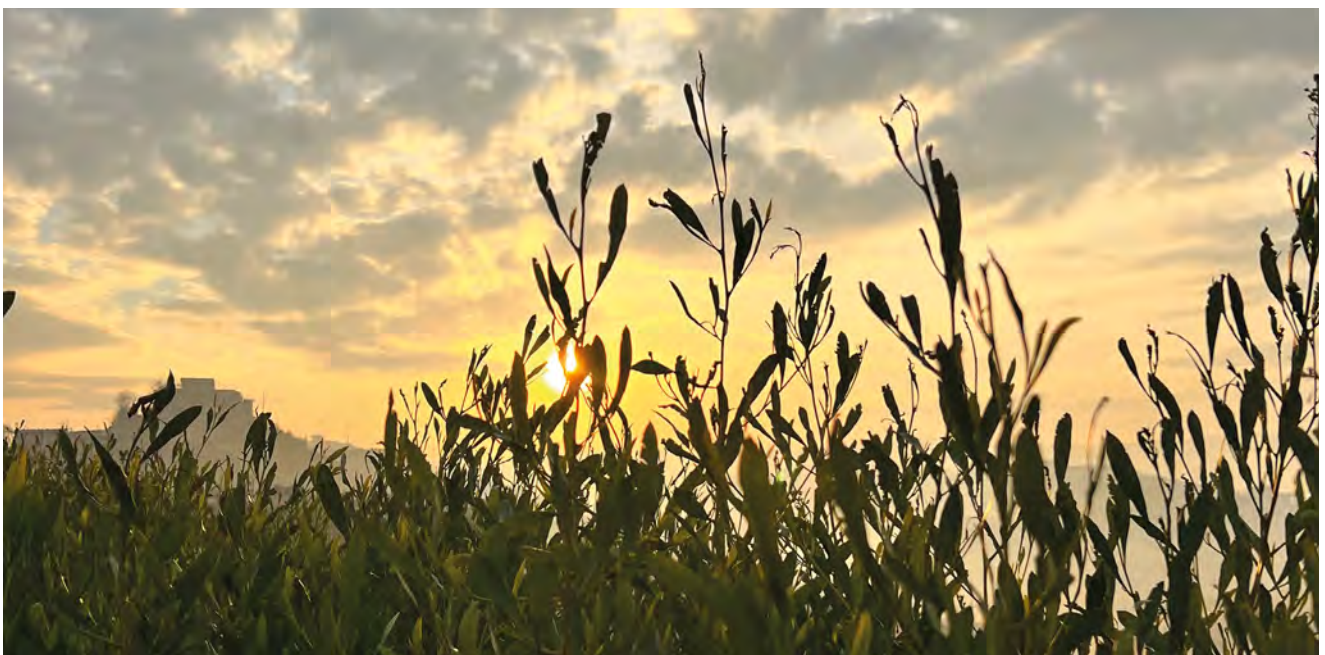
Protection of biodiversity has always been a key consideration when considering exploration and production opportunities. Moreover, the role that biodiversity plays in supporting the natural environment more broadly is not underestimated by Genel. This was embedded into Genel's operational practices in 2022, through formalising our Biodiversity Management Standard which defines the approach to be taken by Genel in relation to the assessment, mitigation and management of biodiversity issues and impacts relating to all our activities. Implementation of this Standard reflects the considerable significance which we place on preservation of biodiversity, as we continue to work in collaboration with partners to protect nature wherever we operate.

Central to our approach to biodiversity management is the development and implementation of a biodiversity management plan during the ESIA phase. This provides a framework for managing project risks specifically related to biodiversity, and details the necessary measures required to mitigate these risks. Our careful management of preserving biodiversity will be extended to all of Genel's future operations.



Social responsibility

Genel's focus on being a responsible operator extends beyond the environmental topics detailed earlier in this report, and equally considers our responsibility towards the people who could potentially be impacted by our business; be it the host communities of the regions in which we operate, our workforce safety, wellbeing and working conditions, or considerations of the same within our supply chain. The following section of this report provides a summary of the business-as-usual operational measures in place at Genel to manage these elements, and provides an insight as to the steps we have taken throughout 2023 to support our social responsibility.



Health and safety

The success of our business relies on the safe delivery of operations, and our focus on health and safety remains resolute, irrespective of any changes to the business. The organisational and operational changes experienced by Genel in 2023, as well as more on the ground work in Somaliland, presented unique challenges for our health and safety teams, and it is testament to the professionalism and dedication of these teams, that safety performance was not impacted during this period. Throughout 2023, as was the case for all years which preceded it, the critical role of managing health and safety provided the foundation for all of Genel's activities.

In 2023 Genel's operations included Sarta oil production and trucking prior to the closure of the pipeline, tank cleaning, and moving the EPF to cold standby. Genel also increased activities in Somaliland with a ramping up of the civil infrastructure programme. This diverse range of field activities were completed without any LTIs or Tier 1 process safety events (loss of primary containment) at any of our operational sites. We have now achieved over four million work hours since our last LTI, which occurred in 2021.



- **Zero LTIs in 2023 across all Genel operations, with over 4 million hours worked since the last incident**
- **Zero Tier 1 & 2 Process Safety Events (loss of primary containment) reported across all operations**
- **Successful roll out of the Life Saving Rules across the business**
- **Successful restructuring of the HSE and Security and Emergency Response teams during the changes in activities in Somaliland and KRI**
- **Treatment and disposal of Sarta fluids and drill cuttings successfully completed prior to handover of the asset to the MNR**

As part of the exit from Sarta, Genel completed a treatment and disposal project for all residual drill cuttings and fluids at the asset. This project was delivered on schedule with zero LTIs or recordable injuries. This required 348,504 manhours and a significant distance travelled of 235,614 km. The success of this project reflects the professionalism and dedication of our field teams in delivering results without compromising safety.

Safety improvement plan

Prior to 2023 Genel had observed leading indicators that suggested areas for improvement in our safety performance. Following analysis of the underlying latent causes for these indicators we developed a safety improvement plan which was implemented with active participation by both senior management and field teams. Improvements were proposed to strengthen each of the following areas:

- **Leadership and Culture**
- **Competency**
- **Contractors**
- **HSE Management System**
- **Assurance**

Each of the areas identified was championed by a member of Genel's Executive Committee alongside other senior managers, with the aim of continuous improvement throughout the organisation. We have taken our own people and our contractors on a safety improvement journey and the highlights of this journey throughout 2022 and 2023 are described below.

<p>Leadership and Culture</p>	<p>Visible safety leadership and improve safety culture</p> <p>In 2023 Genel established a Key Performance Indicator ('KPI') for both the Genel Executive Committee and senior management, to encourage active participation in HSE initiatives and to build Genel's safety culture of care and compliance. The leadership groups collectively conducted 18 site tours, actively engaged in the HSE contractor forum, participated in the incident investigation process, and championed life-saving rule awareness trainings. This collective effort resulted in an impressive 94% completion of the established KPIs.</p>
<p>Competency</p>	<p>Ensure trained and competent staff for safety critical roles</p> <p>Genel revised its training needs matrix to classify the training requirements for all roles at Genel, into the following four categories:</p> <ol style="list-style-type: none"> Mandatory onboarding: HSE induction, lifesaving rules, observations and interventions, and emergency response preparedness for key positions Management system: risk assessment, control of work, and incident investigation Risk-based: lifting and rigging, confined space entry, and H₂S alarms Emergency preparedness: Firefighting, spill response, and crisis management <p>Genel achieved 74% progress on training plans in 2023 with 573 training sessions for 1,360 attendees. A competency development programme was also initiated for frontline operational roles, with the intention of supporting continuous improvement in the competency of operational staff.</p>
<p>Contractors</p>	<p>Senior management engagement with high-risk contractors</p> <p>During the first quarter of 2023, Genel hosted an online contractor HSE forum that was attended by senior management of our key high-risk contractors. The forum was an opportunity to share learnings from high potential events, and details of safety improvement plans. It was agreed that Life Saving Rules will be the key tool for seeking 'improvements and developments' and supporting HSE initiatives.</p>
<p>HSE Management System Simplification</p>	<p>HSE Management System Simplification and roll out</p> <p>Operational HSE procedures, including control of work, permit to work, medical emergency response, emergency response plan, and incident and investigation reporting procedures, underwent a comprehensive review during 2023. The revised procedures were then successfully implemented, contributing to an enhanced and more efficient HSE framework.</p> <p>Genel's existing investigation procedure was revised during the year, with an emphasis on online management ownership and industry best practices. A software database (Synergi-Life) which centralised all incident reports was implemented in 2023 and has significantly improved identification of incident trends and subsequently of establishing mitigation measures.</p>
<p>Assurance</p>	<p>HSE assurance: schedule Level 1 and 2 completion</p> <p>Assurance activities at Genel are considered to be a critical part of the Health and Safety function, and involve evaluating the compliance, capability and effectiveness of systems, operations and processes. Feedback from these assurance activities provides valuable input for Genel's senior management team to aid informed decision-making. Additionally, assurance processes are designed to be constructive, actively contributing to business performance improvement.</p> <p>A documented, risk-based assurance process, including scheduled external and internal audits, inspections and site visits was established and implemented in 2023 to evaluate compliance with the HSE Management System and identify areas for continual improvement. The process covers the planning, implementation and documentation of activities relating to Genel and its Contractors. Further information relating to Genel's assurance standard is provided on the next page.</p>

HSE Assurance

Genel has adopted a risk-based assurance process to evaluate conformance against the HSE Management System in order to identify areas of focus for continual improvement. In 2023 this process included external and internal audits, inspections, and site visits. The scope of these audits covered the planning, implementation and documentation of selected activities undertaken by Genel and its contractors. Further details of each type of audit, and Genel's activities in 2023 is provided below:

- **Level 1 audits** are conducted by Genel field staff at site to audit Genel or contractor personnel and are closely monitored by on-site HSE teams. This ensures a focused examination of operational practices, against compliance with specified requirements. Throughout 2023, 182 Level 1 assurance audits were completed by Genel contractor personnel.
- **Level 2 audits** are undertaken by Genel's management team, with a particular focus on high-risk activities. This strategic oversight by leadership not only reinforces the commitment to stringent safety standards but also provides a comprehensive evaluation of critical aspects within the organisation. In 2023, a Level 2 audit was completed during the treatment and disposal project at Sarta.
- **Level 3 audits** are completed by an external qualified party to provide an independent professional assessment of an internal management process, or an isolated project or activity. In line with Genel's 2022 Internal Audit plan, EY delivered the second of two HSE Management System audit reports (for Sarta and the Erbil office) during 2023. The purpose of the audit was to review the framework used by Genel in the management of HSE risk, and the process used to support effective and timely accident and incident response. The four agreed actions resulting from the key audit findings were all closed out before the end of 2023.

Operational Safety

Genel recognises the high-risk nature of the activities required of our business and it is for this reason that we apply the necessary mitigation measures proportional to the risks. We continue to implement the hazard identification and risk management process which remains a foundation of Genel's approach to Health and Safety management. Similarly, the hierarchy of controls allows Genel to minimise identified risks to as low as reasonably practical.

Driving safety and crude oil trucking

As a key element of Genel's operational activities, driving is required for the movement of people, products, and materials. Driving continues to represent a high-risk activity for our field operations and in acknowledgement of this, we have implemented the use of an in-vehicle monitoring system ('IVMS') for all high-risk journeys. This has allowed for early identification and ongoing monitoring of potentially unsafe driver behaviours such as speeding, seat belt misuse, or inappropriate acceleration or braking, and ultimately provides a tool for successful mitigation of what has been identified by Genel as a key risk to maintaining safe operations.

The IVMS was successfully implemented during the trucking of crude oil from Sarta EPF, both during production and when transferring stored oil after production had ceased. The IVMS was also successfully applied during the cuttings and fluids treatment and disposal project, prior to handover of Sarta to the MNR. All trucking activities conducted in 2023 were successfully completed, with only one motor vehicle incident occurring and no LTIs or recordable injuries recorded.

Level 1 audits in 2023 by category topic being audited

Audits	No.
Camp inspection	4
Chamanke light vehicles	5
Chemical management	4
Clinic	3
Decommissioning	0
Document control	1
Emergency Response	7
Environmental	5
Excavation Safety	1
Generator Set	2
H ₂ S	1
Inhibits/ Overrides/LOTO	12
IVMS	15
Land Transportation	6
Lifting/Rigging	6
Occupational health/FTW	2
PA Mechanical handling	1
Plant and Equipment	0
PPE	6
PSUA	8
PTW/TRA/JSA	78
Rainfloods yard/process	0
Rigging loft	5
TLS process/loading compliance	1
Training matrix	2
WAH/CSE	3
Warehouse/materials	4

Process safety and integrity

The nature of Genel’s field activities dictates that process safety and integrity remains an integral part of our approach to managing major accident hazard-related risks. Safety critical elements inspection and maintenance programmes are in place, and process safety risks are assessed through a variety of process hazard assessments such as hazard and operability studies, or quantitative risk assessment.

Identifying potential hazards and risks and then working to eliminate or mitigate these remained a key focus throughout 2023 as we strive to protect the public, safeguard the health and well-being of employees and contractors, minimise potential risks to the environment, and protect assets from damage or loss. Other key elements of Genel’s established process safety management protocols include the management of change process, operational readiness reviews, pre-start-up reviews, and the continuous monitoring of process safety performance indicators. This combined approach helps support our safe and reliable operations.

Emergency Response Effectiveness

Throughout 2023, it was identified that restructuring and reorganisation could have potentially impacted the effectiveness of the Emergency Response Team, on account of personnel changes throughout the year. A Major Emergency Management Initial Response course was identified locally, and various members of Genel’s in-country team attended the training, successfully completing the OPITO (Offshore Petroleum Industry Training Organisation) approved course. This included in-country local staff who were further developed as Emergency Response Team Members. Genel also conducted medical emergency response and crisis management awareness training sessions for its project teams.

Medical fitness

Genel prioritises the health and safety of its staff through comprehensive medical fitness protocols for all employees. These protocols aim to identify any physical or psychological issues that may impact job performance, that may represent a risk to an employee, and that ensure compliance with statutory health surveillance requirements. The assessments serve as a baseline for detecting changes during employment, assessing risks related to workplace hazards, identifying necessary job adjustments, and advising individuals on suitable job positions. In 2023, Genel conducted fit-to-work check-ups for employees in all regions of operation through the medical service contractor DFAD. Out of 72 employees, all were found to be fit-to-work without restrictions, highlighting the company’s commitment to employee well-being.

Additionally, Genel conducted eight fit-to-work check-ups for its local contractors in Somaliland through our medical service contractor Iqarus, with competent local medical coordinator support.

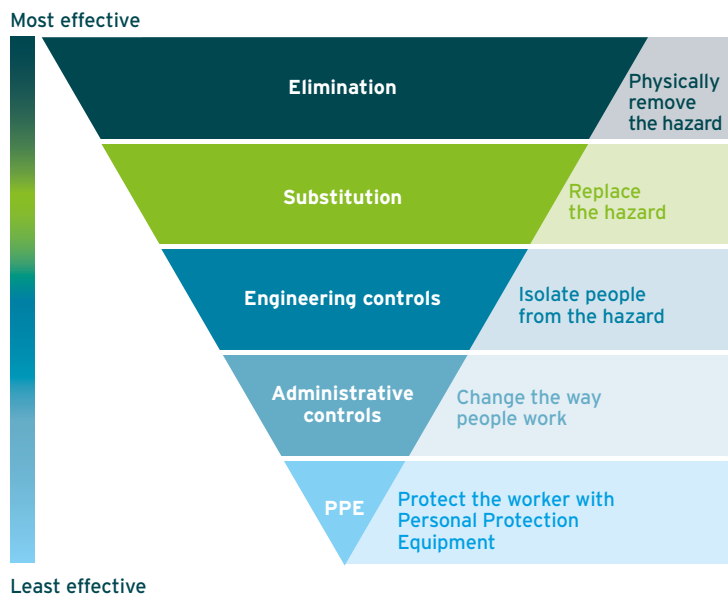
Life Saving Rules campaign

A key focus for Genel’s health and safety teams throughout 2023 was the successful rollout of our Life Saving Rules campaign. Genel’s Life Saving Rules comprise twelve key rules, providing clear, simple, and consistent communication regarding risks in the workplace, and the proper use of barriers and safeguards to protect our workforce. These rules have been integrated into staff inductions and field safety inductions, ensuring that every member of the Genel team is aware of the importance of these rules. In order to maintain focus on these rules, during the 2023 company-wide rollout campaign our aim was to inform and educate Genel staff and contractors about the details and content of each rule. To achieve this, we assigned a Genel champion for each of the twelve topics and these champions were responsible for hosting online training sessions to provide detailed insights into each rule, and how each apply to Genel’s operational activities. The sessions encouraged discussion and feedback, and were well-received by participants.

In pursuit of mitigating risks: the hazard identification and risk management process employed by Genel



In pursuit of controlling identified risks: the hierarchy of controls adopted by Genel



Somaliland capacity building

As our activities in Somaliland increased, implementing our established health and safety standards became a priority. This included a detailed in-country assessment of available medical facilities, roads, transport infrastructure, security threats, and country evacuation protocol.

Prior to a ramp-up in activities, Genel also completed a gap assessment for the future delivery of prehospital trauma life support ('PHTLS') training to local doctors. The mission of PHTLS is to promote excellence in trauma patient management by all providers involved in the delivery of pre-hospital care. The programme focused on the treatment of a multi-system trauma patient as a unique entity with specific needs.



People and diversity

Genel's dedicated and experienced teams have always provided the bedrock of our performance and remain a key source of pride to the business. Genel's diverse global footprint requires a culturally diverse workforce, which collectively represents the key component to Genel's success. Our skilled employees share the values of our socially responsible business, and we continue to attach high value to attracting and retaining the best global talent. Moreover, 2023 showcased our ability to adapt to shifting operational priorities with the successful transfer of skills and knowledge between operations in the KRI and Somaliland.

Workforce diversity

Genel continues to see a benefit from the promotion of gender and cultural diversity in our workforce, and encouraging an inclusive workplace has allowed us to leverage and benefit from a breadth of opinion and perspective. Our workforce is one of our finest assets and first-hand experience has taught us that a continued commitment to diversity helps foster improved ideas, skills, knowledge, and our overall performance as a business.

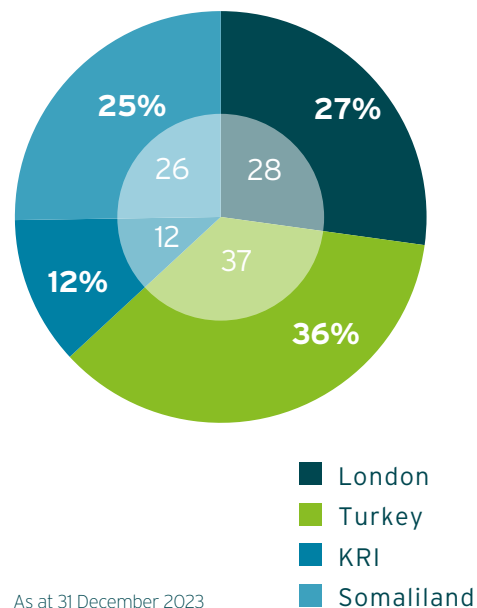
This diversity was reflected in the demographic of our workforce in 2023, when we employed 103 people across four regional offices, with 37 employees in Turkey, 28 in London, 12 in the KRI, and 26 in our African operations. Moreover, in reflection of our global operational footprint, our talented employees represented 13 different nationalities.

Additionally, Genel apportions significant value in the continuous promotion of women into leadership positions across all levels of the Company, with women representing 30% of our total workforce, making up 17% of Board positions, 20% of the Executive Committee, and 27% of management positions in 2023. We made 10 new employee hires, comprising four women and six men, with recruitment growth focused predominantly on support for our Somaliland operations.

Nationalities represented in Genel

Employee nationality	
American	2
British	23
French	1
Indian	1
Iranian	1
Iraqi	11
Irish	1
Moroccan	1
Norwegian	1
Russian	1
Somali	22
Swiss	1
Turkish	37
Total	103

Where are our teams based



Our policies and initiatives

In reflection of the importance of diversity and people management, we have developed a formal structure to provide guidance to current and new employees. This allows Genel to progress and evolve these initiatives to ensure they remain fit-for-purpose. Our continued pursuit to promote diversity is an evolving process and more information can be found in our Diversity & Equal Opportunities Policy, available on our website. This Policy helps support our commitment to diversity, and training on this is delivered to all employees at the start of their employment. This is intended to promote positive employee relationships that enable all individuals to make use of their skills, free from discrimination or harassment. Some details of the broad range of initiatives embedded into our business-as-usual operations are provided below.

Employee benefits

We are committed to providing a competitive compensation package, and this is benchmarked through annual market reviews which enable the Company to attract and retain the highly skilled talent needed to deliver our strategy. These market reviews collect data from expert external consultancies to analyse and compare each position's level and pay.

Our recruitment and salary review processes ensures that we make hiring and promotion decisions based on merit and wherever possible, Genel provides competitive industry pensions in our regions of operation with contributions that are shared by both the employer and employee, to contribute to future financial planning.

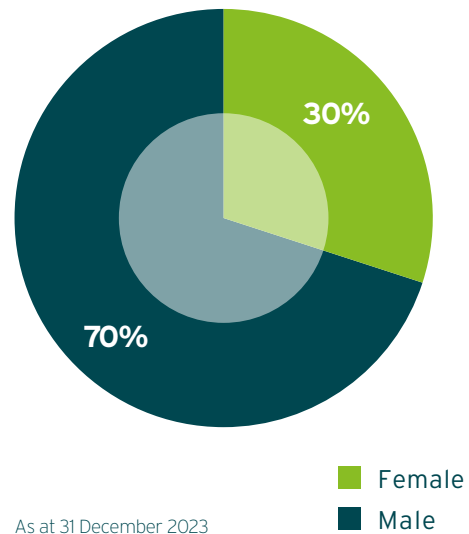
Hybrid working

Genel's established hybrid working model is applied throughout our corporate offices and provides flexibility to our employees to enhance a work-life balance and to manage work and personal commitments. This initiative is also becoming a progressively important factor to attract and retain talent.

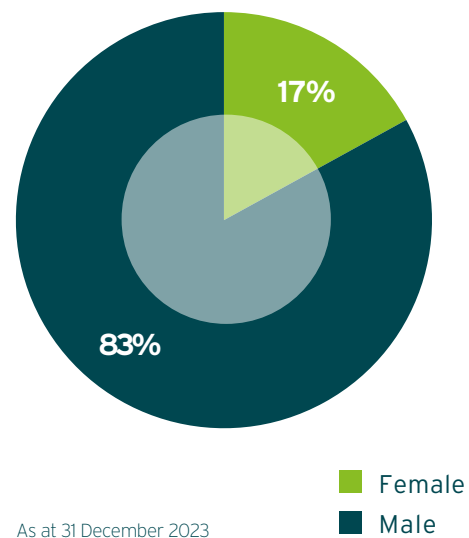
Maternity and paternity allowances

Genel provides parental leave policies in each location, which are designed to facilitate flexibility for both men and women. Moreover, we were pleased to provide the first instance of enacting Genel's shared parental leave policy in 2023, whereby extended paternity leave was taken as part of shared allocation.

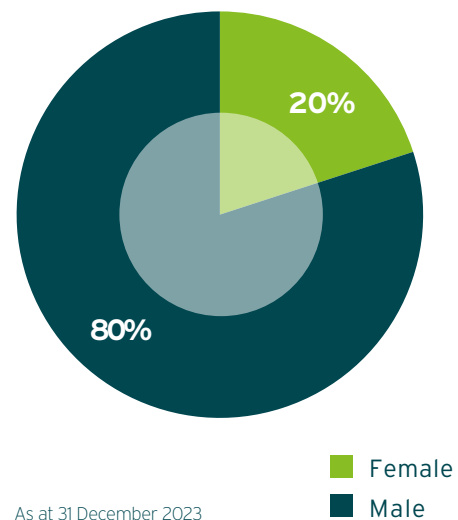
Gender split in workforce



Gender split Board of Directors



Gender split Executive Committee



Employee wellbeing

We recognise that any success at Genel is the result of an engaged and thriving workforce, and it is for this reason that a focus on staff wellbeing is a key component of Genel's success. Genel employs a series of initiatives, each with a focus on employee wellbeing at its core.

Employee health and fitness to work

An element of Genel's focus on employee wellbeing is detailed in the IOGP guidance for 'Fitness to work'. This provides a structured process for systematic identification, assessment and management of risks associated with tasks that place specific demands (physical and psychological) on employees. As field activities increased in Somaliland throughout 2023, this guidance continued to be a valuable tool in meeting the staffing requirements of our challenging operational environments, and also continued to be an integral part of assessing staff welfare. This process comprises the following:

- Fitness to work processes and systems
- Risk assessment process to focus on what needs to be accomplished
- Legal constraints on what can and cannot be done in certain jurisdictions
- Medical control options such as fitness to work tests and examinations, functional capacity evaluations, trade tests, special considerations

To further enhance the wellbeing of our workforce, annual training is in place for role-specific requirements that are identified through an assessment matrix. We also ensure that our workforce has access to non-occupational health services through medical insurance plans, tailored to the specific locations in which we operate.

Genel Wellness

The Genel Wellness programme continued to be available to all staff via the Wellbees App platform throughout 2023. This initiative promotes physical and mental wellbeing throughout the organisation, with the aim of supporting staff in the workplace and beyond. Genel was pleased to have continued this initiative after its successful uptake in previous years, and with a continued focus on staff wellbeing, we look forward to building on this as a fit-for-purpose programme going forward.

Employee performance

Genel collectively performs at its best when the potential of each employee is realised, and Genel's performance management process provides a structured platform for employees to discuss career development with their direct managers, and to evaluate personal performance.

Our focus on talent is supported by our talent management process - Talent MAP (Measuring Ability and Potential) - which highlights areas where we can further support employees to maximise their value and impact in delivering the work that we do. Furthermore, in continuation of developing our talented workforce, Genel's Leadership, Development and Evolution ('LEAD') programme has been designed to support our succession planning. The LEAD programme will accelerate the potential of our future leaders through firstly the formal identification of participants in our annual Talent Management process and then with the targeted leadership development support.

Managing Genel's workforce

The operational nature of Genel's activities mean that we rely on the support of highly skilled contractors who provide valued, flexible, and temporary expertise. The reduction in Genel's workforce during 2023 was largely through a reduction in contracted workers. Indeed, while various circumstances during this period have resulted in the need to reduce our contractor workforce, we have done so while maintaining a core of key staff and capabilities. This fluctuation in our workforce has demonstrated our ability to contract and expand our workforce as business conditions dictates, while preserving a central team structure which is able to respond to future changes.

Despite the operational challenges experienced in 2023 Genel maintained single digit voluntary turnover for a third consecutive year. Similarly, we are pleased to see a continued longevity of service for full-time staff, with 40% of Genel's employees staying with Genel for more than five years, and 30% of our people have been with the Company for over a decade. A small proportion of Genel's workforce are employed on a part-time basis and we ensure that these individuals receive the same benefits, support, and opportunities as full-time employees.

A voice to all employees

In order to maintain an inclusive workplace and to encourage continuous improvement, it is crucial to Genel that the opinions and views of our employees are heard and acted upon. Informal channels are available throughout the business, though the formal avenue to empower Genel's workforce remains our Whistleblowing Policy.

This policy has been in place for over a decade now and was expanded in 2020 in context of the public commitment we have given to observe the requirements of United Nations Global Compact, one aspect of which requires Genel to establish a grievance mechanism under which third parties can raise grievances with the Company. Alongside our Whistleblowing and Grievance Policy, Genel operates a whistleblowing hotline service, which is available in a number of languages, and which enables employees and third parties to report concerns on a range of matters. Further details of this policy are provided in page 55 of this report.

Additionally, Townhall meetings have regularly provided all staff with updates on our ongoing and upcoming activities, as well as giving immediate access for employees to raise questions with Genel's Executive Committee. Given the changing operational footprint in KRI and the increase of activities in Somaliland throughout 2023 these periodic Townhall meetings, chaired by Genel's CEO, provided a valuable conduit for sharing of information throughout the business.

Human rights and modern slavery

Genel's ongoing commitment to conducting our business in a manner that respects human rights across all areas of operation remains a common and constant thread for all our activities, irrespective of geographic location or of the prevailing business environment. We are committed to acting ethically and with integrity in our business dealings, implementing and enforcing effective systems that mitigate the risk of modern slavery within all elements of our business and supply chain. Our policies, internal training, public disclosures and grievance mechanisms on this topic ensure that it remains firmly as a business-as-usual and fit-for-purpose element of Genel's operations.

Where we have the ability to do so, we require the same high standards from our contractors, suppliers and other business partners with regard to respecting human rights. As part of our supply contracting processes, the Company policy requires that we include specific prohibitions against the use of forced, compulsory or trafficked labour, or anyone held in slavery or servitude. Further information is available under our Modern Slavery Act 2015 disclosure obligations.

In line with a human rights compliance assessment undertaken in 2021, of our performance against the UN Guiding Principles on Business and Human Rights ('UNGPs') and in order to ensure the policy remains current, periodic updates are made to Genel's Human Rights Policy to better reflect the evolving business landscape within Genel's areas of operation. Furthermore, in reflection of the considerable significance Genel attributes to this topic, we were pleased to be an early adopter to the United Nations Global Compact: Communication on Progress, which is a non-binding United Nations pact to encourage businesses to adopt sustainable and socially responsible policies (including human rights), and to report on their implementation.

Whistleblowing and Grievance Policy

Genel is aware of the potential compliance risks which exist in relation to our operational activities and in acknowledgement of this, Genel encourages a culture of openness and accountability. This culture is formalised through our Whistleblowing and Grievance Policy. This policy has evolved in recent years in the context of the public commitment we have given to observe the requirements of United Nations Global Compact, one aspect of which requires Genel to establish a grievance mechanism under which third parties can raise grievances with the Company, including in the human rights context. The policy applies to all individuals working with Genel, including directors, officers, employees, and to contractors, and any stakeholder third parties. The policy is communicated to Genel employees through internal training and is available for all stakeholders on Genel's website.

Alongside our Whistleblowing and Grievance Policy, Genel operates a whistleblowing hotline service, which is available in a number of languages, and which enables employees and third parties to report concerns on a range of matters, including human rights violations such as slavery and trafficking.

Every whistleblowing incident is investigated fully, and the General Counsel is responsible for review and investigation of allegations of potential violations of law. If the allegation is substantiated, we are committed to taking appropriate disciplinary action up to and including dismissal. The Policy requires the Whistleblowing Officer (currently the General Counsel), in conjunction with the Audit Committee to review this Policy from a legal and operational perspective at least once a year. All staff are responsible for the success of this Policy and are instructed to disclose any suspected danger or wrongdoing. Staff are invited to comment on this Policy and suggest ways in which it might be improved. Training on this Policy is provided, as appropriate, at each new employee's induction training and through periodic training for all staff members.

Community engagement

The relationships developed with our host communities have always been of great value to Genel. Engagement with these communities provides the foundation of our operations and we remain committed to our local partnerships and to developing local capabilities. Our focus on community engagement helps demonstrate how responsible investment in natural resources can provide substantial benefits to the quality of life in host countries, and we are proud of the positive impacts we continue to make to local communities.

The increase of Somaliland field activities throughout 2023 was enabled - in part - by the community relationships that had been developed in this region over the previous decade, and this engagement remained a key priority throughout the year.

Local economic development

Supporting local economic development is a key objective for Genel and is an essential component of our broader sustainability strategy. It has long been a central tenet of Genel's operations that our projects are supported by a community workforce which enable training and skills transfer within that workforce. Our in-country community liaison teams are guided by Genel's Local Content Policy in their engagement with local communities, while also interacting with applicable regulators to understand expectations.

Not only do we acknowledge our responsibility to host communities, but we also appreciate the opportunity to work alongside community members to enable capacity building that will provide long-term benefit to the regions in which we operate. In 2023, the following opportunities contributed to a direct positive impact on economic development within the respective communities:

- Somaliland civils infrastructure work supported four local companies and provided contracted value of \$5.2 million
- Between January and July 2023, Genel's operations supported 58 individual local companies at Sarta with a combined contract value of approximately \$15 million. Additionally, two local companies supported the cuttings and fluids treatment and disposal project at the end of the year; a project which provided a combined contract value of \$1.9 million.

Empowering a community workforce as stakeholders within Genel's operations, and by adding value to the local economy through their participation, enables ownership of the long-term well-being of these regions. Furthermore, we also encourage our contractors to hire from the communities in which we operate, and support training if the necessary skills are absent.



Community engagement in Somaliland

During 2023, Genel's Community Engagement project was conducted in partnership with the Somaliland Ministry of Energy and Minerals (MOEM) on the SL10B13 Licence and formed an integral part of the civil infrastructure construction operations in preparation for the drilling of the Toosan-1 exploration well. The project objectives were to build relationships with local communities in the area of our operations, identify and resolve any concerns or issues raised, and support the distribution and award of local hiring and contracting for goods and services. The project included 20 villages within a 50km radius of the well location. Throughout the project, a field team of Genel and MOEM staff regularly visited the villages to directly engage with the local communities, supplemented with local and regional townhall meetings at key stages of the project.



Grievance mechanisms

Genel is proud of the positive economic impact our operations can have on local communities, through direct employment, skills sharing, and training opportunities. However, we are also acutely aware of the limitations in scope and scale of these activities and accordingly, of the potential community grievances that can result from this. For example, an expectation of employment opportunities can materialise far beyond the scale of Genel's operations.

Meaningful community engagement is a key part of understanding and managing community expectations and grievances, and our in-country liaison teams work with local communities to ensure that this process is undertaken in a timely and respectful manner. The process provides an opportunity not only for Genel to understand any grievances as operations increase, but also to understand the needs of the host communities.

Somaliland

Genel's community engagement activities in Somaliland rose in line with the increase in operational activities, as we recorded a total of 237 community engagements throughout the year. Of these engagements only two grievances were recorded and of the two grievances recorded, one was in relation to waste disposal practices, and one in relation to the potential drilling of a water well.

KRI

Prior to ceasing production from Sarta, Genel maintained emphasis on engagement with local communities. The expectations of local community stakeholders resulted in three grievances received, all of which were in relation to employment opportunities, though Genel worked to resolve these issues with affected stakeholders.

Land compensation

Genel acknowledges the significance that land compensation represents within local communities and we are conscious of maintaining consistent engagement and dialogue on this matter. As part of this process, any area adversely impacted by Genel's operations is compensated in line with the applicable policy in KRI or Somaliland. Furthermore, any temporary or residual impact on the community will be compensated by way of appropriate local investment to provide a commensurate benefit to the community. During our 20 years of operations in the KRI for example, Genel compensated over \$3 million by means of land and crop compensation.

