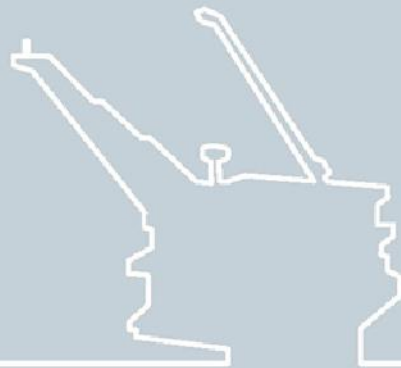


Q2

**Management's
Discussion
and
Analysis**



For the Period Ended June 30, 2024
Dated August 8, 2024

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INTRODUCTION

This Management's Discussion and Analysis ("MD&A") focuses on Valeura Energy Inc.'s ("Valeura" or the "Company") results during the three and six months ended June 30, 2024. To better understand this MD&A, it should be read in conjunction with Valeura's unaudited consolidated financial statements for the three and six months ended June 30, 2024 and 2023 (the "Interim Financial Statements"), and related notes thereto, and also Valeura's audited consolidated financial statements for the years ended December 31, 2023 and 2022, and related notes thereto. Additional information relating to Valeura is available on its website at www.valeuraenergy.com and on SEDAR+ at www.sedarplus.ca, including Valeura's annual information form for the year ended December 31, 2023 (the "AIF"). **The reporting currency is the United States Dollar ("\$").**

NON-IFRS FINANCIAL MEASURES

This MD&A includes references to financial measures commonly used in the oil and gas industry such as adjusted EBITDAX, net working capital, adjusted net working capital, adjusted cashflow from operations, adjusted opex, adjusted capex, and adjusted pre-tax cash flow from operations, net cash, and debt which are not generally accepted accounting measures under International Financial Reporting Standards ("IFRS Accounting Standards") and do not have any standardised meaning prescribed by IFRS Accounting Standards and, therefore, may not be comparable with similar definitions that may be used by other public companies. Management believes that adjusted EBITDAX, net working capital, adjusted net working capital, adjusted cashflow from operations, adjusted opex, adjusted capex, and adjusted pre-tax cash flow from operations are useful supplemental measures that may assist shareholders and investors in assessing the financial performance and position of the Company. Non-IFRS financial measures should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS Accounting Standards. The definition and reconciliation of each non-IFRS financial measure and non-IFRS ratio is presented in this MD&A. See "Non-IFRS Financial Measures and Ratios" on page 18.

BASIS OF PREPARATION

The Interim Financial Statements have been prepared in accordance with International Accounting Standards ("IAS 34") – Interim Financial Reporting of the IFRS Accounting Standards for the three and six months ended June 30, 2024 and 2023, and have been prepared in accordance with the accounting policies and methods of computation as set forth in note 3 of the Interim Financial Statements.

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

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

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

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

COMPANY PROFILE

Valeura is a Canada-incorporated public company engaged in the production, development, and exploration of oil and gas in Thailand and in Türkiye and is pursuing further inorganic growth in Southeast Asia. The common shares of the Company ("Common Shares") are listed and posted for trading on the Toronto Stock Exchange under the symbol "VLE" and quoted on the OTCQX in the United States of America under the trading symbol "VLERF". The head office of Valeura is located at 111 Somerset Road, #09-29/30/31, Singapore, 238164. Valeura's registered and records office is located at 4600, 525 – 8th Avenue SW, Calgary, Alberta, T2P 1G1. Valeura was incorporated under the *Business Corporations Act* (Alberta).

KEY ASSETS AND WORKING INTERESTS

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

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

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

(2) On April 7, 2023, Valeura submitted an application for the second extension period of the Banarli and West Thrace Exploration Licences and has been advised that the renewal still remains in administrative processing.

THAILAND

The Company has been active in Thailand since April 28, 2022, when the Company entered into a sale and purchase agreement with KrisEnergy (Asia) Ltd. to acquire all of the issued and outstanding shares of KrisEnergy International (Thailand) Holdings Ltd. (now known as Valeura Energy (Thailand) Holdings Ltd.), which held an interest in two operated licences in shallow water offshore Thailand, Licence G10/48 and Licence G6/48 (the "Kris Acquisition"). The Kris Acquisition closed on June 15, 2022. On December 6, 2022, Valeura announced that Valeura Energy Asia Pte. Ltd. (formerly Panthera Resources Pte. Ltd.) had entered into a sale and purchase agreement with Mubadala Petroleum (Thailand) Holdings Limited ("Mubadala Petroleum") to acquire the Thailand upstream oil producing portfolio of Busrakham Oil and Gas Ltd. effective September 1, 2022, which included interests in three operated licences in shallow water offshore Thailand, Licence B5/27, Licence G11/48, and Licence G1/48 (the "Mubadala Acquisition"). The Mubadala Acquisition closed on March 22, 2023.

