

ESG Report

Issue 1

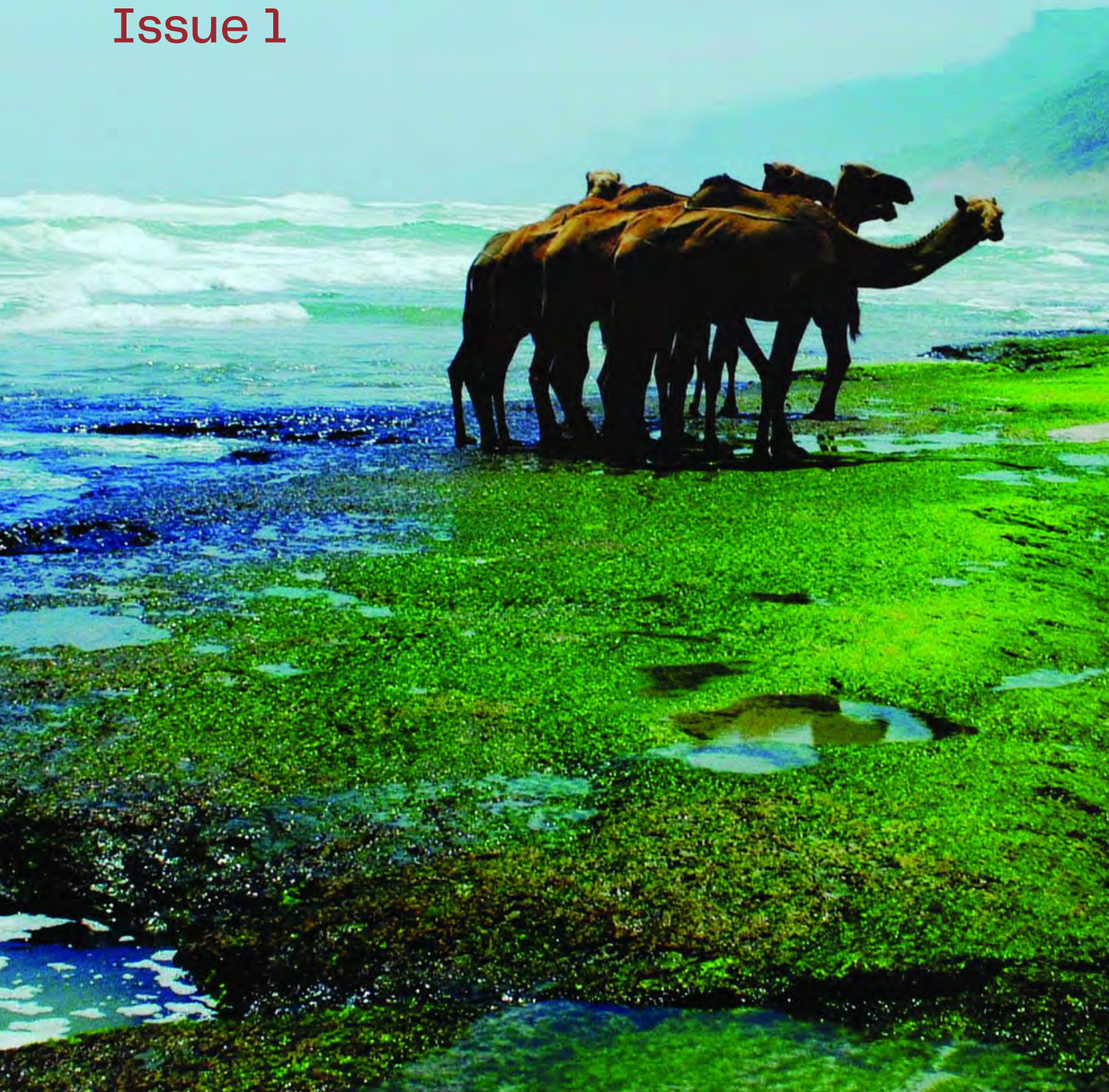


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Introduction

Our First ESG Report

This ESG Report marks a historic milestone for our company. It provides a comprehensive overview of our proactive measures and the benchmarks against which our performance will be evaluated. We have diligently outlined our endeavors to integrate environmental, social, and governance ("ESG") reporting and responsibilities into our corporate strategy and operations. Serving as a valuable resource, this report provides deep insights into our key areas of focus, impactful initiatives, and commendable performance from 2020 to 2022.

A pivotal aspect of our work revolves around mitigating emissions. We recognize that it stands as one of the most critical long-term challenges not only for ARA but for businesses at large. Moreover, we are equally dedicated to upholding strong social and governance policies across our operations. Our social policies prioritize the well-being and safety of our employees, respect for human rights, diversity and inclusion, and the meaningful engagement with local communities. Similarly, our governance policies ensure transparency, accountability, and ethical conduct at all levels of our organization. By integrating environmental, social and, governance considerations into our corporate strategy, we strive to create long-term value for our stakeholders. Our aim is to act responsibly, build trust, and make positive contributions to society, acknowledging that our success is intricately linked to the well-being of all those impacted by our business activities.



Transparency and Disclosure

Reporting Standards

The following sections of this Report have been prepared in conjunction with guidance from the following frameworks, standards, and guidelines:

- For developing and reporting our materiality matrix: ESG (Environmental, Social, Governance Framework)
- For measuring and reporting on our carbon emissions: World Business Council for Sustainable Development and World Resources Institute's Greenhouse Gas Protocols
- For developing and reporting our health and safety performance metrics: Occupational Safety and Health Administration (OSHA) Standards and the American Petroleum Institute.

Reporting Boundaries, Scope, and Basis of Preparation

This Report contains data for the full-years from 2020 to 2022 (January 1 – December 31). Where available, we have compared 2022 performance with 2021 and 2020 data. We will expand the boundaries against which we report as our controls mature around ESG data measurement monitoring and reporting. Our basis of preparation is based upon how we measure and report on sustainability performance.

Internal Controls and Data Validation

All figures in this Report represent the latest available internally validated data unless specifically referenced in the narrative. Some of the totals presented may reflect the rounding down or up of subtotals. ARA's internal reporting systems capture and record the data used in this Report. All data are subject to internal validation, including data reviews by the reporting businesses and subject matter experts.



Driving Change and Growth

Our CEO's Perspective

“

Our commitment extends beyond merely contributing to a sustainable future. We aim to actively construct a future that is able to withstand the challenges of an ever-evolving world.

”

Mr. Sultan Al-Ghaithi
CEO – ARA Petroleum



In 2014, ARA Petroleum was established as a logical extension of our proficiency in the energy sector. ARA Petroleum is the result of combining diverse industry components under one roof. It brings me immense pleasure to say that the company is led by a highly skilled, dedicated, and seasoned team with a remarkable track record, acquired through years of experience in the global and domestic oil and gas industry. ARA Petroleum's ability to explore and develop hydrocarbon resources in a timely and effective manner, for the benefit of all stakeholders, has been instrumental in its success.

Our topmost priority in all our activities is Quality, Health, Safety, Security, and Environment (QHSSE). Our fundamental principle is to ensure that no harm is caused to people and the environment in any of our operations. ARA Petroleum is an integral part of Oman's and other countries infrastructure, and we are thrilled to witness its continual expansion and the many undoubted new achievements that will occur in the upcoming years.

Optimizing Our Processes

A Message from Our COO

Our commitment to sustainability is deeply ingrained in our Omani heritage. We strive to develop Oman's vast economic and human potential while maintaining a low upstream carbon intensity. Our outlook and long-term perspectives are supported by our disciplined day-to-day performance, driven by our role as careful stewards of Oman's immense energy resources. As such, we have a unique responsibility to our communities, customers, and shareholders alike.

We understand that our success is not just measured by financial performance, but also by our impact on the world around us. Therefore, we remain dedicated to promoting sustainable practices, minimizing our environmental footprint, and creating positive social impact. By embracing this unique position, we can create sustainable value for all stakeholders and contribute to a better future for generations to come.

“

We remain steadfast in our commitment to transforming for the better and constructing a sustainable future that benefits all.

”



Mr. Ola Fjeld
COO – ARA Petroleum

A Mission-Driven Business

ARA Petroleum is a dynamic member of the E&P industry in Oman. The company seeks to explore, appraise, and develop oil & gas resources in Oman and internationally. The company is managed by a globally experienced, professional, and committed team. ARA Petroleum will utilize the latest technologies to ensure the hydrocarbon assets are operated optimally and the recovery of oil & gas is maximized.

Our Mission

To be a premier Omani Energy Company engaged in the extraction & development of natural resources by investing in high potential assets to meet local and global energy needs.

Our Vision

By 2030 ARA will be the leading Omani private sector energy company.



Our Values

01

Integrity



We earn, build, and preserve the trust we generate by conducting our business with accepted international business standards and practices.

02

People



Respecting and caring for the environment as well as wellbeing of our employees, our contractors, and the people.

03

Technology



We explore innovative methods and technologies in bringing efficiency and maximizing their value to our business.

04

Excellence



Though our passion of excellence we will achieve our targets.

05

Collaboration



We draw value from diversity and deliver exceptional results through teamwork.

06

Growth



See challenges as opportunities and learn every day.

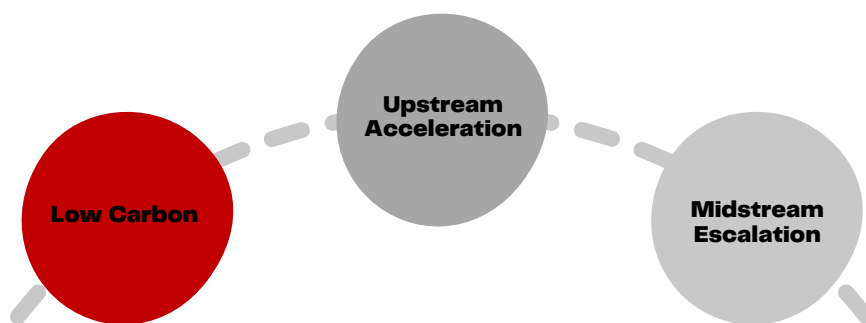
A Plan for the Planet

Our Strategic Vision

ARA is committed to producing hydrocarbons at a low cost, while also ensuring one of the lowest carbon intensity footprints. Our primary objective is to address Oman's need for hydrocarbon production in a sustainable manner while proactively responding to the challenge of eliminating waste and pollution. Our vision centres on being a leader that includes operating in a safe, sustainable, and reliable manner. We recognize the need for a balanced approach to production efficiency while taking into account environmental sustainability and economic growth.

To achieve this balance, we are dedicated to growing our business by increasing productivity and delivering energy and hydrocarbons to support the economic and social growth of the areas in which we operate. We are also actively investing in new technology and innovation to reduce our emissions and mitigate our overall impact. Our goal is to be a leader in sustainable energy production and delivery while ensuring that future generations have access to the environment they deserve to inherit.

Our corporate strategy is built around three strategic themes:



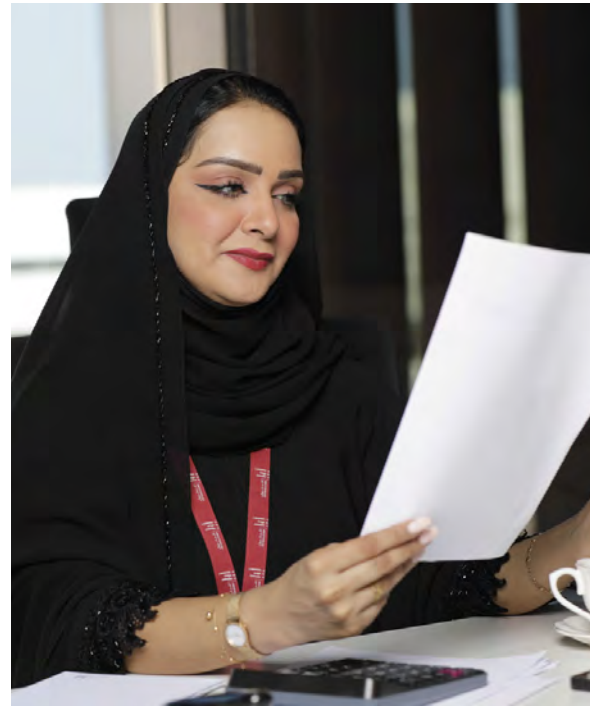
We acknowledge that a successful minimal footprint demands collaboration with a diverse array of business and technology partners to develop the technical solutions required. Through innovation and technology development we are able to utilize technology in advancing our three strategic themes.