Developing future talent for Kurdistan
by providing 20 students with
a life-enhancing education



Genel20 Scholars

2023 saw the first full year the Genel20 Scholars programme, which provides a university scholarship at the American University of Kurdistan ('AUK'). The programme was launched in 2022 for 20 talented high school graduates from disadvantaged backgrounds, and Genel is pleased to be providing full funding for tuition and living expenses. A range of courses were taken up by the students, including Petroleum Engineering, Nursing, Accounting and Finance Management, and Electronics and Telecommunication Engineering. This programme is one of great pride for Genel and provides an example of the meaningful and long-term impact of our social investments. Genel has committed to an annual average investment of approximately \$250,000 per year for four years.

Genel was fortunate enough to visit the AUK in 2023 to meet with the scholars following their first year of academic studies. This was an engaging and worthwhile trip at which the optimism and enthusiasm of the students was abundantly apparent.

Genel is pleased to receive regular updates from the scholars in AUK and feedback presented from the first year of study was overwhelmingly positive. Further details from two of the Genel20 Scholars is provided below, and Genel thanks them for sharing their stories.



Balen Abdalla: Computer Software and Security

The Genel scholarship has provided me with a high-quality education and many opportunities to get involved with the university through volunteering or other means. The American University of Kurdistan keeps getting more advanced, and Genel has provided an opportunity to be a part of this journey. I have been presented with countless networking opportunities, and because of my studies I was able to secure a summer internship with a leading global cybersecurity organisation. With this education opportunity, I want to bring awareness of cybersecurity in Kurdistan and promote it throughout our communities, because as technology advances we will need this progressively more.



Rozh Abdalla: Accounting and Finance Management

The Genel20 scholarship has made my journey at AUK smooth and less stressful, allowing me to fully commit to the university and dedicate all my energy to my studies. Last semester, I achieved a GPA of 3.67 while taking five courses and I was pleased to be elected as group leader for two projects in two courses; Principles of Management and Ethics and Social Responsibility.

I have also initiated the University Environmental Club, which focuses on raising environmental awareness. I am also proud to be an AUK student Ambassador and currently hold the role of student career service officer in the current student government. The Genel20 scholarship has reinforced my commitment to social responsibility and a sense of belonging, leading to better and improved relationships. It has fostered a sense of unity and collective success, where the accomplishments of one can benefit all. My long-term aspirations, which existed even before receiving the scholarship, continue to be focused on making a positive impact on my community.






Social investments

Investment in our host communities remains a hugely important feature of Genel's business and in 2023 we continued to build on the progress of previous years. Our social initiatives provide us with an opportunity to deliver meaningful investments in our host countries and improving the wellbeing of community members remains a significant driver for Genel, which forms an important element of our social responsibility.

Genel's Corporate Social Responsibility ('CSR') policy provides guidance to our CSR strategy, and application of this policy helps Genel to understand community expectations, and to implement the most impactful possible social investments. These investments are only made possible through the work of Genel's dedicated country teams working alongside our trusted in-country partners, who support in implementing these important projects.

Guided by UN SDGs

Genel's social investment initiatives are broadly guided by the five UN Sustainable Development Goals considered to be of most relevance to our business, and to our regions of operation. These are reviewed periodically in line with any changes to our business, and in 2023 we tailored our social projects to align with these goals.

UN Sustainability Goal	Rationale and initiatives
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<ul style="list-style-type: none"> Supporting health initiatives is a key foundation of community wellbeing, especially in regions of Genel's operations that lack first-class healthcare infrastructure or suffer from external events. The response to the Turkey earthquakes of February 2023 is an example of this.
 <p>4 QUALITY EDUCATION</p>	<ul style="list-style-type: none"> Ongoing initiatives in KRI (specifically Genel Scholars) have proved successful, and a focus on education provides an opportunity for a long-term positive impact.
 <p>6 CLEAN WATER AND SANITATION</p>	<ul style="list-style-type: none"> Formed the basis of much of Genel's previous social investments in Somaliland and represents a potential ongoing need for investment in Genel's regions of operation.
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<ul style="list-style-type: none"> This was emphasised repeatedly during Genel's materiality assessment by a range of stakeholders; the need for capacity building and knowledge sharing in supporting economic growth.
 <p>15 LIFE ON LAND</p>	<ul style="list-style-type: none"> In acknowledgement of the requirement to promote support of sustainable ecosystems and protect of biodiversity.

Somaliland

In Somaliland, Genel made a broad range of investments in 2023 which involved engaging new in-country partners to roll out these important projects. By using partners in country, there is a benefit to the local communities not only through the outcome of the projects themselves, but also from the employment of the people who deliver them. Genel made \$325,000 investments in Somaliland throughout 2023, the details of which are summarised below.

- **Mobile medical clinic:** the flagship initiative in Somaliland was a mobile medical clinic programme which targets communities with few or no existing medical support services.
- **Educational supplies:** in continuation of our focus on education, Genel has also funded a programme of supplies to existing schools within the Odewayne block, which will benefit approximately 1000 students across 20 schools.
- **Burao Academy of Science and Technology:** Genel made a donation to Burao Academy of Science and Technology, which provides a science-based education to students from across the region.
- **Orphanage upgrade:** Genel also funded improvements to an orphanage in Burao, which included upgrading the solar power system, and provision of special needs materials and toys.



Earthquake donations

2023 saw devastating earthquakes in both Türkiye and Morocco, and Genel was able to make donations to support the immediate emergency response to these events. In the case of Türkiye Genel also made contributions to provide longer-term support for vulnerable groups through the valuable work of Darussafaka Society, Turkish Education Foundation and the Tohum Autism Foundation, all of which supported educational needs for vulnerable individuals from the earthquake-affected zones.

Looking ahead

Social investments have always formed the foundation of Genel's responsible operations, and as we welcome 2024 these investments will continue to be supported across the entire business. In the coming year Genel is looking forward to continuing our productive engagements in Somaliland with our host communities and our in-country partners who have supported us in implementing our social investments. Through these engagements, we look forward to providing meaningful and long-term community benefit through needs-assessed social investments.

We are also eagerly anticipating how the ambition of the Genel20 scholars will materialise over the next few years and look forward to seeing how these individuals will help contribute to the future growth and prosperity of the KRI.



Responsible governance

Integrity is one of Genel's core values and it is this core value when combined with our ongoing commitment to transparency that enables Genel to conduct our business in a responsible and ethical manner. This approach is supported by a series of procedures and policies which are applicable for the nature of our activities and our diverse geographical footprint. These provide robust guidance to the rules which govern our organisation and furthermore, allow us to meet a broad range of regulatory requirements, and prepare for unplanned eventualities. This chapter provides details of the measures taken by Genel in our pursuit of responsible and ethical governance.

Business ethics

Our unwavering commitment to transparency and integrity are the critical attributes which support Genel's ethical business practices, and we place great significance on upholding these values. We are mindful of the ambitious operational targets that we set for ourselves, but we are acutely aware that it is the manner in which we conduct our business that will ultimately define us as an organisation.

Legal compliance

We all play our part in demonstrating a collective commitment to fostering a culture of compliance which is underpinned by the Genel Code of Conduct and our corporate values. We have established a Legal and Compliance programme which addresses anti-bribery, financial and trade sanctions and export controls, preventing the facilitation of third-party tax evasion, anti-money laundering, modern slavery, and human rights. Set out below are the six essential elements of Genel's Legal Compliance Programme.

1. Leadership and top-level commitment
2. Policies and procedures
3. Risk assessment
4. Due diligence
5. Training and communication
6. Oversight

Genel hosts all-staff legal compliance training each year, which incorporates a broad range of compliance topics and includes training given through a combination of online and in-person sessions.

With our risk-based approach, we also conduct due-diligence by means of a questionnaire for potential third-party business partners (who interact with others on Genel's behalf) prior to engaging with them. Through our memberships with TRACE International and Transparency International UK, we exhibit our commitment to conducting our business ethically, lawfully, and responsibly.

In particular, Genel has been consistent in our messaging around anti-bribery, and it is worthwhile to reiterate the message again here: **Genel does not tolerate bribery in any form and is committed to complying with all applicable laws, and to preventing, detecting, and deterring corruption in all its business dealings.** We maintain an unmoved position to this commitment.

This applies to:

- All employees
- All contractors
- All third parties providing services to Genel or operating on Genel's behalf

Genel's Anti Bribery Policy and Procedure are publicly available on our website and provide guidance for staff on assessing risks, understanding applicable anti-bribery laws, and reporting concerns via the applicable channels.

Genel's Anti Bribery Policy and Procedure are fully endorsed by the Board and Senior Management and are further supported by collaboration amongst the Company's stakeholders.



Code of Conduct

Our Code of Conduct underpins all that we do and provides the foundation to guide all employees on being an ethical business. Our Code of Conduct refers to our corporate values and outlines their application in our daily operations and decisions.

These values have been cemented as a foundation of Genel's business practices and continue to set a clear expectation of how our people conduct themselves when carrying out any activities that are directly or indirectly related to our business. Adopting the Code of Conduct is to adopt the Genel way of doing things that aims to make a tangible difference to people's lives.

The Code of Conduct forms a key component of our on-boarding for every new employee and any failure of our employees to adhere to this, or to our policies, may result in disciplinary action. Moreover, in order to ensure we collaborate and work with third parties that reflect our values, our business partners are required, in accordance with our policies and procedures, to sign an understanding to adhere to our values as part of the approval process of registration.

Crisis and Emergency Management

Genel has robust emergency response and crisis management processes and plans in place. Throughout 2023, where operational activities required it, we continued to maintain in-house capabilities such as spill response equipment, a fire response vehicle and an array of rescue equipment.

We have also developed business continuity plans based on impact analysis for all critical functions and these plans are regularly tested for operational preparedness. Emergency preparedness was one of Genel's core competency requirements for selected field staff in 2023 and included training in firefighting, spill response, and crisis management capabilities. Hydrogen sulphide (H₂S) level 2 training remained as mandatory for all personnel working at Genel operations and is delivered by a competent H₂S services contractor. Other trainings included on-scene commander Major Emergency Management Initial Response (MEMIR), care for people, and relative response.

On account of Genel's changing operational footprint in both KRI and Somaliland during 2023, operational emergency management procedures, including medical emergency response (MERP), emergency response plan, and incident and investigation reporting procedures underwent a comprehensive review in order that they remained fit-for-purpose.

Trucking and spill mitigation

In recognition of vehicle truck movements representing one of Genel's key risks, we continued to enhance our tier 1 and 2 spill response capabilities in order to support our response to any potential incident. We provide spill response training to Genel personnel as well as the trucking and production facility operating contractors. Genel's crude trucking contractor has mechanical response equipment situated at key points along the trucking routes with local contractors. Tactical spill response plans are in place to organise content and focus on specific actions and priorities, to bring speed and clarity to any response.

In 2023 these trucking activities included transporting crude oil from Sarta, when the facility was operational, and transportation of waste drilling fluids during the cuttings and fluids treatment and disposal project at the end of the year. In both cases and in acknowledgement of the potential risk this represents, Genel mandated the use of an in-vehicle monitoring system in all vehicles transporting crude or waste fluids.

Regulatory compliance

As a London-listed exploration and production company, Genel is subject to a wide range of sustainability-related regulations, and we operate in a regulatory landscape that is subject to frequent changes. Moreover, our diverse geographical locations require that we remain conscious of applicable national and local regulations which can influence our boundaries of operation. Our approach to regulatory compliance is well established in Genel and provides a foundation for all our activities.

In-country regulatory engagement

A key element of our approach to regulatory compliance is ongoing in-country engagement with host governments and regulatory bodies. This process not only enhances our social licence to operate but also allows Genel to take a proactive role with regulators in supporting the protection of the natural environment and enhancing the wellbeing of our local communities. This is applicable for the entire lifecycle of any of Genel's operational activities and in each instance our country manager will lead this engagement, supported by our local country teams.



Supply chain management

Genel is pleased with the meaningful progress we have made in identifying, managing, and mitigating ESG risks in our direct operations and it is intended that our approach for ongoing management of this risk will evolve in line with our business. However, we have also recognised the need to extend consideration of ESG performance beyond our own operations and to our supply chain.

This is already being considered in Genel's GHG emissions reporting, by bringing emissions from suppliers under scrutiny (i.e., Scope 3 emissions), and this level of supply-side scrutiny is progressively extending beyond emissions reporting to encompass a broader suite of ESG topics.

Genel has included key ESG metrics in our current contractor screening process and to build on the initiatives already in place, we established a two-year roadmap to support identification of ESG risks in the supply chain, with the intention of achieving the following:

1. Identify and minimise ESG risks in Genel's supply chain.
2. Engage with contractors to increase awareness of ESG risk within their own operations.

Based on the existing mechanisms in place, the tasks within the roadmap are formed around each of the following three themes.

Procurement and contracting	<p>Identification of ESG material topics that are to be incorporated into Genel's existing tender process.</p> <p>Inclusion of ESG criteria in Genel's established procurement process, with applicable weighting applied for each tender.</p>
Audit and evaluation	<p>Desktop or site audits of contractors to be undertaken focusing specifically on the relevant ESG elements.</p>
Management	<p>The following internal management tasks are incorporated into the roadmap:</p> <ul style="list-style-type: none"> – Raise internal awareness within procurement and technical teams and communicate intended timeline of implementation of measures. – Review and communicate emerging legislation relevant to ESG supply chain risk. – Develop ESG contractor evaluation register.



Managing and monitoring sustainability risks

The preceding pages of this report presents Genel's approach to identifying and managing sustainability risks throughout our business. The following pages provide a summary of the existing controls in place to mitigate these risks, and also provide the key sustainability metrics which Genel uses to monitor our progress against these risks.

Managing sustainability risks

Managing and mitigating sustainability risks is a priority which is underpinned by strong commitment from Genel's Board and senior management, evident through our approved ESG strategy which encompasses a broad range of environmental, social, and governance elements. Genel's internal policies and procedures guide how we manage these risks and underlining this process is an alignment with Genel's risk management approach, which is described from page 16 of this report.

A key element to managing our sustainability risks is acknowledging the landscape in which we operate and identifying relevant stakeholders with whom engagement is necessary. Genel aims to approach all stakeholder engagement in an open, honest, and transparent manner that seeks to build relationships and helps understand the needs and expectations of all individuals. The Board monitors Genel's stakeholders and their impact on key strategic objectives and decisions, and how the Company engages with each of them. Further information on stakeholder engagement and how the Board has complied with s172(1) of the UK Companies Act 2006 is available on page 25 of this report.

Genel's ESG strategy helps inform the annual ESG workplan which outlines specific tasks and action items to serve as a performance indicator of how well we are mitigating the identified sustainability risks. Successful execution of our annual ESG workplan continues to be embedded in the remuneration schemes for all employees, representing a percentage of the total annual bonus. Sustainability has been integrated into the agenda of our Board meetings and Genel's ESG Manager chairs quarterly ESG meetings with the Executive Committee, which provides a platform to increase awareness of these risks, and any changes required in our approach to mitigate them. The following table presents each of Genel's material sustainability topics and summarises the management approach and policies and procedures relevant to each topic.

Material topic	Management approach	Policies and procedures
ENVIRONMENTAL FACTORS		
GHG emissions	Provide assurance that Genel's business is sustainable from a climate and economic standpoint. In doing so, demonstrate that the life-of-field carbon emissions of operated assets can be minimised through active gas management or other emission abatement measures. Furthermore, our Scope 1 emissions are reported on an equity share approach, ensuring that GHG emissions from non-operated assets are accounted for.	<ul style="list-style-type: none"> - GHG Emissions Management Standard - GHG Accounting & Reporting - Equity share Scope 1 emissions reporting - Annual CDP Climate Change submission - Alignment with TCFD recommendations
Water and wastewater management	Water availability, disposal and management is factored into our planning for all new and operated assets. We identify potential water risks through the ESIA process and develop site-specific ESMPs, which includes considerations to manage water resources, to minimise impact, and to recycle wastewater whenever possible.	<ul style="list-style-type: none"> - HSE Policy - Environmental Procedures - Annual CDP Water Security submission
Ecological impact	Biodiversity considerations form part of the ESIA process to ensure biodiversity impacts are identified, avoided, or minimised, where possible.	<ul style="list-style-type: none"> - Genel's Biodiversity Management Standard - HSE Policy - Biodiversity Management Plan
Air quality	Air quality monitoring against regulatory standards and ESIA commitments is achieved through routine continuous air quality monitoring stations and routine field measurements at operated assets, which is established as part of the ESMP.	<ul style="list-style-type: none"> - Environmental Social Impact Assessments - Environmental Social Monitoring Plan - Routine continuous air quality monitoring at operated assets

Material topic	Management approach	Policies and procedures
SOCIAL FACTORS		
Health and safety	<p>Genel's HSE management system is underpinned by our HSE policy. Our HSE plans, training, procedures, and tools provide guidance to identify and manage hazards, and subsequently to conduct safe operations. These policies and procedures are subject to regular review.</p> <p>Contractor HSE systems are evaluated and bridged to Genel's expectations, and audits and inspections are conducted regularly. Incidents are reported, investigated, actions implemented, and lessons shared.</p>	<ul style="list-style-type: none"> - HSE Policy - HSE Management System - HSE Plan - Permit to Work Procedure - Occupational Health Procedures - HSE Risk Registers - HSE Reports - Process safety and Integrity Management - Asset integrity management plan - Management of change
Human rights & modern slavery	<p>Genel management at all levels is responsible for ensuring those reporting to them understand and comply with the relevant policies, and are given appropriate training on these issues. This extends to considering human rights in the communities in which we operate, where mitigation measures are assessed and, where necessary, put in place to ensure elements such as air quality, noise monitoring, and road safety factors are considered.</p>	<ul style="list-style-type: none"> - Human Rights Policy - Modern Slavery Act Statement - Code of Conduct
Community engagement	<p>Through provision of employment opportunities, training, skills transfer and knowledge sharing with local community members Genel aims to generate revenue and economic opportunities for our host communities.</p>	<ul style="list-style-type: none"> - Local Content Policy - Workforce Development Plan - Anti Bribery Policy
People and diversity	<p>Genel's dedicated Human Resources team supports line managers to implement policies and procedures. We prioritise localisation where possible and localisation details are presented in this report.</p>	<ul style="list-style-type: none"> - Diversity & Equal Opportunities Policy - Recruitment Policies for each location
Social investments	<p>Partnering with local NGOs and community organisations in our regions of operation to build trusted relationships and enable investment in meaningful social investment projects. These projects are implemented through collaboration with local communities, governments, contractors, and suppliers.</p>	<ul style="list-style-type: none"> - CSR Policy based on ISO 26000 - Local Companies Engagement Plan - Anti Bribery Policy and Procedure - Communications & Stakeholder Engagement Plan - Corporate Social Investment (CSI) Plan
Material topic	Management approach	Policies and procedures
GOVERNANCE FACTORS		
Anti Bribery & corruption	<p>Genel's Anti Bribery Policy and Code of Conduct are fully endorsed by the Board and senior management, and annual compliance training is completed by all staff.</p>	<ul style="list-style-type: none"> - Code of Conduct - Anti Bribery Policy
Regulatory compliance	<p>Compliance with applicable laws and regulations in addition to voluntary requirements such as industry standards, codes, principles of good governance and accepted community standards. The "plan-do-check-act" cycle requires the management of Genel to act and review the environmental management system periodically to ensure its suitability and effectiveness. Review of compliance with emerging sustainability regulatory requirements also forms part of the responsibility of the ESG Manager.</p>	<ul style="list-style-type: none"> - HSE Policy - Environmental Procedures - UK listing rules - TCFD recommendations
Crisis and emergency management	<p>Emergency response team members are selected and trained. Drills and exercises are conducted to develop competency and maintain emergency preparedness. Unannounced crisis simulations are conducted to test preparedness. Firefighting and spill response teams are equipped and supported by regular training exercises.</p>	<ul style="list-style-type: none"> - Emergency Response & Crisis Management Plan - Medical Emergency Response Plan - Spill Response Plan - Fire Safety Plan - Off-site Emergency Response Plan
Supply chain management	<p>Our contracting and tendering process prioritises local companies whenever possible. Service providers are audited to ensure Genel is pursuing compliant and best possible practices, with Genel's supply chain procurement criteria ensuring that external companies have adequate standards and processes in place.</p>	<ul style="list-style-type: none"> - Local Content Policy - CSR Policy - Workforce Development Plan - Anti Bribery Policy - Community Grievance Mechanisms

Sustainability metrics

The preceding pages of this report have presented Genel's approach to identifying, managing and mitigating sustainability risks throughout our business. It is also important that we monitor our progress against these risks and presented below is summary of our key sustainability metrics with performance from previous years shown for context. The figures presented in this table are reported on an operational control basis, unless otherwise stated.

ESG Topic	Indicator	Unit	2023	2022	2021
Climate ¹	Total Scope 1 & 2 emissions	tonnes CO ₂ e	61,533	192,813	190,509
	Scope 1 emissions	tonnes CO ₂ e	61,274	192,637	190,277
	Scope 2 emissions	tonnes CO ₂ e	259	176	232
	Scope 3 emissions	tonnes CO ₂ e	41,926	264,686	356,857
	Methane emissions	tonnes CO ₂ e	2,439	4,217 ²	9,006
	Carbon intensity	kgCO ₂ e/bbl	13.6	17.56	16
	Flaring intensity	kgCO ₂ e/bbl	6.28	9.18	9.66
Air quality ³	SO ₂	tonnes	718	3,286	4,357
	NO _x	tonnes	88,704	186,856	186,639
	NMVOG	tonnes	127	488	539
Water usage	Fresh water withdrawn	Cubic meters	2,869	42,624	124,586
	Produced water reinjected	Cubic meters	9,019	32,865	499,398
Hydrocarbon spills	Number of spills	#	2	6	9
	Spill size	1-10 barrel	1	0	0
	Total quantity spilled	Barrels	2.7 ⁴	<1	<1
Waste	Total waste generated	Cubic meters	7,890	32,494	48,885
	Total non-hazardous waste generated	Cubic meters	1,830	6,371	46,207
	% non-hazardous in landfill	%	23% ⁵	0%	0%
	% non-hazardous recycled	%	35%	63%	95%
	% non-hazardous incinerated	%	42%	37%	5%
	% non-hazardous stored	%	0%	0%	0%
	Total hazardous generated	Cubic meters	6,060	26,123	2,678
	% hazardous in landfill	%	0%	0%	0%
	% hazardous stored	%	0%	27%	15%
% hazardous recycled or remediated	%	100%	73%	85%	

ESG Topic	Indicator	Unit	2023	2022	2021
Health & Safety	Hours worked	Million	1,170,116	2,276,371	2,599,799
	Number of employee fatalities	# per year	0	0	0
	Number of contractor fatalities	# per year	0	0	0
	Process safety events Tier 1	# events/year	0	0	0
	Process safety events Tier 2	# events/year	0	1	0
	Lost Time Injuries (LTIF)	# per year	0	0	1
	Lost Time Injuries Frequency (LTIF)	Per million hours worked	0	0	0.38
	Total Recordable Injuries (TRIR)	Per million hours worked	0.85	0.90	1.92
	High-Potential events (HiPos)	# per year	2	6	6
	High- Potential events frequency (HiPoF)	Per million hours worked	1.71	2.69	2.3
	Kilometers driven	Thousands	720,633	2,023,676	3,664,587
	Motor vehicle collision rate	Per million km driven	4.16	0	0.19 ¹⁻⁶
	HSE training completed	%	74%	90%	90%
Total HSE training	Number of attendees	1,360 ⁶	3,113 ⁶	784	
Gender diversity	Women in workforce	%	30	26	34
	Women on Board of Directors	%	17	17	22
	Women on Executive Committee	%	20	17	12.5
	Women in management	%	27	23	20

¹ Climate-related figures are reported on an equity share basis, with the exception of Scope 3 emissions, which is reported on an operational control basis

² Figure corrected from 2022 Sustainability Report

³ Air quality figures are reported on an equity share basis

⁴ 2.5 bbls of oily sludge was spilled on 27 December 2023. 0.2 bbls of crude was spilled within a produced water spill on 31 March 2023

⁵ All allocated to Somaliland activities

⁶ Includes all site trainings conducted for contractors



Chair's statement on corporate governance



Dear Shareholder,

I am pleased to present my fifth Corporate Governance Report to shareholders as your Chair. Our 2023 Governance Report illustrates how our corporate governance framework has continued to support decision-making by the Board and its Committees.

The suspension of exports through the Iraq-Türkiye pipeline on 25 March 2023 has materially impacted our cash flow and production for the last nine months of the year. The loss of cash flow and lack of visibility on both the timing of resumption of exports and the re-establishment of a reliable record of payments by the KRG resulted in the Board of Directors suspending the Company's dividend programme during the year. The Board also took the decisions to terminate the Sarta PSC following disappointing drilling results, effective as of 1 December 2023, and to re-assess the timing of further investment in Somaliland following the completion of civil engineering work in Q4. As a consequence of the reduced operating activity, the Company has taken steps to change the size and shape of the organisation in order to reduce spending and preserve cash, including reducing our workforce by more than half.

Although the climate in which the Company has been operating during 2023 has been challenging, the Board and management team remain fully aligned and committed to delivering the Company's strategy of growing and diversifying our business as well as increasing visibility of long-term cash generation, and we continue to seek the right opportunity to put capital to work.

The Company retains a robust financial position, and during 2023 steps were taken to proactively manage this to ensure that our cash position remains strong. Through a bond buy-back tender offer and other purchases in the market, we successfully acquired \$26 million of bonds in issue, reducing our outstanding debt while not materially impacting available cash for the addition of new cash-generating assets to our portfolio.

Although the Board was due to undertake an external Board performance review in 2023 it was determined that due to the external environment being faced by the business it was more appropriate that an internal review of the Board, each Board Committee and individual Directors be conducted in 2023. In light of our reduced operational footprint a key output of the review was the decision to disband the HSSE Committee. Going forward the health, safety, security and environmental topics will form part of the Board's standing agenda. Further details of the Board evaluation can be found on page 87.

Following the publication of the revised UK Corporate Governance Code in January 2024, a review of our corporate governance framework will be undertaken this year. Where any areas of enhancements are identified we will endeavour to make the necessary changes to our framework in order to comply with the revised Code.

David McManus
Chair

Governance statements

Genel Energy plc is a Jersey incorporated company with a standard listing on the London Stock Exchange. The Board continues to be committed to complying with the UK Corporate Governance Code as appropriate for our business. Our view is that governance is not just a matter for the Board and that a strong governance culture must be fostered throughout the organisation. Our expectations of our employees and of those with whom we conduct business are set out in our Code of Conduct, which is available on our website at genelenergy.com.

Compliance statement

In line with our aim to foster a strong governance culture, the Board has decided to manage Genel's operations in accordance with the UK Corporate Governance Code 2018.

A full version of the Code can be found on the Financial Reporting Council's ('FRC') website at frc.org.uk. During 2023, the Company complied with the principles of the Code and on pages 73 to 74 explanations as to how we have complied with our obligations under the Code are provided. We are in full compliance with the provisions of the Code.

The Company will not be in compliance with provision 36 of the Code during 2024 following a decision to suspend the PSP post vesting holding period for the annual 2024 share awards. This decision was taken to enhance the competitiveness of Genel's remuneration offering to its senior management team, taking into consideration the remuneration package as a whole and the global environment in which we compete for talent.

Going concern

The going concern statement is made on page 24.

Viability

The viability statement is made on page 24. Further details of the Board's assessment of the viability of the Company are set out in the risk management section on pages 16 to 23.

Robust assessment of principal risks

The Board has undertaken a robust assessment of the Group's emerging and principal risks, including those that would threaten its business model, future performance, solvency, liquidity, and reputation. Our Annual Report identifies principal risks and uncertainties on pages 19 to 23 and the procedures followed to identify these risks on pages 16 to 18.

Review of risk management and internal control

A continuous process for identifying, evaluating and managing the risks the Company faces has been established. The effectiveness of the internal control systems are reviewed by the Audit Committee. Further details are set out on pages 16 to 18.

Fair, balanced and understandable

The Annual Report and Accounts taken as a whole are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's position, performance, business model and strategy. See the Audit Committee report on pages 96 to 99 for further information on how this conclusion was reached.

Section 172(1)

A Section 172(1) statement is made on page 25. It provides cross-references to the required detail set out throughout this Annual Report.

Application of UK Corporate Governance Code Principles

The Code has placed increased emphasis on “comply and explain” with regard to the Principles of the Code. Our explanations about how we have applied the main principles of the Code can be found as follows:

Board leadership and company purpose	
Principle A. A successful company is led by an effective and entrepreneurial board, whose role is to promote the long-term sustainable success of the company, generating value for shareholders and contributing to wider society.	Strategic report p. 1 to 69 Governance p. 71 to 121 Directors' Remuneration report p. 111 to 117
Principle B. The board should establish the company's purpose, values and strategy, and satisfy itself that these and its culture are aligned. All directors must act with integrity, lead by example and promote the desired culture.	Strategic report p. 1 to 69 Company purpose, values and strategy p. 8 to 9 Division of responsibilities p. 84 Directors' Remuneration report p. 111 to 117
Principle C. The board should ensure that the necessary resources are in place for the company to meet its objectives and measure performance against them. The board should also establish a framework of prudent and effective controls, which enable risk to be assessed and managed.	Sustainability p. 26 to 69 Risk management p. 16 to 18 Stakeholder engagement p. 25 Audit Committee report p. 96 to 99
Principle D. In order for the company to meet its responsibilities to shareholders and stakeholders, the board should ensure effective engagement with, and encourage participation from, these parties.	Sustainability p. 26 to 69 Stakeholder engagement p. 25 Communication with investors p. 77
Principle E. The board should ensure that workforce policies and practices are consistent with the company's values and support its long-term sustainable success. The workforce should be able to raise any matters of concern.	Sustainability p. 26 to 69 Stakeholder engagement p. 25 Directors' Remuneration report p. 111 to 117
Division of responsibilities	
Principle F. The chair leads the board and is responsible for its overall effectiveness in directing the company. They should demonstrate objective judgement throughout their tenure and promote a culture of openness and debate. In addition, the chair facilitates constructive board relations and the effective contribution of all non-executive directors, and ensures that directors receive accurate, timely and clear information.	Division of responsibilities p. 84 Composition, succession, and evaluation p. 86 to 87
Principle G. The board should include an appropriate combination of executive and non-executive (and, in particular, independent non-executive) directors, such that no one individual or small group of individuals dominates the board's decision-making. There should be a clear division of responsibilities between the leadership of the board and the executive leadership of the company's business.	Division of responsibilities p. 84 Composition, succession, and evaluation p. 86 to 87 Board biographies p. 89 to 91
Principle H. Non-executive directors should have sufficient time to meet their board responsibilities. They should provide constructive challenge, strategic guidance, offer specialist advice and hold management to account.	Composition, succession, and evaluation p. 86 to 87
Principle I. The board, supported by the company secretary, should ensure that it has the policies, processes, information, time and resources it needs in order to function effectively and efficiently.	Division of responsibilities p. 84

Governance statements

Composition, succession and evaluation	
Principle J. Appointments to the board should be subject to a formal, rigorous and transparent procedure, and an effective succession plan should be maintained for board and senior management. Both appointments and succession plans should be based on merit and objective criteria and, within this context, should promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.	Nomination Committee report p. 94 to 95
Principle K. The board and its committees should have a combination of skills, experience and knowledge. Consideration should be given to the length of service of the board as a whole and membership regularly refreshed.	Board biographies p. 89 to 91
Principle L. Annual evaluation of the board should consider its composition, diversity and how effectively members work together to achieve objectives. Individual evaluation should demonstrate whether each director continues to contribute effectively.	Nomination Committee report p. 94 to 95 Board effectiveness p. 87
Audit, risk and internal control	
Principle M. The board should establish formal and transparent policies and procedures to ensure the independence and effectiveness of internal and external audit functions and satisfy itself on the integrity of financial and narrative statements.	Audit Committee report p. 96 to 99
Principle N. The board should present a fair, balanced and understandable assessment of the company's position and prospects.	Strategic report p. 1 to 69 Risk management p. 16 to 18 Audit Committee report p. 96 to 99 Financial statements p. 130 to 159
Principle O. The board should establish procedures to manage risk, oversee the internal control framework, and determine the nature and extent of the principal risks the company is willing to take in order to achieve its long-term strategic objectives.	Risk management p. 16 to 18 Principal risks and uncertainties p. 19 to 23 Viability statement p. 24 Audit Committee report p. 96 to 99
Remuneration	
Principle P. Remuneration policies and practices should be designed to support strategy and promote long-term sustainable success. Executive remuneration should be aligned to company purpose and values, and be clearly linked to the successful delivery of the company's long-term strategy.	Company purpose, values, and strategy p. 8 to 9 Directors' Remuneration report p. 111 to 117
Principle Q. A formal and transparent procedure for developing policy on executive remuneration and determining director and senior management remuneration should be established. No director should be involved in deciding their own remuneration outcome.	Directors' Remuneration report p. 111 to 117
Principle R. Directors should exercise independent judgement and discretion when authorising remuneration outcomes, taking account of company and individual performance, and wider circumstances.	Directors' Remuneration report p. 111 to 117

Board leadership and Company purpose

Our objective remains to create long-term value for shareholders through the exploration, development and production of natural resources. Further information on our business model can be found on pages 8 to 9.

Activity highlights

● January	Approved the trading and operations update
● March	Reviewed and approved the 2022 Annual Report Reviewed the ESG materiality assessment and approved the Company's ESG strategy Reviewed the outcome of the 2022 Board effectiveness review Approved the declaration of a 2022 final dividend payment
● May	AGM Approved the exit from the Sarta PSC Endorsed the organisational downsizing
● June	Agreed to reassess the timing of drilling the Toosan-1 well
● July	Reviewed and approved the half-year results statements
● September	Discussed the Company's business strategy and capital allocation priorities
● October	Approved the bond buyback tender
● November	Approved the trading and operations update
● December	Approved the 2024 work programme and budget

The role of the Board

The Board's role is to provide leadership in delivering on the long-term success of the Company within a framework of prudent and effective controls. It is responsible for approving the Company's strategy and business plan and keeping under review the financial and operational resources of the Company. As part of its role the Board considers and discusses trends across the industry, the implications of these trends for the business including areas of potential opportunities, and risks that could impact the future success of the business. Further information on our purpose, business model and strategy can be found on pages 8 to 9.

As part of the Company's governance processes, the Board monitors the performance of the business and management against strategic objectives with the overall aim of creating and delivering value to shareholders. The performance of the Board and the contributions of Directors to the Board's decision-making processes are essential to fulfilling this role.

The Directors may exercise all the powers of the Company subject to the provisions of relevant law, the Company's articles, and any special resolution of the Company in the furtherance of their role. The Board has reserved certain matters for its own consideration and decision-making. Specific matters reserved for the Board include setting the Company's purpose, values, objectives, business and ESG strategy, and its overall supervision. Acquisitions, divestments and other strategic decisions will all be considered and determined by the Board in accordance with the matters reserved for the Board.

Authorities have been delegated to Board Committees and these are set out clearly in each Committee's terms of reference which are reviewed regularly to ensure they remain appropriate and relevant. Copies of the terms of reference are available on our website.

The Board of Directors has delegated day-to-day management of the business to the CEO who operates within delegated authority limits.

The Board reviews the matters reserved for its decision and the authorities it has delegated annually, subject to the limitations imposed by the Company's constitutional documents and applicable law.

The Board and its Committees have access to the advice and services of the General Counsel and Company Secretary and may seek advice from independent experts at the expense of the Company as appropriate. Individual Directors may also seek independent legal advice at the expense of the Company, in accordance with the Board's agreed procedure.

In addition, the Board has extensive access to members of senior management, who attend Board meetings by invitation, and present regularly to the Board on various aspects of the business.

Board leadership and company purpose

Code of Conduct

Our Code of Conduct, adopted by the Board defines what we stand for as a Company, sets out the principles that guide all of our business activities and how we expect our Board, employees, suppliers, partners, and others to behave. We strive for operational excellence and aim to conduct our business in a responsible, ethical and safe manner with high standards of financial reporting and corporate governance, and compliance with applicable laws. A full copy is available on our website.

Culture

The Board of Directors reviews and approves key policies including the Company's values and Code of Conduct in order to establish a tone from the top and ensure they support the long-term sustainable success of the business. The Board recognises the importance of monitoring culture throughout the business, in order to ensure practices and behaviours are aligned with the Company's purpose, values, and strategy. In order to monitor organisational culture throughout the year the Board and its Committees receive reports on various topics including organisational effectiveness, the understanding of culture and values throughout the business, health and safety, compliance matters, workforce remuneration, and talent development.

SpeakUp

All employees are encouraged to raise any concerns they may have and to report any suspected or known violations of the Code of Conduct or company policies without fear of retaliation. We operate an independently run and confidential 'SpeakUp' whistleblowing hotline for all staff. During the year all staff members were reminded of the SpeakUp facility available to them. All issues raised via this route are investigated and reported to the full Board.

Market Abuse Regulation

The Board is responsible for taking all proper and reasonable steps to ensure full compliance with the Market Abuse Regulation, including ensuring that staff are fully trained and understand their obligations under the regime.

Business conduct

We conduct our business in an open, honest, and ethical manner. We do not tolerate any form of bribery. We aim to ensure that all financial and non-financial information we create is complete and accurate, and we strive to provide accurate and timely information to external stakeholders, including governments, in the locations in which we operate. We take steps to protect against inappropriate use of confidential information and we aim to protect and use our business assets appropriately.

Our policy is not to make political donations and we have not done so in the year under review (2022: nil).

Conflicts of interest

We seek to avoid conflicts of interest wherever possible. We believe it is important that the decision-making process is not impaired by an individual being conflicted by either an actual or a potential conflict. However, we recognise that from time to time situations may arise which could result in actual or potential conflicts and, accordingly, we have a formal system in place enabling Directors and members of senior management to declare any such conflicts and for those conflicts to be reviewed and, if appropriate, authorised by the Board. A register of conflicts is maintained by the Company Secretary. The Company's conflict of interest policy also requires our employees to declare any actual or potential conflicts of interest. The Audit Committee and the Board have applied the principles and processes set out above during 2023 and confirm that they have operated effectively.

In addition, on an annual basis, the Company Secretary writes to each of our significant shareholders requesting their cooperation to identify conflicts of interest and related parties and continues to engage with them to identify any actual or potential conflict of interest that may arise on an ongoing basis.

Third-parties

We maintain high standards of business conduct in our dealings with all third-parties in order to promote mutually beneficial relationships and protect our reputation. We do not seek to win or maintain business by acting illegally or contrary to our contractual agreements. Our relationships with third-parties are conducted on a fair and honest basis. We expect our third-parties to maintain the same standards of business conduct as we adhere to.

Engagement with stakeholders

During the year, the Board continued to monitor the Company's key stakeholders, their impact on key strategic objectives and how the Company was engaging with each stakeholder. As well as ad hoc updates from management, discussions on engagement activity with the Company's key stakeholders are scheduled in the Board calendar throughout the year. Further information on stakeholder engagement and how the Board has complied with s172(1) of the UK Companies Act 2006 can be found on page 25.

The Group's Code of Conduct also sets a framework for how it partners with, and invests in, communities (local, regional and global) to achieve mutual long-term benefits. The Group contributes to socio-economic development through taxes, royalties and other local payments and donations. Further details of our community programmes can be found in our sustainability section on pages 26 to 69.

Communities and environment

Protecting and sustaining the communities and environment in which we operate is fundamental to maintaining our social licence to operate and to creating a long-term sustainable business. We strive to maintain high standards of environmental protection and we do not compromise our environmental values for profit or production. We seek to maintain proactive and constructive engagement with the local communities affected by our operations and assets and invest to help them develop in a sustainable manner. Further information on how we engage with communities can be found in the sustainability section of this report on pages 26 to 69.

Workforce engagement

The Board recognises the importance of our workforce as a key component in the Company's ability to deliver its strategy and has appointed Canan Edibođlu as its Designated INED ('DINED') for workforce engagement. On three occasions in 2023 Canan Edibođlu met with staff based in our London and Istanbul offices. Canan was able to engage with local staff and provide feedback to the Board of Directors.

In addition, throughout the year, where appropriate, the Executive Committee and their direct reports were provided with the opportunity to present various topics to the Board or relevant Board Committee for discussion.

Communication with investors

We communicate on a regular basis with our investors via presentations and calls as part of our annual financial calendar including holding video conferences with analysts on the morning of key updates to the business being made to the market. We also liaise with them on an ad hoc basis as and when questions arise.

In 2023, the Chair and CEO held meetings with major shareholders in order to discuss the current position of the business and its future strategy. Our major shareholders are encouraged to meet with the Chair to discuss any matters that they would like to raise outside the formal financial calendar. We welcome an open dialogue with all our investors.

The Board receives regular investor relations updates covering key investor meetings and activities, as well as shareholder and investor feedback.

We also engage with our shareholders via our website at genelenergy.com

2024 AGM

The 2024 AGM will be held on Thursday, 9 May 2024, at Linklaters LLP, One Silk Street, London, EC2Y 8HQ, UK at 11.00am.

The Notice of AGM accompanies this Annual Report and sets out the business to be considered at the meeting.

Both this Annual Report and the Notice of AGM are available on our website at genelenergy.com

2023 investor activity



HSSE Committee

Ensuring a focused approach to HSSE



Meetings held in 2023

Three scheduled meetings

Chair:

David McManus

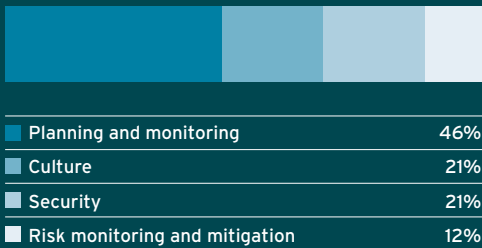
Members:

Canan Ediboğlu

Rt Hon Sir Michael Fallon

Yetik K. Mert

HSSE Committee time spent



Highlights of HSSE Committee activity

- Monitored progress made against the 2023 H&S plan
- Reviewed progress against the 2023 ESG plan
- Approved the 2024 corporate KPI's in relation to H&S and ESG
- Reviewed disclosures made in the 2022 Annual Report in relation to HSSE
- Reviewed key risks in relation to HSE
- Received security updates
- Reviewed progress made against the localisation agenda

Dear Shareholder,

I am pleased to present this report from the HSSE Committee. The health, safety, and security of our workforce has always been central to the culture of Genel. Genel's HSE policy continues to reflect international best practices including, but not limited to, the IFC Performance Standards and IOGP Standards.

Throughout 2023, the Committee continued to be provided with regular updates by management on security in the region and the progress made against the health and safety plan and the ESG plan, both of which the Committee approved at the beginning of the year.

During 2023, the civil engineering project on the Toosan-1 well site on the SL10B/13 block in Somaliland was completed without incident. At Sarta remediation activity was completed. We have now achieved over four million work hours since our last LTI which occurred in 2021.

The annual health and safety plan included actions in the following areas: HSE training and competency, contractor management, a level one and two assurance programme and making enhancements to our HSE Management System. During the course of the year, progress was made against each of these areas.

During the year the Committee monitored progress against the Company's Environmental, Social and Governance ('ESG') implementation plan. In May 2023, the Company published its fourth Sustainability Report, which continued to be prepared in accordance with the Global Reporting Initiative Standards core option and included Genel's responses to the recommendations issued by the TaskForce on Climate-Related Disclosure ('TCFD'). The Company's CDP climate score was maintained at B in 2023 and CDP water security score of C was achieved.

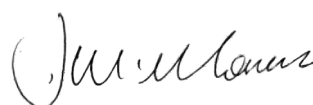
Actions	More information on decisions and outcomes
<p>Objective: To ensure that the Company maintains a responsible and credible approach to HSSE matters (including asset integrity and major hazard risk management), in line with international best practices and emerging legal requirements</p> <ul style="list-style-type: none"> – Received regular updates on health and safety from an operational perspective – Received regular updates on actions being taken against the annual ESG work plan – Received regular updates on security within the KRI and Somaliland 	See p. 47 to 51
<p>Objective: To assist the Company in maintaining its relationships with local communities in areas in which it operates, including through social investment and sustainable development activities</p> <ul style="list-style-type: none"> – The environmental and social impact arising from our operations is reviewed regularly and any areas of concern are reviewed by the Committee – Reviewed the Company's localisation strategy for the KRI – Reviewed CSR activity in 2023 	See p. 56 to 61
<p>Objective: To assist the Board and other committees in assessing HSSE risks and their effective management in determining, implementing and reviewing the Company's HSSE strategy and processes</p> <ul style="list-style-type: none"> – Risks allocated to the Committee under the risk management system are reviewed in detail and a report provided to the Audit Committee on the effectiveness of the HSSE controls and risk mitigation processes 	See p. 19 to 23
<p>Objective: To assist the Company in developing the HSE culture</p> <ul style="list-style-type: none"> – Received regular updates on the approach to safety culture and security across the organisation – Monitored performance against the H&S and ESG KPIs – Provided feedback to the Remuneration Committee on the HSE performance elements of the 2022 annual bonus performance targets 	See p. 26 to 69 and 87

In line with the UK's Streamlined Energy and Carbon reporting requirements, our greenhouse gas emissions in 2023 continue to be reported using an equity share approach. Further information can be found on page 33.

In line with the Company's commitment to developing local capability in the countries in which it operates the Committee reviewed the progress made in 2023 against our localisation agenda. The impact of our decision to exit the Sarta PSC, had a material impact on our localisation agenda and reduction in workforce in the KRI. Further information on activities undertaken by the Company as a socially responsible contributor to the global energy mix can be found on pages 26 to 69.

In recognition of the importance of HSE to our business the 2023 annual bonus objectives once again contained elements specifically allocated to the annual health and safety and ESG workplans. The Committee reviewed progress against the 2023 HSE objectives the details of which may be found on page 113.

The HSSE Committee effectiveness for the year ended 31 December 2023 was reviewed as part of the wider Board effectiveness review, and details of the Board effectiveness review can be found on page 87. As a result of the reduction in operating activity the Board has decided to disband the HSSE Committee, effective as of 1 January 2024 and items discussed by the Committee will now form part of the Board agenda going forward.



David McManus
Chair of the Board and former Chair of the HSSE Committee



International Relations Committee

Monitoring external developments

Meetings held in 2023

Three scheduled meetings

Chair:

Rt Hon Sir Michael Fallon

Members:

Tolga Bilgin

Canan Ediboğlu

David McManus

Yetik K. Mert

International Relations Committee time spent



Macro environment	74%
External risk	20%
Governance	6%

Highlights of International Relations Committee activity

- Reviewed and monitored political developments within the regions in which the Company operates
- Reviewed key risks including prevention and mitigation controls relevant to international relations
- Discussed external stakeholder engagement

Dear Shareholder,

I am pleased to present this report from the International Relations Committee. The role of the Committee is to provide oversight on external developments and risks that may impact Genel's activities.

Genel operates in areas of perceived high political risk, and the ongoing progress of the Company is interlinked with a clear understanding of the political environment for the natural resources industry in both the KRI and other jurisdictions.

The Board has members with significant regional, international, and political experience, and this provides the International Relations Committee with a breadth of knowledge that can be brought to bear on the latest political developments in the regions in which Genel operates. In turn, this supports the delivery of a successful strategy. The Committee is supported in its work by members of the Executive Committee and by external advisers.

The Committee held three meetings during the year and received regular reports between meetings on developments within the KRI and Federal Iraq and possible implications for the business. These included the decision by the Turkish authorities to halt the transmission of oil through the Iraq-Türkiye pipeline on 25 March 2023 follow a finding by the ICC in favour of Iraq. The Committee continued to monitor the operating environment in the KRI including the impact of the first Iraqi multi-year budget passed by the Federal Iraqi Government and its impact on the KRI. The Committee reviewed the key external stakeholders in the region and discussed engagement strategies.

As the Company commenced civil engineering work in Somaliland in preparation for the drilling of the Toosan-1 well, the Committee received reports on political developments in Somaliland and the neighbouring region. The Committee also undertook a review of the community stakeholder engagement strategy.



Actions

More information on decisions and outcomes

Objective: To monitor and review political developments in the regions in which the Company operates

- Received regular reports on political developments within Iraq and the Middle East
- Received regular reports on political developments in Somaliland and surrounding region

Objective: To provide an independent assessment of the external environment in respect of international relations as it affects the Company and decision making by the Board

See p. 19 to 23

- Received reports and discussed potential implications of external political events on the Company and the industry within which it operates

Objective: To review the quality of the Company's reporting in relation to political risk and controls

- Reviewed disclosures contained within the Annual Report

Objective: To monitor the Company's efforts in developing and maintaining relationships with key government stakeholders in the regions in which the Group operates

- Regularly received and held discussions with management in relation to actions being taken in order to develop and maintain relationships with our stakeholders across the business

In 2024, the Committee will continue to draw on the extensive international experience of Genel's Board members to provide an independent assessment of the external environment in respect of international relations as they affect the business and impact decision making by the Board.

The International Relations Committee also completed an annual review of its terms of reference, which can be viewed at genelenergy.com. As part of the Company's governance practice, an effectiveness review for the year ended 31 December 2023 was completed as part of the wider Board effectiveness review: further details of this can be found on page 87.

Rt Hon Sir Michael Fallon
Chair, International Relations Committee



Reserves Committee

Ensuring a robust reserves and resources process

Meetings held in 2023

Two scheduled meetings

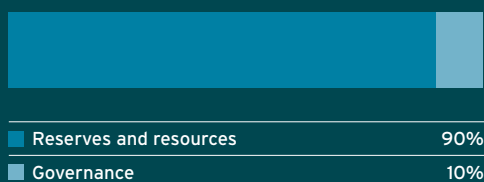
Chair:

David McManus

Members:

Paul Weir

Reserves Committee time spent



Highlights of Reserves Committee activity

- Reviewed the reserves and resources for each of the Company's assets
- Approved the 2023 reserves and resources statement
- Review of disclosures made in the Annual Report in relation to reserves and resources

Dear Shareholder,

I am pleased to present this report from the Reserves Committee. As part of the Company's governance processes, the Reserves Committee provides oversight over the processes undertaken to assess the Company's reserves and resources and approves the reserves and resources statement.

In order for the Committee to discharge its responsibilities it receives and considers reports from management, technical experts and external independent reserves evaluators as required ahead of approving the annual reserves and resources statement. The Committee examined an assessment from DeGolyer and MacNaughton on the Tawke licence at which Genel has a 25% working interest. The outcome of this assessment was that at the 2023 year-end 2P reserves at the Tawke PSC stood at 326 MMbbls (2022: 327 MMbbls). 2P reserves have been adjusted for 2023 production of 17 MMbbls and an upwards technical revision of 16 MMbbls. Genel continues to retain 11.7 MMbbls of these 2P resources associated with the Tawke field enhanced oil recovery project as 2C.

The Committee considered that in light of no new wells being drilled at the Taq Taq licence and production being shut in from May 2023 no independent assessment of reserves and resources would take place for the 2023 year end. Reserves at the Taq Taq licence at which Genel has a 44% working interest would instead be corrected for 2023 production. Gross 2P reserves stood at 23.4 MMbbls at year-end 2023 (23.9 MMbbls at end-2022), following production of 0.5 MMbbls.

As part of our year end reserves process 2P reserves associated with Sarta were removed as a result of the PSC being terminated on 1 December 2023.



Actions	More information on decisions and outcomes
Objective: To increase shareholder confidence by ensuring a robust reserves and resources review process – Reviewed the reserves and resources assessment procedure	See p. 14
Objective: To review the Company's statement of reserves, independent reserves evaluator's reports and any material changes in reserves volumes – Approved the Company's annual statement of reserves and resources – Reviewed the independent reserves evaluator reports	See p. 14 and 82
Objective: To review the qualification and independence of the independent qualified reserves evaluator – Endorsed the appointment of each of the assets reserves evaluator	See p. 82

The Reserves Committee has detailed terms of reference which can be viewed at genelenergy.com and as part of the Company's governance practices an effectiveness review of the Committee for the year ended 31 December 2023 was completed as part of the wider Board effectiveness review.

David McManus
Chair, Reserves Committee

Division of responsibilities

Independence of the Board

The Independent Non-Executive Directors Canan Ediboğlu, Sir Michael Fallon, and Yetik K. Mert are responsible for ensuring an appropriate challenge of management and the decisions of the Board. David McManus (as Chair) was considered independent at the time of his appointment. The Independent Directors and the Chair meet regularly in a private session after Board meetings and on other occasions. Tolga Bilgin is not considered to be independent.

The Board considers that there is an appropriate balance between Executive and Non-Executive, Independent and Non-Independent Directors, with a view to promoting shareholder interests and governing the business effectively.

Roles and responsibilities

We believe that it is important to ensure that there is a clear division of roles between the Chair, Chief Executive Officer, and Senior Independent Director of the Company.



David McManus

Chair

David McManus is the Chair. The Chair reports to the Board and is responsible for the leadership and overall effectiveness of the Board, overseeing the strategy of the Company and for setting the Board's agenda. Specific responsibilities of the Chair include ensuring the effective running of the Board, ensuring that the Board agenda is forward-looking with an emphasis on strategic issues and ensuring the performance of the Board and its Committees is effective and in line with best practice. A culture of openness and debate is encouraged by the Chair by ensuring constructive relations between Executive and Non-Executive Directors and ensuring effective communication between the Company and its shareholders. The Chair's other significant commitments are included in his biography on page 90.



Paul Weir

Chief Executive Officer

Paul Weir is the Chief Executive Officer. The Chief Executive Officer is responsible for all executive management matters of the Company. He reports to the Chair and to the Board directly. Specific responsibilities include the day-to-day management of the Group within delegated authority limits, identifying and executing strategic opportunities, managing the risk profile and ensuring appropriate internal controls are in place, maintaining a dialogue with the Chair and the Board on important and strategic issues, ensuring the proper development of senior management and succession planning for executive positions.



Sir Michael Fallon

Deputy Chair and Senior Independent Non-Executive Director

Sir Michael Fallon is the Deputy Chair and Senior Independent Director. Sir Michael Fallon is available to shareholders who have concerns that cannot be addressed through the normal channels of the Chair or the Chief Executive Officer. He acts as a sounding board for the Chair and an intermediary for other Directors if and when necessary.

Composition, succession, and evaluation

Our committee structure - 2023

Board of Directors					
<p>Audit Committee</p> <p>Ensuring integrity and clarity of published financial information</p> <p>Chair Canan Ediboğlu</p> <p>Members Yetik K. Mert</p> <p>Meetings in 2023 3 scheduled</p> <p>Read more p. 96</p>	<p>Remuneration Committee</p> <p>Ensuring an appropriate approach to remuneration that supports delivery of the business strategy</p> <p>Chair Yetik K. Mert</p> <p>Members David McManus Sir Michael Fallon</p> <p>Meetings in 2023 3 scheduled 2 ad hoc</p> <p>Read more p. 100</p>	<p>Nomination Committee</p> <p>Ensuring the continuation of a high-calibre Board</p> <p>Chair David McManus</p> <p>Members Canan Ediboğlu Sir Michael Fallon Yetik K. Mert</p> <p>Meetings in 2023 2 scheduled 2 ad hoc</p> <p>Read more p. 94</p>	<p>HSSE Committee</p> <p>Ensuring a responsible and credible approach to HSSE</p> <p>Chair David McManus</p> <p>Members Canan Ediboğlu Sir Michael Fallon Yetik K. Mert</p> <p>Meetings in 2023 3 scheduled</p> <p>Read more p. 78</p>	<p>Reserves Committee</p> <p>Ensuring a robust reserves review process</p> <p>Chair David McManus</p> <p>Members Paul Weir</p> <p>Meetings in 2023 2 scheduled</p> <p>Read more p. 82</p>	<p>International Relations Committee</p> <p>Monitoring external developments</p> <p>Chair Sir Michael Fallon</p> <p>Members Tolga Bilgin Canan Ediboğlu David McManus Yetik K. Mert</p> <p>Meetings in 2023 3 scheduled</p> <p>Read more p. 80</p>

Board attendance

	Main Board	Audit	Remuneration	Nomination	HSSE	Reserves	International Relations
David McManus	● ● ● ● ● ● ■ ■ ■ ■ ■ ■ ■ ■ ■		● ● ● ■ ■	● ● ■ ■	● ● ●	● ●	● ● ●
Sir Michael Fallon ¹	● ● ● ● ● ● ■ ■ ■ ■ ■ ■ □ □ □		● ● ● ■ ■	● ● ■ ■	● ● ●		● ● ●
Paul Weir	● ● ● ● ● ● ■ ■ ■ ■ ■ ■ ■ ■ ■					● ●	
Tolga Bilgin	● ● ● ● ● ● ■ ■ ■ ■ ■ ■ ■ ■ ■						● ● ●
Canan Ediboğlu ¹	● ● ● ● ● ● ■ ■ ■ ■ ■ ■ ■ ■ ■ □	● ● ●		● ● ■ ■	● ● ●		● ● ●
Yetik K. Mert	● ● ● ● ● ● ■ ■ ■ ■ ■ ■ ■ ■ ■	● ● ●	● ● ● ■ ■	● ● ■ ■	● ● ●		● ● ●

- denotes scheduled meeting attended
- denotes scheduled meeting not attended
- denotes ad hoc meeting attended
- denotes ad hoc meeting not attended

¹ Sir Michael Fallon and Canan Ediboğlu were unable to attend certain ad hoc Board meetings during the year held at short notice, however did provide their comments to the Chair ahead of the meeting.

Meetings of the Board

The Board meets approximately six times each year and schedules other meetings as necessary to fulfil its role. During the year the Board held 15 meetings in total of which 9 were in addition to those scheduled.

There are detailed agendas for each Board meeting which are developed by the Chair, the CEO, and the Company Secretary. The Board also has an annual rolling agenda that sets out the key topics for consideration at each meeting.

In addition to the scheduled meetings of the Board, Directors receive updates from management in between meetings on the performance of the business against the agreed strategy and on its operations.

Operation of the Board

The Chair is responsible for ensuring that the Board operates effectively. The Non-Executive Directors provide scrutiny and oversight to hold to account the performance of management and the Executive Directors. The Board operates within an open style of communication and debates issues openly and constructively within an environment that encourages healthy debate and challenge both inside and outside the boardroom.

The Directors receive board papers and other relevant information in a timely manner ahead of meetings. Board papers are delivered through an electronic portal that enables Directors to access them wherever they are in the world. The timely provision of relevant information to Directors is vital in ensuring they are able to fulfil their role of effective oversight and challenge and for enabling the Board to make effective decisions.

Board Committees

During 2023 six Board committees were operational: the Audit Committee, the Remuneration Committee, the Nomination Committee, the Health, Safety, Security and Environment Committee, the Reserves Committee and the International Relations Committee.

Each committee has adopted terms of reference under which authority is delegated by the Board, copies of which are available at genelenergy.com. The Audit Committee, Remuneration Committee, and Nomination Committee consist only of Independent Non-Executive Directors save that David McManus, who was independent upon his appointment is a member of the Remuneration Committee.

The Board of Directors have disbanded the Health, Safety, Security and Environment Committee as of 1 January 2024 and going forward topics discussed by this Committee will form part of the Board's standing agenda.

Board composition

There are six directors on the Board, one of whom is Executive and five (including the Chair) are Non-Executive. Three (excluding the Chair) are independent under the Code. In addition, the Chair was independent on appointment and one Shareholder representative Director is not considered independent.

Skills, knowledge, experience, and attributes of Directors

The Board considers that a diversity of skills, background, knowledge, experience, perspective, and gender is required in order to govern the business effectively. The Board and its Committees work actively to ensure that the Executive and Non-Executive Directors continue to have the right balance of skills, experience, independence and group knowledge necessary to discharge their responsibilities.

The Non-Executive Directors bring with them international and operational experience gained both in the sectors in which we operate and in other areas of business and public life.

All Directors are required to devote sufficient time and demonstrate commitment to their role. Further details of the Directors' skills and experience are set out on pages 89 to 91 of this Annual Report.

Board composition, international diversity, skills and experience of the Board

Board composition

Total number of Directors	● ● ● ● ● ●
Independent Directors	● ● ● ●
Non-Independent Directors	●
Executive Directors	●

International diversity

British	● ● ●
Turkish	● ● ●

Skills and experience of the Board

Natural resources	● ● ● ●
Managing and leading	● ● ● ● ● ●
Governance	● ● ● ● ●
Financial capital markets	● ● ●
HSSE	● ● ●
Remuneration	● ● ● ●
Foreign affairs	● ● ● ● ● ●

Directors' induction and ongoing development

In order to govern the Group effectively, Non-Executive Directors must have a clear understanding of the overall strategy, together with a sound knowledge of the business and the industry within which it operates.

The Chair, together with the Company Secretary, is responsible for ensuring that all new Directors receive a full, formal and tailored induction upon appointment to the Board. This includes a detailed overview of the Company and its governance practices and meetings with key personnel from across the Group in order to develop a full understanding of the business, its strategy and business priorities in each area.

As part of the ongoing training and development programme throughout the year training on specific topics including sessions on the Market Abuse Regulation and equality and diversity was held. It is intended that this programme will continue throughout 2024.

Board effectiveness

For the 2023 Board effectiveness review, the Board of Directors considered whether or not to engage an external facilitator however, ultimately due to the external environment being faced by the business it was decided that it was more appropriate to conduct an internal review of the effectiveness of the Board, each of its Committees, and each Director. The 2023 review was facilitated by the Chair.

As part of the Board evaluation, an electronic survey among Board members and one-to-one meetings were held between each Board Director and the Chair.

Actions taken following the 2022 effectiveness review

Culture

To continue building on efforts to enhance the dynamic amongst the Board and with management.

Throughout 2023 the dynamic between the Board and management continued to improve.

Composition

Following the reduction in Board members during 2022, the composition and size of the Board will be kept under review during 2023 in order to ensure Board has the correct skills and experience to drive forward the Company's strategy.

Following a review of the Board composition undertaken by the Nomination Committee, it was agreed that although no new appointments would be made during 2023 the Committee will continue to keep Board size and composition under review to ensure the appropriate experience and skills to deliver the Company's strategy.

Strategy

The Board has set a clear strategy for the Company and will continue to focus on delivering value to shareholders through its execution. As part of Genel's ongoing sustainability commitments, the Board will be reviewing the Company's ESG strategy during 2023 in order to implement any necessary changes, as the Company strives to remain a socially responsible contributor to the global energy mix.

The Board performed a review of the Company's strategy and confirmed it remained appropriate.

The Board reviewed the Company's ESG materiality assessment and approved an ESG strategy during 2023.

Actions arising from the 2023 effectiveness review

Board Committees

Following a review of our Board Committee structure and taking into consideration the reduction in our operating activity, the Board have decided to disband the HSSE Committee. Matters previously considered by the HSSE Committee will be incorporated into the Board agenda going forward providing more frequent updates to the Directors on these matters.

Composition and succession planning

The composition and size of the Board will continue to be kept under review during 2024, to ensure the Board has the correct skills and experience to drive forward the Company's strategy as well as having appropriate succession plans in place.

Strategy implementation

The Board has set a clear strategy for the Company. In 2024 the Board will continue to focus on the implementation of our strategy and delivering value to our shareholders.

Overall, the 2023 Board effectiveness review concluded that the Board functions well and each of its Committees are effective with strong leadership and engagement, allowing adequate time to discuss areas within their remit.

Following these performance reviews, the Board considers that each of the Directors continues to make an effective and valuable contribution and demonstrates their commitment to the role. Accordingly, the Board recommends the re-election of each Director at the Company's forthcoming AGM. It is the Board's intention to continue to review its performance annually, including that of its Committees and individual Directors.



Board of Directors



Board of Directors

1. David McManus

Chair

Appointed: 5 February 2020.

Committee memberships: Chair of the Nomination Committee, and the Reserves Committee and member of the Remuneration and International Relations Committees.

Key skills and experience: David has vast experience as an international business leader in the energy sector with strong technical and commercial skills. He has over 40 years experience in technical, commercial, business development, general management and executive roles across all aspects of the oil & gas and energy business, spanning most regions of the world.

Current external appointments: David is currently serving as a Non-Executive Director for a number of listed companies including Hess Corporation, a large, integrated US oil and gas company and FlexLNG a Norwegian-listed LNG shipping company.

Previous relevant experience: In February 2020 David retired from Costain plc, one of the UK's leading smart infrastructure solutions providers. He was also a Non-Executive Director on the Board of Rockhopper Exploration plc until May 2019, where he served as Chair from 2016 to 2019. Other past Directorships include Caza Oil & Gas Inc and Cape plc, where he served as Chair from 2006 to 2008. David's earlier career consisted of a number of executive positions including at Pioneer Natural Resources, where he was executive vice president for international operations, BG Group, Atlantic Richfield Company (ARCO), LASMO plc, and Shell UK.

2. Paul Weir

Chief Executive Officer

Appointed: Executive Director and Chief Executive Officer on 3 October 2022.

Committee memberships: Member of the Reserves Committee.

Key skills and experience: Paul has worked for almost 40 years in upstream E&P having spent time in the North Sea, South East Asia and Africa with experience of onshore and offshore oil and gas operations. Paul joined Genel as Chief Operating Officer in January 2020, with responsibility for all production assets and functional leadership of the operational disciplines before being appointed as Interim CEO on 9 June 2022. Paul was then appointed, by the Board, as CEO in October 2022.

Before joining Genel, Paul was Group Head of Operations and Safety at Tullow Oil. Prior to that Paul spent 13 years at Talisman, where he was VP of Production & Exploration, leading Operations in Malaysia.

Current external appointments: None.

Previous relevant experience: Paul has worked in a variety of operational roles for Nippon Oil, Elf, Occidental and Total. Paul holds an MBA in Oil & Gas Management from Robert Gordon University in Aberdeen.

3. Rt Hon Sir Michael Fallon

KCB

Senior Independent Non-Executive Director and Deputy Chair

Appointed: 5 February 2020.

Committee memberships: Chair of the International Relations Committee and member of the Remuneration and Nomination Committees.

Key skills and experience: Sir Michael is a former UK Defence Secretary with 30 years of senior political and business experience, serving in four British Cabinets, and as a Non-Executive Director on City and commercial boards.

Current external appointments: In May 2021, Sir Michael was appointed as Chair of Aberdeen Standard Investcorp Infrastructure Partners, an Infrastructure fund. He has been a member of Investcorp's International Advisory Board since 2018. Sir Michael is also Chair of Avanton Ltd, a property development firm; and Deputy Chair of Nova Innovation, a tidal energy company.

Previous relevant experience: Sir Michael was Energy Minister in the UK Government from 2013-2014: responsible for oil, gas, electricity, nuclear and renewables.

4. Canan Ediboğlu

Independent Non-Executive Director

Appointed: 21 June 2020.

Committee memberships: Chair of the Audit Committee, and member of the Nomination, and International Relations Committees.

Key skills and experience: Canan has significant financial, corporate and industry experience. She had almost 30 years of experience at Royal Dutch Shell, culminating in her role as the country chair and CEO of Shell Turkey between 2001 and 2009. Prior to this, she was the CFO of Shell Turkey, preceded by a series of positions at the company across numerous aspects of the business, notably marketing, treasury and planning. Since leaving Shell, Canan has advised a number of companies including Accenture, Maersk, and APM Terminals in developing their businesses in Turkey.

Current external appointments: Canan is a Non-Executive Director of ING Bank and Tupras, in Turkey, since 2010 and 2017 respectively. She is also a voluntary member of various NGOs, and is a board member of the Turkish Autism Society, the Global Relations Forum, and the World Resource Institute where she was previously Chair for five years - the Centre for Sustainable Transport.

Previous relevant experience: Between 2011 and 2017 Canan was a Non-Executive Director of Aygaz, a Turkish LPG marketing and distribution company, and between 2013 and 2019 a Non-Executive Director of Prysmian Turkey. Canan is the former President of PETDER (Turkish Association of Petroleum Industrialists) and Chair of the Oil Industry Council Turkish Union of Chambers and Commodity Exchanges and board member of WWF.

5. Yetik K. Mert

Independent Non-Executive Director

Appointed: 22 December 2021.

Committee memberships: Chair of the Remuneration Committee, and member of the Audit, Nomination, and International Relations Committees.

Key skills and experience: Yetik has almost 40 years' technical, commercial, business development, and general management experience, including holding executive and non-executive Directorship roles across the energy utility and industrial sectors in MENA, CEE, and the USA.

Current external appointments: Yetik is currently serving as a Non-Executive Director and Chair of the Remuneration, Governance and Nomination Committees on the Boards of Turkish companies Çimsa Çimento Sanayi ve Ticaret A.Ş. and Afyon Çimento Sanayi Turk A.Ş. (Sabancı Holding Group Companies), which operate in the industrial construction sector.

Previous relevant experience: Between 1982 and 2004 Yetik undertook a number of engineering, strategic planning and business development roles across various industries including the manufacturing and construction sectors. In 2004, he became CEO of the Energy division at Sabancı Holding A.Ş., rising to become CEO of the Enerjisa Group (Integrated Energy Utility) in 2011. In 2016, he became CEO of STFA Group Holding Company and Chair of the operational companies within the same group, tasked with the total restructuring of the Group.

6. Ümit Tolga Bilgin

Non-Executive Director

Appointed: 5 February 2020.