Energizing Sustainability

Low Carbon

We are committed to mitigating risks within our business portfolio and ensuring ongoing competitiveness and distinctiveness within carbon-constrained scenarios. To achieve this, we focus on one of the key dimensions: that is reducing the net carbon emissions associated with our operations. Regarding, operational carbon emissions, we employed a range of measures, simultaneously, prioritizing the introduction of low-carbon products and solutions.



Upstream Acceleration

We are dedicated to producing Oman's extensive energy resources responsibly. Our long-term reservoir management practices have necessitated a delicate balance between mature and emerging production areas, leveraging new reservoirs to optimize field depletion rates, and continually surpassing targets for hydrocarbon recovery. We aim to expand our gas portfolio with a focused emphasis on accelerating the development of gas resources in East Africa.

Midstream Escalation

Through our specialized network we established a system that allows for strategic integration and seamless coordination across our fields. In line with our vision of expansion, we placed great emphasis on augmenting our facilities for the efficient transfer and processing of our oil and gas production. To achieve this, we are adopting a modular approach in the engineering and design of our facilities, to ensure timely delivery and optimized footprint, while upholding the highest standards of safety, quality, and system reliability.

Ready for the Future

The recent pandemic experience has brought into sharp focus the critical importance of adopting a long-term perspective in business operations and planning. In the current climate, there is a heightened demand for companies to prioritize strategic thinking, risk transparency, and use proactive measures to tackle emerging issues well before they become an existential crisis.

At ARA, sustainability is central. We are committed to taking decisive steps today to safeguard our organization's future and create value for all our stakeholders over the long term. This entails a comprehensive approach across all aspects of our business, from financial and operational management to environmental stewardship and social responsibility. We believe that by incorporating long-term thinking into our decision-making processes, we can navigate even the most uncertain and challenging times with resilience and foresight, and emerge stronger and more sustainable in the face of future disruptions.

By way of an example, during the pandemic, ARA took swift and decisive action to ensure the health and safety of our employees and communities, while also maintaining our business operations to the best of our abilities. We implemented a range of measures to protect our workforce, such as purchasing and administering the vaccine to our employees, remote working, social distancing, and enhanced cleaning protocols.

Overall, our company prioritized a responsible and sustainable approach in our response to the pandemic, recognizing that our actions then & today can leave lasting positive good-will for our employees and stakeholders.



ARA's Operation Areas



ARA Block - 44

In 2016 the government of Oman approved the “change of control” and ARA assumed 100% ownership and became the operator of the Block-44 concession which primarily consists of numerous relatively small non associated gas accumulations. ARA commenced the operations on the 1st of January 2017.

ARA immediately set about building advanced and comprehensive databases for the Block that included additional seismic data that was not included in the initial models. ARA subsequently merged three seismic surveys (1999 Shams 3D, 2003 Qamar (Nijma) 3D & 2013 Urq Al Salil 3D) into one seismic volume resulting in considerably enhanced imaging over an area of 1,300 Sq Kms.

All producing fields, prospects and leads were re-interpreted using the new Pre SDM seismic to get a coherent understanding of the sub-surface. This had a significant impact on the opportunities while also providing better de-risking of the central area.

Furthermore, this work also identified numerous encouraging additional prospects & leads including Munhamir South which eventually resulted in a discovery.

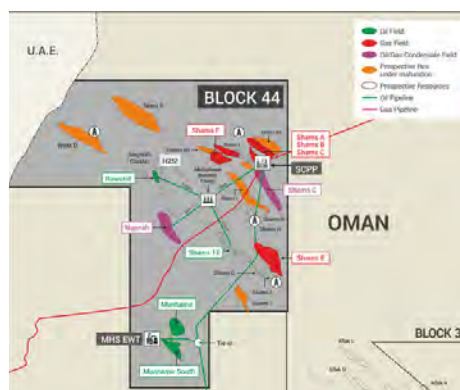
Subsequently the improved Field Development Plan (FDP) for the Shams area was initiated and completed in 2017 and modified further to include the Munhamir & Munhamir South development strategies in 2018.

In parallel ARA trained & recruited significant numbers of new staff such that all the work mentioned above was completed in house and the learning retained by the team.

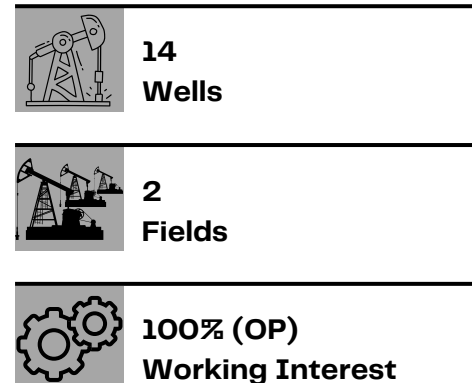
Further work continued throughout the pandemic which has led to a new direction for the block and the search for oil to the west. This has culminated in a further drilling campaign that was completed 2023.



REGIONAL MAP



BLOCK 44 MAP



BLOCK 44 FACTS

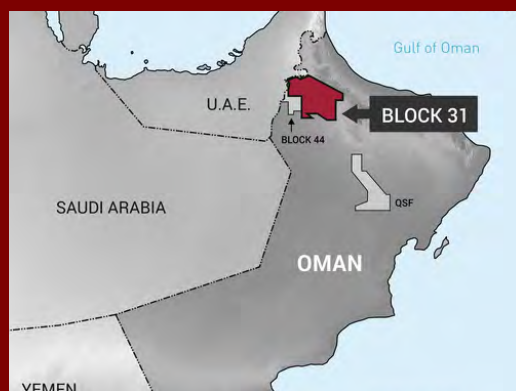
ARA Block – 31

On 18th December 2017, Royal Decree No 48/2017 AD was executed which formalized the Exploration and Production Sharing Agreement between the Government of Oman and ARA Petroleum for the exploration and development of the Block-31 concession

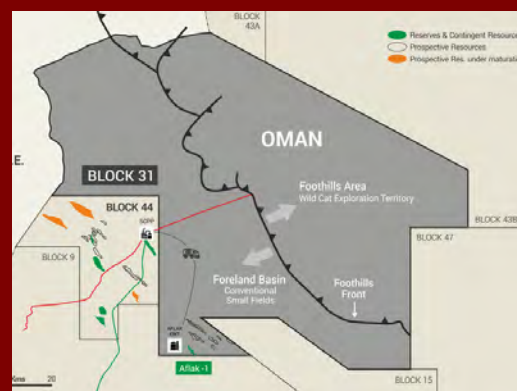
Block-31, which covers an area of 8,528 Sq km, and is immediately adjacent to the ARA Petroleum Block-44.

The location and proximity to Block-44 provide distinct and readily deployable technical and operational synergies. The knowledge and expertise that exists within the subsurface team can be directly applied to the evaluation of the opportunities within Block-31, and when exploration successes lead to further appraisal and development the existing facilities and operational capability can be used to accelerate production. This tactic also presents opportunities for both individual and organizational growth and development.

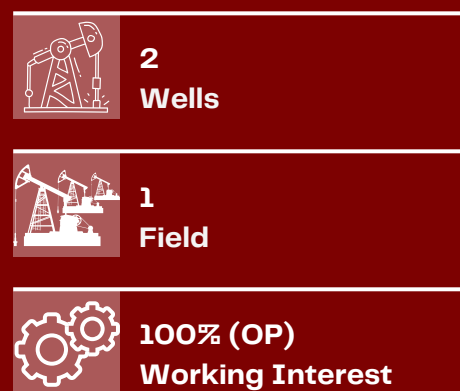
During the initial phase ARA Petroleum completed a significant number of geological and geophysical studies which resulted in the first exploration success in the block with the Aflak discovery. This has been put on a long term production test utilizing an early production facility (EPF) and the oil processed in the Block-44 Shams production station. A second well was drilled for 2023 resulting in further hydrocarbons.



REGIONAL MAP



BLOCK 31 Map



BLOCK 31 FATCS

ARA Petroleum Tanzania (APT)



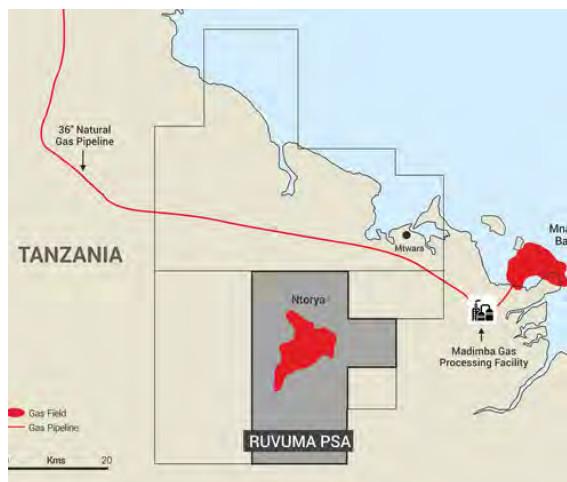
APT was established in 2018 to accelerate the development of the Ntorya area. A farm-in agreement for a 50% working interest was agreed with the operator AMINEX Plc. Once the farm-in was completed in 2020 APT became the Operator.

APT immediately started planning the approximately 350 Sq Km seismic program and preparing for the drilling and testing of the new Chikumbi-1 well. The Ntorya discovery contains 1.8 Tcf of gas according to 3rd party CPR and has been proven by 2 wells both producing 20 MMSCF/d each during testing.

Once the 3D data and the new well has been drilled and analysed APT will prepare a Field Development Plan (FDP) and after approval from the various authorities in Tanzania commence the development. There is ullage in nearby processing plant that will allow for the evacuation of significant volumes of gas. ARA Petroleum very much looks forward to working with the various bodies in Tanzania in an effort to mature this very promising asset at the earliest possible opportunity.



REGIONAL MAP



APT MAP

| | |
|--|----------------------------------|
| | 2 Wells |
| | 1 Field |
| | 75% (OP) Working Interest |

APT FACTS

Sustainability Governance



SUSTAINABLE DEVELOPMENT GOALS

We have integrated the UN Sustainable Development Goals (SDGs) into our business practices and Focus Areas as a blueprint to create a more sustainable future for everyone. Being that our efforts to address global challenges, such as opportunity, pollution, environmental degradation, and stability, are aligned with the SDGs.

We take pride in upholding high standards of excellence for our operations, using the latest technologies and digital innovation to deliver services and solutions that align with our values and are in line with sustainable growth. Additionally, we take care to ensure our partners and suppliers are also aligned with our SDGs as best they can be.



UN Sustainable Development Goals

ARA's Focus Areas



Oman's National Priorities

Education, Learning, Scientific
Research and National
Capabilities

Health

Citizenship, Identity and National
Heritage and Culture

Well-being and Social Protection

Economic Leadership and
Management

Economic Diversification and
Fiscal Sustainability

Labour Market and Employment

The Private Sector, Investment,
and International Cooperation

Development of Governorates
and Sustainable Cities

Environment and Natural
Resources

Legislative, Judicial and Oversight
System

Governance of State's
Administrative Bodies, Resources
and Projects



Address by His Majesty Sultan Haitham bin Tarik

Oman Vision 2040 is the Sultanate's gateway to overcome challenges, keep pace with regional and global changes, generate and seize opportunities to foster economic competitiveness and social well-being, stimulate growth, and build confidence in all economic, social and developmental relations nationwide.

While identifying the national priorities, the vision focuses on reshaping the roles of and relation between the public, private and civil sectors to ensure effective economic management; achieve a developed, diversified and sustainable national economy; ensure fair distribution of development gains among governorates; and protect the nation's natural resources and unique environment. Furthermore, the vision builds on the principles of citizenship and genuine Omani identity to modernise the educational ecosystem, support scientific research and innovation, develop healthcare regulations and services and lay the foundations for social well-being and relevant basic services for all segments of society. The vision has also attached great importance to governance and its related topics, given that it influences all national priorities in terms of enforcing oversight, ensuring the effective use of national resources, honouring principles of integrity, justice, transparency, and accountability; so as to boost confidence in the national economy and promote competitiveness across all sectors under the rule of law.

Areas of Action



Carbon and Energy Management



Water & Effluent Management



Biodiversity Management



Waste Management



Communities



People (HR)



Communications



Health & Safety



Contract and Procurement (C&P)



Investments



Expansion



Mr. Rashad Al-Zubair | Chairman of ARA

Our organization has implemented a strong sustainability management process and expanded our internal focus through the establishment of a new ESG governance policy. The initiation, integration, and supervision of ESG initiatives are entrusted to our HSE and ICV departments, but are led by ARA's management. We are all entrusted with the oversight of our Environmental policy, and taking charge of promoting ethical and socially responsible behavior in our operations.

We remain steadfast in our dedication to Oman's 2040 vision, which aligns the country with the global ESG policy. Upholding strict governance over our sustainability roadmap and objectives. We recognize the importance of sustainable governance in fostering trust with our stakeholders and upholding social practices in our operations. The main stakeholder groups we keep in regular contact with are shareholders and investors, customers, employees, regulators, local communities and suppliers or partners. Utilizing a variety of channels we listen, understand, and communicate.

Our dedicated committees serve as integral pillars in upholding our ESG principles and fostering exemplary governance practices. These committees provide invaluable oversight and offer their specialized expertise to ensure our operations align seamlessly with our stated ESG objectives. Through active and meaningful engagement with these committees, we unequivocally demonstrate our unwavering commitment to integrating sustainability into the very fabric of our core business practices. By adhering to these principles and maintaining responsible governance, we not only drive sustainable long-term value but also make substantive contributions towards a more sustainable future.

AUDIT COMMITTEE



The Audit Committee, under the Corporate Office, ensures ARA transparency, accountability, and accurate reporting of our sustainability initiatives. The Audit Committee is tasked with various responsibilities that encompass reviewing both annual and quarterly financial statements, assessing the internal control system's effectiveness, scrutinizing related party transactions, and addressing conflicts of interest.

LEGAL COMMITTEE



The Legal Committee, under the Corporate Office, ensures compliance with ARA environmental regulations, social responsibility, and ethical standards, and plays a crucial role in safeguarding ARA's interests & reputation. The committee diligently monitors legal matters and provides guidance on issues affecting the organization. The committee works closely with internal and external legal counsel to stay informed about legal developments, mitigate legal risks, and address any potential legal challenges.

RISK MANAGEMENT COMMITTEE



The Risk Management Committee identifies and addresses potential sustainability risks and opportunities and is responsible for supervising ARA's risk management endeavors. It directly reports to the Board of Directors and ensures the existence of systems to gauge, track, handle, and mitigate significant risk exposures. This includes the stewardship of suitable policies, procedures, and business controls.

TENDER-BOARD COMMITTEE



Our Tender Board Committee is responsible for ensuring fair and transparent contracting and procurement processes. They oversee the entire tendering process, evaluate bids, award contracts, negotiate terms, and ensure compliance with legal requirements. Their role is crucial in maintaining integrity, maximizing value for money, and achieving successful project outcomes for all stakeholders.

Towards Net-Zero

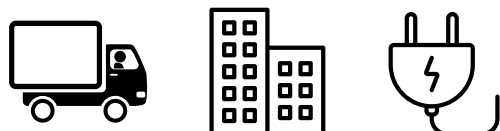


Mapping the Future

Our journey towards achieving net zero emissions by 2050 began with the development of extensive roadmaps for Scopes 1 and 2. These roadmaps, set by ARA's management and monitored by our HSE team, include both global and internal short-term goals. Focusing on the emissions generated by our operational processes and facilities in our geographical areas. To facilitate the tracking of our progress and enable strategic decision-making towards adherence we have improved our GHG emissions data monitoring and tracking systems.

Our facilities have implemented opportunities for environmental efficiency to reduce energy consumption and waste generation. We have a specialized new technology team committed to energy conservation and the promotion of renewable energy solutions through the adoption of innovative technologies and industry best practices. In addition, we prioritize the dissemination of our findings to our peers & contractors, aiming to collaboratively mitigate detrimental environmental impacts.

Scope 1

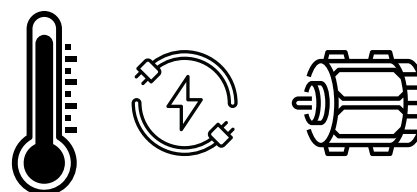


Company Facilities and Vehicles

83,678 MT CO₂e in 2022

60% reduction by 2025

Scope 2



Purchased electricity, heating, & cooling for own use

10,139 MT CO₂e in 2022

30% reduction by 2030

We require our employees engagement and support to attain our GHG emissions reduction goals. Consequently, in 2020 we established an ESG Capex fund to encourage and support environment-related initiatives that have been initiated by our employees.

Greener Operations



Operation Areas Linked with UN SDGs



In terms of operations, we embrace concepts such as process design, efficiency, and waste minimization within our scope. By focusing on process design, ARA aims to identify and implement environmentally friendly practices throughout its operations, from exploration to production and distribution. This includes utilizing advanced technologies and innovative solutions to optimize resource utilization and minimize ecological impact. We recognize that sustainable operations are not limited to the oil industry alone, but we also can provide tangible benefits to our stakeholders and contribute to a greener future.

Operational Commitments



Minimizing waste through our operational processes



Development and growth of low environmental-impact projects



Energy management

Some Success Stories

Overhead Line (OHL) Commission

ARA E&P Engineering successfully commissioned the Burhan 45 km Overhead Line (OHL) which was completed ahead of schedule with our slogan "No Harm to People & No Harm to the Environment". Powering the wells by OHL will provide a more reliable and stable operation thus minimizing well downtime and therefore overall deferment.

Furthermore, another important benefit resulting from the installation of the OHL, is the elimination of burning diesel to power-up generators. This has resulted in the overall reduction of green house gas emissions and is a step forward in ARA's strategy towards its Goal of Net Zero emissions.

IoT-Internet of Things C-Site Trial

The Internet of Things (IoT) can be described as connecting things embedded with sensors or technologies to transmit data over the Internet. To initiate the digitalization of our oil fields, our New Technology team carried out a trial to monitor its pipeline pressure and temperature readings through IoT for 6 months in 2021. The IoT approach enables the monitoring and tracking of data in real-time without requiring a power source in multiple remote locations. The trial consisted of two sensor units and one receiver unit to measure the temperature and pressure of the pipeline used to carry the oil.

Using IoT will enable ARA to monitor critical company assets and prevent incidents from happening. This provides a solution where an operator can be prepared and able to make proactive rather than reactive actions, based on consistent remote data monitoring. This will simultaneously reduce costs through proactive preventative maintenance, increased safety, and providing information for process optimization.



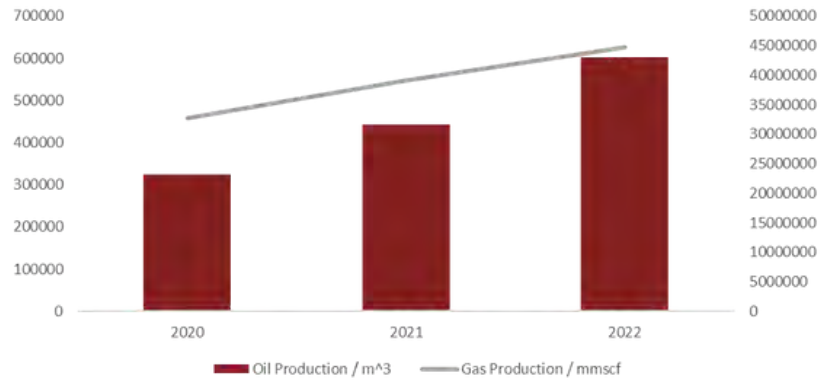
Tracking the Energy Trail

As we grow and expand our oil and gas production there has been an increased diesel and energy consumption usage and therefore a corresponding rise in our greenhouse gas (GHG) emissions.

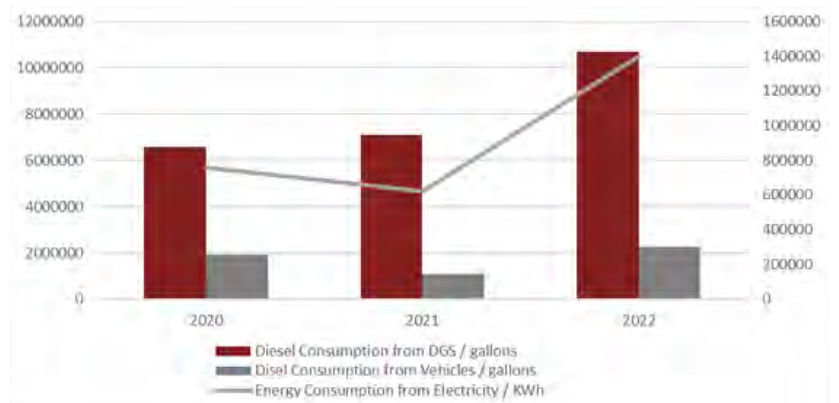
However, ARA recognized the urgent need for more sustainable operations and are taking steps to mitigate our emissions, waste and diesel consumption. This is highlighted by our decreasing rate of CO2 emissions used in the production of each barrel of oil equivalent (BOE).

Towards the end of 2022, many diesel generators were demobilized from the sites with power now being sourced from the new overhead lines. This has reduced diesel consumption and subsequent GHG emissions.

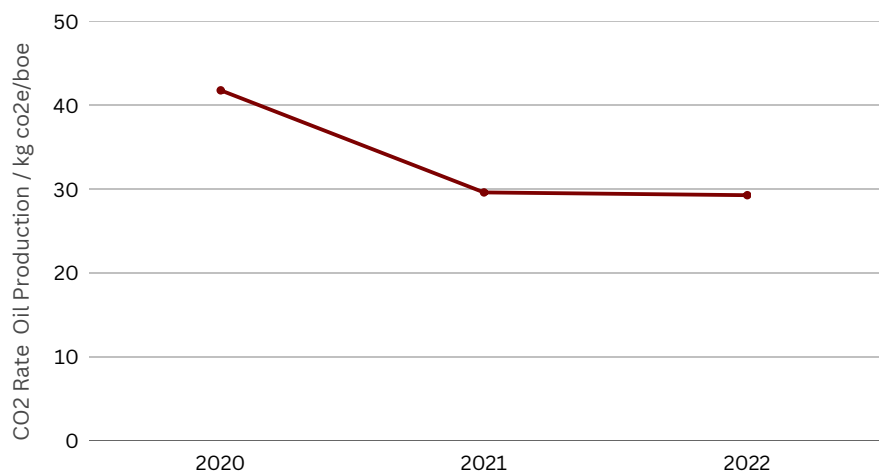
New power requirements goes through internal discussions with extensive studies conducted to utilize renewable energy where possible. As a result gas to power is being implemented and gas to liquids being actively studied and considered.



Total Oil and Gas Production

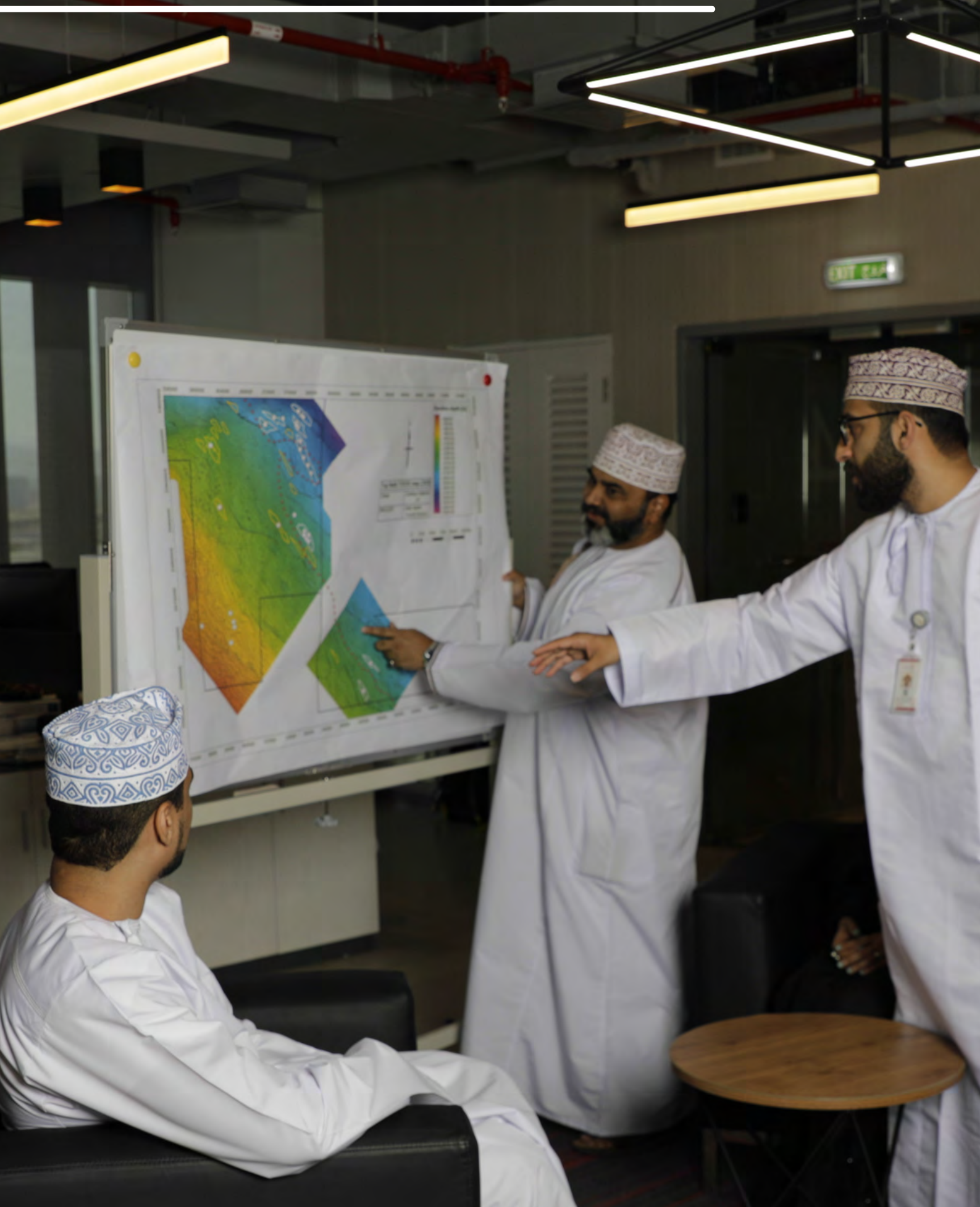


Total Consumption per Source



Total Scope 1 & 2 of CO2 Emissions per Oil Barrel Equivalent

Fostering Innovation

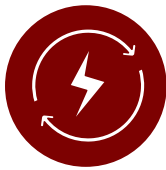


Innovation Areas Linked with UN SDGs



As an operating company, ARA are dedicated to advancing innovation and promoting new technologies across all of our operations. Despite the economic uncertainties and low oil price in 2020, we remained focused on technology development, investing \$1.5 million in research and development. We plan to further increase this figure over the coming years. We have made significant progress in our use of digital technology and automation, which we view as a catalyst for lower costs, reduced emissions, and mitigated health, safety, and environmental (HSE) risks.