Committee memberships: Member of the International Relations Committee.

Key skills and experience: Tolga Bilgin has current experience within the energy sector as CEO and Deputy Chair of Bilgin Enerji Yatirim Holding A.Ş., and has held this position since 2014. Bilgin Energy is one of the largest companies within the Turkish energy sector. Through his current role and various positions held at Bilgin Energy managing the development, financing and execution of wind, hydro and thermal energy projects, Tolga brings experience in management, leadership, M&A and project financing to the Board.

Current external appointments: Since 2006 Tolga has been serving as the Chair of the Wind Power and Hydropower Plants Businessmen's Association and was also appointed as Deputy Chair of Turkish Electricity Producers Association in 2018.

7. Chandni Karania

Company Secretary

Appointed: 1 November 2022.

Chandni Karania joined Genel in early 2013 as Assistant Company Secretary and was appointed Deputy Company Secretary in June 2017. Prior to joining Genel Chandni was the Company Secretarial Assistant at Misys PLC and Azko Nobel. Chandni holds an LLB from the University of Reading, an MBA from the University of Chicago Booth School of Business and is a Fellow of the Chartered Governance Institute.

Executive Committee



1. Mike Adams

Technical Director

Formerly Head of Exploration and New Business, Mike was appointed as Technical Director on 1 June 2019, with responsibility for all pre and pilot production activities relating to exploration, appraisal, and new business, as well as the subsurface department. Mike has over 30 years of experience in the oil and gas industry in a wide variety of exploration, exploitation and global business development roles. Prior to joining Genel in 2012, Mike worked in a series of technical and leadership positions for companies including British Gas, Amerada Hess, Gulf Keystone Petroleum and Sterling Energy. Mike holds a MSc in Petroleum Geology from Imperial College London.

2. Luke Clements

Chief Financial Officer

Luke joined the Company in 2011 to advise on the merger of Vallares Plc and Genel Enerji, and became Group Financial Controller in 2015, responsible for a broad range of financial, commercial, M&A and treasury related activities. Prior to joining the Company, Luke spent seven years at KPMG, where he was head of department and advised multiple FTSE100 and FTSE350 companies across a range of sectors. Luke holds an LLB in Law from the University of Sheffield.

3. Jamie Dykes

General Counsel

Jamie has practised as a lawyer for nearly 25 years exclusively in the energy, natural resources, and international trade sectors. Prior to joining Genel in 2012, he worked in-house at Mobil Corporation and then ExxonMobil Corporation and was latterly General Counsel of BHP Billiton Petroleum in Houston, Texas. He advises on a wide range of conventional oil and gas related issues including PSCs, JOA's, Farm in Agreement negotiations and also has particular experience in advising companies operating in emerging markets with a focus on anti-bribery, sanctions and legal compliance issues. Jamie trained as a litigation lawyer at Norton Rose in the City of London and holds an MA in Classics from the University of Cambridge.

4. Berna Özkoç Öztınaz

Chief HR Officer

Berna joined Genel in June 2020 and has over 25 years of HR and business support experience. Her most recent role was Chief Human Resources Officer at DeFacto. She is the President of the European Association of People Management (EAPM) and Board Member of the World Federation of People Management Associations (WFPMA), representing Europe. Prior to DeFacto, she worked at STFA Holding for 3 years as Strategy and Human Resources Chief Officer. She spent 11 years at ENERJISA, where she held a number of leading HR and Business Support roles and was a Board Member of AYEDAS and BASKENT Electricity Distribution Companies. She previously worked at KORDSA and TURSAB.



Nomination Committee

Ensuring a Board with the skills for long-term success

Meetings held in 2023

Two scheduled meetings
Two ad hoc meetings

Chair:

David McManus

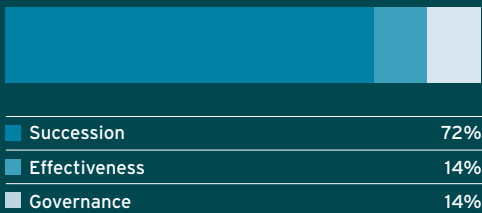
Members:

Canan Ediboğlu

Rt Hon Sir Michael Fallon

Yetik K. Mert

Nomination Committee time spent



Highlights of Nomination Committee activity

- Reviewed Directors' independence and made recommendations on proposals for Director re-election/election
- Discussed key skills and experience around the Board
- Discussed the size and composition of the Board
- Considered talent management across the business

Dear Shareholder,

I am pleased to present this report from the Nomination Committee. The purpose of the Committee is to help the Board discharge its responsibilities by leading the process for appointments, ensuring plans are in place for orderly succession to both Board and senior management positions, and overseeing the development of a diverse pipeline for succession.

In discharging its duties, the Committee keeps under review the composition and balance of the Board. The Committee is aware of the need to align the Board's composition with the Company's strategy and to ensure the Board has the necessary skills to ensure the Company's long-term success. As part of its work, the Committee assists the Board in ensuring that it consists of individuals whose background, skills, experience and personal characteristics will augment the present Board and meet its future needs.

During the course of 2023 the Committee spent time considering whether additional skills and experience were required in order to ensure the Board as a whole contained the appropriate experience and skills to deliver the Company's strategy. The Company's strategic priorities, main trends and factors affecting the long-term success and future viability of the Company were taken into consideration. The Committee has concluded that at this time no further appointments to the Board are required but intends to keep this under review to ensure the appropriate experience and skills to deliver the Company's strategy.



Actions	More information on decisions and outcomes
<p>Objective: Review the structure, size and composition of the Board, having due regard to the Company's strategic, operational and commercial requirements and overall diversity of Board members</p> <ul style="list-style-type: none"> – Reviewed the size and composition of the Board taking into consideration the future strategic direction of the Company and the overall diversity of Board members 	See p. 94 to 95
<p>Objective: Annually reviewing the time required from Non-Executive Directors and making recommendations as to their reappointment at the AGM</p> <ul style="list-style-type: none"> – As part of the internal Board effectiveness review, a review of the performance of all Directors was undertaken. A review of the Chair's performance was carried out by the Deputy Chair and Senior Independent Director – Recommended the re-election/election of each Director at the 2023 AGM 	See p. 87
<p>Objective: Keeping under review succession arrangements for Directors and other senior executives</p> <ul style="list-style-type: none"> – Undertook a review of talent management across the Company 	See p. 94 to 95

Although the Board does not have specific Board diversity targets, the Company's Diversity and Equal Opportunities policy remains unchanged, a copy of which can be found on our website. We are committed to employing a diverse and balanced workforce, including our Board of Directors. We recognise diversity of ideas, skills, knowledge, experience, culture, ethnicity and gender are important when building an effective and talented workforce at all levels of the organisation, including the Board. The importance of this is highlighted in our Code of Conduct and underpinned by our recruitment practices and dealings with our partners and suppliers. Further information on diversity within the Company can be found on pages 52 and 53 and the Board and senior leadership's gender identity and ethnicity data presented in accordance with Listing Rule 9.8.6R(10) can be found on page 119.

The Committee reviewed the output of the 2023 talent management process which is used throughout the Company to identify current and future talent potential, learning and development needs, and succession planning gaps. As part of this review, the Committee considered the diversity of age, gender and type of employee (full-time or contractors) across the Company.

The Nomination Committee has detailed terms of reference which can be viewed at genelenergy.com and as part of the Company's governance practices, an effectiveness review of the Committee for the year ending 31 December 2023 was completed as part of the wider Board Effectiveness Review. Further information can be found on page 87.

David McManus
Chair, Nomination Committee



Audit Committee

Ensuring integrity and clarity of published financial information

Meetings held in 2023

Three meetings

Chair:

Canan Ediboğlu

Members:

Yetik K. Mert

Audit Committee time spent



Governance and audit	52%
Risk management and internal control	28%
Financial reporting	12%
Financing	4%
Reserves and resources	4%

Highlights of Audit Committee activity

- Reviewed the 2022 Annual Report and Accounts and 2023 half-year results
- Reviewed significant estimates and judgements in relation to the 2022 full-year accounts and 2023 half-year accounts
- Received reports from the external auditors
- Reviewed internal controls and risks
- Approved the 2023 internal audit plan and received reports from Internal Audit
- Received updates on the legal compliance programme
- Reviewed risk management processes and the risk register

Dear Shareholder,

I am pleased to present this report from the Audit Committee. The role of the Committee is to aid the Board in ensuring the integrity and clarity of published financial information, recommend the appointment of our external auditors, oversee the internal audit, risk management assurance framework.

The Committee's terms of reference are available on our website at genelenergy.com

Membership

During 2023 all members of the Audit Committee were Independent Non-Executive Directors. The Committee as a whole is considered to be competent in the oil and gas sector and I meet the requirement under the UK Corporate Governance Code which requires at least one member of the Committee to have have recent and relevant financial experience.

In order to discharge its duties and responsibilities effectively during the year the Committee relied on information and support from management and invited the CEO (Paul Weir), CFO (Luke Clements), Head of Assurance and Risk Management (VK Gupta), General Counsel (Jamie Dykes) and Company Secretary (Chandni Karania) as well as other staff to its meetings.

Actions	More information on decisions and outcomes
<p>Objective: To ensure the integrity and objectivity of published financial information, enabling investors to make decisions based on appropriate Company information</p> <ul style="list-style-type: none"> – Considered the Annual Report as a whole including the basis for the going concern assumption, the viability statement and underlying assumptions – Assessed the Annual Report in the context of whether, taken as a whole, it is fair, balanced and understandable – Scrutinised areas involving significant judgement, estimation or uncertainty in particular impairments – Considered the quality and appropriateness of the accounting policies and practices and financial reporting disclosures and changes thereto – Reviewed and received reports from the external auditors on the annual financial statements and interim results statement 	<p>See p. 10 to 15 and 96 to 99</p>
<p>Objective: To ensure effective risk management and internal control systems</p> <ul style="list-style-type: none"> – Provided oversight of the Group risk framework and by doing so supported the Board on assessing the Company's tolerance for risk on specific risks – Kept under review the effectiveness of the systems of internal control systems, including the adherence to Company policies, internal audit outputs and the compliance programme including the anti-bribery and trade sanctions processes and procedures – Monitored the development of the Company assurance framework 	<p>See p. 16 to 23</p>
<p>Objective: To ensure effective financial controls and accuracy of financial reporting</p> <ul style="list-style-type: none"> – Monitored the financial control framework of the Company – Monitored the cash position of the Company and kept the treasury policy under review to ensure it remained appropriate and aligned with the Company's cash position – Kept key accounting policies and practices under review to ensure that they remain appropriate – Monitored compliance with financial reporting standards and relevant financial and governance requirements 	<p>See p. 10 to 13, 96 to 99 See note 1 p. 135 to 141</p>
<p>Objective: To review the performance of internal and external auditors</p> <ul style="list-style-type: none"> – Monitored the effectiveness and independence of the external auditor and compliance with the non-audit service's policy – Recommended the re-appointment of BDO LLP ('BDO') as the Company's external auditors – Received reports from the Company's internal auditor on audits performed in the period and monitored their performance and effectiveness – Held private meetings with the external auditors without the presence of management 	<p>See p. 96 to 99</p>
<p>Objective: To monitor conflicts of interest</p> <ul style="list-style-type: none"> – Continued to assist the Board in reviewing conflicts of interests of Directors and senior managers 	<p>See p. 76</p>

Significant issues and judgements

The significant issues considered by the Committee in relation to the 2023 accounts and how these were addressed were:

Oil price forecast - the Committee reviewed the Company's oil price forecast at the half-year and full-year. The Company's oil price forecast was determined by reference to Brent futures market and consensus oil price, and smoothed to \$70/bbl in the long-term.

Export shut-in - following the closure of the Iraq-Türkiye pipeline on 25 March 2023 production from our KRI assets was initially suspended and re-started following the commencement of local sales in the second half of the year. The closure of the pipeline has resulted in the deferment of activity and production, and the move to local sales has caused a reduction in the realised sale price therefore the closure of the Iraq-Türkiye pipeline has been considered as an impairment indicator.

Discount rate - the Committee has reviewed the discount rate used for assessing the recoverable amount of its producing assets and maintained it at 14%.

Impairment of producing oil assets - when considering potential indicators of impairment, the Audit Committee considered the matters outlined above, together with the production performance of the assets, activity schedules, costs, pricing terms and payments.

At the full-year the Committee also considered the output of the Reserves Committee process. Whilst there were no impairment / reversal of past impairment for Tawke PSC or Taq Taq, the termination of the Sarta PSC has resulted in a write-off expense of \$18.7m.

Trade receivables recoverable value - the Company is owed five months of sales revenue for the period between November 2022 and March 2023 as at 31 December 2023. The delay in payments was assessed in terms of the recoverability of trade receivables and this assessment resulted in an expected credit loss of \$14.5 million.

Going concern - the key inputs and sensitivities applied to the Company's viability statement and going concern assessment were reviewed by the Committee.

The Committee concluded that the Company remains a going concern and is expected to remain viable over the next three year period.

Risk management

As part of the Company's control framework the Committee assisted the Board in monitoring and reviewing risk management procedures and risk reporting. An overview of the Company's risk management procedures and principal risks can be found on pages 16 to 23.

Internal Audit and Assurance

The Board recognises that an effective Internal Audit function, responsible for providing independent and objective assurance on internal control, governance and risk management, is an important part of delivering a strong governance culture. Following a competitive tender process in 2017, Ernst & Young LLP ('EY') was appointed as the Group's internal auditor, with a direct reporting line into the Audit Committee Chair

The Committee has approved managements 2024 internal assurance plan that reflects our reduced activity set in the year ahead. The 2024 assurance plan will be led by management and performed using internal resources, EY will provide independent challenge on assurance activity and provide feedback to the Audit Committee. EY will continue to perform full internal audits on topics requested by the Audit Committee on an ad hoc basis.

E&Y will provide regular updates on the closure of outstanding Internal Audit findings throughout the year.

Throughout the year, the Committee reviewed the outcome of the internal audit work that had been performed in accordance with the 2023 internal audit plan. Internal Audit reported that management had been co-operative for each audit completed and provided an overview of each of their findings and recommendations made to management including a timescale for implementation. Annually, the Committee also reviews the effectiveness of the internal audit arrangements.

During the year the Audit Committee held private meetings with the Internal Auditors without the presence of management. The external auditors also met separately with the Head of Internal Audit to discuss internal audit findings and areas of common focus.

External audit

The effectiveness and the independence of the external auditor are key to ensuring the integrity of the Group's published financial information. Prior to the commencement of the audit, the Committee reviews the external auditor's audit plan which is designed to ensure that there are no material misstatements in the financial statements for the year ended 31 December 2023. At the year-end the Committee received and discussed a detailed report from BDO regarding the work performed as part of the audit including the scope, materiality thresholds and risks.

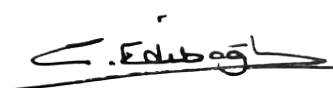
The Committee monitors and approves the provision of non-audit services by the Company's external auditors in accordance with the policy on non-audit services. The provision of non-audit services is generally limited to services that are closely connected to the external audit or to projects that require a detailed understanding of the Group (for example the half-year interim review) and require preauthorisation by the Committee under the terms of the policy.

In 2023, the ratio of non-audit to audit and audit related fees paid to BDO was 1:6, the non-audit fee paid was \$72,600, further details of which can be found on page 144 of the notes to the financial statements. These fees reflect the interim review under the provisions of ISRE 2410 completed by BDO in respect of the half year report for the period ended 30 June 2023.

Following a tender process in 2020, BDO was re-appointed as the Company's external auditor at our 2023 AGM and Anne Sayers has been appointed as the Senior Statutory Auditor to the Company.

Effectiveness

As part of the Company's governance practices, an effectiveness review of the Committee for the year ended 31 December 2023 was completed as part of the wider Board Effectiveness Review, further information can be found on page 87.



Canan Ediboğlu
Chair, Audit Committee

Directors' remuneration report

Remuneration Committee Chair's statement



Meetings held in 2023

Three scheduled meetings

Two ad hoc meetings

Chair:

Yetik K. Mert

Members:

David McManus

Rt Hon Sir Michael Fallon

Remuneration Committee time spent



Executive Director remuneration	29%
All employee remuneration	53%
Long term incentive plans for all employees	7%
Governance	11%

Highlights of Remuneration Committee activity

- The Committee held three scheduled and two ad hoc meetings during the year. Details of the key activities carried out are set out on page 102. All of the members of the Committee are Independent Non-Executive Directors, including David McManus, Chair of the Board, who was independent on appointment

On behalf of the Remuneration Committee, I am pleased to present Genel's Directors' Remuneration Report for the year ended 31 December 2023, my second report as Remuneration Committee Chair for Genel.

As a Jersey registered company we are not required to prepare a remuneration report in accordance with UK legislation, however, it remains the policy of Genel to comply with the UK Corporate Governance Code and remuneration regulations and so we have once again prepared our Directors' Remuneration Policy and Annual Report on Remuneration in accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended).

Remuneration Policy

Our Remuneration Policy is designed to attract, retain, and motivate the high-quality talent required to develop and implement our strategy, and drive performance to deliver shareholder value. The incentive elements which are used for Executive remuneration, including cash bonuses and long-term incentive plans, also apply to the rest of the workforce. This approach ensures a focus on delivering the Company's strategy and aligns the interests of all employees with the long-term interests of the Company and that of our shareholders.

In line with our policy to comply with the UK remuneration reporting regulations we last sought shareholder approval at our 2021 AGM for our Remuneration Policy. The Policy, therefore, is reaching the end of its three-year term and so has been reviewed during 2023 to ensure it is aligned with the Company's strategy of delivering shareholder value through maximising the value.

The Committee is proposing to renew the 2021 Policy, subject to a small number of changes. As part of our remuneration package, Genel Energy provides a cash supplement in lieu of both pension contributions and benefits such as private medical cover. However, if an Executive Director participates in the Mandatory Pension Scheme provided by the Company, the cash supplement is currently reduced by the contribution made by the Company. To align with best practice, the new Policy proposes that a reduced cash supplement in lieu of benefits be provided, with separate pension provisions in line with those provided to the UK workforce. The proposed Policy also includes the flexibility to enable the cash supplement to be reduced in the event the Company introduces

other benefits such as private medical cover, and to allow Executive Directors to participate in HMRC qualifying all-employee share schemes should these also be introduced.

During the year the Committee also considered the overall approach to remuneration and the inclusion of certain best practice features, in particular, the use of bonus deferral and PSP holding periods. These features are not commonly used by global and private companies with whom we compete for talent, and go beyond what is required as a Standard Listed company. To enhance the competitiveness of the remuneration offering, and to support the retention of our senior team, the Committee intends to operate the Policy with more flexibility in the future and to disapply these features where considered appropriate.

Remuneration for 2023

Every year, the Company seeks to reward performance throughout the organisation through an annual bonus plan, with performance measured against corporate and personal elements. In 2023, as a result of a change to the business environment following the closure of the Iraq-Türkiye Pipeline on 25 March 2023 it became apparent that elements of the the 2023 annual corporate bonus scorecard were no longer appropriate for the business. Therefore the Committee took the decision to make small adjustments to the scorecard to better align it with the significant changes to business objectives for the year. Certain objectives were updated to reflect the change in the Board's immediate strategy, for example focusing on maximum local sales of stored oil rather than production targets, and on cost reduction rather than net income. These changes were limited to the production and business sustainability elements of the scorecard. The new metrics were considered to be of equivalent stretch to those set at the start of the year. Modest changes were also made to the weighting of measures so that they better reflected our immediate priorities and the interests of shareholders. The Committee considered it was in the interests of shareholders to ensure management were incentivised with targets relevant to the changed circumstances. However, we were also mindful of the shareholder experience and our responsibility to ensure, when the bonus was assessed following the financial year end, that any outcome appropriately reflected the experience of shareholders.

The Committee assessed the Company scorecard based upon the achievement of performance targets, resulting in a corporate scorecard outcome of 74% of maximum. The outturn of the 2023 scorecard reflected the strong delivery against the revised KPIs for the production business and pre-production business as well as the actions taken to materially reduce our cost base following the closure of the Iraq-Türkiye pipeline as well as on environment, compliance and culture. Although the formulaic outturn of the revised 2023 corporate scorecard was 74%, when considering the wider shareholder and stakeholder experience during 2023 the Remuneration Committee decided to exercise downwards discretion to the 2023 corporate scorecard and agreed an overall corporate scorecard outturn of 60%. Further details of performance against the targets set for the corporate element of the bonus can be found on page 112 and 113.

Paul Weir's 2023 bonus figure is comprised of both the corporate and individual KPIs. His overall CEO bonus outcome was 66% of maximum. The Committee determined that the bonus would be paid in cash.

Paul, along with other members of senior management, were granted awards under the Company's Performance Share Plan (PSP) in April 2023. In line with the Company's Remuneration Policy, the PSP aims to support the delivery of the Company's long-term strategy and shareholder value. The performance conditions are measured against 50% relative TSR and 50% absolute TSR.

The performance of the 2020 PSP was measured based on the Company's TSR performance and strategic objectives over the three years to April 2023 and, following an assessment of performance against the targets, the vesting outcome for the 2020 PSP was 0%. The Committee considered the outcome and concluded that there would be no application of discretion.

In reaching its decision the Committee was careful to balance the need to align remuneration outturns with the experience of our shareholders, while also to fairly reward our management team for their significant achievements in the year. The overall incentive outturn of an annual bonus award, but with downwards discretion exercised by the Committee, alongside the 2020 PSP award lapsing in full, was considered by the Committee to be a reasonable and balanced approach.

Full details of the Remuneration Committee's decisions for 2023 are set out in this Annual Report on Remuneration on pages 111 to 117.


Looking ahead

The Committee approved an increase in Paul's base salary for 2024 at a rate of 8%, effective 1 January 2024. The increase in Paul's base salary is reflective of his growth into the role of CEO following his appointment in late 2022, and results in a base salary that remains positioned below previous incumbents in the role and below our peer group median.

The Committee also recognises a need to provide a competitive remuneration package in order to retain and motivate our CEO and therefore has approved the restoration of a 150% bonus for the CEO, in line with the approved maximum limit under the current Policy. Paul's key performance indicators to achieve this bonus will be based on a combination of achievement against the Company scorecard metrics at 80% and 20% of the bonus reflecting personal performance. The Committee believes that the strong alignment of his remuneration with Company metrics will drive the desired behaviours to support the Company's values and strategy. It is intended that 25% of any bonus earned for 2024 will be subject to deferral.

The corporate scorecard for 2024 (as seen on page 116) reflects the focus of the Company with an emphasis on the delivery of culture, production business and pre-production and focus on capital structure management and portfolio growth. The Committee considers that these targets are appropriately stretching and are aligned to the delivery of the Company's priorities, and that maximum vesting would represent significant value creation.

At the AGM in 2024, our shareholders will be asked to approve our revised Remuneration Policy and this Annual Report on Remuneration and I encourage you to join the Board and vote in favour. I will be available at the AGM, along with my Committee members, to answer any questions you might have.



Yetik K. Mert
Chair of the Remuneration Committee

Key activities of the Remuneration Committee

Objective	Action
To implement the Remuneration Policy for the Chair, Executive Directors, and members of the Executive Committee	<ul style="list-style-type: none"> - Continued to apply the Remuneration Policy principles in discussion and implementation of remuneration for the Chair, Executive Director, and Executive Committee members
To review and have regard to remuneration practices across the Company	<ul style="list-style-type: none"> - Considered remuneration practices across the Company including management recommendations for salary increases, bonus payments, and share awards - Reviewed the executive group's base salary level in the context of pay for the wider workforce and the external market - In light of the change to the business environment following the closure of the Iraq-Türkiye pipeline, reviewed and approved revisions to the 2023 bonus targets to ensure incentives remained effective and aligned to shareholder interests - Reviewed performance objectives of the Executive Directors and Executive Committee in order to determine the level of bonus earned in respect of the 2023 financial year
To review all aspects of any equity incentive plans operated or to be established by the Company	<ul style="list-style-type: none"> - The Committee set targets for 2023 PSP awards and reviewed the relative TSR peer group for 2023 awards
To have regard in the performance of its duties to any published guidelines or recommendations regarding the remuneration of directors of listed companies and formation and operation of share schemes	<ul style="list-style-type: none"> - As part of its deliberations during the year, governance updates were received from both Deloitte and the Company Secretary to ensure that any decisions taken, and recommendations made, were done so in the context of the wider remuneration landscape while remaining appropriate for the specific challenges facing the Company
To ensure that provisions regarding the disclosure of information, including pensions, as set out in The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations and the UK Corporate Governance Code, are considered	<ul style="list-style-type: none"> - Reviewed the Annual Report on Remuneration for 2023 prior to submission to shareholders for a Non-Binding vote at the AGM - Considered the remuneration-related elements of the 2018 UK Corporate Governance Code - Reviewed and recommended changes to the Remuneration Policy prior to the 2024 AGM

Remuneration Policy

This part of the report sets out our proposed Directors' Remuneration Policy (the 'Policy'). This Policy will be put forward for shareholder approval at the 2024 AGM, and it will take effect from the date on which it is approved by shareholder vote.

The revised policy set out on pages 103 to 110 will be put forward for approval at our 2024 AGM.

The revised Policy includes a number of small changes from that which was approved by shareholders in 2021. These changes are related to the level of operational flexibility around benefits, bonus deferral, PSP holding periods and performance measures. The existing Policy already provides flexibility to disapply bonus deferral and PSP holding periods, but we have made this flexibility more explicit in our new Policy to align with our intended implementation. We have also aligned our Remuneration Policy with good practice by separating the benefits allowance into distinct benefits and pension arrangements, and aligning pensions to UK workforce rates.

The Company is incorporated in Jersey. Accordingly, the Company does not have the benefit of the statutory protections afforded by the UK Companies Act 2006 in the event that there were to be any inconsistency between this Policy and any contractual entitlement or other rights of a Director. Therefore, in the event that there were to be any payment which was inconsistent with this Policy, the Company would not have the statutory right, under section 226E of the UK Companies Act 2006 to recover such payments from its Directors. Consistent with the Company's commitment to adhere to UK legislation, the Company intends to only make payments to Directors in accordance with this policy.

In order to avoid any conflicts of interest the Company's Executives can only attend meetings of the Remuneration Committee at the invitation of the Remuneration Committee Chair and will not be involved in determining their own pay.

Remuneration Policy table

Fixed remuneration	
Salary	
Purpose and link to strategy	<ul style="list-style-type: none"> To provide fixed remuneration which is balanced, taking into account the complexity of the role and the skills and experience of the individual Salary is set at a level to attract and retain individuals with the requisite level of experience/ background necessary to deliver the Company's strategy
Operation	<ul style="list-style-type: none"> The Committee takes into account a number of factors when setting salaries, including: <ul style="list-style-type: none"> scope and complexity of the role the skills and experience of the individual salary levels for similar roles within the international industry pay elsewhere in the Group Salaries are reviewed, but not necessarily increased, annually with any increase usually taking effect in January
Maximum opportunity	<ul style="list-style-type: none"> While there is no defined maximum opportunity, salary increases are normally made with reference to the average increase for the Company's wider employee population The Committee retains discretion to make higher increases in certain circumstances, for example, following an increase in the scope and/or responsibility of the role or the development of the individual in the role
Performance measures	None
Pension	
Purpose and link to strategy	To provide a simple and broadly market competitive pension provisions
Operation	<ul style="list-style-type: none"> A contribution to the Mandatory Pension Scheme operated for UK based employees or cash supplement in lieu of pension contribution Pension contributions and cash supplements are not included in calculating bonus and long-term incentive quantum
Maximum opportunity	<ul style="list-style-type: none"> Workforce aligned pension contribution for Executive Directors (as a percentage of salary) who participate in the Mandatory Pension Scheme provided by the Company to all UK based employees or an equivalent cash supplement of up to 5% of salary (in line with the contribution rate for UK employees) The Committee keeps the pension policy and level of cash supplements under review. The Committee may adjust cash supplements and pension contribution levels in line with changes for other UK based employees
Performance measures	None

Directors' remuneration report Remuneration Policy

Benefits	
Purpose and link to strategy	– To provide a simple and broadly market competitive benefit cash allowance
Operation	<ul style="list-style-type: none"> – A cash supplement is provided in lieu of all benefits (excluding pension). Cash supplement is not included in calculating bonus and long-term incentive quantum – Other benefits, for example private medical or participation in HMRC qualifying all employee share schemes may be provided if they are introduced by the Company and if the Committee considers appropriate
Maximum opportunity	– While there is no defined maximum opportunity, the cash supplement in lieu of benefits is currently 15% of base salary. Where private medical benefits or similar benefits are provided, the value of the cash supplement will be reduced. The Committee keeps the benefit policy and level of cash supplements under review, and may adjust cash supplements
Performance measures	None
Variable remuneration	
Annual bonus	
Purpose and link to strategy	– To incentivise and reward the achievement of annual financial, operational and individual objectives which are key to the delivery of the Company's strategy
Operation	<ul style="list-style-type: none"> – Awards are based on objectives set by the Committee over a combination of goals which may include financial, operational and individual goals, normally measured over one financial year – Objectives and the mix of goals are set for each award to ensure that they remain targeted and focused on the delivery of the Company's short-term goals – The Committee sets targets which require appropriate levels of performance, taking into account internal and external expectations of performance – As soon as practicable after the year-end, the Committee meets to review performance against objectives and determines payout levels – The Committee has overall discretion to adjust the extent to which bonuses are paid including reducing payment to nil where the Committee determines that the outcomes would not reflect underlying performance – The Committee retains the flexibility to either allow the bonus to be paid in cash or require a portion of the bonus to be deferred. The level of any deferral will be set by the Committee as appropriate. Deferral can be in cash or shares. Deferral into shares will be in the form of awards under the Deferred Bonus Plan (DBP). DBP awards may be conditional share awards or nil-cost options. DBP awards that vest may benefit from the value of dividends (if any) which would have been paid during the period between award and exercise and may assume reinvestment in the Company's shares. The Committee retains the flexibility over the deferral period but would usually apply a two year deferral period. Any vested options must be exercised within ten years of the date of grant
Maximum opportunity	– Maximum award opportunity for Executive Directors is 150% of base salary for each financial year
Performance measures	<ul style="list-style-type: none"> – At least 70% of the award will be assessed against Group metrics including financial, operational, health and safety, ESG and any other measures as may be deemed appropriate and relevant to the period. Any remainder of the award will be based on performance against individual objectives – A sliding scale of between 0% and 100% of the maximum award is paid dependent on the level of performance
Performance share plan ('PSP')	
Purpose and link to strategy	<ul style="list-style-type: none"> – To incentivise and reward the creation of long-term shareholder value – To align the interests of the Executive Directors with those of shareholders
Operation	<ul style="list-style-type: none"> – Awards granted under the PSP (normally in the form of conditional share awards or nil-cost options) vest subject to achievement of performance conditions normally measured over a period of at least three years other than in the case of Buy-Out Awards - see below – The Committee has overall discretion to adjust the extent to which PSP awards vest including where the Committee determines that the outcomes would not reflect underlying performance – Awards can be reduced or cancelled in certain circumstances as set out below – Any shares that vest may benefit from the value of dividends (if any) which would have been paid during the period between award and exercise and may assume reinvestment in the Company's shares – Shares that vest may be subject to a holding period. The Committee retains the discretion to determine the length of holding period, or whether not to apply a holding period – Any vested options must be exercised within ten years of the date of grant – The PSP can also be used to buy out share plans awards forfeited by new Executive Directors on recruitment who are of sufficient calibre to deliver the Company's strategy ('Buy-Out Awards'). Such Buy-Out Awards, as set out in the recruitment policy below, need not be made subject to the achievement of performance conditions.
Maximum opportunity	<ul style="list-style-type: none"> – The usual maximum award opportunity in respect of a financial year is 200% of base salary – However, in circumstances that the Committee deems to be exceptional, such as recruitment scenarios, awards of up to 300% of base salary may be made
Performance measures	<ul style="list-style-type: none"> – Other than Buy-Out Awards, the vesting of awards is dependent on financial, operational, strategic and/or share price measures, as set by the Committee, which are aligned with strategic objectives of the Company. No less than half of an award will be based on share price measures. – At the minimum level of acceptable performance, no more than 30% of the award will vest rising to 100% for maximum performance

Notes to the Policy table

The Committee reserves the right to make any remuneration payments and/or payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the Policy set out above where the terms of the payment were agreed (i) before the 2014 AGM (the date the Company's first shareholder-approved Directors' Remuneration Policy came into effect); (ii) before the Policy contained in this report comes into effect, provided that the terms of the payment were consistent with the shareholder-approved Directors' Remuneration Policy in force at the time they were agreed; or (iii) at a time when the relevant individual was not a Director of the Company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company. For these purposes 'payments' includes the Committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are 'agreed' at the time the award is granted.

Performance measures and targets

Annual bonus

The annual bonus performance measures are designed to provide an appropriate balance between incentivising Executive Directors to meet financial targets for the year and to deliver a combination of specific strategic, operational and/or personal goals. This balance allows the Committee to review the Company's performance in the round against the key elements of our strategy and appropriately incentivise and reward Executive Directors.

Bonus targets are set by the Committee each year to ensure that Executive Directors are focused on the key objectives for the period. In doing so, the Committee takes into account a number of internal and external reference points, including the Company's business plan.

PSP

The ultimate goal of our strategy is to provide long-term sustainable returns to shareholders. The Committee currently considers that a mix of relative and absolute TSR is the most appropriate measure to assess the underlying financial performance of the business while creating maximum alignment with shareholders and encouraging long-term value creation.

Malus and clawback provisions

Malus provisions allow that the Committee may cancel or reduce (including to nil) any annual bonus payment or DBP award prior to payment/grant, or cancel or reduce including to nil the number of shares awarded under the PSP prior to vesting.

Clawback provisions apply to any or all of the annual bonus (including DBP) and PSP awards where it is considered appropriate by the Committee. Clawback may be applied up to one year after payment for bonus awards (or the vesting of the DBP awards) and two years after vesting for PSP awards.

The circumstances in which the above provisions apply may include fraud, misconduct or misbehaviour by the participant, the information used or the calculation of an award or performance condition is found to be materially incorrect, a material misstatement of the Company's audited financial results for which the participant has significant responsibility or which led to an award vesting to a greater extent than would otherwise have been the case, a significant downturn in financial performance to which the Participant's actions significantly contributed, a material breach of health and safety regulations, or any other similar circumstances as determined by the Committee.

Plan rules

The PSP and DBP shall be operated in accordance with the rules of the plans as approved by shareholders and amended from time to time in accordance with those rules. In particular:

- The plan rules provide for adjustments in certain circumstances, for example, awards may be adjusted in the event of variation of the Company's share capital, demerger, special dividend, re-organisation or similar event
- In the event of a change of control of the Company, existing share awards will vest in line with the plan rules to the extent the Committee determines, taking into account the extent to which any performance conditions (where applicable) have been satisfied and, unless the Committee determines otherwise, the time elapsed since that time. The Committee may, in the event of a winding-up of the Company, demerger, delisting, special dividend or other event which the Committee considers may affect the price of shares, allow awards to vest on the same basis
- The performance conditions may be replaced or varied if an event occurs or circumstances arise which cause the Committee, acting fairly and reasonably, to determine that a substituted or amended performance condition would be more appropriate (taking into account the interests of the shareholders of the Company) provided that the amended performance condition would not be materially less difficult to satisfy than when originally set
- The Committee may elect, prior to vesting or exercise in the case of options, to deliver the value of vested awards as cash

For Annual Bonus awards, the Committee retains the ability to adjust the targets and/or set different measures and alter weightings for any performance condition(s) if one or more events occur which cause it to determine that an amended, adjusted or substituted performance condition(s) would be more appropriate so that the conditions achieve their original purpose (e.g. in the event of a material divestment of a business, capital transactions, changes to accounting standards and other events not foreseen at the time the targets were set). The Committee has overall discretion to determine the level of bonus.

Chair and Non-Executive Directors	
Chair fees	
Purpose and link to strategy	– To provide an appropriate reward to attract and retain a high calibre individual with the relevant skills, knowledge and experience to lead the Board of Directors
Operation	<ul style="list-style-type: none"> – The fee for the Chair is normally reviewed annually but not necessarily increased – The remuneration of the Chair is set by the Committee – The Chair receives a set fee for the role; no additional fees are payable for other Committee memberships – The fee is payable in cash, although the Committee retains the right to make payment in shares
Maximum opportunity	<ul style="list-style-type: none"> – While there is no maximum level, fees are set considering: <ul style="list-style-type: none"> – market practice for comparative roles – the time commitment and duties involved – the requirement to attract and retain the quality of individuals required by the Company – Travel and accommodation costs and other expenses reasonably and wholly incurred in the performance of the role of Chair of the Company may be reimbursed or paid for directly by the Company, as appropriate, and may include any tax due on the expense – The Chair does not participate in any of the Company's incentive plans
Performance measures	None
Non-Executive Director (NED) fees	
Purpose and link to strategy	– To provide an appropriate reward to attract and retain high calibre individuals with the relevant skills, knowledge and experience
Operation	<ul style="list-style-type: none"> – The fees for the Non-Executive Directors are normally reviewed annually but not necessarily increased – The remuneration of the Non-Executive Directors is a matter for the Chair and the Executive Directors – Non-Executive Directors receive a standard basic fee. Where applicable, they also receive additional fees for additional responsibilities. Currently this includes chairing a Committee and for the membership of two or more Committees – The Committee has the flexibility to pay an additional fee for the roles of Senior Independent Director and Deputy Chair – Although no additional fee is currently paid for the role of the Chair of the Nomination Committee, the Company retains the flexibility to pay such a fee if appropriate – The fee is payable in cash, although the Committee retains the right to make payment in shares
Maximum opportunity	<ul style="list-style-type: none"> – While there is no maximum level, fees are set considering: <ul style="list-style-type: none"> – market practice for comparative roles – the time commitment and duties involved – the requirement to attract and retain the quality of individuals required by the Company – Travel and accommodation costs and other expenses reasonably and wholly incurred in the performance of the role of Non-Executive Director of the Company may be reimbursed or paid for directly by the Company, as appropriate, and may include any tax due on the expense – The Non-Executive Directors do not participate in any of the Group's incentive plans
Performance measures	None

Non-Executive Directors may receive professional advice in respect of their duties with the Company which will be paid for by the Company.

Non-Executive Directors are also covered by the Company's directors' and officers' insurance policy and provided with an indemnity.

Recruitment policy

In determining remuneration for new appointments to the Board, the Committee will consider all relevant factors including, but not limited to, the calibre of the individual and their existing package, the external market and the existing arrangements for the Company's current Executive Directors, with a view that any arrangements offered are in the best interests of the Company and shareholders and without paying any more than is necessary.

Where the new appointment is replacing a previous Executive Director, salaries and total remuneration opportunity may be higher or lower than the previous incumbent. If the appointee is expected to develop into the role, the Committee may decide to appoint the new Executive Director to the Board at a lower than typical salary. Larger increases (above those of the wider employee population) may be awarded over a period of time to move closer to market level as their experience develops.

Pension and benefits will normally be limited to those outlined in the remuneration policy table above. However, additional benefits may be provided by the Company where the Committee considers it reasonable and necessary to do so. Such circumstances may include where an Executive Director is required to relocate in order to fulfil their duties. In such cases, additional allowances would normally be provided under a standard expatriate package in respect of certain benefits, which may include the provision of a housing allowance, education support, health insurance, tax advice, a relocation or repatriation allowance and a home leave allowance.

It is expected that the structure and quantum of the variable pay elements would reflect those set out in the policy table above. However, the Committee recognises that, as an independent oil and gas company, it is competing with global firms for its talent. As a result, the Committee considers it important that the recruitment policy has sufficient flexibility in order to attract the calibre of individual that the Company requires.

Therefore:

- Under the annual bonus, the Committee reserves the right to provide either a one-off or ongoing maximum bonus opportunity of up to 200% of salary if this is required to secure an external appointment
- The Committee would also retain the discretion to flex the balance between annual and long-term incentives and the measures used to assess performance for these elements, while maintaining the intention that a significant portion of variable pay would be delivered in shares
- Variable pay could, in exceptional circumstances, be delivered via alternative structures, again with the intention that a significant portion would be share-based, but in all circumstances subject to an ongoing over-riding cap of 600% of salary. This cap excludes any awards made to compensate the Director for incentive awards or any other remuneration arrangements forfeited from their previous employer (see below)

The above flexibility will only be used if the Committee believes such action is absolutely necessary to recruit and motivate a candidate from the global market. The Committee commits to explain to shareholders the rationale for the relevant arrangements following any appointment.

Where an Executive Director is appointed from within the Group, the normal policy of the Company is that any legacy arrangements would be honoured in line with the original terms and conditions. Similarly, if an Executive Director is appointed following an acquisition of or merger with another company, legacy terms and conditions would be honoured.

The Committee retains the discretion to make appropriate remuneration decisions outside the standard policy to meet the individual circumstances of the recruitment, when an interim appointment to fill an Executive Director role is made on a short-term basis or a Non-Executive Director or the Chair takes on an executive function on a short-term basis.

Buy-outs

In order to facilitate recruitment, the Committee may make a one-off award to 'buy-out' incentive awards and any other compensation arrangements that a new hire has had to forfeit on leaving their previous employer. In doing so, the Committee will take into account all relevant factors including any performance conditions attached to the forfeited awards, the likelihood of those conditions being met, the proportion of the vesting/performance period remaining and the form of the award (e.g. cash or shares). Where possible, the forfeited awards will normally be bought out on an estimated like-for-like basis. Any such awards may be made under the terms of the PSP or as permitted under the Listing Rules.

The Committee is at all times conscious of the need to pay no more than is necessary, particularly when determining any possible buy-out arrangements.

Recruitment of Chair and Non-Executive Directors

In the event of the appointment of a new Chair and/or Non-Executive Director, remuneration arrangements will normally be in line with those detailed in the relevant table above.

Executive Director service contract

The key employment terms and other conditions of the current Executive Directors, as stipulated in their service contracts which are not of any fixed term, are set out below.

Element	Policy
Notice period	– 12 months' notice by either the Company or the Executive Director. This is also the policy for new recruits
Termination payment	– It is the Company's policy for new service contracts that it may terminate employment by making a payment in lieu of notice ('PILON') equivalent to (i) 12 months' base salary (ii) 12 months' cash supplement in lieu of pension and (iii) the Executive Director's annual benefit allowance – Upon termination by the Company, an Executive Director has a duty to mitigate, and use reasonable endeavours to secure alternative employment as soon as reasonably practicable. There are specific provisions requiring a reduction in any phased PILON payments in the event that the Executive Director finds alternative employment
Remuneration and benefits	– Participation in all incentive schemes, including the annual bonus, the DBP and the PSP, is non-contractual – Outstanding awards will be treated in accordance with the relevant plan rules

Executive Director services contracts and Non-Executive Director letters of appointment are available for inspection at the Company's registered office address.

The service contract of an Executive Director may also be terminated immediately and with no liability to make payment in certain circumstances, such as the Executive Director bringing the Group into disrepute or committing a fundamental breach of their employment obligations.

Policy on payment for loss of office

In the event that the employment of an Executive Director is terminated, any compensation payable will be determined in accordance with the terms of the service contract between the Company and the employee, as well as the rules of any incentive plans. Payments for loss of office may only be made within the terms of the Remuneration Policy.

The Company considers a variety of factors when considering leaving arrangements for an Executive Director, including individual and business performance, the obligation for the Director to mitigate loss (for example by gaining new employment) and other relevant circumstances (e.g. ill health). The Committee may make other payments in connection with a Director's cessation of office or employment where the payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation) or by way of settlement of any claim arising in connection with the cessation of a Director's office or employment. Any such payments may include but are not limited to paying any fees for outplacement assistance and/or the Director's legal and/or professional advice fees in connection with his cessation of office or employment.

If an Executive Director's employment is terminated by the Company, or in good leaver circumstances at the discretion of the Remuneration Committee, the Executive Director may receive a time pro-rated bonus, subject to Remuneration Committee discretion. The Company's Share Retention Policy continues to apply once an Executive Director leaves office, subject to Remuneration Committee discretion where the Remuneration Committee considers there are exceptional circumstances or on death.

Payments for loss of office can be made where an amendment to the Remuneration Policy authorising the Company to make the payment has been approved by the shareholders.

The treatment of outstanding share awards is governed by the relevant share plan rules. The following table summarises the leaver provisions of share plans under which Executive Directors may currently hold awards.

PSP	
Leaver reasons where awards may continue to vest	<ul style="list-style-type: none"> - Death - Redundancy, injury, ill health or disability - Retirement - Sale of the Company or business by which the participant is employed outside the Group - Any other scenario in which the Committee determines good leaver treatment is justified (other than summary dismissal)
Vesting arrangements	<ul style="list-style-type: none"> - Awards will vest to the extent determined by the Committee taking into account the achievement of any performance conditions at the relevant vesting date and, unless the Committee determines otherwise, the period of time which has elapsed between grant and cessation of employment - The vesting date for such awards will normally be the original vesting date and not accelerated, although the Committee has the flexibility to determine that awards can vest upon cessation of employment - In the event of death, all unvested awards will normally vest at that time to the extent determined by the Committee taking into account the achievement of any relevant performance conditions as at the date of death and, unless the Committee determines otherwise, the period of time that has elapsed since grant - Under ordinary circumstances the Company's Share Retention Policy will continue to apply, unless the Committee determines otherwise
Treatment for any other leaver reason	<ul style="list-style-type: none"> - Awards lapse in full
DBP	
Leaver reasons where awards may continue to vest	<ul style="list-style-type: none"> - Death - Any other scenario (excluding summary dismissal)
Vesting arrangements	<ul style="list-style-type: none"> - The vesting date for such awards will normally be the original vesting date and not accelerated, although the Committee has the flexibility to determine that awards can vest upon cessation of employment - In the event of death, all unvested awards will normally vest at that time to the extent determined by the Committee
Treatment for any other leaver reason	<ul style="list-style-type: none"> - Summary dismissal - awards lapse in full - If there is an ongoing investigation unless otherwise determined by the Committee, awards will only vest, become exercisable or settled after the conclusion of the investigation

Chair and Non-Executive Director letters of appointment

The Chair and Non-Executive Directors have letters of appointment which set out their duties and responsibilities. They do not have service contracts with either the Company or any of its subsidiaries.

The key terms of the appointments are set out in the table below.

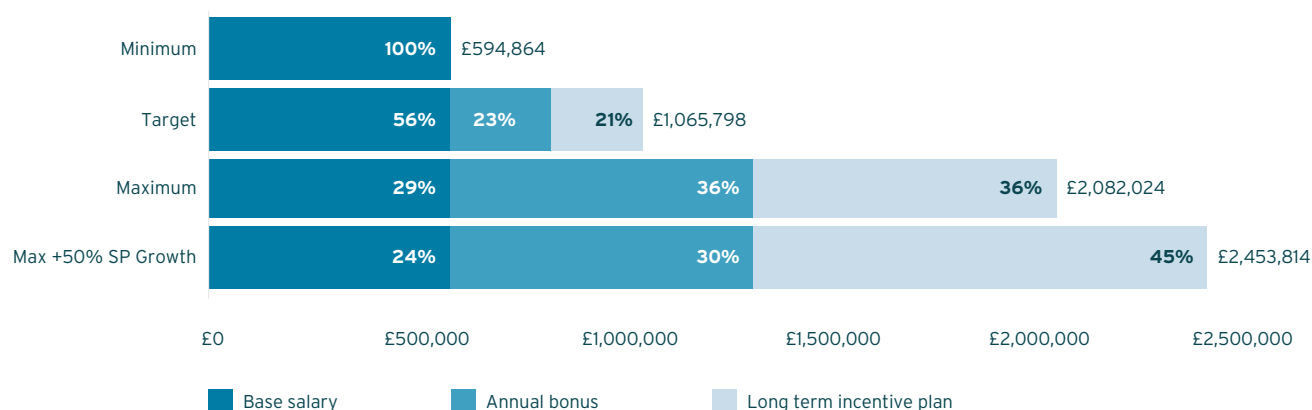
Provision	Policy
Period	<ul style="list-style-type: none"> In line with the UK Corporate Governance Code, the Chair and all Non-Executive Directors are subject to annual re-election by shareholders at each AGM After the initial three-year term, the Chair and the Non-Executive Directors are typically expected to serve a further three year term
Termination	<ul style="list-style-type: none"> The appointment of the Chair and Non-Executive Directors is terminable by either the Company or the Director by giving three months' notice The Chair and Non-Executive Directors are not entitled to any compensation upon loss of office The Chair and Non-Executive Directors are entitled to payment in lieu of notice in line with their letter of appointment

Illustration of the remuneration policy

Genel's remuneration arrangements have been designed to ensure that a significant proportion of pay is dependent on the delivery of stretching short-term and long-term performance targets, aligned with the creation of sustainable shareholder value. The Committee considers the level of remuneration that may be received under different performance outcomes to ensure that this is appropriate in the context of the performance delivered and the value added for shareholders.

The chart that follows provides illustrative values of the remuneration package for Executive Directors under four assumed performance scenarios. These charts are for illustrative purposes only and actual outcomes may differ from that shown.

Paul Weir



Assumed performance	Assumptions used
All performance scenarios	<ul style="list-style-type: none"> – Consists of total fixed pay, consisting of base salary and cash supplements in lieu of pension and the benefits cash allowance – Base salary - salary effective as at 1 January 2024 – Pension - 5% of base salary – Benefits - 15% of base salary
Minimum performance	<ul style="list-style-type: none"> – No pay-out under the annual bonus – No vesting under the PSP
Performance in line with expectations	<ul style="list-style-type: none"> – Half of the maximum pay-out under the planned operation of the annual bonus. This represents 75% of base salary – 30% vesting under the PSP – Value of awards under the PSP based on award levels of 150% of salary
Maximum performance	<ul style="list-style-type: none"> – 100% of the maximum pay-out under the planned operation of the annual bonus . This represents 150% of base salary. – 100% vesting under the PSP – Value of awards under the PSP based on award levels of 150% of salary
Maximum performance (including 50% share price growth)	<ul style="list-style-type: none"> – 100% of the maximum pay-out under the planned operation of the annual bonus. This represents 150% of base salary. – 100% vesting under the Performance Share Plan, and assuming 50% share price growth between grant and vesting – Value of awards under PSP based on award levels of 150% of salary – The basis of the calculation of the share price appreciation is that the share price embedded in the calculation for the 'maximum' bar chart is assumed to increase by 50% across the performance period

Unless otherwise stated, PSP awards have been shown at face value, with no share price growth or dividend accrual assumptions.

Consideration of shareholder views

The Committee continues to be mindful of shareholder views when evaluating and setting ongoing remuneration strategy and we commit to consulting with shareholders prior to any significant changes to our Remuneration Policy.

It is the Committee's policy to correspond with shareholders that have engaged on remuneration matters during the year, which it has done and the Committee has considered their views at its meetings.

Minor changes

The Committee may make minor amendments to the Policy set out above for regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation without obtaining shareholder approval for that amendment.

Remuneration arrangements throughout the Company

The Remuneration Policy for Executive Directors is designed in line with the remuneration principles that underpin remuneration across the Company. When making decisions in respect of Executive Director remuneration arrangements, the Committee takes into consideration the pay and conditions for employees throughout the Company, including the local inflationary impact for the countries in which we operate. As stated in the Policy table, salary increases are normally made with reference to the average increase for the wider employee population. The Company places a significant focus on variable remuneration, ensuring that a meaningful proportion of remuneration across all employees is based on performance, through its operation of the annual bonus plan throughout the Company and participation in share incentive plans. Genel uses the annual bonus and share incentive schemes to reward its employees and create alignment with the Company's culture.

In the UK, employee remuneration packages consist of the same five elements as Executive Directors' remuneration packages: base salary, pension, benefits cash allowance, annual bonus and share awards. In all other jurisdictions in which the business operates we aim to replicate this structure to the extent that it is possible but take local considerations into account.

Genel is committed to strengthening and widening employee share ownership by the use of share incentives granted under our share plans. As a result currently approximately 68% of employees participate in our share plans.

The Committee does not directly consult with our employees as part of the process of determining executive pay. However the Committee regularly receives analysis around the wider workforce which allows the Committee to make decisions on executive pay in the context of the approach being taken across the Company.

Annual Report on Remuneration

This part of the Annual Report provides details of the implementation of the Directors' Remuneration Policy (the 'Policy') for the year ended 31 December 2023 and discusses how the Policy will be implemented in the 2024 financial year. Details of the Policy can be found on pages 103 to 110.

Advisers to the Committee

Once again, the Committee was assisted throughout the year in its considerations by Deloitte LLP ('Deloitte'), who provide independent advice on remuneration matters. The Committee has chosen to continue with the appointment of Deloitte as it is felt they have the most relevant experience and expertise on remuneration related matters to effectively advise the Committee.

Deloitte is a leading remuneration adviser and a member of the Remuneration Consultants Group and voluntarily operates under their Code of Conduct in relation to executive remuneration consulting in the UK. In 2023, Deloitte also provided the Company with due diligence services, services related to the Company's conduct reporting platform, and advice in respect of the operation of the Company's share plans. Deloitte's fees in respect of advice to the Committee in the year under review were £68,850 and were charged on the basis of their standard terms of business for the advice provided. The Committee is satisfied that the advice they have received has been objective and independent.

During the year, the Committee also consulted with the CEO (Paul Weir), Company Secretary (Chandni Karania) and the Chief Human Resources Officer (Berna Öztinaz).

No member of the Committee nor any party from whom advice was sought is involved in discussions regarding their own remuneration.

UK Corporate Governance Code: Provision 40

The following table sets out how the Committee has addressed the factors set out in Provision 40 of the UK Corporate Governance Code in setting and operating the Directors' Remuneration Policy.

Clarity	<ul style="list-style-type: none"> The Policy is designed to support the financial and strategic objectives of the Company, taking into account UK corporate governance expectations The Committee is committed to providing open and transparent disclosure of our approach to pay with our shareholders
Simplicity	<ul style="list-style-type: none"> The remuneration structure is simple, comprising three main elements: fixed pay (base salary, benefits allowance and pension contributions), annual bonus, and PSP awards The Committee takes great care to ensure that the different aspects of the remuneration framework throughout the Company are easy to understand for both participants and shareholders
Risk	<ul style="list-style-type: none"> The Committee is mindful of ensuring that incentive arrangements do not encourage excessive risk taking. The Committee follows a robust process when setting performance targets to ensure that targets are sufficiently stretching and balanced Incentive arrangements support alignment with shareholders through the use of equity-based PSP awards. Variable pay awards are also subject to malus and clawback
Predictability	<ul style="list-style-type: none"> The Policy sets out the maximum opportunity levels for different elements of pay
Proportionality	<ul style="list-style-type: none"> Payment of the annual bonus and awards under the PSP are subject to the achievement of stretching performance targets The targets are considered annually and take into account expectations and strategic priorities at the time The Committee also retains the right to apply discretion where these outcomes do not accurately reflect the performance of the Company and/or the individual
Alignment to culture	<ul style="list-style-type: none"> The Remuneration Policy has been developed in order to align the interests of the Executive Directors with the Company's KPIs and the interests of shareholders

Shareholder voting

Votes cast by proxy and at the meeting in respect of the Annual Report on Remuneration for the year ended 31 December 2022, at the AGM held on 11 May 2023, were as follows:

	Number of votes cast	For	Against	Abstentions
To approve the Annual Report on Remuneration for the year ended 31 December 2022	180,649,168	179,458,267	1,190,901	20,155
		99.34%	0.66%	

Audited information

The following tables set out the total remuneration for the Executive Director and CEO, and Non-Executive Directors for the period in office for the year ended 31 December 2023, and comparison figures where appropriate.

Name	Salary/fees		Pension and Benefits		Total Fixed Pay		Bonus		LTIP ²		Total Variable Pay		Total	
	£'000 2023	£'000 2022	£'000 2023	£'000 2022	£'000 2023	£'000 2022	£'000 2023	£'000 2022	£'000 2023	£'000 2022	£'000 2023	£'000 2022	£'000 2023	£'000 2022
Executive Directors														
Paul Weir ¹	459	238	92	43	551	281	303	159	0	n/a	303	159	854	440

¹ 2022 data relates to the period from 9 June 2022, the date Paul Weir was appointed Interim CEO

² LTIP includes 2020 PSP awards which lapsed in full based on performance over the three years to 3 April 2023. Further details are provided on page 114

Directors' remuneration report Annual Report on Remuneration

Name	Salary/fees ¹		% change in annual fee ²			
	£'000 2023	£'000 2022	2019/ 2020	2020/ 2021	2021/ 2022	2022/ 2023
Non-Executive Directors						
David McManus	239	230	n/a	0.0%	0.0%	4.0%
Sir Michael Fallon	104	100	n/a	0.0%	0.0%	4.0%
Tolga Bilgin	58	56	n/a	0.0%	0.0%	4.0%
Canan Edibođlu ^{3,4}	87	84	n/a	8.6%	10.5%	4.0%
Yetik K Mert ⁵	87	83	n/a	n/a	14.1%	4.8%

¹ Non-executive Directors received only a fee in 2023 and did not receive benefits or an annual bonus

² The percentage change is calculated on an annualised basis where the fee was paid for part of financial year

³ Canan Edibođlu was appointed Chair of the Audit Committee on 24 July 2021

⁴ Canan Edibođlu received an additional fee for being a member of two or more Board Committees

⁵ Yetik K. Mert was appointed Chair of the Remuneration Committee on 19 April 2022

Additional disclosures in respect of the single total figure table

Base salary

The table below shows base salary which was effective during 2023.

	Base Salary on 1 January 2023	Base Salary on 3 October 2022
Paul Weir	£459,000	£450,000

Salary information for 2024 is provided on page 116.

Pension and benefits

The Committee aims to provide a simple, transparent package and, in line with this, Executive Directors receive a cash supplement of a percentage of base salary in lieu of all benefits, including pension, private health insurance, life assurance and company car provision. This is also received by the wider workforce. The cash supplement is not used in the calculation of bonus and long-term incentive quantum. In the event that the Executive Directors participate in the Pension Plan offered by the Company to all employees, the cash supplement will be reduced by the amount contributed by the Company into the Company Pension Plan. Paul Weir participates in the Company Pension Plan. The pension offering for Executive Directors is aligned to the wider UK workforce.

Annual bonus

The 2023 annual bonus scorecard was approved based on the Company's performance against key business objectives with a combination of 20% personal and 80% company metrics. The Company scorecard outcome was 74% of maximum, reflecting the strong delivery of cultural key performance indicators and delivery against the revised KPIs for the production business and pre-production business work programme and the actions taken to materially reduce our cost base following the closure of the Iraq-Türkiye pipeline.

However, in light of the wider shareholder and stakeholder experience during 2023 the Remuneration Committee decided to exercise discretion and reduced the outturn of the annual bonus scorecard to 60%. Details of performance against the scorecard are provided below.

Paul's management of the Company during an uncertain year resulted in an award, by the Committee, with a personal score of 90%.

	Bonus £'000 2023	As % of maximum
Paul Weir	£302,940	66%

2023 - Annual bonus, Remuneration Committee assessment of performance against targets

In light of the closure of the Iraq-Türkiye pipeline on 25 March 2023 and the impact of this on the business as a whole, the Committee took the decision to make small adjustments to the scorecard so that it aligned with the immediate business objectives for the year. The updated scorecard is presented on the following page. Company metrics continued to be focused on culture, the production business, pre-production business and the sustainable dividend category was amended to business sustainability. Due to the impact of the pipeline closure focus shifted to local oil sales within the KRI, cost reduction and portfolio growth resulting in the weight allocated to the amended business sustainability measure being increased from 40% to 50%. The production business and pre-production allocations were each reduced by 5% each to reflect the increased reliance on non-operated assets and necessity to reassess the timing of the Toosan-1 well.

The Company scorecard was assessed by the Committee, based upon the achievement of these performance targets, which resulted in a corporate scorecard outcome of 74% of maximum which was subsequently reduced by the Committee to 60%.

Bonus performance measure	Weighting	Performance target	Assessment of performance against metrics	Performance assessment
Culture delivery	19%	<ul style="list-style-type: none"> Implementation of the ESG plan Continued compliance focus Strong company culture 	<ul style="list-style-type: none"> Strong performance in all elements was seen, including the completion of the revised ESG strategy, maintaining a CDP Climate score of B, and the successful delivery of our Social Investment Plan. However full achievement of this measure was not achieved as the ESG plan was not achieved in full and roll out of some actions to reinforce the Company culture were postponed due to the organisational changes the business endured during the year 	15%
Production business	26%	<ul style="list-style-type: none"> Health and Safety Maximise local sales of stored oil Execute forward plan for Sarta 	<ul style="list-style-type: none"> There were no Lost Time Incidents or Tier One Losses of Primary Containment throughout the year. However not all health and safety targets were achieved. Local sales of stored oil following the closure of the ITP was achieved and subsequently production re-started following the establishment of a domestic market Implementation of the decision to surrender the Sarta PSC licence, and remediation work completed 	20%
Pre-production business	5%	<ul style="list-style-type: none"> Delivery of 2023 activity programme within budget 	<ul style="list-style-type: none"> The scope of the revised 2023 activity programme was delivered on time and within budget 	5%
Business sustainability	50%	<ul style="list-style-type: none"> Implement actions to reduce costs Progress on portfolio growth 	<ul style="list-style-type: none"> Actions to reduce G&A costs were successfully implemented, as such the Company expects to be free cash flow neutral from the end of Q1 2024 No successful progress towards portfolio growth 	34%

Share plan awards made in 2023

The following table provides details of the awards made under the PSP and DBP during 2023. Performance for the PSP awards is measured over the three years from the date of grant.

	Type of award	Face value ¹ (£)	Basis of awards	Threshold vesting (% of face value)	Maximum vesting (% of face value)	End of performance period/Vesting
Paul Weir	PSP (2023 award)	£688,500	150% of salary	30%	100%	06/04/2026
	PSP (2022 award top up)	£87,565	Top up to 2022 PSP award ²	30%	100%	06/04/2026
	DBP	£39,708	25% of 2022 annual bonus			06/04/2025

¹ Face value has been calculated using the average share price, ten dealing days prior to the date of grant, of 119 pence

² The top up award to Paul Weir's 2022 PSP award was granted to ensure that his overall 2022 PSP award, including the award granted in April 2022, reflected the portion of the year that he spent as CEO from 3 October 2022. The top up award was calculated so that, in respect of this period, his 2022 PSP award opportunity is based on 150% of his actual salary received as CEO. As a result of the top up award his PSP award for the portion of the year to 2 October 2022 remains based on his previous PSP opportunity and salary level. Due to the timing of the grant the top up element of the award is subject to the same performance conditions and time horizons as 2023 PSP awards. This approach is consistent with other mid-year appointments and promotions below board level

PSP awards continued to be assessed 50% on relative TSR against our peer group and 50% on absolute TSR. The peer group for the 2023 PSP awards is below.

Africa Oil	Energiean Oil and Gas	Jadestone Energy	Tethys Oil
Aker BP	EnQuest	Kosmos Energy	Tullow Oil
Capricorn Energy	Gulf Keystone	Pharos Energy	
DNO	Harbour Energy	Shamara Petroleum Corp.	

The Relative TSR element of the award will vest according to the following schedule:

Relative TSR ranking of the Company	Proportion of award vesting
Below median	0%
Median	30%
Between median and upper quartile	Straight-line basis
Upper quartile	100%

Directors' remuneration report Annual Report on Remuneration

The Absolute TSR element of the award will vest in accordance with the following schedule:

Absolute TSR performance of the Company	Proportion of award vesting
Below 10% p.a	0%
10% p.a	30%
Between 10% p.a. and 15% p.a.	Straight-line basis
15% p.a. or more	100%

Share awards

The following table provides a summary of all share awards as at 31 December 2023. Further details of the Company's share plans are set out on pages 156 and 157.

Scheme	Grant date	Exercise price (pence)	As at 1 January 2023	Granted during the period	Dividend during the period	Vested during the period	Exercised during the period	Lapsed during the period	As at 31 December 2023	Performance period end	Expiry date
Paul Weir ¹											
RSP	22/06/2020	-	49,275	-	-	49,275	49,275	-	-	03/04/2023	22/06/2030
PSP	22/06/2020	-	285,375	-	-	-	-	285,375	-	03/04/2023	22/06/2030
PSP	06/04/2021	-	203,215	-	17,493	-	-	-	220,708	06/04/2024	06/04/2031
PSP	04/04/2022	-	196,055	-	16,877	-	-	-	212,932	04/04/2025	04/04/2032
PSP	06/04/2023	-	-	652,155	56,141	-	-	-	708,296	06/04/2026	06/04/2033
DBP	06/04/2023	-	-	33,368	2,872	-	-	-	36,240	06/04/2025	06/04/2033

¹ Awards made to Paul Weir prior to 9 June 2022 were made to him before he became Interim CEO

2020 Performance Share Plan Awards - performance target

1. Relative TSR vesting schedule and comparator group (50% weighting)

The Relative TSR element of the 2020 PSP award was subject to the following vesting schedule:

Relative TSR ranking of the Company	Proportion of Award Vesting
Below median	0%
Median	30%
Between median and upper quartile	Straight line basis
Upper quartile	100%

This element was subject to the Company's ranked TSR performance against the following Comparator Group:

Africa oil	Gulf Keystone	Seplat Petroleum
Aker BP	Hurricane Energy	Soco International
Cairn Energy	Kosmos Energy	Tullow Oil
DNO	Lundin	
Enquest	Nostrum Oil and Gas	
Energiean Oil and Gas	Premier Oil	

2. Strategic objectives (50% weighting)

This element was subject to measures focused on strategic milestones with hard targets connected to the development of the organic FID pipeline to deliver high margin production. Due to their commercial sensitivity nature, and the targets not having been achieved, these targets will not be disclosed.

Performance

- Based on the Company's TSR performance over the performance period the Company ranked 10th against the comparator group and achieved vesting of 0% of this element
- Strategic targets: The strategic targets were not met, resulting in vesting of 0% of this element
- Cumulative performance outcome: The cumulative impact of the above performance for the relative and strategic elements resulted in 0% of June 2020 awards vesting

Payments to past Directors

In 2023, there were no payments made to past Directors.

Payment for loss of office

In 2023, there were no payments made to Directors for loss of office.

Statement of Directors' shareholding and share interests

The following table sets out details, as at 31 December 2023, of the shareholdings and share interests of those persons (together with, where relevant, the shareholdings and share interests of their connected persons) who, during the 2023 financial year, served as a Director.

The Company does not currently operate a formal shareholding guideline, but Executive Directors are expected to build up their holding over time.

Director	Ordinary shares as at 31 December 2022	Ordinary shares as at 31 December 2023	Interest in share options granted as at 31 December 2023
David McManus	-	-	-
Sir Michael Fallon	9,000	9,000	-
Paul Weir	22,588	47,393	1,178,176
Tolga Bilgin ¹	-	-	-
Canan Edibođlu	-	-	-
Yetik K. Mert	-	107,000	-

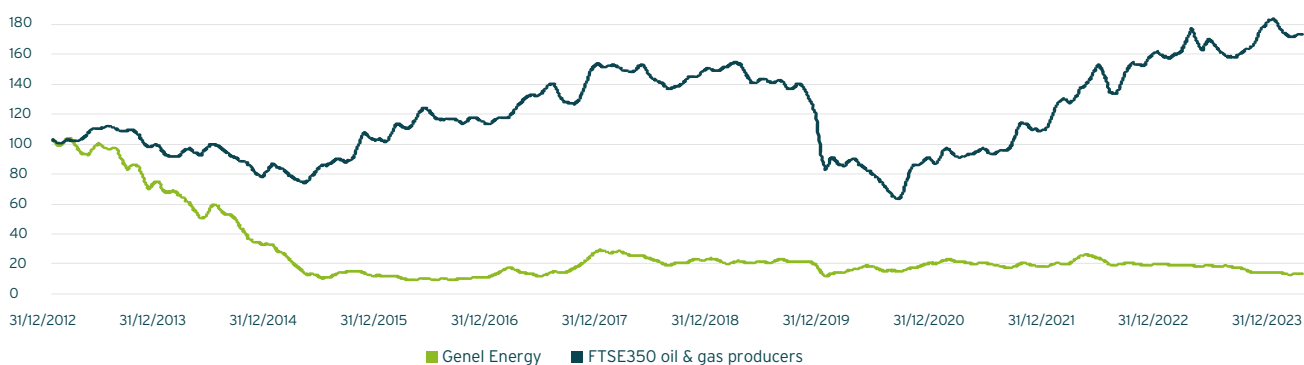
¹ Bilgin Grup Dođal Gaz A.Ş., of which Tolga Bilgin is the CEO and holds 6.20% of the shares, holds 66,350,163 shares in the Company as at 31 December 2023

This represents the end of the audited section of the report.

Historical TSR performance and CEO remuneration outcomes

The following graph shows the Company's TSR for the past ten years of the Company's shares trading on the London Stock Exchange against the FTSE350 Oil & Gas Producers Index. The Committee believes that the FTSE350 Oil & Gas Producers Index remains the most appropriate index as these companies are Genel's direct UK listed comparators.

Total Shareholder Return



The table below summarises the CEO single figure for total remuneration, annual bonus pay-outs and LTIP vesting levels as a percentage of maximum opportunity for the 10 year period ending 31 December 2023.