Innovation Commitments



Increase renewable and alternative energy usage



Implement digital solutions to move ARA to smarter fields



Mitigate carbon emissions through nature-based solutions and the implementation of CCUS (Carbon Capture, Utilization, and Storage) techniques.



Explore unconventional solutions for Subsurface and well engineering

Innovative Initiatives

Our goal is to achieve energy self-sufficiency through a steady transition to low-carbon practices, by investing in low-carbon technologies and implementing GHG reduction measures to meet our targets.

New Technology Themes

Renewable Energy

Alternative Energy & Energy Transition

Digitalization

Unconventional Solutions

Environment & Sustainability

Greenhouse Gas Management

Ongoing Initiatives



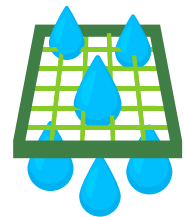
Greenhouse Gas Dashboard that Accurately Compares and Weighs GHG Emission Sources in a Harmonized System



Using biodiesel (B20) instead of Diesel to power Electric Submersible Pumps (ESPs)



Wireless Downhole Flowrate measurements (HIPlug System). A New Technology from Wellstarter



Water Management through Desalinating Produced Water using Thermal Renewable Energy



INNOVATIVE ACTIONS

Hybrid Off-Grid Semi-Fixed Solar System to Power Water Supply Wells in Remote Areas

In 2021, we successfully installed a hybrid off-grid semi-fixed solar system – the first of its kind in Oman – designed to power an Electrical Submersible Pump (ESP) for a water supply well located in the remote Oil North Field area. Unlike traditional setups, this system does not require an overhead line (OHL) for power transmission.

The system includes a CCTV camera, solar lighting, and a downloadable mobile app for real-time monitoring and control. We anticipate the solar systems to provide a cost-saving of around 60% due to the reduced diesel consumption and associated CO₂/GHG emissions. The success of this project paves the way for replication in other remote areas, and has been awarded to a local SME to support ICV and SME development, with findings shared.



Blue Hydrogen for Flare Mitigation Plan for the Future | 2026

The blue hydrogen project aims to create a flare mitigation solution while also creating a valuable energy source in decarbonizing ARA's operations. It is currently under feasibility study. Blue Hydrogen is produced from natural gas through steam methane reforming while capturing the CO₂ emissions through a process where methane from natural gas reacts with high temperature steam in the presence of a catalyst to produce hydrogen.



R&D Initiatives

Investing in Research & Design is one of our key priorities in fostering innovation nationally and within our company. We have an annual budget to fund institutional and SME projects and research, aiming to support national and local studies as well as benefit from their findings to implement innovative sustainable projects. Below are two of our recent ongoing projects.

Salt Waste Monetization

The general research objective is to explore the possibility of solidification and stabilization of salt waste generated during the evaporation process from produced saline water in evaporation ponds. Converting salt waste into a solid form and stabilizing its chemical properties can significantly reduce the potential for leaching or migration of contaminants into soil and groundwater. Furthermore, we are investigating whether the solid salt could then be used as a drilling mud product.

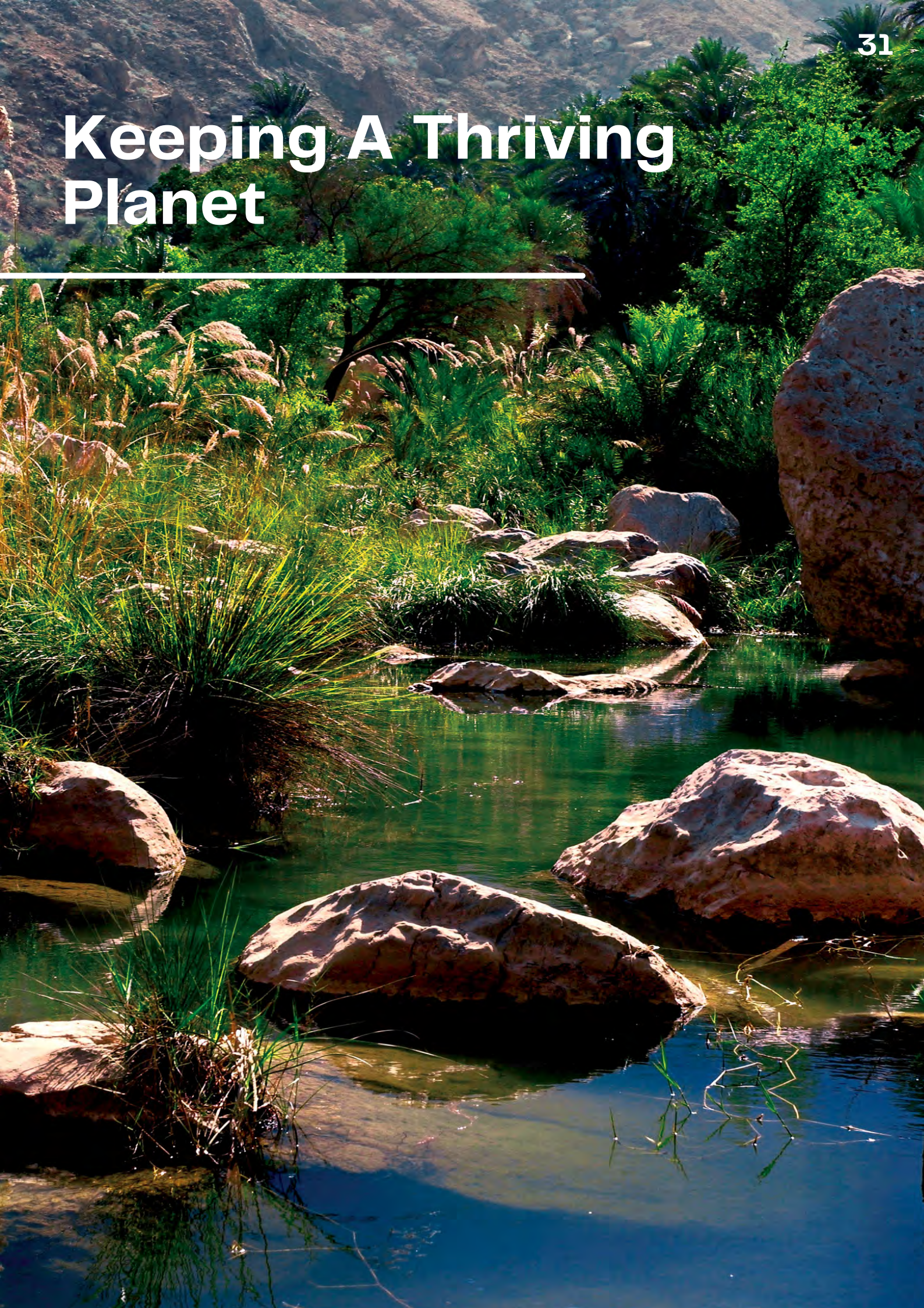


Commercializing Minerals Recovered from Produced Water

Produced Water (PW) is a term used in the oil and gas industry, referring to the water produced during the oil extraction process. The properties of Produced Water may be affected by the reservoir rock and formation, the operational circumstances, and the chemicals used in processing facilities. The chemical composition of Produced Water also varies based on the water's source. Principal components of Produced Water include dissolved and spread oil compounds, dissolved formation minerals, production chemical compounds, and other constituents. Depending on the formation's geology and the oil well's age, heavy metals exist in varying amounts in typical oilfield-produced water. The aim of this study is to identify the minerals that may be recovered from Produced Water and their commercialization potential.



Keeping A Thriving Planet



Environmental Areas Linked with UN SDGs



Our operational philosophy and ESG purpose embody a deep commitment to environmental stewardship. Our goal is to constantly seek new and innovative ways to envision a world that is environmentally sustainable and healthier. We are dedicated to pushing the boundaries of what is possible to achieve a future that is both ecologically sustainable and thriving.

Environmental Commitments



Achieving Net Zero Carbon by 2050



Identify flared gas mitigation and monetization solutions



Recycle and reuse wastewater



Contribute to the preservation of natural habitats through tree-planting

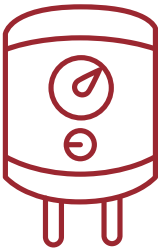


Protecting and enhancing biodiversity throughout the project lifecycle

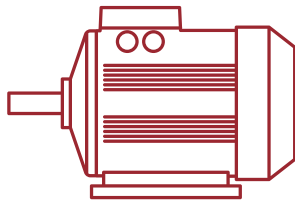
Reducing Flared Gas

In 2022 we set a clear KPI target to reduce gas flaring and GHG Intensity. This initiative is planned to be executed through several projects in 2023 - 2024, all aiming to eliminate gas flaring from Qarat Al Milh (QAM), Burhan (BRHN) and Qalah fields. This is a significant and necessary step toward mitigating emissions and ensuring valuable natural resources are not wasted.

Projects



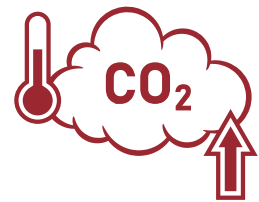
Convert diesel burner in the QAM heater to a gas burner heater



Install gas to power engines in QAM and BRHN Field Early Production Facilities (EPF)



Centralize production at BRHN EPF with a Qalah-to-BRHN pipeline to convert gas to power



Install CO2 reduction unit

Results

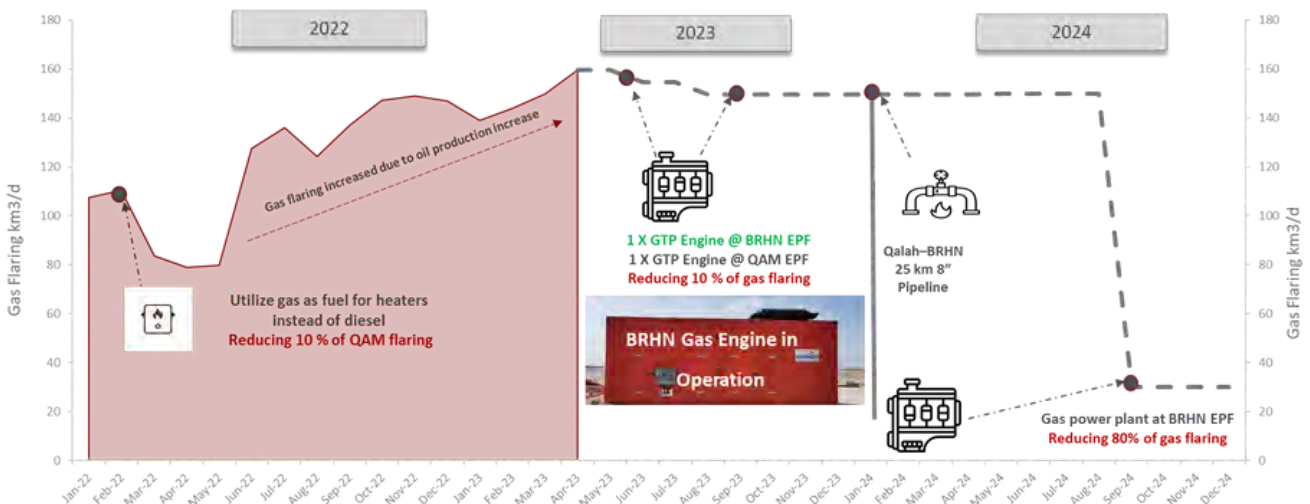
This has **reduced** 10% of gas flaring in 2022

This will **reduce** 20% of gas flaring in 2023

This project will **eliminate** gas flaring from both fields and help to reduce the GHG from 30 to 24 kg CO2/bbl.