	2014	2015	2015	2016	2017	2018	2019	2019	2020	2021	2022	2022	2023
Chief Executive Officer	Tony Hayward	Tony Hayward ²	Murat Özgü ¹	Murat Özgü ¹	Murat Özgü ¹	Murat Özgü ¹	Murat Özgü ²	Bill Higgs ²	Bill Higgs	Bill Higgs	Bill Higgs ²	Paul Weir ²	Paul Weir
CEO single figure remuneration (£'000)	2,521	468	531	1,519	1,765	1,882	299	1,112	1,281	1,442	400	440	854
Annual bonus pay-out (as a % of maximum opportunity) ⁴	90%	0%	36.2%	71.4%	82.1%	72.5%	60%	65%	78%	77%	57.6%	59%	66%
Long-term incentive vesting out-turn (as a % of maximum opportunity)	82.5%	0%	0% ¹	0%	0%	0%	0%	n/a	50% ³	65.8%	0%	n/a	0%

¹ The Committee exercised its discretion to reduce the vesting under the 2013 PSP awards from 30% to 0%

² Pro-rated according to period holding Executive Directorship

³ This vesting is in relation to the December 2017 PSP award granted to Bill Higgs prior to his appointment as CEO

⁴ The CEO single figure remuneration stated in this table is as per the total remuneration report for the year reported annually

Percentage change in remuneration of the Executive Directors

The table below shows the percentage change in the Executive Directors' salary, benefits and annual bonus between the financial years ended 31 December 2019 and 31 December 2023 compared to the average for permanent employees of the Company.

The percentage change in base salary, benefits and annual bonus for the CEO compares outcomes of the period spent holding the position as CEO for four years between 2019 and 2023.

	Base salary				Benefits				Bonus			
	2019/2020	2020/2021	2021/2022	2022/2023	2019/2020	2020/2021	2021/2022	2022/2023	2019/2020	2020/2021	2021/2022	2022/2023 ²
CEO	38.4%	3.5%	(13.3%)	(3.0%)	38.4%	3.5%	(17.8%)	2.5%	66.1%	(0.9%)	(33.84%)	9.5%
All employees	10.4%	10.4%	(12.4%)	9.93%	6.8%	(3.2%)	(3.2%)	58.94%	9.7%	(7.4%)	(34.62%)	15.39%

¹ For 2022, Bill Higgs stepped down as CEO on 1 June and Paul Weir was appointed as Interim CEO on 9 June

² This year-on-year increase in annual bonus % reflects the change in company scorecard outcome from 52% for 2022 to 60% for 2023

Relative importance of the spend on pay

The table below illustrates the current year and prior year overall expenditure on pay. The regulations require that we report distributions received by shareholders through dividends and share buy-backs. The cost to the Company of dividends paid to shareholders in 2023 was \$33.5 million (2022: \$50 million).

Remuneration paid to all employees	\$m
2022	20.02
2023	21.03

Remuneration paid to all employees represents total staff costs from continuing operations.

Implementation of Remuneration Policy in 2024

This section provides an overview of how the Committee is proposing to implement our Remuneration Policy in 2024.

In determining the salary increase for Paul Weir for 2024, the Committee took into consideration a number of factors including:

- The individual's skills and experience
- Business performance
- Salary levels for similar roles within the industry
- Pay and conditions elsewhere in the Company
- Any recent salary increases

The Committee decided to increase the base salary of Paul Weir by 8% with effect from 1 January 2024, reflecting the leadership he has demonstrated, his growth into the role of CEO over the past 18 months and the need for the Company to offer a competitive base salary. The table below shows his base salary for 2024.

Base salary from 1 January 2024	
Paul Weir	£495,720

Pension and Benefits

Executive Directors receive a cash supplement in lieu of all benefits, private health insurance, life assurance, and company car provision and a separate pension contribution is provided. The cash supplement and pension contribution is not included in calculating bonus and long-term incentive quantum.

For 2024, the cash supplement will be 15% of base salary and Company pension contribution 5% of base salary. This is in line with the pension contributions for the wider UK workforce. This table shows Paul's benefits allowance for 2024.

	2024 benefits allowance	2024 pension contribution
Paul Weir	£74,358	£24,786

Annual bonus

The bonus opportunity for the Chief Executive Officer for 2024 will revert to the current Policy maximum of 150% of base salary, with performance measured 20% against personal performance metrics and 80% against Company metrics. It is intended that 25% of any bonus earned for 2024 will be subject to deferral.

The Committee has once again set a clear focus on short-term delivery for the 2024 annual bonus, and believes that this will drive the maximum value for shareholders. Targets to maximise value creation through our production business have been set and will be monitored over the course of the year. Continued success of the delivery in culture is expected as we pursue this via strong targets in compliance, in high performance and of the delivery of our ESG plan. This scorecard is more weighted to the business sustainability targets as we continue to focus on managing the capital structure of the business and portfolio growth.

Bonus performance measures	Specific targets	Percentage
Culture delivery	<ul style="list-style-type: none"> – ESG implementation – Continued compliance focus – Strong company culture – Health and Safety targets met 	11%
Production business	<ul style="list-style-type: none"> – Maximise value creation – Agree a suitable plan to recover overdue receivables – Establish a route to market for KRI production 	35%
Pre-production business	<ul style="list-style-type: none"> – Delivery of the 2024 activity programme within budget 	4%
Business sustainability	<ul style="list-style-type: none"> – Management of capital structure – Progress on portfolio growth 	50%

Performance share plan

PSP awards are normally granted as nil-cost options. The number of awards granted are normally determined by reference to a percentage of base salary.

The 2024 award for Paul Weir will be based on a face value of 150% of base salary. The awards will vest after the completion of the three year performance period, subject to relative and absolute TSR targets being met. For 2024 awards no further holding period will apply.

The peer group for the measurement of the relative TSR element of the 2024 award, representing 50% of the award, has been reviewed and still considered to be appropriate. As such there have been no changes to the peer group from 2023.

Africa Oil	Enquest	Jadestone Energy	Tethys Oil
Aker BP	Energiean Oil and Gas	Kosmos Energy	Tullow Oil
Capricorn Energy	Gulf Keystone	Pharos Energy	
DNO	Harbour Energy	Shamaran Petroleum	

The relative and absolute TSR vesting schedule will remain the same as for awards made in 2023, as outlined on page 113.

Chair and Non-Executive Director remuneration

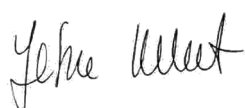
Non-Executive Director fees were reviewed in 2023 against benchmark data for companies with a similar market cap, and also against comparable E&P companies. It was agreed that, from 1 January 2024, a 4.5% increase would be applied to Non-Executive Director fees.

Role	Fee for 2023	Fee for 2024
Non-Executive Chair	£239,200	£249,964
Deputy Chair	£10,400	£10,868
Senior Independent Director	£10,400	£10,868
Non-Executive Director	£58,240	£60,861
Additional fee for membership of two or more Board Committees	£14,560	£15,215

Additional fee for chairing Board Committee:

Role	Fee for 2023	Fee for 2024
Audit Committee	£14,560	£15,215
Remuneration Committee	£14,560	£15,215
Reserves Committee	£10,920	£11,411
Nomination Committee	No additional fee	No additional fee
International Relations Committee	£10,400	£10,868

The Committee is responsible for determining the Remuneration Policy for the Executive Directors and the Chair of the Board. The Chair of the Board together with the Executive Directors determine the fees and overall remuneration for the Non-Executive Directors.



Yetik K Mert

Chair of the Remuneration Committee

25 March 2024

Other statutory and regulatory information

Management report

The Directors' Report, together with the Strategic Report set out on pages 1 to 69, form the Management Report in alignment with the purposes of Disclosure Guidance and Transparency Rule (DTR) 4.1.5R.

Statutory information contained elsewhere in the Annual Report

Information required to be part of a Directors' Report can be found elsewhere in the Annual Report as indicated in the table below and is incorporated into this report by reference.

Information	Location in annual report
Results and dividends	Pages 135 to 159
Likely future developments in the business of the Company or its subsidiaries	Pages 10 to 13
Subsequent events	Page 158
Corporate social responsibility	Pages 26 to 69
Greenhouse gas emissions	Page 33
Section 172(1) statement and stakeholder engagement	Page 24
Colleagues (employment of disabled persons, workforce engagement and policies)	Pages 52 to 54
Engagement with suppliers, customers and others in a business relationship	Page 25
Corporate Governance Statements	Pages 72 to 74
Directors' details (including changes made during the year)	Pages 89 to 91
Related party transactions	Note 23 on page 158
Diversity	Pages 52 and 53
Share capital	Note 18 on page 154
Viability statement	Page 24
Going concern and fair, balanced and understandable statements	Pages 13 and 72
Employee share schemes (including long-term incentive schemes)	Note 21 on pages 156 and 157
Financial instruments: information on the Group's financial instruments and risk management objectives and policies, including our policy for hedging	Notes 16 and 17 on pages 152 to 153
Statements of responsibilities	Page 121

Disclosure table pursuant to Listing Rule (LR) 9.8.4C

The following table provides references to where the information required by Listing Rule 9.8.4C is disclosed:

Listing Rule and requirement ¹	Disclosure
9.8.4(4) Long-term incentive schemes (LR 9.4.3R)	Note 21 on pages 156 to 157

¹ Each of the other disclosures required under Listing Rule 9.8.4c are not applicable to Genel Energy plc

Principal activities

The Company is the holding company for the Group. The Group is principally engaged in the business of the exploration, development and production of natural resources.

Genel Energy plc is a Jersey incorporated company with a standard listing on the London Stock Exchange. We are committed to complying with the regulatory requirements in both Jersey and the UK. We were in full compliance with the provisions of the Code in 2023. A copy of the Code can be found at frc.org.uk/corporate/ukcgcode.cfm.

The Company will not be in compliance with provision 36 of the Code during 2024 following a decision to suspend the PSP post vesting holding period for the annual 2024 share awards. This decision was taken to enhance the competitiveness of Genel's remuneration offering to its senior management team, taking into consideration the remuneration package as a whole and the global environment in which we compete for talent.

AGM

Your attention is drawn to the Notice of AGM enclosed with this report, which sets out the resolutions to be proposed at the forthcoming AGM. The meeting will be held at Linklaters, One Silk Street, London, EC2Y 8HQ, on Thursday, 9 May 2024 at 11.00am.

Articles of Association of the Company

Under the Jersey Companies Law, the capacity of a Jersey company is not limited by anything contained in its memorandum or articles of association. Accordingly, the memorandum of association of a Jersey company does not contain an objects clause.

Certain provisions have been incorporated into the articles of association to enshrine rights that are not conferred by the Jersey Companies Law, but which the Company believes shareholders would expect to see in a company listed on the London Stock Exchange.

Provisions in the articles of association also require shareholders to make disclosures pursuant to Chapter 5 of the Disclosure and Transparency Rules, and require the Directors to comply with Chapter 3 of the Disclosure and Transparency Rules and themselves to require any persons discharging managerial responsibilities (within the meaning ascribed in the Disclosure and Transparency Rules) in relation to the Company who are not Directors to do so, and to use reasonable endeavours to procure that their own and such persons' connected persons do so. The articles of association may be amended by a special resolution of the shareholders.

Diversity data as at 31 December 2023

Our gender identity and ethnicity data in accordance with Listing Rule 9.8.6R(10) in the format set out in LR 9 Annex 2.1 can be found below. The Board and Executive Committee were asked to complete a diversity disclosure form to confirm how they identify.

The Board does not have specific Board diversity targets and the Company does not meet the requirement to have at least 40% of the Board comprising of women and none of the positions of Chair, CEO, CFO or Senior Independent Director are held by a woman (as at 31 December 2023). The Board has appointed one Director from an ethnic minority background.

	No. of Board members	% of the Board	No. of senior positions on the Board (CEO, CFO, SID and Chair)	No. in Executive Management	% of Executive Management
Men	5	83	3	4	80
Women	1	17	0	1	20
Not specified/ prefer not to say	0	0	0	0	0

	No. of Board members	% of the Board	No. of senior positions on the Board (CEO, CFO, SID and Chair)	No. in Executive Management	% of Executive Management
White British or other White (incl. minority white groups)	5	83	3	5	100
Mixed/Multiple Ethnic Groups	0	0	0	0	0
Asian/Asian British	0	0	0	0	0
Black/African/Caribbean/Black British	0	0	0	0	0
Other ethnic group, incl. Arab	1	17	0	0	0
Not specified/ prefer not to say	0	0	0	0	0

Appointment and replacement of Directors

The rules for the appointment and replacement of Directors are set out in the articles of association.

Directors

The biographical details of the Directors of the Company who were in office during the year and as at the date of this Annual Report are set out on pages 89 to 91. Details of Directors' service agreements and letters of appointment are set out on pages 107 to 109.

Details of the Directors' interests in the ordinary shares of the Company and in the Group's long-term incentive schemes are set out in the Annual Report on Remuneration on page 115.

Details of Directors submitting themselves for re-election and election at the AGM are set out in the Notice of Meeting. Service contracts and letters of appointment for all Directors are available for inspection at the registered office of the Company and will be available for inspection at the AGM.

Subject to applicable law and the articles of association and to any directions given by special resolution, the business of the Company will be managed by the Board, which may exercise all the powers of the Company.

Directors' indemnities

As at the date of this Annual Report, indemnities granted by the Company to the Directors are in force to the extent permitted under Jersey law. The Company also maintains directors' and officers' liability insurance cover, the level of which is reviewed annually.

Other statutory and regulatory information

Employee share schemes

Details of the Company's employee share schemes are set out in note 21 to the financial statements of this Annual Report.

Employee Benefit Trust ('EBT')

Equiniti Jersey Limited was appointed as trustee of Genel Energy's EBT in 2012. The voting rights relating to the shares held by the employee benefit trust are exercisable by the trustees in accordance with their fiduciary duties.

Further details regarding the EBT and of shares issued pursuant to Genel Energy's various employee share plans during the year, are set out in note 21 to the financial statements.

Political donations

No political donations were made, nor was any political expenditure incurred, by any Group company in the year ending 31 December 2023 (2022: nil).

Share capital

As at 25 March 2024, the Company had allotted and fully paid up share capital of 280,248,198 ordinary shares of 10 pence each with an aggregate nominal value of £28,024,819.80. These consist of 279,402,863 voting ordinary shares and 845,335 shares held as treasury shares.

Resolutions in relation to share capital

At the AGM of the Company held on 11 May 2023, the shareholders granted the Company authority to make market purchases of up to 27,940,286 ordinary shares (representing approximately 10% of the aggregate issued ordinary share capital of the Company at 30 March 2023) and hold as treasury shares any ordinary shares so purchased. During 2023, no shares were purchased by the Company under this authority.

Shareholders will be asked to renew this authority at the forthcoming AGM. Full details are included in the Notice of AGM.

Rights attaching to the ordinary shares

Holders of ordinary shares are entitled to attend, speak and vote at general meetings of the Company and may receive a dividend and, on a winding-up, may share in the assets of the Company.

As of 24 February 2016, the Company no longer has any suspended voting ordinary shares in issue.

Restrictions on transfer of shares

There are no specific restrictions on the transfer of shares in the Company other than (i) as set out in the articles of association, (ii) pursuant to the Company's share dealing policy and (iii) as imposed from time to time by law and regulation.

The Company is not aware of any arrangements or agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights. No person has any special rights of control over the Company's share capital and all issued shares are fully paid.

Related party transactions

Details of transactions with Directors and Officers are set out in note 23 to the financial statements. There were no other related party transactions to which the Company was a party during the period.

Substantial shareholdings

As at 31 December 2023, the Company had been notified of the following significant holdings (being 5% or more of the voting rights in the Company) in the Company's ordinary share capital.

Name	Number of ordinary shares
Bilgin Grup Doğal Gaz A.Ş.	66,350,163
Daax Corporation FZE	48,830,105
NR Holdings Limited	21,214,583
Türkiye İş Bankası A.Ş.	53,419,883

Auditors

A resolution to reappoint BDO LLP as the Company's auditor will be proposed at the 2024 AGM.

By order of the Board



Paul Weir
Chief Executive Officer

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with International Reporting Standards (IFRSs) as adopted by the European Union and the Companies (Jersey) Law 1991 and applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements in accordance with IFRSs as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group for that period.

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

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the Group financial statements comply with the IFRSs as adopted by the European Union and the Companies (Jersey) Law 1991 and the Directors' Remuneration Report complies with the Companies Act 2006, given the Company voluntarily prepares a Directors' Remuneration Report in accordance with the provisions of the United Kingdom Companies Act 2006.

They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for ensuring that the annual report and accounts, taken as a whole, are fair, balanced, and understandable and provides the information necessary for shareholders to assess the group's performance, business model and strategy.

Website publication

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

Directors' responsibilities pursuant to DTR4

The Directors confirm to the best of their knowledge:

- The Group financial statements have been prepared in accordance with IFRSs as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group
- The Annual Report includes a fair review of the development and performance of the business and the financial position of the Group, together with a description of the principal risks and uncertainties that they face

By order of the Board.



Paul Weir
Chief Executive Officer



Independent auditor's report to the members of Genel Energy Plc

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 December 2023 and its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of Companies (Jersey) Law 1991.

We have audited the financial statements of Genel Energy Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2023 which comprise the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity, and the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and IFRS as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the audit committee.

Independence

We remain independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Group.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group's ability to continue to adopt the going concern basis of accounting included:

- Obtaining and evaluating the Board papers assessing going concern for the forecast period as well as reviewing the assessment of risks and uncertainties within the supporting cash flow forecasts. We formed our own assessment of risks and uncertainties based on our understanding of the business and the oil and gas sector and compared this to the Board's assessment;

- Performing a detailed review of the cash flow forecasts prepared by Management and assessing the appropriateness of the period over which going concern was assessed;
- Assessing Management's base case cash flow forecast and the underlying key assumptions approved by the Board. In so doing, we considered factors such as the timing of the re-opening of the Iraq-Türkiye pipeline and re-commencement of export sales, forecast oil prices against market expectations and the impact of the KRG's proposed Kurdistan blend crude (KBT) pricing mechanism, local sale prices, the levels of historical operating costs and production forecasts, the level of Board approved capital expenditure against development plan, the planned repayment of the bond and the timing of receipts from the KRG;
- Performing procedures on the going concern forecast model in order to confirm the clerical accuracy of the model;
- Agreeing the 31 December 2023 cash position to bank confirmations, and the latest available cash position to bank statements;
- Verifying that covenants were not breached in the financial period and assessing whether there were forecast breaches in the going concern review period. We also re-performed the underlying calculations of covenants;
- Reviewing the production sharing contracts (PSCs), licences and work programmes and comparing the commitments to the forecasts;
- Considering the impact of the pipeline closure and the implications for the Group, and performed our own sensitivities based on key assumptions;
- Discussing the going concern assessment with the Chief Executive officer, Chief Financial Officer, Technical Director and In-house Legal Counsel in order to understand their views on the Iraq-Türkiye pipeline closure and its implications on going concern;
- Obtaining and reviewing Management's sensitivity analysis and reflecting further down-side scenarios of lower than forecast oil price or further significant delays in the receipt of payments due from the KRG to determine the impact on the cash flows;
- Reviewing post year end press releases, RNS announcements and board minutes for any indicators of obligations or significant adverse issues; and
- Reviewing and evaluating the adequacy and completeness of disclosures in the financial statements in respect of going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Overview

Coverage

100% (2022: 100%) of Group losses before tax
 100% (2022: 100%) of Group revenue
 99.8% (2022: 99.8%) of Group total asset

Key audit matters

	2023	2022
Carrying value of oil production and development assets	✓	✓
Recoverability of KRG receivables	✓	-
Revenue recognition of suspended Tawke Overriding Royalty Income (ORRI), revenue recognised from the ORRI on Tawke and revenue recognition from oil export sales	-	✓

The 'Revenue recognition of suspended Tawke Overriding Royalty Income (ORRI), revenue recognised from the ORRI on Tawke and revenue recognition from oil export sales' was not considered a key audit matter in the current year due to the ORRI agreement expiring in 2022 and revenue no longer being subject to significant judgements.

Materiality

Group financial statements as a whole

\$7.8m (2022: \$7.6m) based on 1% of total assets (2022: 5% of Group adjusted profit before tax).

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

The Group's producing assets are in the Kurdistan Region of Iraq (KRI), with exploration licences in Somaliland and Morocco. Our Group audit scope focused on the Group's principal producing and exploration assets to gain sufficient coverage over the Group's total assets, total revenue and losses before tax while considering the audit risks identified.

As a result, we determined two significant components which were subjected to a full scope audit, (1) Genel Energy International Limited which holds the Kurdistan producing assets of Taq Taq and Tawke and (2) Genel Energy Holding Company Limited, which holds the majority of the Group's cash and cash equivalents, comprising more than 44% of the Group's Total Assets. Non-significant components that require statutory audits in the UK and Jersey were also subjected to a full scope audit which contributed to the above-mentioned audit coverage.

The financial information of the remaining non-significant components, where there is no statutory audit requirement, were principally subjected to analytical review procedures, with specified audit procedures performed on certain elements of their trial balances where there were material balances identified such as in respect of operating costs, finance expenses, cash, exploration assets and interest-bearing loans.

The accounting functions of the Group are largely performed from its Istanbul and London office. The audit was performed through face-to-face visits Group premises in Istanbul and London as well as remotely using BDO cloud-based audit tools and through teleconferencing. All of the audit work was conducted by the Group engagement team.

Climate change

Our work on the assessment of potential impacts on climate-related risks on the Group's operations and financial statements included:

- Enquiries and challenge of Management to understand the actions they have taken to identify climate-related risks and their potential impacts on the financial statements and adequacy of disclosure of climate-related risks within the annual report;
- Our own qualitative risk assessment taking into consideration the sector in which the Group operates and how climate change affects this particular sector;
- Involvement of internal climate-related specialists in evaluating Management's risk assessment and challenge over the TCFD disclosures;
- Performing independent research on climate related risks for the Group; and
- Review of the minutes of Board and Audit Committee meeting and other papers related to climate change.

We challenged the extent to which climate-related considerations, including the expected cash flows from the initiatives and commitments have been reflected, where appropriate, in Management's going concern assessment, viability assessment and impairment assessments.

We also assessed the consistency of Management's disclosures included as 'Other Information' on pages 26 to 69 within annual report and the financial statements with our knowledge obtained during the course of the audit.

Based on our risk assessment procedures, we did not identify there to be any Key Audit Matters materially impacted by climate-related risks.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the scope of our audit addressed the key audit matter
Carrying value of oil production and development assets (see notes 1.2 and 10)	
<p>The production assets form a significant part of the Group's statement of financial position. Management is required to consider whether there are any facts or circumstances (potential impairment triggers) that would suggest that the oil production and development assets remaining on balance sheet as at 31 December 2023 could be impaired in accordance with IAS 36 Impairment of assets.</p> <p>As part of its impairment indicators evaluation, Management considered key developments that occurred during 2023 including the Iraq-Türkiye pipeline closure, suspension of production for export sales, commencement of local sales from Tawke and the impact of local and global geopolitical factors.</p> <p>Management concluded that impairment indicators existed for the KRI assets due to the suspension of production due to the Iraq-Türkiye pipeline closure.</p> <p>Management therefore performed a full impairment assessment of the Taq Taq and Tawke Cash CGUs as at 31 December 2023 and concluded there was no impairment required.</p> <p>Given the materiality of the assets in the context of the Group's statement of financial position, the judgements involved in making this assessment and judgements and estimates involved in calculating the recoverable amounts, we considered the carrying value of oil production and development assets, including the related disclosures, to be a key audit matter.</p>	<p>Our specific audit testing in this regard included:</p> <ul style="list-style-type: none"> - Reviewing and assessing Management's allocation of assets to CGUs for the purpose of the impairment assessment, and Management's assessment of impairment indicators against the requirements of the applicable accounting standards; - Assessing performance against budgets/plans in FY 2023 for the Taq Taq and Tawke CGUs in order to identify possible indicators of impairment or possible indicators of a reversal of previously recognised impairments; - Considering for the purpose of our impairment trigger assessment, the potential consequences of key developments during 2023 including the Iraq-Türkiye pipeline closure and its impact on operations; - Performing a review of the key impairment model assumptions, challenging the appropriateness of estimates with reference to historical data and external evidence where available (e.g. consistency of oil price assumptions with oil price forecasts). This included assessing the judgment over the timing of resumption of export sales and considering the impact of the KRG's KBT pricing mechanism and new local sales pricing; - Evaluating the impairment model against the approved Life of Field plans; - Confirming the consistency of the reserves and resources in the models with the latest Competent Person Reports (CPRs); - Verifying the reasonableness of the discount rate used by Management with the assistance of our internal valuation experts; - Holding discussions with Management and Operations to gain an understanding of the performance of the producing assets and future production plans; - Assessing the experts used by Management in compiling the underlying competent person reports on the reserves, with a particular focus on the competency of the expert and the scope of their work in order to ensure they have been prepared under the required guidelines and are appropriate for their intended purpose; - Evaluating the impact of climate change on the impairment of the Group's producing assets taking into consideration the Group's initiatives specifically in regard to gas flaring; - Assessing sensitivity analysis performed on the key assumptions in the impairment models and performing further sensitivity analysis as part of our work; - Evaluating and challenging Management's assessment of no reversal of previously recognised impairments taken against the Taq Taq and Tawke CGUs; and - Considering the appropriateness of the related disclosures. <p>Key observations:</p> <p>Based on the procedures performed we found the Group's assessments that there were indicators of impairment on the KRI producing assets to be appropriate and the recoverable values of the Taq Taq and Tawke CGUs to be reasonable.</p> <p>We also found the Group's assessment that no previously recognised impairment for the Taq Taq and Tawke CGU should be reversed in the year to be appropriate.</p> <p>We found the disclosures in the consolidated financial statements to be in line with the accounting standards.</p>

Key audit matter	How the scope of our audit addressed the key audit matter
Recoverability of Kurdistan Regional Government (KRG) receivables (see notes 1.2 and 11)	
<p>As at 31 December 2023, the Group has nominal receivables of \$107.4m (31 December 2022: \$121.6m) due from the KRG which represent production invoices for the period October 2022 to March 2023. Since the Iraq-Türkiye pipeline closure in March 2023 no export revenue or payments have been received by the Group from the KRG, so there is an uncertainty around the recoverability of this amount.</p> <p>Management are required to make an assessment of the Expected Credit Loss (ECL) provisions relating to the receivable, considering both the likelihood of receiving payment and the timing of recoverability.</p> <p>Following this assessment, the Group concluded that an expected credit loss of \$14.5m was appropriate at 31 December 2023.</p> <p>The amounts relating to this area are material to the Group and significant judgements and estimation are involved in reaching a conclusion on the appropriate ECL at year end. We therefore consider this to be a key audit matter.</p>	<p>Our specific audit testing in this regard included:</p> <ul style="list-style-type: none"> - Challenging Management's assessment of the recoverability of the balance under the relevant accounting standard including the appropriateness of the different scenarios which considered the amount, nature and timing of receipts. Our work included challenging the appropriateness of probability percentages applied to recovery start dates and recovery periods against available information and historical trend analysis of receipts and the discount rate applied; - Reviewing correspondence with the KRG to confirm the validity of the amounts due, and to determine whether any information exists to suggest non-recovery of the amounts; - Holding discussions with Management to understand the status of discussions around the recoverability and method of recovery for receivables with the KRG; - Verifying receipts for the year to supporting evidence such as bank statements; - Obtaining and reviewing the ECL calculation prepared by Management, including checking the mathematical accuracy of the calculation. We assessed the appropriateness of the methodology adopted and determined whether it was in line with the requirements of IFRS 9 Financial Instruments; and - Reviewing and considering the appropriateness of the inputs in the ECL model, specifically running our internal recovery scenarios and sensitivities to the discount rate applied. <p>Key observations:</p> <p>Based on the work performed we consider the Group's assessment of the recoverability of the KRG receivables to be appropriate. We consider the ECL provision to be appropriately accounted for and reasonable.</p>

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements	
	2023 \$m	2022 \$m
Materiality	7.8	7.6
Basis for determining materiality	1% of Group total assets	5% of adjusted Group profit before tax
Rationale for the benchmark applied	We consider the use of 1% of total assets to be the most appropriate benchmark following the closure of the Iraq-Türkiye pipeline in March 2023 resulting in no export sales since then and a decline in operations.	We considered the use of 5% of adjusted Group profit before tax to be the most appropriate benchmark following the stabilisation of adjusted profits over the prior two years and we considered profit before tax to also be a key measure for the users of the financial statements.
Performance materiality	\$5.4m	\$5.3m
Basis for determining performance materiality	Performance materiality was set at 70% due to the Group having a number of accounts subject to high degrees of estimation and judgement.	

Component materiality

For the purposes of our Group audit opinion, we set materiality for each significant component of the Group, based on a percentage of 70% (2022: between 18% and 90%) of Group materiality dependent on the size and our assessment of the risk of material misstatement of that component. Significant component materiality applied was \$5.4m (2022: \$1.4m to \$6.8m). In the audit of each of the Significant components, we further applied performance materiality levels of 70% (2022: 70%) of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of \$0.15m (2022: \$0.15m). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

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

We have nothing to report in this regard.

Corporate governance statement

As the Group has voluntarily adopted the UK Corporate Governance Code 2018 we are required to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Parent Company's compliance with the provisions of the UK Corporate Governance Statement specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit.

Going concern and longer-term viability	<ul style="list-style-type: none"> – The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 24; and – The Directors' explanation as to their assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 24.
Other Code provisions	<ul style="list-style-type: none"> – Directors' statement on fair, balanced and understandable set out on page 72; – Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 72; – The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 16-18; and – The section describing the work of the Audit Committee set out on page 96.

Other Companies (Jersey) Law 1991 reporting

We have nothing to report in respect of the following matters where the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- proper accounting records have not been kept, or proper returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Other voluntary reporting

Directors' remuneration (United Kingdom Companies Act 2006)

The Parent Company voluntarily prepares a Directors' Remuneration Report in accordance with the provisions of the United Kingdom Companies Act 2006. The Directors requested that we audit the part of the Directors' Remuneration Report specified by the United Kingdom Companies Act 2006 as if the Group were a quoted company.

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the requirements of the United Kingdom Companies Act 2006 that would have applied had the Parent Company been a quoted company under the provisions of that Act.

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit was capable of detecting irregularities, including fraud

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

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with Management, those charged with governance, in-house Legal Counsel and Audit Committee; and
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations;

We considered the significant laws and regulations to be IFRS as adopted by the European Union, the Companies (Jersey) Law 1991, local and international tax legislations, laws and regulations in the Kurdistan Region of Iraq, Somaliland and Morocco including environmental regulations and Oil and Gas Industry regulations.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the LSE listing rules, Norway Listing Rules in regards to the bonds held, UK Sanctions Law, Bribery Act, labour regulations and environmental compliance.

Our procedures in respect of the above included:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations noted above;
- Enquiries of Management, the Audit Committee and Internal Legal Counsel of any known or suspected instances of non-compliance with laws and regulations;
- Reading minutes of meetings of those charged with governance, and reviewing correspondence with local tax and regulatory authorities to identify potential litigation and claims and non-compliance with laws and regulations;
- Performing a review of local and international tax compliance with the involvement of our tax specialists;
- Reviewing of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiries of Management and those charged with governance and Audit Committee of any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud; and
- Holding discussions with the audit engagement team as to how and where fraud might occur in the financial statements and where any potential indicators of fraud may arise in the Group in order to consider how our audit strategy should reflect our considerations.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls through inappropriate journal entries, revenue recognition, and bias in key estimates and judgements.

Our procedures in respect of the above included:

- Obtaining an understanding of the design and implementation of relevant controls surrounding the financial reporting close process such as controls over the posting of journals and the consolidation process and obtained an understanding of the segregation of duties in these processes;
- Addressing the risk of fraud through management override of controls by testing the appropriateness of a sample of journal entries, which met defined risk criteria, to supporting documentation where we considered there to be a higher risk of potential fraud and other adjustment;
- Assessing whether the judgements made in making accounting estimates, specifically those in the Key Audit Matters section of the report, are indicative of a potential bias, and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business;
- Testing total oil sales in the year to supporting documentation from delivery through to cash received;
- Testing journals recorded within revenue, using specific risk criteria, to supporting evidence;
- Performing cut-off testing on sales revenue around year end by verifying the volume transferred to signed loading statements and third party operator statements;
- Applying professional scepticism in our audit procedures and performing randomised procedures to include a level of unpredictability; and
- Performing an assessment of the Group's IT and the wider control environment and as part of this work we obtained an understanding of the design and implementation of IT access controls.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Anne Sayers

For and on behalf of BDO LLP
Chartered Accountants
London, UK
25 March 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated statement of comprehensive income

For the year ended 31 December 2023

	Note	2023 \$m	Restated 2022 \$m
Revenue	2	84.8	401.9
Production costs	3	(21.3)	(34.3)
Depreciation and amortisation of oil assets	3	(43.9)	(134.2)
Gross profit		19.6	233.4
Exploration expense	3	(0.1)	(1.0)
Other operating costs	3	(3.6)	-
Net write-off of intangible assets	3	1.2	(75.8)
Net (expected credit loss ('ECL')) / reversal of ECL of receivables	3	(9.1)	8.6
General and administrative costs	3	(27.2)	(18.6)
Operating (loss) / profit		(19.2)	146.6
Operating (loss) / profit is comprised of:			
EBITDAX		32.8	349.1
Depreciation and amortisation	3	(44.0)	(134.3)
Exploration expense	3	(0.1)	(1.0)
Net write-off of intangible assets	3	1.2	(75.8)
Net (ECL) / reversal of ECL of receivables	3	(9.1)	8.6
Finance income	5	20.6	6.7
Bond interest expense	5	(24.8)	(25.9)
Net other finance expense	5	(4.9)	(5.3)
(Loss) / profit before income tax		(28.3)	122.1
Income tax expense	6	(0.2)	(0.2)
(Loss) / profit and total comprehensive (expense) / income from continuing operations		(28.5)	121.9
Loss from discontinued operations	7	(32.8)	(129.2)
Loss and total comprehensive expense		(61.3)	(7.3)
Attributable to:			
Owners of the parent		(61.3)	(7.3)
		(61.3)	(7.3)
(Loss) / Earnings per ordinary share			
		¢	¢
From continuing operations:			
Basic	8	(10.2)	43.7
Diluted	8	(10.2)	43.7
From continuing and discontinued operations:			
Basic	8	(22.0)	(2.6)
Diluted	8	(22.0)	(2.6)
Basic (LPS) / EPS excluding impairments ¹	8	(11.9)	66.7

¹ Basic (LPS) / EPS excluding impairment is loss and total comprehensive expense adjusted for the add back of net impairment/write-off of oil and gas assets and net ECL/reversal of ECL of receivables divided by weighted average number of ordinary shares

Previous year's figures have been restated for discontinued operation disclosure in relation to Sarta PSC (see note 7).