Will lead to a **reduction** of GHG to <15 kg 5 kg CO2/bbl.

The execution of above projects will have direct impact on overall GHG Intensity in which **90%** of gas flaring can be eliminated and therefore reduce GHG form 30 to < 15 kg CO2/bbl.



ARA Gas Flaring Reduction RoadMap

Elevating HSE



HSE Areas Linked with UN SDGs



At ARA, we are strongly committed to ensuring the health and safety of our employees, by recognizing the risks associated with our office and field operations. For this reason, we implemented 'MFANO', an online company-wide management system created to report, correct, and ultimately prevent unsafe acts and easily capture the impressive observations of our employees. With a risk-based approach, we identify and address top safety risks, prioritizing hazard identification, incident investigation, and controls implementation to prevent incidents and Lost Time Injuries (LTIs). We provide weekly health and safety training for both our employees and contractors. In addition to issuing monthly HSE Observations Reports for employees, alongside yearly health check campaigns.

Our comprehensive employee awareness programs, tool box talks, and regular email reminders center around the importance of employee health checks and raise awareness about health matters. Moreover, we have established an internal Employees' Happiness Program, which places a strong emphasis on fulfilling the satisfaction and expectations of our employees while improving organizational fairness, unity, and overall well-being. Additionally, we organize numerous events, some to celebrate religious festivities as well, fostering inclusivity and cultural appreciation within our diverse workforce. These multifaceted efforts collectively contribute to creating a positive and collaborative work environment at ARA.

HSE Commitments



No Harm to People. No Harm to the Environment.



Spread awareness on HSE policy and health to prevent incidents



Enhance employee satisfaction and well-being

HSE Performance Data

| | 2020 | 2021 | 2022 |
|---|-----------|-----------|-----------|
| Employees Fatalities | 0 | 0 | 0 |
| Employee lost-time-injury LTI | 0 | 0 | 1 |
| Employee total recordable injuries | 2 | 2 | 1 |
| Total employee man-hours | 2,709,312 | 1,921,816 | 2,806,747 |
| Employee lost-time injury frequency rate (per million man-hours worked) | 0 | 0 | 0.5 |
| Employee total recordable injury frequency rate (per million man-hours worked) | 1.66 | 0.83 | 0.5 |
| Total hours of HS&E related training | 4,148 | 4,692 | 4,644 |

From 2020 to 2022, ARA thankfully had no fatalities within its operations.

However, in 2022, the ARA did encounter a single Lost Time Incident (LTI). Although unfortunate, this incident served as a stark reminder of the importance of maintaining strict safety protocols and continuously improving safety measures.

Furthermore, while the years 2020 and 2021 witnessed two recordable injuries. ARA has diligently addressed these incidents through comprehensive investigations, rigorous safety training programs, and the implementation of enhanced safety protocols.

ARA recognizes that its HSE accomplishments are not mere chance but the result of a collective effort involving all its contractors and employees. It prioritizes and consistently reinforces safety standards, promotes proactive hazard identification, fostering a culture of safety ownership, and investing in cutting-edge technologies.

ARA's commitment to zero fatalities, zero LTIs, and zero recordable injuries aligns with its vision of becoming a safety excellence leader.

By striving for improvement and serving as a role model, ARA envisions a future where incidents are prevented, risks are minimized, and every individual returns home safely every day.

HSE Enablers



HSE Passport

The HSE passport is a nationwide recognized document issued by ARA to our employees that certifies their identity and completed HSE training courses. We provide these courses to all our employees, focusing on raising awareness of safety hazards and how to respond appropriately to incidents. The courses include but are not limited to H2S Courses, First Aid Training, Safe Driving, Working at Height, Fire Warden Courses and so on.

Bonuses

Every employee has a yearly target for the number of observations to complete. Those who achieve their target are rewarded with HSE bonuses, which can also increase by exceeding their target or reporting high-risk observations.



HSE Awareness

We conduct weekly awareness sessions, in office and field, that are mandatory for all employees to attend. Each week focuses on a different topic related to Health, Safety and the Environment (HSE).

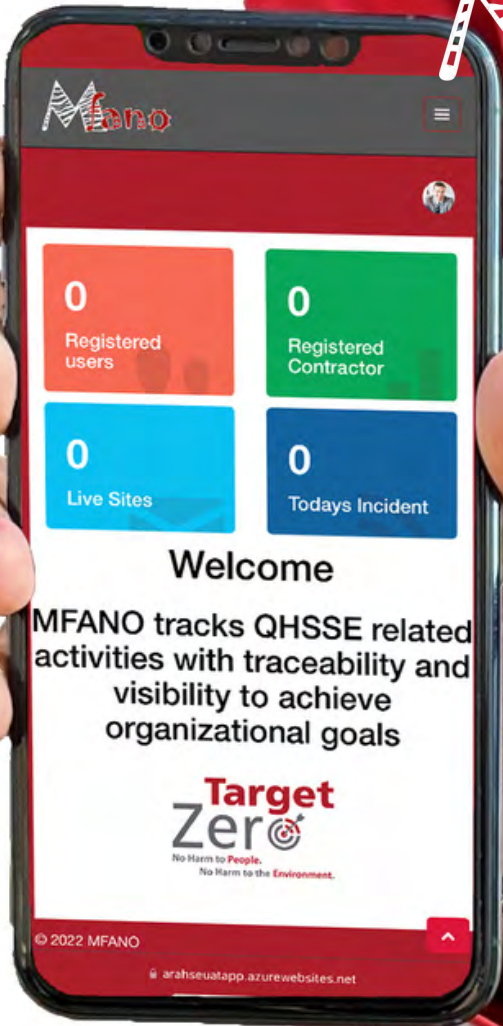
Competitions

We conduct numerous competitions centred on various topics related to Health, Safety and the Environment (HSE) that aim to raise our staff's awareness in a creative and exciting way.



[ARA Safety Film \(click on me\)](#)

We successfully created and published our Observation-Intervention Video which highlights 12 safety behaviors. These behaviours are also covered in ARA Petroleum's Observation-Intervention module.

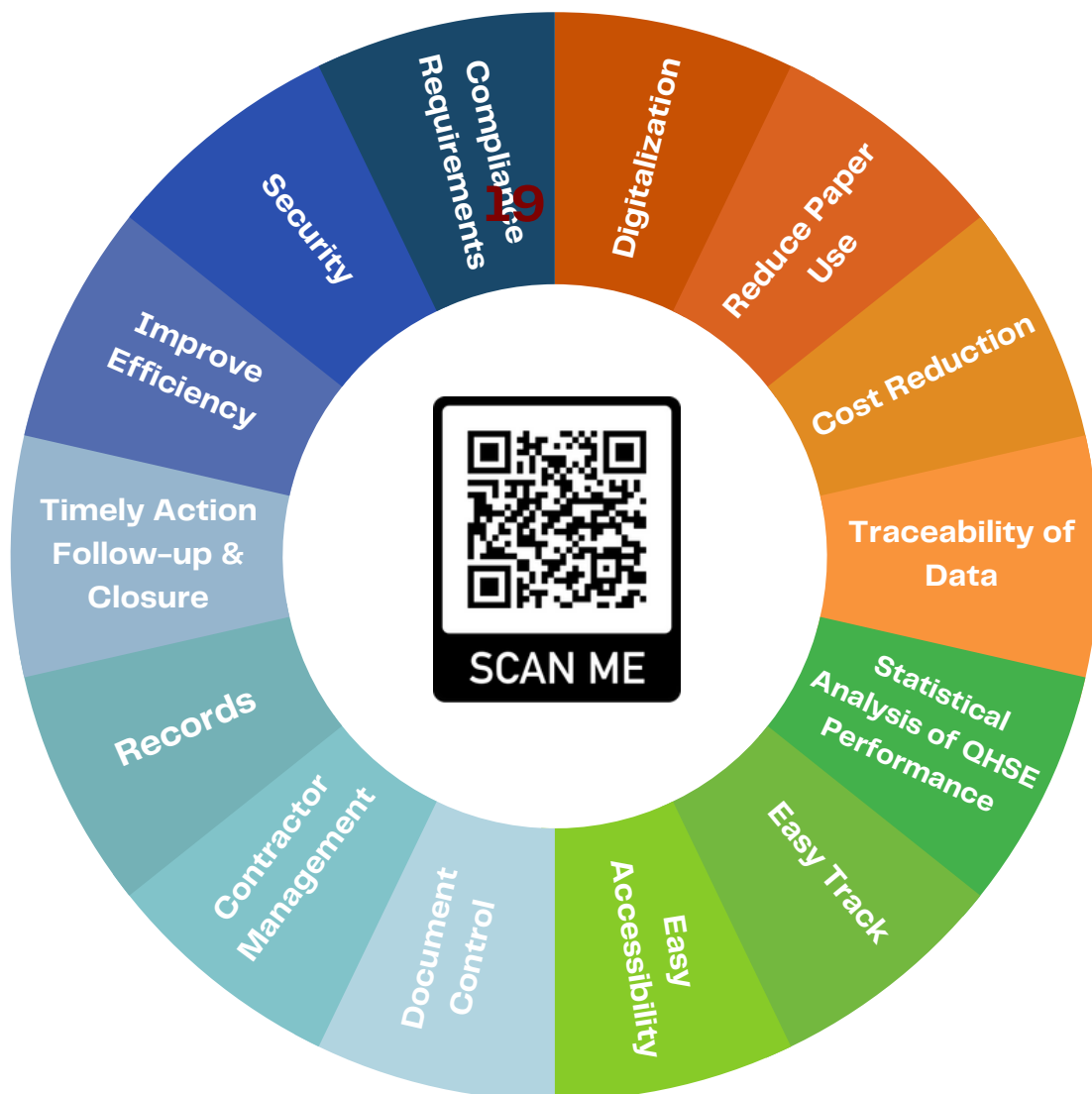


Digitalizing HSE

Mfano, developed by ARA, is a powerful and user-friendly software solution that revolutionizes the management and monitoring of Quality, Health, Safety, Security, and Environment (QHSSE) aspects. Mfano is a Swahili word that was chosen as it means setting an example. It was intentionally selected to promote the act of leading by example across the company. The choice of Swahili as the language was made to signify our ambition to expand in Tanzania and increase the cultural engagement between our operating areas. The software may be accessed through our website or downloaded as an app by our employees and contractors.

Serving as a centralized platform, Mfano enables seamless recording and tracking of QHSSE activities, ensuring end-to-end traceability and delivering high-performance visibility across the organization. The software's advanced features and intuitive interface empowers ARA to streamline processes, enhance decision-making, and drive continuous improvement. By leveraging the digitalization capabilities of Mfano, ARA was able to transition from a paper-based QHSSE system to one where processes, procedures and work instructions are all online, therefore improving efficiency.

Mfano's Capabilities



Moving from Paper to E-PTW

ABOUT E-PTW

The ARA Permit to Work (PTW) system serves the crucial purpose of identifying, managing, and controlling risks associated with non-routine, hazardous, or potentially hazardous activities. This system is designed to ensure that personnel can carry out such jobs in the ARA-controlled concession areas safely, while safeguarding the environment, our people, property, and the company's goodwill. In the past, this system relied on paper-based processes, but we have now transitioned to the more advanced ePTW system.



WHY IT IS SUSTAINABLE?

The implementation of the E-PTW system brings about several positive outcomes. It reduces time deferments for PTW users, enabling them to carry out their tasks more efficiently. Additionally, there is a cost saving as we eliminated the need to purchase physical booklets for PTWs.

Furthermore, the E-PTW system provides ease in tracking and monitoring the functionality of the system. To ensure the sustained improvement via Mfano, continuous monitoring and follow-up of the E-PTW system process flow is conducted.

Digitalizing QHSSE-IMS

ABOUT IMS

QHSSE – IMS Digital Management System is a website and app tool we built to improve efficiency, and productivity, and minimize paperwork used on process implementation and information management related to QHSSE activities. The system documents are developed, applied, monitored and verified on a risk basis and subsequently highlight requirements for compliance with the QHSSE – IMS requirements. This structure complies with both ISO and API Q2 requirements. It is a transparent implementation of our QHSSE Management System, to consistently and effectively manage and control QHSSE risks to the acceptable level.



WHY IT IS SUSTAINABLE?

Implementing the QHSSE – IMS Digital Management System has eased reporting, recording, and data traceability. In addition, it reduced downtime and enhancing quality, control, and the documented management system as a whole. By enabling clean up of the local server space, unapproved documents were also be removed easily. Proving to be cost and time-saving as well by reducing paper use and avoiding redundancy. This system also provides a smoother process for meeting and reporting our compliance requirements.

Building In-Country Value



ICV Areas Linked with UN SDGs



At ARA, we have a strong commitment to mitigate any negative impacts on individuals and communities where we operate, while simultaneously striving to create a positive difference in these areas. We understand that our operations, business relationships, and supply chain can have significant impacts on people and society, and therefore, we make it a priority to manage these impacts in a responsible manner.

Our ICV Guidelines have been instrumental in planning, implementing, and overseeing social programs at both the country and business levels. We take an active approach to engaging with local stakeholders to identify the most pressing social issues in the communities where we operate. By collaborating with stakeholders to develop and execute business opportunities as well as social programs that engage, we can create a positive social impact that meets the needs and expectations within the communities where we operate.

ICV Commitments



Investing in communities by establishing local partnerships and addressing local challenges to support the achievement of UN SDGs in alignment with Oman 2040 vision



Support economic opportunities in Oman through various initiatives such as hiring and providing training to Omani citizens, supporting local suppliers, and investing in regional technology



Establish a safe environment for our contractors that minimizes exposure to harassment and safety incidents while prioritizing their mental health and well-being

Contributing to In-Country Value

ARA's commitment to ICV (In-Country Value) which is generally considered as just local spending in procurement and services goes beyond economic benefits. ARA contributes to the overall development and resilience of the region. Our dedication is not solely driven by our contractual obligations, but rather by our unwavering commitment to the development of the Omani peoples skills and capabilities. We try to strengthen the overall business ecosystem by enhancing the region's self-sufficiency and reducing reliance on external sources. Our priority is to always select local suppliers and national service providers.

In line with our goals of reducing emissions, we prioritize in sourcing goods locally and reduce global shipping. This minimizes ARA's carbon footprint and contributes to the overall sustainability of our operations, as well as help the company reduce logistical complexities and avoid long lead times.

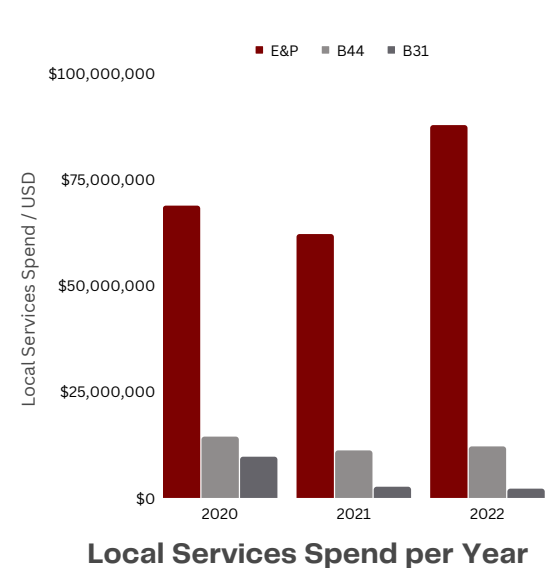
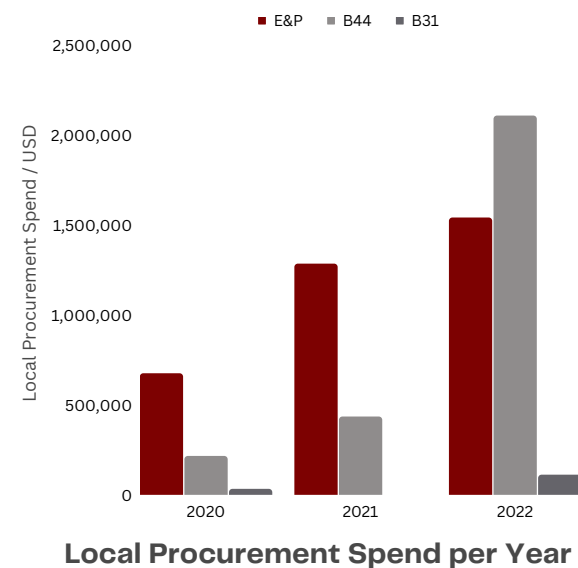
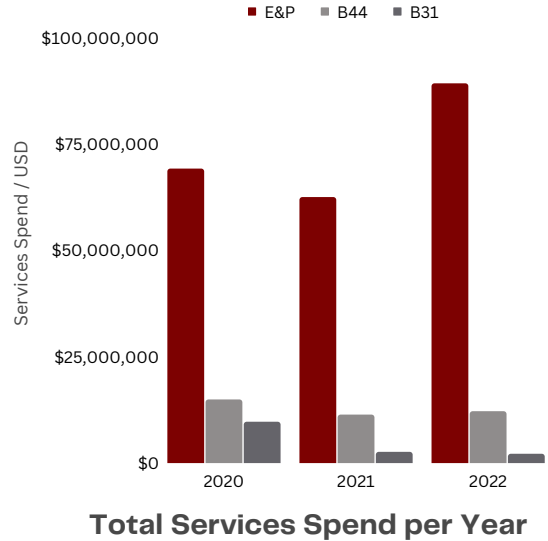
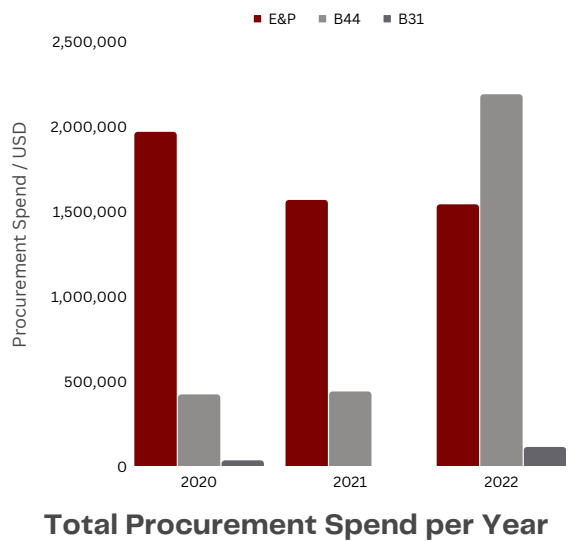
Furthermore, we continuously share our knowledge with our local service providers and assist them to develop. This promotes knowledge and technology transfer within the region.



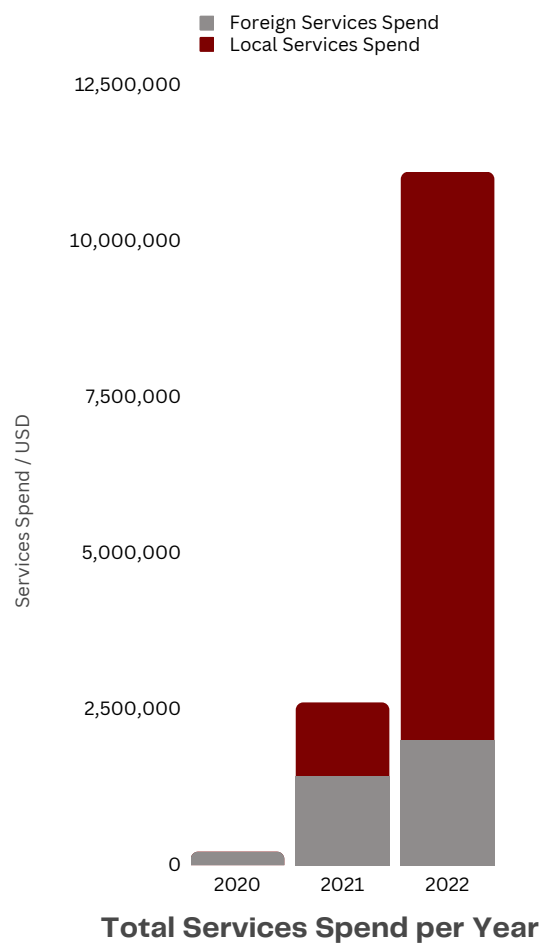
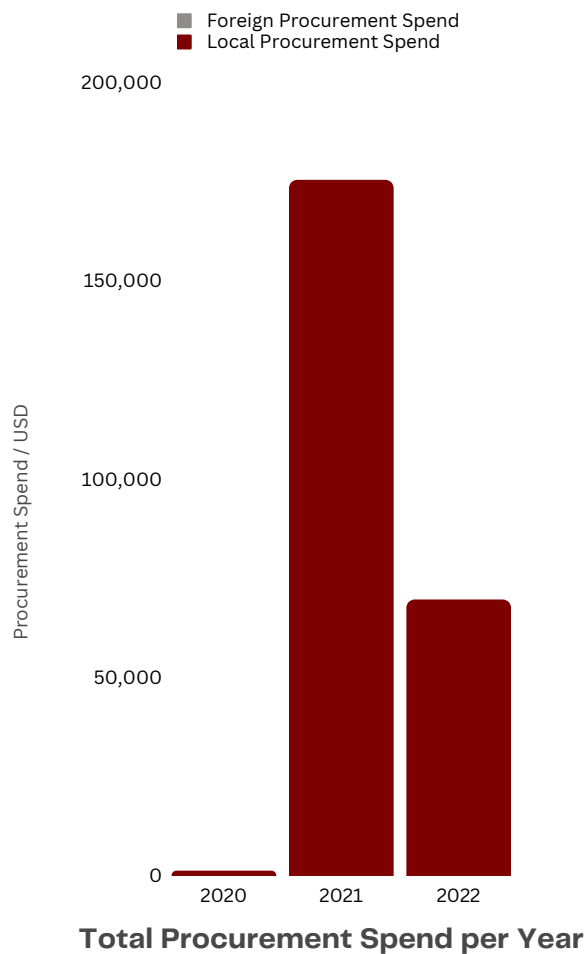
ICV Achievements – Oman

“...We have instructed our government to focus, in its future, on social development, particularly its aspects related to the daily lives of citizens. This should be achieved by the creation of renewable employment opportunities and training programs for citizens and promoting production capacity, as well as scientific, cultural and intellectual development. We will closely follow the steps taken in this field”

**His Majesty Sultan Qaboos bin Said bin Taimur
May his soul rest in eternal peace**



ICV Achievements – Tanzania



Contract Procurement Management (CPM)



CPM Areas Linked with UN SDGs



Aligned with ARA's sustainability policies, we implemented a Commercial Procedures Manual that provides procedural direction for Contract and Procurement Management (CPM). This manual governs relationships with our stakeholders and is designed to ensure that good practices are upheld throughout the CPM process. Effective management of localisation within CPM is fundamental to maintaining our competitive edge and upholding our reputation. It entails managing economic, social, and environmental factors throughout the procurement and distribution of goods and services, intending to mitigate any negative environmental and social impact.

A well developed Commercial and Procedures policy not only leads to cost savings and increased efficiency but also helps ARA contain and control our OPEX and CAPEX spending.

In adding sustainable value, ARA has evaluated and improved the In country value - ICV sustainability terms and metrics, engaging stakeholders, selecting sustainable suppliers, and continuously enhancing the CPM practices.

CPM Commitments



Build and maintain mutually beneficial long-term relationships with its stakeholders, clients, partners, contractors, vendors and local communities.



Have a high standard of performance that leads to a more efficient and sustainable business environment.



Utilize "Good Oilfield Practices" in the conduct of petroleum operations.



Ethical and transparent CPM direction and in compliance with all relevant laws and regulations, including sustainable local business development.



Build an adaptive and agile supply chain with rapid planning and integrated production to drive speed and flexibility.

Leveraging SAP – ERP System

SAP (Systems, Applications, and Products) is a highly popular Enterprise Resource Planning (ERP) software. Mainly used for data processing, SAP revolutionizes our operations by establishing a centralized system to streamline our processes, facilitate seamless data access, and enable sharing across all departments. From finance and accounting to human resources, supply chain management, customer relationship management, and beyond, SAP offers a comprehensive suite of solutions. These solutions optimize operations, enhance efficiency, and drive growth.