Consolidated balance sheet

At 31 December 2023

	Note	2023 \$m	2022 \$m
Assets			
Non-current assets			
Intangible assets	9	84.7	79.1
Property, plant and equipment	10,20	246.5	248.1
Trade and other receivables	11	66.5	-
		397.7	327.2
Current assets			
Trade and other receivables	11	34.0	121.7
Cash and cash equivalents	12	363.4	494.6
		397.4	616.3
Total assets		795.1	943.5
Liabilities			
Non-current liabilities			
Trade and other payables	13,20	(0.5)	(1.2)
Deferred income	14	(8.2)	(6.5)
Provisions	15	(45.2)	(52.2)
Interest bearing loans	16	(243.7)	(266.6)
		(297.6)	(326.5)
Current liabilities			
Trade and other payables	13,20	(57.6)	(82.4)
Deferred income	14	(6.0)	(6.8)
		(63.6)	(89.2)
Total liabilities		(361.2)	(415.7)
Net assets		433.9	527.8
Owners of the parent			
Share capital	18	43.8	43.8
Share premium account		3,863.9	3,897.4
Accumulated losses		(3,473.8)	(3,413.4)
Total equity		433.9	527.8

These consolidated financial statements on pages 130 to 159 were authorised for issue by the Board of Directors on 25 March 2024 and were signed on its behalf by



Paul Weir
Chief Executive Officer



Luke Clements
Chief Financial Officer

Consolidated statement of changes in equity

For the year ended 31 December 2023

	Note	Share capital \$m	Share premium \$m	Accumulated losses \$m	Total equity \$m
At 1 January 2022		43.8	3,947.5	(3,410.2)	581.1
Loss and total comprehensive expense		-	-	(7.3)	(7.3)
<i>Contributions by and distributions to owners</i>					
Share-based payments	21	-	-	4.1	4.1
Dividends provided for or paid ¹	19	-	(50.1)	-	(50.1)
At 31 December 2022 and 1 January 2023		43.8	3,897.4	(3,413.4)	527.8
Loss and total comprehensive expense		-	-	(61.3)	(61.3)
<i>Contributions by and distributions to owners</i>					
Share-based payments	21	-	-	2.7	2.7
Purchase of own shares for employee share plan		-	-	(1.8)	(1.8)
Dividends provided for or paid ¹	19	-	(33.5)	-	(33.5)
At 31 December 2023		43.8	3,863.9	(3,473.8)	433.9

¹ The Companies (Jersey) Law 1991 does not define the expression "dividend" but refers instead to "distributions". Distributions may be debited to any account or reserve of the Company (including share premium account)

Consolidated cash flow statement

For the year ended 31 December 2023

	Note	2023 \$m	2022 \$m
Cash flows from operating activities			
Loss for the year		(61.3)	(7.3)
Adjustments for:			
Net finance expense	5,7	9.4	25.4
Taxation	6	0.2	0.2
Depreciation and amortisation	3,7	46.7	152.0
Exploration expense	3	0.1	1.0
Net impairments, write-offs	3,7	28.1	193.1
Other non-cash items (royalty income and share-based cost)		0.8	(7.4)
Changes in working capital:			
Decrease in trade and other receivables		14.4	47.2
(Decrease) / Increase in trade and other payables		(3.7)	1.7
Cash generated from operations		34.7	405.9
Interest received	5	20.6	6.7
Taxation paid		(0.2)	(0.2)
Net cash generated from operating activities		55.1	412.4
Cash flows from investing activities			
Payments of intangible assets		(9.7)	(20.0)
Payments of property, plant and equipment		(88.8)	(128.2)
Net cash used in investing activities		(98.5)	(148.2)
Cash flows from financing activities			
Dividends paid to company's shareholders	19	(33.5)	(47.9)
Purchase of own shares		(1.8)	-
Bond repayment	16	(24.9)	(6.0)
Lease payments		(2.8)	(3.8)
Interest paid		(24.8)	(25.6)
Net cash used in financing activities		(87.8)	(83.3)
Net (decrease) / increase in cash and cash equivalents		(131.2)	180.9
Cash and cash equivalents at 1 January	12	494.6	313.7
Cash and cash equivalents at 31 December	12	363.4	494.6



Notes to the consolidated financial statements

1. Summary of significant accounting policies

1.1 Basis of preparation

Genel Energy Plc - registration number: 107897 (the Company), is a public limited company incorporated and domiciled in Jersey with a listing on the London Stock Exchange. The address of its registered office is 26 New Street, St Helier, Jersey, JE2 3RA.

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and interpretations issued by the IFRS Interpretations Committee (together 'IFRS'); are prepared under the historical cost convention except as where stated; and comply with Company (Jersey) Law 1991. The significant accounting policies are set out below and have been applied consistently throughout the period.

The Company prepares its financial statements on a historical cost basis, unless accounting standards require an alternate measurement basis. Where there are assets and liabilities calculated on a different basis, this fact is disclosed either in the relevant accounting policy or in the notes to the financial statements.

Items included in the financial information of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in US dollars to the nearest million (\$ million) rounded to one decimal place, except where otherwise indicated.

For explanation of the key judgements and estimates made by the Company in applying the Company's accounting policies, refer to significant accounting judgements and estimates on pages 136 and 137.

Going concern

The Company regularly evaluates its financial position, cash flow forecasts and its compliance with financial covenants by considering multiple combinations of oil price, discount rates, production volumes, payments, capital and operational spend scenarios.

The Company has reported cash of \$363 million, with its debt of \$248 million maturing in the second half of 2025 and significant headroom on both the equity ratio and minimum liquidity financial covenants.

The Federal Iraq Supreme Court majority decision in February 2022 regarding the Kurdistan Oil and Gas Law (2007) and the subsequent actions taken by the Federal Minister of Oil in Baghdad Commercial Court did not have a significant impact on the Company's cash generation. However, since then, the International Chamber of Commerce in Paris ruling in favour of Iraq in the long running arbitration case against Türkiye concerning the Iraqi-Turkish pipeline agreement signed in 1973, resulted in exports through the pipeline being suspended from 25 March 2023.

The Company is currently selling in the domestic market at lower prices and lower volumes than are available from exports, with significantly reduced cash generation.

The Company forecasts that, even with continued suspension of exports, it will have a significant net cash balance for the foreseeable future.

As a result, the Directors have assessed that the Company's forecast liquidity provides adequate headroom over its forecast expenditure for the 12 months following the signing of the annual report for the period ended 31 December 2023 and consequently that the Company is considered a going concern.

Consolidation

The consolidated financial statements consolidate the Company and its subsidiaries. These accounting policies have been adopted by all companies.

Subsidiaries

Subsidiaries are all entities over which the Company has control. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases. Transactions, balances and unrealised gains on transactions between companies are eliminated.

Joint arrangements and associates

Arrangements under which the Company has contractually agreed to share control with another party, or parties, are joint ventures where the parties have rights to the net assets of the arrangement, or joint operations where the parties have rights to the assets and obligations for the liabilities relating to the arrangement. Investments in entities over which the Company has the right to exercise significant influence but has neither control nor joint control are classified as associates and accounted for under the equity method.

The Company recognises its assets, liabilities, income and expenses relating to its interests in joint operations, including its share of assets and income held jointly and liabilities and expenses incurred jointly with other partners.

Notes to the consolidated financial statements

Farm-in/farm-out

Farm-in/farm-out transactions undertaken in the exploration phase of an oil and gas asset are accounted for on a no gain/no loss basis due to inherent uncertainties in the exploration phase and associated difficulties in determining fair values reliably prior to the determination of commercially recoverable proved reserves. The resulting exploration and evaluation asset is then assessed for impairment indicators under IFRS 6. Any cash payment or proceeds are presented as an increase or reduction to additions respectively.

1.2 Significant accounting judgements and estimates

The preparation of the financial statements in accordance with IFRS requires the Company to make judgements and estimates that affect the reported results, assets and liabilities. Where judgements and estimates are made, there is a risk that the actual outcome could differ from the judgement or estimate made.

Significant judgements

The following are the significant judgements that the directors have made in the process of applying the Group and Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Sarta PSC (note 10 and 7)

At 31 December 2022, the Company's assessment on the recoverable value of the Sarta PSC had resulted with an impairment expense of \$125.5 million following the disappointing results of the two appraisal wells and pilot production.

In 2023, the Company has informed the KRG of its intention to exit the Sarta licence and the remaining recoverable value of the Sarta PSC have been reduced to nil and a write-off expense of \$18.7 million has been booked. Following the termination of the PSC on 1 December 2023, decommissioning provisions have also been derecognised.

Significant estimates

The following are the critical estimates that the directors have made in the process of applying the Group and Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Estimation of hydrocarbon reserves and resources and associated production profiles and costs

Estimates of hydrocarbon reserves and resources are inherently imprecise and are subject to future revision. The Company's estimation of the quantum of oil and gas reserves and resources and the timing of its production, cost and monetisation impact the Company's financial statements in a number of ways, including: testing recoverable values for impairment; the calculation of depreciation, amortisation and assessing the cost and likely timing of decommissioning activity and associated costs. This estimation also impacts the assessment of going concern and the viability statement.

Proved and probable reserves are estimates of the amount of hydrocarbons that can be economically extracted from the Company's assets. The Company estimates its reserves using standard recognised evaluation techniques which are based on Petroleum Resources Management System 2018. Assets assessed as having proven and probable reserves are generally classified as property, plant and equipment as development or producing assets and depreciated using the units of production methodology. The Company considers its best estimate for future production and quantity of oil within an asset based on a combination of internal and external evaluations and uses this as the basis of calculating depreciation and amortisation of oil and gas assets and testing for impairment under IAS 36.

Hydrocarbons that are not assessed as reserves are considered to be resources and the related assets are classified as exploration and evaluation assets. These assets are expenditures incurred before technical feasibility and commercial viability is demonstrable. Estimates of resources for undeveloped or partially developed fields are subject to greater uncertainty over their future life than estimates of reserves for fields that are substantially developed and being depleted and are likely to contain estimates and judgements with a wide range of possibilities. These assets are considered for impairment under IFRS 6.

Once a field commences production, the amount of proved reserves will be subject to future revision once additional information becomes available through, for example, the drilling of additional wells or the observation of long-term reservoir performance under producing conditions. As those fields are further developed, new information may lead to revisions.

Assessment of reserves and resources are determined using estimates of oil and gas in place, recovery factors and future commodity prices, the latter having an impact on the total amount of recoverable reserves.

Where the Company has updated its estimated reserves and resources any required disclosure of the impact on the financial statements is provided in the following sections.

Estimation of oil and gas asset values (note 9 and 10)

Estimation of the asset value of oil and gas assets is calculated from a number of inputs that require varying degrees of estimation. Principally oil and gas assets are valued by estimating the future cash flows based on a combination of reserves and resources, costs of appraisal, development and production, production profile, climate-related risks, pipeline reopening and future sales price and discounting those cash flows at an appropriate discount rate.

Future costs of appraisal, development and production are estimated taking into account the level of development required to produce those reserves and are based on past costs, experience and data from similar assets in the region, future petroleum prices and the planned development of the asset. However, actual costs may be different from those estimated.

Discount rate is assessed by the Company using various inputs from market data, external advisers and internal calculations. A post tax nominal discount rate of 14% (2022: 14%) derived from the Company's weighted average cost of capital (WACC) is used when assessing the impairment testing of the Company's oil assets at year-end. Risking factors are also used alongside the discount rate when the Company is assessing exploration and appraisal assets.

Estimation of future oil price and netback price

The estimation of future oil price has a significant impact throughout the financial statements, primarily in relation to the estimation of the recoverable value of property, plant and equipment and intangible assets. It is also relevant to the assessment of ECL, going concern and the viability statement.

The Company's estimate of average Brent oil price for future years is based on a range of publicly available market estimates and is summarised in the table below.

\$/bbl	2023	2024	2025	2026	2027	2028
Actual / Estimate	82	80	76	74	71	70
HY2023 estimate	82	78	74	70	70	70
Prior year estimate	82	78	74	70	70	70

The netback price is used to value the Company's revenue, trade receivables and its forecast cash flows used for impairment testing and viability. It is the aggregation of reference oil price average less transportation costs, handling costs and quality adjustments.

Effective from 1 September 2022, sales have been priced by the MNR under a new pricing formula based on the realised sales price for Kurdistan blend crude ('KBT') during the delivery month, rather than on dated Brent. The Company has not agreed on this new pricing formula and continued to invoice on Brent. The Company does not have direct visibility on the components of the netback price realised for its oil because sales are managed by the KRG, but the latest payments were based on the netback price provided by the KRG. Therefore, the export revenue from 1 September 2022 was recognised in accordance with IFRS15 using KBT pricing, resulting in the recognition of \$13 million less of revenue.

The export pipeline closure in March 2023 has resulted in volumes sold in the local market starting in June 2023 on a cash and carry basis at lower realised oil prices than previously achieved through export.

A sensitivity analysis of netback price on producing asset values has been provided in note 10.

The Company has also taken the change into account in its assessment of impairment reversal and considered it appropriate not to reverse any previous impairments.

Estimation of the recoverable value of deferred receivables and trade receivables (note 11)

As of 31 December 2023, the Company is owed six months of payments. Management has compared the carrying value of trade receivables with the present value of the estimated future cash flows based on the prevailing discount rate at the time sales made (14%) and a number of collection scenarios. The ECL is the weighted average of these scenarios and is recognised in the income statement. The weighting is applied based on expected repayment timing by considering the recovery of previous deferred receivables. The result of this assessment is an ECL provision of \$14.5 million. Each 1% increase in discount rate would increase the ECL by \$0.9 million. Sensitivity of the calculation to different scenarios has been provided in note 11.

Other estimates

The following are the other estimates that the directors have made in the process of applying the Group and Company's accounting policies and that have effect on the amounts recognised in the financial statements.

Decommissioning provision (note 15)

Decommissioning provisions are calculated from a number of inputs such as costs to be incurred in removing production facilities and site restoration at the end of the producing life of each field which is considered as the mid-point of a range of cost estimation. These inputs are based on the Company's best estimate of the expenditure required to settle the present obligation at the end of the period inflated at 2% (2022: 2%) and discounted at 4% (2022: 4%). 10% increase in cost estimates would increase the existing provision by c.\$4 million and 1% increase in discount rate would decrease the existing provision by c.\$3 million, the combined impact would be c.\$1 million. The cash flows relating to the decommissioning and abandonment provisions are expected to occur between 2028 and 2036.

Taxation

Under the terms of KRI PSC's, corporate income tax due is paid on behalf of the Company by the KRG from the KRG's own share of revenues, resulting in no corporate income tax payment required or expected to be made by the Company. It is not known at what rate tax is paid, but it is estimated that the current tax rate would be between 15% and 40%. If this was known it would result in a gross up of revenue with a corresponding debit entry to taxation expense with no net impact on the income statement or on cash. In addition, it would be necessary to assess whether any deferred tax asset or liability was required to be recognised.

Notes to the consolidated financial statements

1.3 Accounting policies

The accounting policies adopted in preparation of these financial statements are consistent with those used in preparation of the annual financial statements for the year ended 31 December 2022, adjusted for transitional requirements where necessary, further explained under revenue and changes in accounting policies headings.

Revenue

Revenue from contracts with customers is earned based on the entitlement mechanism under the terms of the relevant PSC and, overriding royalty income ('ORRI'), which was earned on 4.5% of gross field revenue from the Tawke licence up until July 2022.

Under IFRS 15, entitlement revenue and ORRI is recognised when the control of the product is deemed to have passed to the customer, in exchange for the consideration amount determined by the terms of the contract. For exports the control passes to the customer when the oil enters the export pipe. For local sales, the control passes to the customer when the oil is delivered to the trucks.

Entitlement has two components: cost oil, which is the mechanism by which the Company recovers its costs incurred on an asset, and profit oil, which is the mechanism through which profits are shared between the Company, its partners and the KRG. The Company pays capacity building payments on profit oil entitlement earned on the Sarta and Taq Taq licences, which become due for payment once the Company has received the relevant proceeds. Profit oil revenue is always reported net of any capacity building payments that will become due.

The Company's export oil sales made to the KRG are valued at a netback price which is explained further in significant accounting estimates and judgements. The Company's local sales are valued at the price agreed with the local buyers.

The Company is not able to measure the tax that has been paid on its behalf and consequently has not been able to assess where revenue should be reported gross of implied income tax paid.

The Company's revenue from other sources includes a non-cash royalty income which is recognised in the statement of comprehensive income in a manner consistent with entitlement mechanism.

Intangible assets

Exploration and evaluation assets

Oil and gas assets classified as exploration and evaluation assets are explained under Oil and Gas assets below.

Tawke RSA

Intangible assets include the Receivable Settlement Agreement ('RSA') effective from 1 August 2017, which was entered into in exchange for trade receivables due from KRG for Taq Taq and Tawke past sales. The RSA was recognised at cost and is amortised on a units of production basis in line with the economic lives of the rights acquired.

Property, plant and equipment

Producing and Development assets

Oil and gas assets classified as producing and development assets are explained under Oil and Gas assets below.

Oil and gas assets

Costs incurred prior to obtaining legal rights to explore are expensed to the statement of comprehensive income.

Exploration, appraisal and development expenditure is accounted for under the successful efforts method. Under the successful efforts method only costs that relate directly to the discovery and development of specific oil and gas reserves are capitalised as exploration and evaluation assets within intangible assets so long as the activity is assessed to be de-risking the asset and the Company expects continued activity on the asset into the foreseeable future. Costs of activity that do not identify oil and gas reserves are expensed.

All licence acquisition costs, geological and geophysical costs, inventories and other direct costs of exploration, evaluation and development are capitalised as intangible assets or property, plant and equipment according to their nature. Intangible assets comprise costs relating to the exploration and evaluation of properties which the directors consider to be unevaluated until assessed as being 2P reserves and commercially viable.

Once assessed as being 2P reserves they are tested for impairment and transferred to property, plant and equipment as development assets. Where properties are appraised to have no commercial value, the associated costs are expensed as an impairment loss in the period in which the determination is made. Development assets are classified under producing assets following the commercial production commencement.

Development expenditure is accounted for in accordance with IAS 16 - Property, plant and equipment. Producing assets are depreciated once they are available for use and are depleted on a field-by-field basis using the unit of production method. The sum of carrying value and the estimated future development costs are divided by total barrels to provide a \$/barrel unit depreciation cost. Changes to depreciation rates as a result of changes in forecast production and estimates of future development expenditure are reflected prospectively.

The estimated useful lives of property, plant and equipment and their residual values are reviewed on an annual basis and changes in useful lives are accounted for prospectively. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income for the relevant period.

Where exploration licences are relinquished or exited for no consideration or costs incurred are neither de-risking nor adding value to the asset, the associated costs are expensed to the income statement.

Impairment testing of oil and gas assets is considered in the context of each cash generating unit. A cash generating unit is generally a licence, with the discounted value of the future cash flows of the CGU compared to the book value of the relevant assets and liabilities.

Subsequent costs

The cost of replacing part of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The net book value of the replaced part is expensed. The costs of the day-to-day servicing and maintenance of property, plant and equipment are recognised in the statement of comprehensive income.

Discontinued operations

A part of the Company's operations is classified as a discontinued operation if the component has either been disposed of or is classified as held for sale and represents a separate major line of business or geographic area of operations, is part of a single coordinated plan to dispose of a separate major line of business or geographic area of operations, or is a subsidiary acquired exclusively with a view to resale. Discontinued operations are excluded from the net income/loss from continuing operations and are presented as a single amount as gain/loss from discontinued operations, in the consolidated statement of comprehensive income. When an operation is classified as a discontinued operation, the comparative consolidated statement of comprehensive income is restated and presented as if the operation had been classified as such from the start of the comparative year.

Right of use (RoU) assets / Lease liabilities

The Company recognises a right to use asset and lease liability, depreciate the associated asset, re-measure and reduce the liability through lease payments unless the underlying leased asset is of low value and/or short term in nature. The Company uses the following judgements permitted by the standard: applying a single discount rate to a portfolio of leases with reasonably similar characteristics, exemption from recognition of right of use assets with a lease term of less than 12 months at the inception and using hindsight in determining the lease term where the contract contains options to extend or terminate the lease. Right-of-use assets are depreciated over the lifetime of the related lease contract. Lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate and included within trade and other payables.

Drill rig contracts are service contracts where contractors provide the rig together with the services and the contracted personnel on a day-rate basis for the purpose of drilling exploration or development wells. The Company has no right of use of the rigs. The aggregate payments under drilling contracts are determined by the number of days required to drill each well and are capitalised as exploration or development assets as appropriate.

Financial assets and liabilities

Classification

The Company assesses the classification of its financial assets on initial recognition at amortised cost, fair value through other comprehensive income or fair value through profit and loss. The Company assesses the classification of its financial liabilities on initial recognition at either fair value through profit and loss or amortised cost.

Recognition and measurement

Regular purchases and sales of financial assets are recognised at fair value on the trade-date - the date on which the Company commits to purchase or sell the asset. Trade and other receivables, trade and other payables, borrowings and deferred contingent consideration are subsequently carried at amortised cost using the effective interest method.

Trade and other receivables

Trade receivables are amounts due from crude oil sales, sales of gas or services performed in the ordinary course of business. If payment is expected within one year or less, trade receivables are classified as current assets otherwise they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for expected credit loss. The Company's assessment of expected credit loss model is explained below under financial assets.

Cash and cash equivalents

In the consolidated balance sheet and consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held on call with banks, other short-term highly liquid investments which are assessed as cash and cash equivalents under IAS 7 and includes the Company's share of cash held in joint operations..

Interest-bearing borrowings

Borrowings are recognised initially at fair value, net of any discount in issuance and transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan.

Borrowings are presented as long or short-term based on the maturity of the respective borrowings in accordance with the loan or other agreement. Borrowings with maturities of less than twelve months are classified as short-term. Amounts are classified as long-term where maturity is greater than twelve months. Where no objective evidence of maturity exists, related amounts are classified as short-term.

Notes to the consolidated financial statements

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the Company's best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material. The unwinding of any discount is recognised as finance costs in the statement of comprehensive income.

Decommissioning

Provision is made for the cost of decommissioning assets at the time when the obligation to decommission arises. Such provision represents the estimated discounted liability for costs which are expected to be incurred in removing production facilities and site restoration at the end of the producing life of each field. A corresponding cost is capitalised to property, plant and equipment and subsequently depreciated as part of the capital costs of the production facilities. Any change in the present value of the estimated expenditure attributable to changes in the estimates of the cash flow or the current estimate of the discount rate used are reflected as an adjustment to the provision and capitalised as part of the cost of the assets.

Impairment

Exploration and evaluation assets

Spend on exploration and evaluation assets is capitalised in accordance with IFRS 6. The carrying amounts of the Company's exploration and evaluation assets are reviewed at each reporting date to determine whether there is any indication of impairment under IFRS 6. Impairment assessment of exploration and evaluation assets is considered in the context of each cash generating unit, which is generally represented by relevant the licence.

Producing and Development assets

The carrying amounts of the Company's producing and development assets are reviewed at each reporting date to determine whether there is any indication of impairment or reversal of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs of disposal. For value in use, the estimated future cash flows arising from the Company's future plans for the asset are discounted to their present value using a nominal post tax discount rate that reflects market assessments of the time value of money and the risks specific to the asset. For fair value less costs of disposal, an estimation is made of the fair value of consideration that would be received to sell an asset less associated selling costs (which are assumed to be immaterial). Assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (cash generating unit).

The estimated recoverable amount is then compared to the carrying value of the asset. Where the estimated recoverable amount is materially lower than the carrying value of the asset an impairment loss is recognised. Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Property, plant and equipment and intangible assets

Impairment testing of oil and gas assets is explained above. When impairment indicators exist for other non-financial assets, impairment testing is performed based on the higher of value in use and fair value less costs of disposal. The Company assets' recoverable amount is determined by fair value less costs of disposal.

Financial assets

Impairment of financial assets is assessed under IFRS 9 with a forward-looking expected credit loss ('ECL') model. The standard requires the Company to book an allowance for ECL for its financial assets. The Company has assessed its trade receivables as at 31 December 2023 for ECL. Further explanation is provided in significant accounting judgements and estimates.

Equity

Share capital

Amounts subscribed for share capital at nominal value. Ordinary shares are classified as equity.

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, is net of any tax effects and is recognised as a deduction in equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity. When treasury shares are subsequently sold or reissued, the amount received is recognised as an increase in equity and the resulting surplus or deficit of the transaction is transferred to/from retained earnings.

Share premium

Amounts subscribed for share capital in excess of nominal value.

Accumulated loss

Cumulative net losses recognised in the statement of comprehensive income net of amounts recognised directly in equity.

Dividend

Liability to pay a dividend is recognised based on the declared timetable. A corresponding amount is recognised directly in equity.

Employee benefits

Short-term benefits

Short-term employee benefit obligations are expensed to the statement of comprehensive income as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share-based payments

The Company operates equity-settled share-based compensation plans. The expense required in accordance with IFRS 2 is recognised in the statement of comprehensive income over the vesting period of the award and partially capitalised as oil and gas assets in line with the hours incurred by the employees. The expense is determined by reference to option pricing models, principally Monte Carlo and adjusted Black-Scholes models.

At each balance sheet date, the Company revises its estimate of the number of options that are expected to become exercisable. Any revision to the original estimates is reflected in the statement of comprehensive income with a corresponding adjustment to equity immediately to the extent it relates to past service and the remainder over the rest of the vesting period.

Finance income and finance costs

Finance income comprises interest income on cash invested, foreign currency gains and the unwind of discount on any assets held at amortised cost. Interest income is recognised as it accrues, using the effective interest method.

Finance expense comprises interest expense on borrowings, foreign currency losses and discount unwind on any liabilities held at amortised cost. Borrowing costs directly attributable to the acquisition of a qualifying asset as part of the cost of that asset are capitalised over the respective assets.

Taxation

Under the terms of the KRI PSCs, the Company is not required to pay any cash corporate income taxes as explained in significant accounting judgements and estimates. Current tax expense is incurred on profits of service companies.

Segmental reporting

IFRS 8 requires the Company to disclose information about its business segments and the geographic areas in which it operates. It requires identification of business segments on the basis of internal reports that are regularly reviewed by the CEO, the chief operating decision maker, in order to allocate resources to the segment and assess its performance.

Related parties

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the party in making financial or operational decisions. Parties are also related if they are subject to common control. Transactions between related parties are transfers of resources, services or obligations, regardless of whether a price is charged and are disclosed separately within the notes to the consolidated financial information.

New standards

The following new accounting standards, amendments to existing standards and interpretations are effective on 1 January 2023. Amendments to IAS 12 Income taxes: International Tax Reform - Pillar Two Model Rules (issued on 23 May 2023), Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative Information (issued on 9 December 2021), Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 7 May 2021), Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021), Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued on 12 February 2021), IFRS 17 Insurance Contracts (issued on 18 May 2017). These standards did not have a material impact on the Company's results or financial statements disclosures in the current reporting period except Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021). The Company has adopted the amendments to IAS 1 for the first time in the current year as to disclose material accounting policies.

The following new accounting standards, amendments to existing standards and interpretations have been issued but are not yet effective and/or have not yet been endorsed by the EU: Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023), Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (issued on 25 May 2023), Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Noncurrent (issued on 23 January 2020); Classification of Liabilities as Current or Noncurrent - Deferral of Effective Date (issued on 15 July 2020); and Non-current Liabilities with Covenants (issued on 31 October 2022), Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022). Nothing has been early adopted, and these standards are not expected to have a material impact on the Company's results or financial statement disclosures in the periods they become effective.

2. Segmental information

The Company has two reportable business segments: Production and Pre-production. Capital allocation decisions for the production segment are considered in the context of the cash flows expected from the production and sale of crude oil. The production segment is comprised of the producing fields on the Tawke PSC (Tawke and Peshkibir fields) and the Taq Taq PSC which are located in the KRI and make export sales to the KRG and local sales to the local buyers. The pre-production segment is comprised of exploration activity, principally located in Somaliland and Morocco. 'Other' includes corporate assets, liabilities and costs, elimination of intercompany receivables and intercompany payables, which are non-segment items.

For the year ended 31 December 2023

	Production	Pre-production	Other	Total
	\$m	\$m	\$m	\$m
Revenue from contracts with customers (export)	45.8	-	-	45.8
Revenue from contracts with customers (local)	38.2	-	-	38.2
Revenue from other sources	0.8	-	-	0.8
Cost of sales	(65.2)	-	-	(65.2)
Gross profit	19.6	-	-	19.6
Exploration expense	-	(0.1)	-	(0.1)
Other operating costs	(3.6)	-	-	(3.6)
Reversal of decommissioning provision	1.2	-	-	1.2
Reversal of ECL of trade receivables	4.2	-	-	4.2
ECL of trade receivables	(13.3)	-	-	(13.3)
General and administrative costs	-	-	(27.2)	(27.2)
Operating profit / (loss)	8.1	(0.1)	(27.2)	(19.2)
Operating profit / (loss) is comprised of				
EBITDAX	59.9	-	(27.1)	32.8
Depreciation and amortisation	(43.9)	-	(0.1)	(44.0)
Exploration expense	-	(0.1)	-	(0.1)
Reversal of decommissioning provision	1.2	-	-	1.2
Reversal of ECL of receivables	4.2	-	-	4.2
ECL of receivables	(13.3)	-	-	(13.3)
Finance income	-	-	20.6	20.6
Bond interest expense	-	-	(24.8)	(24.8)
Net other finance expense	(3.2)	(0.1)	(1.6)	(4.9)
Profit / (loss) before income tax from continuing operations	4.9	(0.2)	(33.0)	(28.3)
Loss from discontinued operations	(32.8)	-	-	(32.8)
Profit / (Loss) before income tax	(27.9)	(0.2)	(33.0)	(61.1)
Capital expenditure	58.9	9.1	-	68.0
Total assets	412.1	26.8	356.2	795.1
Total liabilities	(91.0)	(12.0)	(258.2)	(361.2)

Sarta PSC figures have been disclosed as discontinued operation following the PSC termination in the year (see note 7).

Total assets and liabilities in the other segment are predominantly cash and debt balances.

For the year ended 31 December 2022

	Production \$m	Pre- production \$m	Other \$m	Total \$m
Revenue from contracts with customers	388.7	-	-	388.7
Revenue from other sources	13.2	-	-	13.2
Cost of sales	(168.5)	-	-	(168.5)
Gross profit	233.4	-	-	233.4
Exploration expense	-	(1.0)	-	(1.0)
Net write-off of intangible asset	-	(75.8)	-	(75.8)
Reversal of ECL of receivables	10.8	-	2.0	12.8
ECL of receivables	(4.2)	-	-	(4.2)
General and administrative costs	-	-	(18.6)	(18.6)
Operating profit / (loss)	240.0	(76.8)	(16.6)	146.6
Operating profit / (loss) is comprised of				
EBITDAX	367.6	-	(18.5)	349.1
Depreciation and amortisation	(134.2)	-	(0.1)	(134.3)
Exploration expense	-	(1.0)	-	(1.0)
Net write-off of intangible assets	-	(75.8)	-	(75.8)
Reversal of ECL of receivables	10.8	-	2.0	12.8
ECL of receivables	(4.2)	-	-	(4.2)
Finance income	-	-	6.7	6.7
Bond interest expense	-	-	(25.9)	(25.9)
Other finance expense	(2.4)	(0.4)	(2.5)	(5.3)
Profit / (Loss) before income tax from continuing operations	237.6	(77.2)	(38.3)	122.1
Loss from discontinued operations	(129.2)	-	-	(129.2)
Profit / (Loss) before income tax	108.4	(77.2)	(38.3)	(7.1)
Capital expenditure	133.4	9.7	-	143.1
Total assets	447.3	23.5	472.7	943.5
Total liabilities	(111.9)	(17.7)	(286.1)	(415.7)

Revenue from contracts with customers includes \$94.5 million arising from the ORRI and \$34.7 million in relation to the suspended ORRI.

Total assets and liabilities in the other segment are predominantly cash and debt balances.

3. Operating (loss) / profit

	2023	2022
	\$m	\$m
Production costs	(21.3)	(34.3)
Depreciation of oil and gas property, plant and equipment (excl. RoU assets)	(39.6)	(95.0)
Amortisation of oil and gas intangible assets	(4.3)	(39.2)
Cost of sales	(65.2)	(168.5)
Exploration expense	(0.1)	(1.0)
Other operating costs ¹	(3.6)	-
Write-off of intangible assets (note 9)	-	(78.0)
Net reversal of accruals and provisions	1.2	2.2
Net write-off of intangible assets	1.2	(75.8)
Reversal of ECL of other receivables	-	2.0
Reversal of ECL of trade receivables (note 1,11)	4.2	10.8
ECL of trade receivables (note 1,11)	(13.3)	(4.2)
Net (ECL) / reversal of ECL of receivables	(9.1)	8.6
Corporate cash costs	(12.4)	(14.0)
Non-recurring costs	(13.1)	(3.7)
Corporate share-based payment expense	(1.6)	(0.8)
Depreciation and amortisation of corporate assets (excl. RoU assets)	(0.1)	(0.1)
General and administrative expenses	(27.2)	(18.6)
Auditor's remuneration:		
Audit of the Group's consolidated financial statements	(0.3)	(0.3)
Audit of the Group's subsidiaries pursuant to legislation	(0.1)	(0.1)
Total audit services	(0.4)	(0.4)
Interim review	(0.1)	(0.1)
Total audit related and non-audit services	(0.5)	(0.5)

¹ Other operating costs relate to Taq Taq costs which were incurred after production ceased in May 2023, following the pipeline closure.

All fees paid to the auditor were charged to operating loss in both years.

4. Staff costs and headcount

	2023	2022
	\$m	\$m
Wages and salaries	(19.3)	(21.1)
Contractors costs	(13.8)	(20.6)
Social security costs	(1.9)	(4.3)
Share based payments	(3.7)	(4.1)
	(38.7)	(50.1)

Average headcount was:

	2023	2022
	number	number
Türkiye	38	39
KRI	23	38
UK	30	34
Somaliland	27	18
Contractors	84	129
	202	258

5. Finance expense and income

	2023	2022
	\$m	\$m
Bond interest	(24.8)	(25.9)
Other finance expense (non-cash)	(6.0)	(5.3)
Finance expense	(30.8)	(31.2)
Bank interest income	20.6	6.7
Gain on bond buyback	1.1	-
Finance income	21.7	6.7
Net finance expense	(9.1)	(24.5)

Bond interest payable is the cash interest cost of the Company's bond debt. Other finance expense (non-cash) primarily relates to the discount unwind on the bond and the asset retirement obligation provision.