By leveraging the power of SAP, ARA harnesses a wealth of features and functionalities tailored to our unique needs, assisting us in making informed decisions, fostering collaboration, and achieving the strategic objectives. ARA consider SAP a secure and sustainable tool for tracking our contracts and procurement processes. It provides an equivalent of a track sheet that enables ARA to monitor Authorized Contract Values (ACV), the start and expiration dates, payments, and remaining ACVs. In addition to facilitating the information required to meet any audit obligations by preparing and presenting data sheets in downloadable excel files etc.

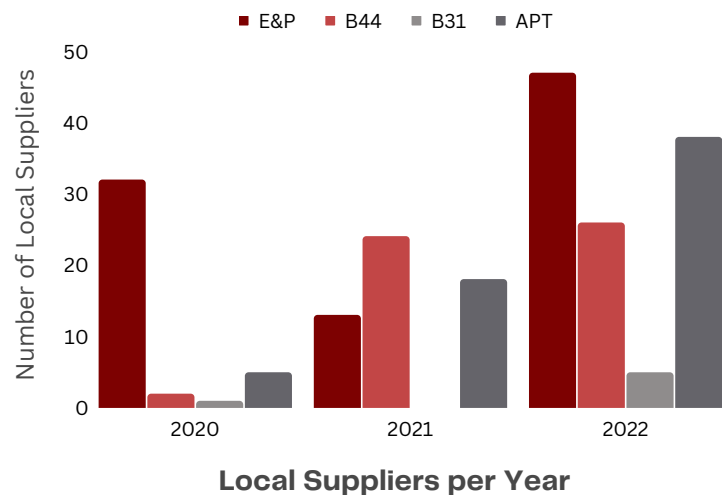
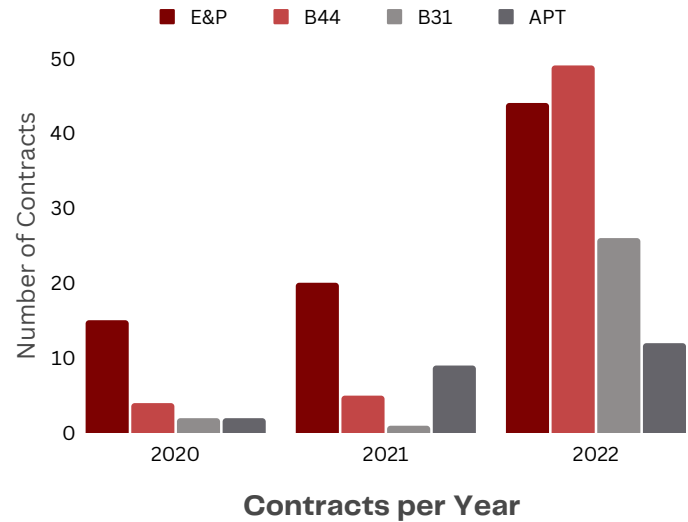
Why it is Sustainable?

- 1 Helps manage finances, work management, and CPM process
- 2 Generate reports on existing contracts including their utilization and efficiency.
- 3 View performance across, and condensed cycle time
- 4 Record of Contracts and Purchase Orders
- 5 Alert for contract consumption, expiration and validation
- 6 Provide a record for the vendor master
- 7 Keeps track of Purchase Requests (PRs)
- 8 Follow-up and send reminders for pending approvals.

Sustainable Sourcing

We focus on communicating sustainability-related matters with suppliers since our value chain is essential to achieving our sustainability plan. Innovation, efficiency, and risk management are essential for advancing long-term supply chain development. Throughout our direct and indirect procurement activities, we strive to ensure that sourcing procedures are followed as well as to proactively identify and address ESG risks, effects, and opportunities. We also aim to expand our network of suppliers while supporting regional companies.

Working with vendors that share our values, tenets, and dedication to sustainability is something we take very seriously. All our contractors are subject to our sustainable and green procurement policy. The policy offers instructions for tracking, evaluating, and continuously enhancing sustainability performance. To prevent non-compliance in contract and procurement processes, we put great emphasis in upholding a well-maintained procedure, focusing on continuous updates and adherence to relevant laws, regulations, and ethical guidelines.



IT & Security Systems



IT Areas Linked with UN SDGs



ARA complies with the latest and most reliable technologies on digitalization. We have integrated digital transformations across our entire value chain at different levels, from exploration through to production. We started our digital journey in 2016 to adopt and unify technology across our value chain to achieve production efficiency, cost reduction, and significant ESG value.

In terms of Information Security practices, the company's Information Technology Infrastructure is protected with the highest level of security standards that prevents data loss, vulnerabilities, and security threats. Our network is protected with a FortiGate firewall at the perimeter level from internet and internal traffic. Group policies, Multifactor Authentication, and Password policies are implemented with the highest security protocols.

IT Commitments



Ensuring high availability of IT resources, including servers, network infrastructure, cloud systems, and ERP applications.



Facilitating quick and effective communication channels to enhance collaboration and information sharing.



Establishing a reliable and robust operations network to support seamless business operations.



Prioritizing data protection and implementing measures to safeguard sensitive information and implement robust cybersecurity measures



Embracing the latest technologies and leveraging business automations to optimize processes and increase efficiency.



Providing prompt and efficient support to address any IT-related issues and maintain uninterrupted business operations.

IT Achievements



Wireless

Field Wireless Communication WiMAX network covering 450 Sq. km Qarat Al Milh, Burhaan, Qalah and Shibkah wells for production monitoring

Fiber Optic

New Office Fiber Optic Cable network from Omantel and terminated 500 Mbps internet connection in QAM field



IT Infrastructure

ARA New office IT infrastructure, Data Center, and security controls completion

Cloud Solutions

Microsoft cloud solutions implementation to protect user data



Website

New website developed and launched for all the ARA group

E-Sign

Implementation of Adobe E-Sign with automated flows



4G Connection

Omantel 4G connection at Burhaan using ARA private Fiber Optic network

Audit Tools

Implementation Manage Engine Audit Tools for Microsoft 365



MFANO

HSE MFANO app development support and completion

Cyber Security

Cyber Security controls with higher level of protection to network and data



Transforming the Workforce



Workforce Areas Linked with UN SDGs



We strongly believe that an organization is only good if it has well motivated and talented people, which is why we are committed to providing our employees with a work environment that is conducive to both personal and professional growth. To achieve this goal, we invest in resources to enhance our employees' skills and capabilities. By fostering a culture of inclusivity and innovation, we aim to empower our employees to not only succeed but to excel.

Workforce Commitments



Promote gender parity, diversity, and inclusivity

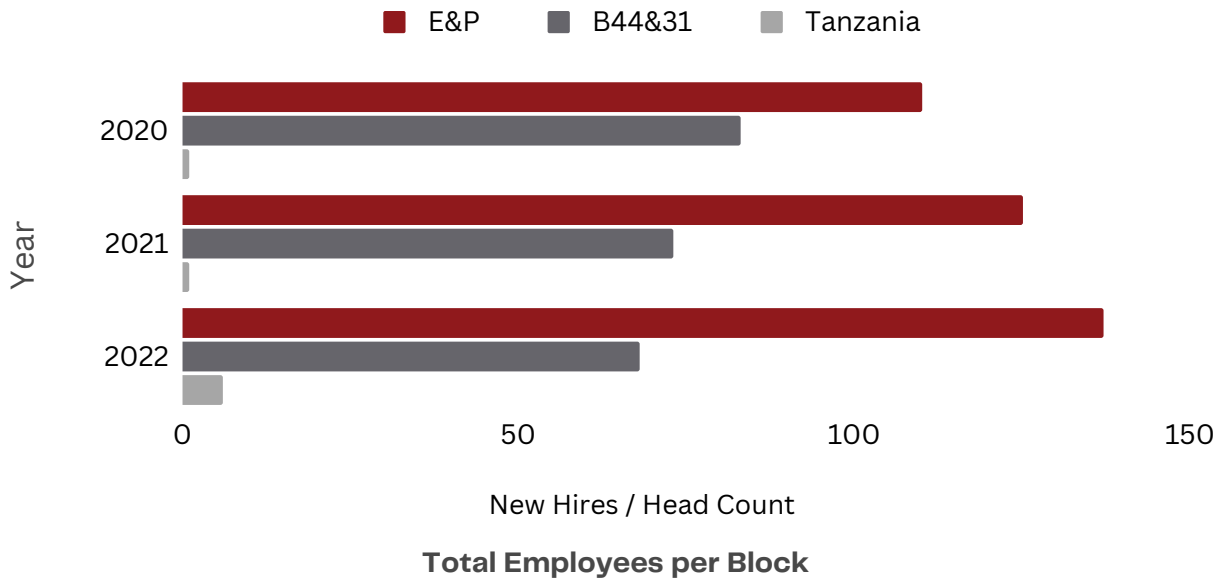


Enhance the work environment through feedback and insights from Employee Satisfaction Surveys

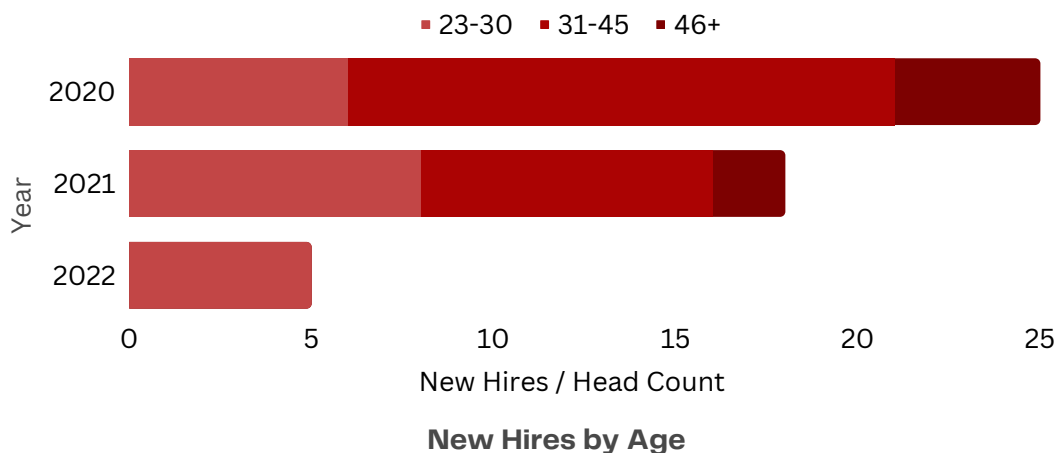


Adhere to global business standards of corporate governance

Promoting Diversity



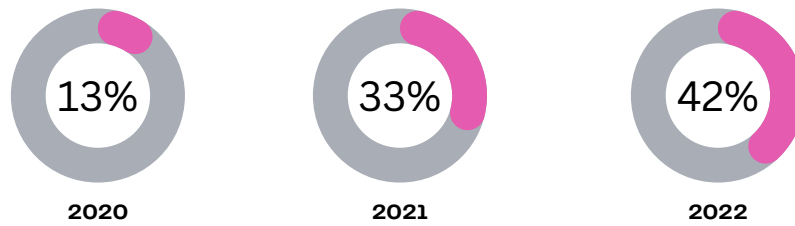
Our employees are our greatest asset so we continue to invest in recruiting, training and developing. We encourage open communication as we believe that it is vital to fostering a healthy and productive work environment. We provide our staff with various methods of providing feedback that we take seriously and use to improve the workplace. This includes our yearly Employee Satisfaction Surveys, Confidentiality Policy, and a formal complaint procedure that enables our employees to speak their minds and voice their concerns without fear.



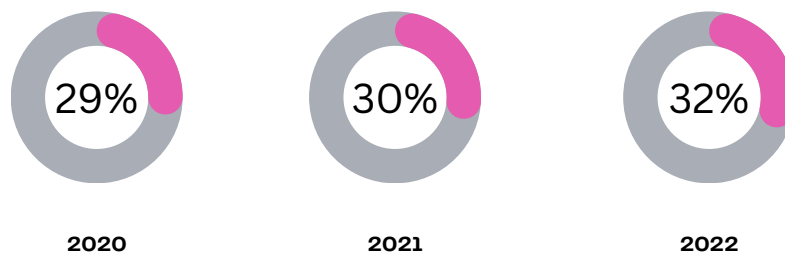
Initially, our primary emphasis was on recruiting experienced professionals when we commenced our operations. However, as our organization expanded, we shifted our focus towards hiring and training fresh graduates as an investment for the future.

Unlocking the Potential for Women

For our employees to thrive they need to feel included, valued and empowered. At ARA, we are proud of our inclusive working culture that brings people together under a unified vision, mission, and values system. We are an equal opportunities employer and consider candidates for employment regardless of their age, gender, religion, or disability. At the end of 2022, we had 23.2% female representation in total workforce and 42% representation at senior management level.



Female Representation in Senior Positions



In-Office Female Representation

In accordance with our commitment to diversity and inclusion, our parental leave policy provides 60 days of fully paid maternity leave to female workers, which is 10 days more than stated by the Manpower Law. As well as that, we offer new mothers the flexibility of adjusted work schedules, enabling them to work fewer hours per day during the initial year after giving birth. Our paternity leave policy entitles male employees to a week of parental leave, in conjunction with local labor regulations.

Talent Attraction and Development



Training Areas Linked with UN SDGs



We commit to ensuring a fair working environment, where everyone is fairly treated and can develop and realize their potential. We strive to promote a culture where our employees feel motivated, valued, and empowered for their unique contribution. For instance, we built The ARA Academy, a competency framework that is the basis of training and development. This involves defining role competencies and integrating them with training, coaching, mentoring and assignments, as well through quarterly and annual talent reviews.

In this way, individuals are able to follow a clear path to grow in their roles. At each department, training needs are included in the performance management processes in which goals are discussed with the line manager. It also offers a business education policy whereby employees can obtain professional qualifications or higher degrees. Attendance at the training is linked with the employee's annual performance evaluation

Training Commitments



Offer internship programs for fresh graduates and soft skills development.



Implementing a range of mandatory training programs, including orientation, health and safety and IT.



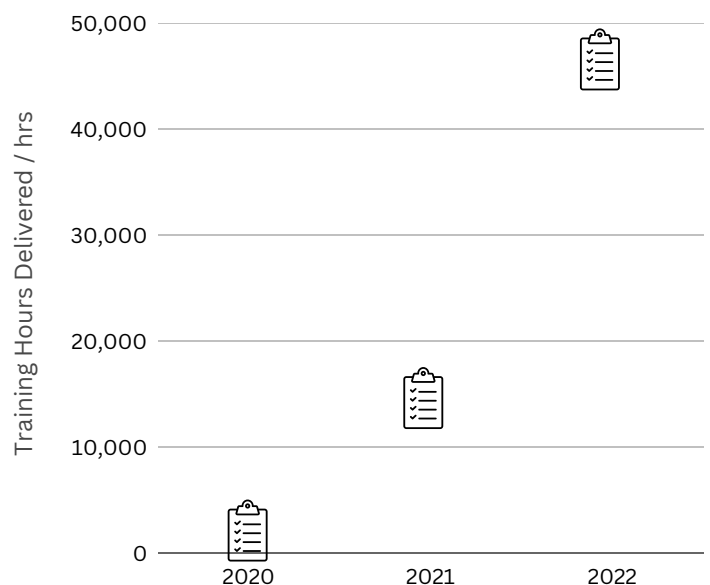
Provide equal training opportunities for both genders

ARA Academy

ARA Academy is a comprehensive career development program designed to establish a structured career path for technical and non-technical staff members. The program provides a platform for managing individual development plans, competency assessments, and overall training needs.

The aim of ARA Academy is to enhance individual and corporate competency across all levels of the company, fostering capability development and promoting stable succession planning.

In 2022, ARA successfully accomplished over 40,000 hours of training, thereby contributing to the development of the future generation of the local workforce. The training hours are tied to the annual performance review of our employees, which is regularly monitored and updated through our Human Resource Management System (HRMS).



Total Training Hours Delivered per Year



Driving Success with Education

ARA Petroleum has sponsored domestic and scholarships abroad for twelve employees, facilitating the advancement of their university studies. Notably, these scholarships have extended to prestigious institutions in the United Kingdom and Switzerland. These are geared towards empowering our employees by equipping them with the essential technical and administrative competencies required to excel in their respective roles and achieve their ambitious aspirations.

Providing scholarships for our employees to support further education is a critical element from our unwavering commitments. Each year, we allocate resources to sponsor a minimum of two carefully selected employees, following our selection process that is aligned with our internal criteria, objectives, and the strategic imperative of nurturing the skills and knowledge of our workforce. Through these efforts, we aim to unlock the full potential of our employees and foster their professional growth.

My scholarship helped improve my work performance. I appreciate this opportunity to grow and develop professionally and academically.

I believe my Master's scholarship will give me a chance to improve my knowledge and skills. It was a smooth process to apply and get it.



Qasim Al Hasani
Administration Assistant
Diploma in Business and Management Studies



Maha Al Bahrani
QHSE Engineer
MSc in Environmental Management

Training the Next Generation

ARA is deeply committed to fostering the growth and development of talent. Over the years 2020 to 2022, we welcomed 38 trainees from various specializations, providing them with valuable opportunities to gain hands-on experience and enhance their skill sets. We are proud to share that an impressive 80% of these trainees received job offers and successfully transitioned into employment within ARA.

Our training program spans three months, during which trainees have the chance to work closely with experienced mentors and professionals. Our staff are there to offer guidance, support, and expertise to help our trainees navigate their roles effectively and excel in their respective fields. We believe that mentorship plays a crucial role in nurturing young talent, and we are committed to providing a suitable and empowering environment for all our trainees.

We understand the importance of ensuring the safety and well-being of our trainees. Therefore, we provide comprehensive Health, Safety, and Environment (HSE) courses for all trainees before site visitations, to equip them with the necessary knowledge and awareness to mitigate potential risks in the workplace.

By investing in the training and development, ARA aims to contribute to the growth of the youth and job seekers, creating a sustainable workforce for the future. Our commitment to training is not just about providing short-term opportunities but rather a long-term investment in the success and prosperity of our trainees.



Empowering Communities



CSR Areas Linked with UN SDGs



Our social responsibility programs have been thoughtfully crafted, with partnerships established both with the government and local communities. These efforts are strategically aligned to meet the urgent social, economic, and environmental needs of our local communities. We believe that our approach is impactful and can create meaningful change in the communities we operate.

One example is the initiation of a new system called 'Matjar ARA' that serves our employees and community so that staff may benefit from a variety of products and services from Omani entrepreneurs. Contributing to the growth of the Omani economy and community.

CSR Commitments



Positively impacting people through sustainable livelihood opportunities



Support the education of students through scholarships, focusing on the communities in our concession areas



Uplifting People Of Determination (POD) by investing in education, nutrition, healthcare, and welfare



Bought groceries for people in need that were delivered by ARA employee volunteers during the Holy month of Ramadan

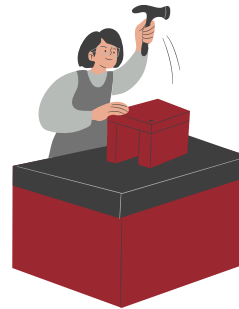


Built a digital studio for Al Amal School for the Deaf, in partnership with the Ministry of Education and the Ministry of Social Development

Contributed to Musandam Cultural and Innovation Center & Khasab Tourist Pontoon in partnership with the Ministry of Energy & Minerals and other main operators of the oil and gas industry



Provide prayer carpets for QARAT Al-Milh mosque with Ministry of Endowment and Religious Affairs to serve the local community in one of our operation areas



Qiyam Carpentry Workshop in AlKhoud for children with special needs in partnership with the Ministry of Social Development



Purchase air conditioning for the Holy Quran School in Wilayat Al-Buraimi in partnership with the Ministry of Endowment and Religious Affairs



Donate 100,000 OMR to Al-Rahma Association to support families affected by Sheen Floods



Organized a blood donation and medical evaluation in cooperation with the Department of blood banks Service of Bousher polyclinic



Contributed tonnes of cement to schools and local government for construction projects

Reactivated water well with the support of villagers



Turned line clearance for seismic project into roads that connect communities

Appendices



Appendix A

Stakeholder Map

| Stakeholder Groups | Significance to ARA Petroleum | Topics and Concerns | Methods of Engagement |
|----------------------------------|--|---|--|
| Shareholders | Our shareholders are essential contributors to our flourishing growth. We remain committed to providing excellent services thereby fostering sustainable operations and maximizing returns for our valued shareholders. | <ul style="list-style-type: none"> Economic performance Sustainable operations Risk management Transparency in Corporate Governance | <ul style="list-style-type: none"> Monthly General Meetings Corporate Annual Report Official News Releases Annual Corporate Governance Report Shareholder Communication & Disclosure policy |
| Contractors | ARA strives to cultivate robust business relationships throughout the entire supply chain. We place great importance on our partnerships with contractors, continuously working towards enhancing these connections with the goal of improving overall efficiency and effectiveness. | <ul style="list-style-type: none"> Timely remittance of payments Incorporation of ESG and ICV criteria in the contractor selection process Equitable and respectful treatment of contractors | <ul style="list-style-type: none"> Contractor Management & Engagement Working Practices Policy |
| Employees | We prioritize the professional growth of our workforce through targeted training programs aimed at boosting productivity and fostering workplace satisfaction, and remain committed to cultivating a healthy and safe work environment for our employees at all times. | <ul style="list-style-type: none"> Employee well-being and safety Employee welfare and work-life balance Career growth and professional development Competitive compensation and comprehensive benefits Diversity and inclusion in the workplace Equal pay for equal work | <ul style="list-style-type: none"> HSE policy Working Practices policy Training and Development programmes |
| Government and Regulators | We exhibit our responsibilities by continually developing and improving the transparency and accountability of ARA's operations. Our unwavering dedication includes strict adherence to all relevant laws and regulations. We are actively working towards ensuring our corporate governance standards to align with the highest regional and global benchmarks. | <ul style="list-style-type: none"> Compliance Transparency and Disclosure Alignment with national strategies (Oman Vision 2040) | <ul style="list-style-type: none"> Internal control system Compliance unit External audits Corporate Audit Committee Corporate Legal Committee Tender-Board Committee Corporate Annual Report Face-to-face meeting with ministries and regulators Participation in forums/ seminars |
| Local Communities | We aim to assist individuals confronting social and economic challenges in our local communities. We are fully dedicated to improving the skills and abilities of the youth while actively advocating for efficient energy utilization and environmental preservation. | <ul style="list-style-type: none"> Charitable initiative to support underprivileged communities. Social initiatives and programs that promote health, education, security, sports, and culture. Collaborating with other organizations to address social and environmental challenges. Supporting initiatives that cultivate entrepreneurial skills and empower individuals in relevant fields. | <ul style="list-style-type: none"> Health and educational campaigns Employee volunteering Donations to charitable organisations Empowering entrepreneurs Sponsorship and internships to young, disadvantaged people Participation in cultural and national events |

Appendix A

Performance Data

| Key Performance Indicator | Unit | 2020 | 2021 | 2022 |
|--|-------------------------|--------------|--------------|--------------|
| Energy Consumption, Emissions, and Production | | | | |
| Oil Production | m ³ | 323,992 | 442,246 | 602,051 |
| Gas Production | MMscf | 32,632,695 | 39,023,679 | 44,655,067 |
| Electricity Consumption | kWh | 5,687,500 | 4,659,490 | 10,496,310 |
| Diesel Consumption from Diesel Generators | Gallons | 875,293.6511 | 944,987.4148 | 1,425,900.14 |
| Diesel consumption from vehicles | Gallons | 257,321.0767 | 144,514.4423 | 301,408.9723 |
| GHG Emissions Rate per BOE Produced | kgCO ₂ e/boe | 41.78 | 29.6 | 29.27 |
| Water Consumption | | | | |
| Water Consumption | m ³ | 459,682 | 444,704 | 762,937 |

Performance Data (Continued)

| Key Performance Indicator | Unit | 2020 | 2021 | 2022 |
|---|------------------------------------|--------|--------|--------|
| Health, Safety and Environment (HSE) | | | | |
| Employee LTI Frequency Rate | Cases per million man-hours worked | 0 | 0 | 0.5 |
| Employee Total Recordable Injury Frequency Rate | Cases per million man-hours worked | 1.6 | 0.83 | 0.49 |
| Total HSE Related Training | Hours | 4,148 | 4,692 | 4,644 |
| Mfano Observations | No. of Submitted Observations | 12,830 | 13,020 | 16,339 |
| Workforce | | | | |
| Total Employees | Headcount | 194 | 199 | 211 |
| New Hires | Headcount | 25 | 18 | 5 |
| Total Training Delivered | Hours | 1,758 | 13,980 | 45,572 |

Performance Data (Continued)

| Key Performance Indicator | Unit | 2020 | 2021 | 2022 |
|--------------------------------|--------------------------------|------------|------------|-------------|
| Procurement | | | | |
| Contracts | No. of Signed Contracts | 23 | 35 | 131 |
| Total Procurement Spend | USD | 2,423,584 | 2,177,857 | 3,911,408 |
| Local Procurement Spend | USD | 923,340 | 1,891,199 | 2,289,822 |
| Total Services Spend | USD | 93,949,378 | 77,961,379 | 114,599,871 |
| Local Services Spend | USD | 92,930,620 | 67,107,792 | 111,183,961 |

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