6. Income tax expense

Current tax expense is incurred on profits of service companies. Under the terms of the KRI PSCs, the Company is not required to pay any cash corporate income taxes as explained in note 1.

7. Discontinued operations

Sarta PSC was terminated on 1 December 2023. The results of the discontinued operations, which have been included in the loss for the year, were as follows:

	2023	2022
	\$m	\$m
Revenue	3.6	30.8
Production costs	(3.6)	(16.8)
Depreciation of oil and gas property, plant and equipment	(0.7)	(14.9)
Gross loss	(0.7)	(0.9)
Other operating costs ¹	(20.0)	-
Write-off / impairment of property, plant and equipment (note 1,10)	(18.7)	(125.5)
Reversal of provisions	8.2	-
Reversal of ECL of trade receivables	0.4	-
ECL of trade receivables	(1.2)	(0.4)
General and administrative costs	(0.5)	(1.5)
Operating loss	(32.5)	(128.3)
Other finance expense (non-cash)	(0.3)	(0.9)
Loss from discontinued operations	(32.8)	(129.2)

¹ Other operating costs relate to costs incurred after production ceased in March 2023, following the pipeline closure and costs incurred in relation to exiting the PSC.

	2023	2022
	\$m	\$m
Cash flows from discontinued operations		
Net cash (used in) / generated from operating activities	(27.8)	18.5
Net cash used in investing activities	(3.8)	(53.7)
Net cash used in financing activities	(2.1)	(2.9)

8. (Loss) / Earnings per share

Basic

Basic loss per share is calculated by dividing the loss attributable to owners of the parent by the weighted average number of shares in issue during the year.

	2023	2022
(Loss) / Profit from continuing operations (\$m)	(28.5)	121.9
Loss from discontinued operations (\$m)	(32.8)	(129.2)
Loss attributable to owners of the parent (\$m)	(61.3)	(7.3)
Weighted average number of ordinary shares - number ¹	278,836,216	278,654,909
Basic (loss) / earnings per share - cents per share (from continuing operations)	(10.2)	43.7
Basic loss per share - cents per share	(22.0)	(2.6)

¹ Excluding shares held as treasury shares

Diluted

The Company purchases shares in the market to satisfy share plan requirements so diluted earnings per share is adjusted for performance shares, restricted shares, share options and deferred bonus plans not included in the calculation of basic earnings per share. Because the Company reported a loss for the year ended 31 December 2023 and 31 December 2022, the performance shares, restricted shares and share options are anti-dilutive and therefore diluted LPS is the same as basic LPS:

	2023	2022
(Loss) / Profit from continuing operations (\$m)	(28.5)	121.9
Loss from discontinued operations (\$m)	(32.8)	(129.2)
Loss attributable to owners of the parent (\$m)	(61.3)	(7.3)
Weighted average number of ordinary shares - number ¹	278,836,216	278,654,909
Adjustment for performance shares, restricted shares, share options and deferred bonus plans	-	-
Weighted average number of ordinary shares and potential ordinary shares	278,836,216	278,654,909
Basic (loss) / earnings per share - cents per share (from continuing operations)	(10.2)	43.7
Diluted loss per share - cents per share	(22.0)	(2.6)

¹ Excluding shares held as treasury shares

Basic (LPS) / EPS excluding impairments

Basic (LPS) / EPS excluding impairment is loss and total comprehensive expense adjusted for the add back of net impairment/write-off of oil and gas assets and net ECL/reversal of ECL of receivables divided by weighted average number of ordinary shares.

	2023	2022
Loss attributable to owners of the parent (\$m)	(61.3)	(7.3)
Add back of net impairment/write-off of oil and gas assets	18.2	201.3
Add back of net ECL/reversal of ECL of receivables	9.9	(8.2)
(Loss) / profit attributable to owners of the parent (\$m) - adjusted	(33.2)	185.8
Weighted average number of ordinary shares - number ¹	278,836,216	278,654,909
Basic (loss) / earnings per share excluding impairments - cents per share	(11.9)	66.7

¹ Excluding shares held as treasury shares

9. Intangible assets

	Exploration and evaluation assets	Tawke RSA	Other assets	Total
	\$m	\$m	\$m	\$m
Cost				
At 1 January 2022	81.4	425.1	7.5	514.0
Additions	9.7	-	-	9.7
Write-off in the year (note 1)	(78.0)	-	-	(78.0)
Other	(0.2)	-	-	(0.2)
At 31 December 2022 and 1 January 2023	12.9	425.1	7.5	445.5
Additions	9.1	-	-	9.1
Other	0.8	-	-	0.8
At 31 December 2023	22.8	425.1	7.5	455.4
Accumulated amortisation and impairment				
At 1 January 2022	-	(319.7)	(7.5)	(327.2)
Amortisation charge for the period	-	(39.2)	-	(39.2)
At 31 December 2022 and 1 January 2023	-	(358.9)	(7.5)	(366.4)
Amortisation charge for the year	-	(4.3)	-	(4.3)
At 31 December 2023	-	(363.2)	(7.5)	(370.7)
Net book value				
At 1 January 2022	81.4	105.4	-	186.8
At 31 December 2022	12.9	66.2	-	79.1
At 31 December 2023	22.8	61.9	-	84.7
			2023	2022
Book value			\$m	\$m
Somaliland PSC	<i>Exploration</i>	22.8	12.9	
Exploration and evaluation assets		22.8	12.9	
Tawke capacity building payment waiver		61.9	66.2	
Tawke RSA assets		61.9	66.2	

10. Property, plant and equipment

	Producing assets \$m	Other assets \$m	Total \$m
Cost			
At 1 January 2022	3,117.2	17.1	3,134.3
Net additions	129.1	0.9	130.0
Right-of-use assets (note 20)	-	(0.4)	(0.4)
Other ¹	5.9	-	5.9
At 31 December 2022 and 1 January 2023	3,252.2	17.6	3,269.8
Additions			
Right-of-use assets (note 20)	-	(0.3)	(0.3)
Other ¹	2.1	-	2.1
At 31 December 2023	3,313.2	17.3	3,330.5
Accumulated depreciation and impairment			
At 1 January 2022	(2,769.2)	(12.6)	(2,781.8)
Depreciation charge for the year	(112.8)	(1.6)	(114.4)
Impairment (note 1)	(125.5)	-	(125.5)
At 31 December 2022 and 1 January 2023	(3,007.5)	(14.2)	(3,021.7)
Depreciation charge for the year			
Write-off (note 1)	(18.7)	-	(18.7)
At 31 December 2023	(3,068.5)	(15.5)	(3,084.0)
Net book value			
At 1 January 2022	348.0	4.5	352.5
At 31 December 2022	244.7	3.4	248.1
At 31 December 2023	244.7	1.8	246.5

¹ Other line includes non-cash asset retirement obligation provision and share-based payment costs.

		2023 \$m	2022 \$m
Book value			
Tawke PSC	<i>Oil production</i>	210.0	199.1
Taq Taq PSC	<i>Oil production</i>	34.7	28.8
Sarta PSC	<i>Oil production/development</i>	-	16.8
Producing assets		244.7	244.7

Sarta PSC was terminated on 1 December 2023 and this resulted in a reduction in the carrying value to nil and write-off of assets of \$18.7 million as of 31 December 2023. Further explanation is provided in note 1.

The sensitivities below provide an indicative impact on net asset value of a change in netback price, discount rate or production, assuming no change to any other inputs.

Sensitivities	Taq Taq CGU \$m	Tawke CGU \$m
Netback price +/- \$5/bbl	+/- 2	+/- 30
Discount rate +/- 1%	+/- 0	+/- 8
Production +/- 10%	+/- 2	+/- 32
Local sales only for 1 year	+/- 0	- 19

11. Trade and other receivables

	2023	2022
	\$m	\$m
Trade receivables - non-current	66.5	-
Trade receivables - current	26.4	117.0
Other receivables and prepayments	7.6	4.7
	100.5	121.7

At 31 December 2023, the Company is owed six months of payments (31 December 2022: five months).

	Period when sale made				Total nominal	ECL provision	Trade receivables
	Not due	Overdue 2023	Overdue 2022	Deferred 2020			
	\$m	\$m	\$m	\$m			
31 December 2023	-	49.3	58.1	-	107.4	(14.5)	92.9
31 December 2022	60.7	-	44.4	16.5	121.6	(4.6)	117.0

	2023	2022
	\$m	\$m
Movement on trade receivables in the year		
Carrying value at 1 January	117.0	158.1
Revenue from contracts with customers	87.6	384.8
Revenue recognised for suspended ORRI	-	34.7
Cash for export sales	(61.2)	(473.3)
Cash for local sales	(41.0)	-
Offset of payables due to the KRG	-	(0.1)
Reversal of previous year's expected credit loss (note 1)	4.6	10.8
Expected credit loss for current year (note 1)	(14.5)	(4.6)
Capacity building payments	0.2	5.2
Sarta processing fee payments	0.2	1.4
Carrying value at 31 December	92.9	117.0

Recovery of the carrying value of the receivable

All trade receivables relate to export sales as the local sales are on a cash and carry basis. As explained in note 1, the booked nominal receivable value of \$107.4 million has been recognised based on KBT due to IFRS 15 requirements and it would be \$13 million higher under Brent pricing mechanism. The Company expects to recover the full value of receivables owed from the KRG under Brent pricing mechanism, but the terms of recovery are not determined yet. An explanation of the assumptions and estimates in assessing the net present value of the deferred receivables are provided in note 1.

	Total
	\$m
Booked nominal balance to be recovered	107.4
Estimated net present value of total cash flows	92.9

Sensitivities/Scenarios

The table below shows the sensitivity of the net present value of the overdue trade receivables to start and timing of repayment that the company has used during its ECL assessment. Each scenario has been weighted in accordance with the management's expected outcome.

NPV14.0 (\$m)		Months it takes to recover the nominal amount owed					
		0	3	6	12	18	24
Months until repayment commences	0	107	105	103	100	97	94
	3	103	102	100	97	94	91
	6	99	98	97	94	91	88
	9	96	95	94	91	88	85
	12	93	92	91	88	85	82

12. Cash and cash equivalents

	2023	2022
	\$m	\$m
Cash and cash equivalents	363.4	494.6
	363.4	494.6

Cash is primarily invested with major international financial institutions, in US Treasury bills or liquidity funds. \$0.6 million (2022: \$0.1 million) of cash is restricted.

13. Trade and other payables

	2023	2022
	\$m	\$m
Trade payables	23.0	25.3
Other payables	2.2	5.2
Accruals	32.9	53.1
	58.1	83.6
Non-current	0.5	1.2
Current	57.6	82.4
	58.1	83.6

Current payables are predominantly short-term in nature and there is minimal difference between contractual cash flows related to the financial liabilities and their carrying amount. For non-current payables, liabilities are recognised at discounted fair value using the effective interest rate. Lease liabilities are included in other payables, further explanation is provided in note 20.

14. Deferred income

	2023	2022
	\$m	\$m
Balance at 1 January	13.3	20.5
Interest (non-cash)	1.7	1.0
Royalty income (non-cash)	(0.8)	(8.2)
Balance at 31 December	14.2	13.3
Non-current (within 1-2 years)	8.2	6.5
Current	6.0	6.8
	14.2	13.3

15. Provisions

	2023	2022
	\$m	\$m
Balance at 1 January	52.2	42.6
Interest unwind	1.8	2.6
Additions	0.7	7.0
Reversals	(9.5)	-
Balance at 31 December	45.2	52.2

Provisions cover expected decommissioning, abandonment and exit costs arising from the Company's assets which are further explained in note 1. Reversals are related to Sarta and Qara Dagh licences as a result of the termination of the PSCs.

16. Interest bearing loans and net cash

	1 Jan 2023	Discount unwind	Repurchase of bond	Dividend paid	Net other changes ¹	31 Dec 2023
	\$m	\$m	\$m	\$m	\$m	\$m
2025 Bond 9.25% (non-current)	(266.6)	(2.7)	25.6	-	-	(243.7)
Cash	494.6	-	(24.9)	(33.5)	(72.8)	363.4
Net cash	228.0	(2.7)	0.7	(33.5)	(72.8)	119.7

At 31 December 2023, the fair value of the \$248 million (2022: \$274 million) of bonds held by third parties is \$236.5 million (2022: \$257.6 million).

The Company repurchased \$26 million of its existing \$274 million senior unsecured bond at a price equal to 93.5% of the nominal amount.

The bonds maturing in 2025 have two financial covenant maintenance tests:

Financial covenant	<i>Test</i>	YE 2023	YE 2022
Equity ratio (Total equity/Total assets)	> 40%	55%	56%
Minimum liquidity	> \$30m	\$363.4m	\$494.6m

	1 Jan 2022	Discount unwind	Repurchase of bond	Dividend paid	Net other changes	31 Dec 2022
	\$m	\$m	\$m	\$m	\$m	\$m
2025 Bond 9.25% (non-current)	(269.8)	(2.5)	5.7	-	-	(266.6)
Cash	313.7	-	(6.0)	(47.9)	234.8	494.6
Net cash	43.9	(2.5)	(0.3)	(47.9)	234.8	228.0

¹ Net other changes are free cash flow plus purchase of own shares

17. Financial Risk Management

Credit risk

Credit risk arises from cash and cash equivalents, trade and other receivables and other assets. The carrying amount of financial assets represents the maximum credit exposure. The maximum credit exposure to credit risk at 31 December was:

	2023	2022
	\$m	\$m
Trade and other receivables	97.4	119.1
Cash and cash equivalents	363.4	494.6
	460.8	613.7

All trade receivables are owed by the KRG. Cash is deposited with major international financial institutions and the US treasury that are assessed as appropriate based on, among other things, sovereign risk, CDS pricing and credit rating.

Liquidity risk

The Company is committed to ensuring it has sufficient liquidity to meet its payables as they fall due. At 31 December 2023 the Company had cash and cash equivalents of \$363.4 million (2022: \$494.6 million).

Oil price risk

The Company's export revenues are calculated from netback price and local sales revenues are from a price established on an arms length basis as further explained in note 1, and a \$5/bbl change in average price across local and export sales would result in a (loss) / profit before tax change of circa \$10 million.

Currency risk

Other than head office costs, substantially all of the Company's transactions are denominated and/or reported in US dollars. The exposure to currency risk is therefore immaterial and accordingly no sensitivity analysis has been presented.

Interest rate risk

The Company reported borrowings of \$243.7 million (2022: \$266.6 million) in the form of a bond maturing in October 2025, with fixed coupon interest payable of 9.25% on the nominal value of \$248.0 million (2022: \$274 million). Although interest is fixed on existing debts, whenever the Company wishes to borrow new debt or refinance existing debt, it will be exposed to interest rate risk. A 1% increase in interest rate payable on a balance similar to the existing debts of the Company would result in an additional cost of circa \$2.5 million per annum.

Capital management

The Company manages its capital to ensure that it remains sufficiently funded to support its business strategy and maximise shareholder value. The Company's short-term funding needs are met principally from the cash flows generated from its operations and available cash of \$363.4 million (2022: \$494.6 million).

Financial instruments

All financial assets and liabilities are measured at amortised cost. Due to their short-term nature except interest bearing loans and non-current portion of trade receivables, the carrying value of these financial instruments approximates their fair value. Their carrying values are as follows:

	2023	2022
	\$m	\$m
Financial assets		
Trade and other receivables	97.4	119.1
Cash and cash equivalents	363.4	494.6
	460.8	613.7
Financial liabilities		
Trade and other payables	55.9	78.4
Interest bearing loans	243.7	266.6
	299.6	345.0

18. Share capital

	Total Ordinary Shares
At 1 January 2022 - fully paid ¹	280,248,198
At 31 December 2022, 1 January 2023 and 31 December 2023 - fully paid¹	280,248,198

¹ Ordinary shares include 845,335 (2022: 845,335) treasury shares. Share capital includes 2,224,090 (2022: 629,769) of trust shares.

There have been no changes to the authorised share capital since it was determined to be 10,000,000,000 ordinary shares of £0.10 per share.

19. Dividends

	2023 \$m	2022 \$m
Ordinary shares		
Final dividend (2023: 12¢ per share, 2022: 12¢ per share)	33.5	33.4
Interim dividend (2023: nil, 2022: 6¢ per share)	-	16.7
Total dividends provided for or paid	33.5	50.1
Paid in cash	33.5	47.9
Foreign exchange on dividend paid	-	2.2
Total dividends provided for or paid	33.5	50.1

20. Right-of-use assets / Lease liabilities

The Company's right-of-use assets are related to the offices and included within property, plant and equipment.

	Right-of-use assets
	\$m
Cost	
At 1 January 2022	13.2
Disposals due to terminations	(0.4)
At 31 December 2022 and 1 January 2023	12.8
Disposals due to terminations	(0.3)
At 31 December 2023	12.5
Accumulated depreciation	
At 1 January 2022	(5.1)
Depreciation charge for the period	(3.7)
At 31 December 2022 and 1 January 2023	(8.8)
Depreciation charge for the period	(2.6)
At 31 December 2023	(11.4)
Net book value	
At 1 January 2022	8.1
At 31 December 2022	4.0
At 31 December 2023	1.1

	2023	2022
	\$m	\$m
Book value		
Offices	1.1	1.8
Cars	-	0.2
Production facility	-	2.0
Right-of-use assets	1.1	4.0

The weighted average lessee's incremental borrowing rate applied to the lease liabilities. The lease terms vary from one to five years.

	2023	2022
	\$m	\$m
Lease liabilities		
At 1 January	(4.1)	(8.3)
Additions	-	-
Disposals due to terminations	0.3	0.5
Payments of lease liabilities	2.8	3.8
Interest expense on lease liabilities	(0.1)	(0.1)
At 31 December (note 13)	(1.1)	(4.1)

Included within lease liabilities of \$1.1 million (2022: \$4.1 million) are non-current lease liabilities of \$0.5 million (2022: \$1.2 million). The identified leases have no significant impact on the Company's financing, bond covenants or dividend policy. The Company does not have any residual value guarantees. The contractual maturities of the Company's lease liabilities are as follows:

	Less than 1 year	Between 1 - 2 years	Between 2 - 5 years	Total contractual cash flow	Carrying Amount
	\$m	\$m	\$m	\$m	\$m
31 December 2023	(0.7)	(0.3)	(0.2)	(1.2)	(1.1)
31 December 2022	(3.0)	(0.7)	(0.5)	(4.2)	(4.1)

21. Share based payments

The Company has five share-based payment plans under which awards are currently outstanding: performance share plan (2011), performance share plan (2021), restricted share plan (2011), share option plan (2011), and deferred bonus plan (2021). The main features of these share plans are set out below.

PSP (2011)	PSP (2021)	DBP (2021)	RSP (2011)	SOP (2011)
Form of awards				
Performance shares. The intention is to deliver the full value of vested shares at no cost to the participant (as conditional shares or nil-cost options).	Either Performance shares or restricted shares. The intention is to deliver the full value of vested shares at no cost to the participant (as conditional shares or nil-cost options).	Deferred bonus shares. The intention is to deliver the full value of shares at no cost to the participant (as conditional shares or nil-cost options).	Restricted shares. The intention is to deliver the full value of shares at no cost to the participant (as conditional shares or nil-cost options).	Market value options. Exercise price is set equal to the average share price over a period of up to 30 days to grant.
Performance conditions				
Performance conditions will apply. Awards granted from 2017 are measured against relative and absolute total shareholder return ('TSR') measured against a group of industry peers over a three-year period.	Performance conditions may or may not apply. Awards granted with performance conditions are measured against relative and absolute TSR measured against a group of industry peers over a three-year period.	Performance conditions may or may not apply. For awards granted to date, there are no performance conditions.	Performance conditions may or may not apply. For awards granted to date, there are no performance conditions.	Performance conditions may or may not apply. For awards granted to date, there are no performance conditions.
Vesting period				
Awards will vest when the Remuneration Committee determines whether the performance conditions have been met at the end of the performance period.	For awards subject to performance conditions, they will vest when the Remuneration Committee determines whether the performance conditions have been met at the end of the performance period. For awards that are not subject to performance conditions, awards typically vest in tranches over three years.	Awards typically vest after two years.	Awards typically vest in tranches over three years.	Awards typically vest after three years.
Dividend equivalents				
Provision of additional cash/shares to reflect dividends over the vesting period may or may not apply.	Provision of additional cash/shares to reflect dividends over the vesting period and the period where the options have vested and have not yet been exercised (where applicable) may or may not apply.	Provision of additional cash/shares to reflect dividends over the vesting period and the period where the options have vested and have not yet been exercised (where applicable) may or may not apply.	Provision of additional cash/shares to reflect dividends over the vesting period may or may not apply.	Provision of additional cash/shares to reflect dividends over the vesting period may or may not apply.

In 2023, awards were made under the performance share plan only. The numbers of outstanding shares as at 31 December 2023 are set out below:

	Share awards with performance conditions	Share awards without performance conditions	Share options	Weighted avg. exercise price of priced options
Outstanding at 1 January 2022	9,508,167	1,415,816	85,232	817p
Granted during the year	2,549,151	505,645	-	-
Dividend equivalents	710,605	115,753	-	-
Forfeited during the year	(2,248,542)	-	-	-
Lapsed during the year	(2,555,194)	(125,326)	(33,967)	753p
Exercised during the year	(11,647)	(883,603)	-	-
Outstanding at 31 Dec 2022 and 1 Jan 2023	7,952,540	1,028,285	51,265	858p
Granted during the year	2,961,900	540,834	-	-
Dividend equivalents	607,589	91,973	-	-
Forfeited during the year	(3,805,594)	-	-	-
Lapsed during the year	(191,374)	(191,768)	(26,443)	767p
Exercised during the year	(64,085)	(366,082)	(6,370)	742p
Outstanding at 31 December 2023	7,460,976	1,103,242	18,452	1,046p

The exercise price for share options outstanding at the end of the period is 1,046.00p.

Fair value of awards granted during the year has been measured by use of the Monte-Carlo pricing model. The model takes into account assumptions regarding expected volatility, expected dividends and expected time to exercise. Expected volatility was also analysed with the historical volatility of FTSE-listed oil and gas producers over the three years prior to the date of grant. The expected dividend assumption was set at 0%. The risk-free interest rate incorporated into the model is based on the term structure of UK Government zero coupon bonds. The inputs into the fair value calculation for PSP awards granted in 2023 and fair values per share using the model were as follows:

	PSP (without condition) 06/04/2023	PSP 06/04/2023	PSP (without condition) 12/09/2023	PSP 12/09/2023
Share price at grant date	124p	124p	82p	82p
Fair value on measurement date	124p	80p	82p	43p
Expected life (years)	1-3	1-3	1-3	1-3
Expected dividends	-	-	-	-
Risk-free interest rate	3.25%	3.25%	4.73%	4.73%
Expected volatility	47.21%	47.21%	42.21%	42.21%
Share price at balance sheet date	71p	71p	71p	71p
Change in share price between grant date and 31 December 2023	-43%	-43%	-13%	-13%

The weighted average fair value for PSP awards (without condition) granted in 2023 is 121p and for PSP awards granted in 2023 is 80p.

The inputs into the fair value calculation for PSP awards granted in 2022 and fair values per share using the model were as follows:

	PSP (without condition) 04/04/2022	PSP 04/04/2022	PSP (without condition) 08/09/2022	PSP 08/09/2022
Share price at grant date	186p	186p	137p	137p
Fair value on measurement date	186p	127p	137p	82p
Expected life (years)	1-3	1-3	1-3	1-3
Expected dividends	-	-	-	-
Risk-free interest rate	1.41%	1.41%	3.04%	3.04%
Expected volatility	39.76%	39.76%	41.42%	41.42%
Share price at balance sheet date	125p	125p	125p	125p
Change in share price between grant date and 31 December 2022	-33%	-33%	-9%	-9%

The weighted average fair value for PSP awards (without condition) granted in 2022 is 164p and for PSP awards granted in 2022 is 124p.

Total share-based payment charge for the year was \$3.7 million (2022: \$4.1 million).

22. Capital commitments

Under the terms of its production sharing contracts ('PSC's) and joint operating agreements ('JOA's), the Company has certain commitments that are generally defined by activity rather than spend. The Company's capital programme for the next few years is explained in the operating review and is in excess of the activity required by its PSCs and JOAs.

23. Related parties

The directors have identified related parties of the Company under IAS 24 as being: the shareholders; members of the Board; and members of the executive committee, together with the families and companies, associates, investments and associates controlled by or affiliated with each of them. The compensation of key management personnel including the directors of the Company is as follows:

	2023	2022
	\$m	\$m
Board remuneration	0.7	0.8
Key management emoluments and short-term benefits	4.1	6.0
Share-related awards	2.7	1.0
	7.5	7.8

There have been no changes in related parties since last year and no related party transactions that had a material effect on financial position or performance in the year.

24. Events occurring after the reporting period

The London-seated international arbitration hearing (factual and expert evidence) which includes Genel's claim for substantial compensation from the KRG following the termination by the KRG of the Miran and Bina Bawi PSCs ended on 1 March 2024. The timing of the result is uncertain but is expected by the end of 2024 following the Parties making closing written submissions in April 2024 and reply written submissions in May 2024.

25. Subsidiaries and joint arrangements

The Company has four joint arrangements in relation to its producing assets Taq Taq, Tawke, Sarta and pre-production asset Qara Dagh PSC. The Company holds 44% working interest in Taq Taq PSC and owns 55% of Taq Taq Operating Company Limited. The Company holds 25% working interest in Tawke PSC which is operated by DNO ASA.

For the period ended 31 December 2023 the principal subsidiaries of the Company were the following:

Entity name	Country of Incorporation	Ownership % (ordinary shares)
Barrus Petroleum Cote D'Ivoire Sarl ¹	Cote d'Ivoire	100
Barrus Petroleum Limited ²	Isle of Man	100
Genel Energy Africa Exploration Limited ³	UK	100
Genel Energy Finance 4 plc ³	UK	100
Genel Energy Gas Company Limited ⁴	Jersey	100
Genel Energy Holding Company Limited ⁴	Jersey	100
Genel Energy International Limited ⁵	Anguilla	100
Genel Energy Miran Bina Bawi Limited ³	UK	100
Genel Energy Morocco Limited ³	UK	100
Genel Energy No. 6 Limited ³	UK	100
Genel Energy Petroleum Services Limited ³	UK	100
Genel Energy Qara Dagh Limited ³	UK	100
Genel Energy Sarta Limited ³	UK	100
Genel Energy Somaliland Limited ³	UK	100
Genel Energy UK Services Limited ³	UK	100
Genel Energy Yönetim Hizmetleri A.Ş. ⁶	Turkey	100
Taq Taq Drilling Company Limited ⁷	BVI	55
Taq Taq Operating Company Limited ⁷	BVI	55

¹ Registered office is 7 Boulevard Latrille Cocody, 25 B.P. 945 Abidjan 25, Cote d'Ivoire

² Registered office is 6 Hope Street, Castletown, IM9 1AS, Isle of Man

³ Registered office is Fifth Floor, 36 Broadway, Victoria, London, SW1H 0BH, United Kingdom

⁴ Registered office is 26 New Street, St Helier, JE2 3RA, Jersey

⁵ Registered office is PO Box 1338, Maico Building, The Valley, Anguilla

⁶ Registered office is Vadi Istanbul 1 B Block, Ayazaga Mahallesi, Azerbaijan Caddesi, No:3 Floor: 18, 34396, Sariyer, Istanbul, Turkey

⁷ Registered office is Kingston Chambers, P.O. Box 173, Road Town, Tortola, VG1110, British Virgin Islands

26. Annual report

Copies of the 2023 annual report will be despatched to shareholders in April 2024 and will also be available from the Company's registered office at 26 New Street, St Helier, Jersey, JE2 3RA and at the Company's website - www.genelenergy.com.

Report on payments to governments for the year 2023

Introduction and basis for preparation

This report sets out details of the payments made to governments by Genel Energy plc and its subsidiary undertakings ("Genel") for the year ended 31 December 2023 as required under the Disclosure and Transparency Rules of the UK Financial Conduct Authority (the 'DTRs') and in accordance with our interpretation of the Industry Guidance issued for the UK's Report on Payments to Governments Regulations 2014, as amended in December 2015 ('the Regulations'). The DTRs require companies in the UK and operating in the extractives sector to publically disclose payments made to governments in the countries where they undertake exploration, prospecting, development and extraction of oil and natural gas deposits or other materials.

This report is available to download at www.genelenergy.com/investor-relations/results-reports-presentations.

Governments

All of the payments made in relation to licences in the Kurdistan Region of Iraq ('KRI') have been made to the Ministry of Natural Resources of the Kurdistan Regional Government ('KRG').

Production entitlements

Production entitlements are the host government's share of production during the reporting period from projects operated by Genel. Production entitlements from projects that are not operated by Genel are not covered by this report. The figures reported have been produced on an entitlement basis rather than on a liftings basis. Production entitlements are paid in-kind and the monetary value disclosed is derived from management's calculation of revenue from the field.

Royalties

Royalties represent royalties paid in-kind to governments during the year for the extraction of oil. The terms of the Royalties are described within our Production Sharing Contracts and can vary from project to project. Royalties have been calculated on the same barrels of oil equivalent basis as production entitlements.

Materiality threshold

Total payments below £86,000 made to a government are excluded from this report as permitted under the Regulations.

Payments to governments - 2023

Country/Licence	KRI Total ¹	Taq Taq ²	Sarta ³
Production entitlement (bbls)	303,607.97	162,762.40	140,845.57
Royalties in kind (bbls)	71,094.70	36,775.60	34,319.10
Total (bbls)	374,702.67	199,538.00	175,164.67
Value of production entitlements (\$million)	17.83	10.60	7.23
Value of royalties (\$million)	4.15	2.39	1.76
Capacity building payments (\$million) ⁴	0.29	0.21	0.08
Total (\$million)	22.27	13.20	9.07

¹ Under the lifting arrangements implemented by the KRG, the KRG takes title to crude at the wellhead and then transports it to Ceyhan in Turkey by pipeline. The crude is then sold by the KRG into the international market. All proceeds of sale are received by or on behalf of the KRG, out of which the KRG then makes payment for cost and profit oil in accordance with the PSC to Genel, in exchange for the crude delivered to the KRG. Under these arrangements, payments are in fact made by or on behalf of the KRG to Genel, rather than by Genel to the KRG. For the purposes of the reporting requirements under the Regulations however, we are required to characterise the value of the KRG's entitlement under the PSC (for which they receive payment directly from the market) as a payment made to the KRG. Therefore, estimated value in \$millions is not paid to the KRG, and is calculated to meeting the reporting requirements under the regulations.

² The amount reported for Taq Taq is the gross payment made to the KRI by the operating company (TTOPCO), Genel's share of these payments is equal to 55% (with the exception of capacity building payments).

³ The amount reported for Sarta is the gross payment made to the KRI by the operating company (Genel), Genel's share of these payments is equal to 50% (with the exception of capacity building payments).

⁴ Capacity building payments reported are payments made by Genel directly to the KRI in cash as required by the PSC.



Glossary of technical terms

'AGM'	annual general meeting
'BDO'	BDO LLP
'CGU'	Cash Generating Unit
'Companies Act 2006'	Companies Act 2006, as amended
'Company'	Genel Energy plc
'ESG'	environmental, social, and governance
'FGI'	Federal Government of Iraq
'FRC'	UK Financial Reporting Council
'FTSE'	FTSE International Limited
'Genel'	may refer to Genel Energy plc and/or one of its subsidiaries and/or one or more employees as the case may be. It is used for convenience only and is in no way indicative of how the Genel group, or any entity within it, is structured, managed or controlled
	greenhouse gases
'GHG'	the Genel Energy group of companies
'Group'	health, safety, and environment
'HSE'	the performance standards set out by the International Finance Corporation
'IFC Performance Standard'	Iraq-Türkiye Pipeline
'ITP'	international oil company
'IOC'	Companies (Jersey) Law 1991 (as amended)
'Jersey Companies Law'	Kurdistan Regional Government
'KRG'	Kurdistan Region of Iraq
'KRI'	the Listing Rules of the UK Listing Authority
'Listing Rules'	lost time incident
'LTI'	Ministry of Natural Resources
'MNR'	non-governmental organisation
'NGO'	the voting ordinary shares and/or the suspended voting ordinary shares as the context requires
'Ordinary Shares'	
	production sharing contract
'PSC'	performance share plan
'PSP'	receivable settlement agreement
'RSA'	restricted share plan
'RSP'	Sustainability Accounting Standards Board
'SASB'	share option plan
'SOP'	a standard listing under Chapter 14 of the Listing Rules
'Standard Listing'	Task Force on Climate-related Financial Disclosures
'TCFD'	total shareholder return
'TSR'	Taq Taq Operating Company Limited
'TTOPCO'	United Nations Sustainable Development Goals
'UN SDGs'	
Certain resources and reserves terms	
'1P'	proved reserves
'2P'	proved plus probable reserves
'3P'	proved plus probable plus possible reserves
'2C'	contingent resources
Units of measurement	
'bbl'	Barrel
'bopd'	barrels of oil per day
'kgCO ₂ e'	kilograms of carbon dioxide equivalent
'km'	Kilometres
'kWh'	kilowatt hour
'MMbbls'	millions of barrels
'MMboe'	million barrels of oil equivalent
'tCO ₂ e'	tonnes of carbon dioxide equivalent

Shareholder information

ShareGift

If you hold a small number of shares and find it uneconomical to sell them, you may wish to donate your shares to charity free of charge through ShareGift. ShareGift collects donations of unwanted shares, sells them and donates the proceeds to UK charities. Further details are available at www.sharegift.org or by calling +44 (0) 20 7930 3737.

AGM

This year's AGM will be held at Linklaters, One Silk Street, London EC2Y 8HQ, on Thursday, 9 May 2024 at 11.00am.

Details of the business to be considered at the AGM are set out in the accompanying notice of meeting.

Dividend and dividend history

The Company's 2022 final dividend was paid on 19 May 2023. No final dividend is proposed in respect of the year ended 31 December 2023.

Ordinary shares

The Company's ordinary shares of nominal value 10p each are traded on the main market for listed securities on the London Stock Exchange (LON: GENL).

Registrars

Our registrars are Equiniti Registrars.

All enquiries relating to the administration of shareholdings should be directed to Equiniti Registrars, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA.

Telephone: 0371 384 2893 lines are open Monday - Friday excluding UK Bank Holidays, 8.30am - 5.30pm (from outside the UK: +44 121 415 7593).

Share price information

The current price of the Company's shares is available on the Company's website at genelenergy.com.

Contacts and Auditors

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Jersey Company Registration
Number: 107897

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Image on page 11 of the Tawke PSC, photo credit - DNO ASA



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