A subsidiary of the Company has divested its working interest of 43% in Licence G6/48, which is awaiting government approval. The agreement for the withdrawal from and transfer of the G6/48 interest is dated April 27, 2023. As of June 30, 2024, the Company had no proportion of the participating share in the licence.

TÜRKİYE

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

The Banarli and West Thrace Exploration Licences had a set expiry date of June 27, 2023, but each licence can be extended for two further two-year periods.

On April 7, 2023, Valeura submitted an application for the second extension period of the Banarli and West Thrace Exploration Licences and has been advised that the renewal remains in administrative processing. Accordingly, the Company continues to include these licences as part of its portfolio and will provide an update on the new expiry dates when known.

COMPANY STRATEGY

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

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

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

HIGHLIGHTS

Q2 2024 Highlights

- Adjusted cashflow from operations of \$65.7 million⁽¹⁾;
- Oil production of 21.1 mbbls/d⁽²⁾ and oil sales of 1.9 million bbls;
- Average realised price of \$87.7/bbl, generating revenue of \$164.0 million;
- Adjusted EBITDAX of \$99.6 million⁽¹⁾; and
- Cash and net cash balance as of June 30, 2024 of \$146.8 million^{(1),(3)}, with no debt.

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

(2) Working interest share oil production, before royalties.

(3) Includes restricted cash of \$17.3 million.

		Three months ended		Six months ended	
		June 30, 2024	June 30, 2024	June 30, 2024	June 30, 2024
Oil Production ⁽¹⁾	('000 bbls)	1,917		3,908	
Average Daily Oil Production	(bbls/d)	21,068		21,475	
Average Realised Price	(\$/bbl)	87.7		86.2	
Oil Volumes Sold	(Mmbbls)	1.9		3.6	
Oil Revenue	(\$ 'mm)	164.0		313.4	
Adjusted Opex per bbl ⁽²⁾	(\$/bbl)	28.3		27.2	
Adjusted Capex ⁽²⁾	(\$ 'mm)	30.6		59.9	
Adjusted Pre-Tax Cash Flow from Operations ⁽²⁾	(\$ 'mm)	87.1		159.2	
Adjusted Cash Flow from Operations ⁽²⁾	(\$ 'mm)	65.7		113.5	
Adjusted EBITDAX ⁽²⁾	(\$ 'mm)	99.6		175.0	

(1) Working interest share production, before royalties.

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

Recent Achievements

- Restart of production from the Wassana field, following thorough inspection of the production facility's underwater components, with production rates now ramped up to pre-suspension levels;
- Completion of drilling operations on the Nong Yao C development, which was completed under budget, and with all wells having encountered their objectives as planned in addition to successfully appraising several additional zones;
- Mechanical completion of the Nong Yao C production facility, with final assurance checks and certification underway in preparation for first production in August 2024;
- Narrowing of full-year production guidance range estimate and reiteration of opex and pricing expectations, but with reduced capex; and
- Receipt of the prestigious 2024 EIA Monitoring Award from Thailand's Office of Natural Resources and Environmental Policy and Planning in respect of three of the Company's oil fields. See “Environmental, Social and Governance Overview” section in this MD&A.

		Three months ended		Six months ended	
		June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Average Daily Oil Production ⁽¹⁾	(bbls /d)	21,068	22,097	21,475	12,176
Oil Volumes Sold	('mbbls)	1,870	2,167	3,635	2,167
Oil Revenues	(\$'000)	163,960	174,196	313,368	174,196
Net Earnings/(Loss)	(\$'000)	11,309	(7,252)	30,727	227,030
Adjusted EBITDAX ⁽²⁾	(\$'000)	99,594	78,926	175,032	71,771
Adjusted Pre-Tax Cashflow from Operations	(\$'000)	87,117	99,187	159,205	87,472
Adjusted Cashflow from Operations ⁽²⁾	(\$'000)	65,686	70,412	113,541	58,697
Adjusted Opex ⁽²⁾	(\$'000)	54,171	45,613	106,435	54,851
Adjusted Capex ⁽²⁾	(\$'000)	30,641	38,649	59,899	42,529
Weighted average shares outstanding – basic	('000 shares)	105,919	101,315	104,574	96,208

		As at	
		June 30, 2024	December 31, 2023
Cash & Cash equivalents and Restricted cash	(\$'000)	146,819	151,165
Adjusted Net Working Capital	(\$'000)	144,224	118,143
Shareholder's Equity	(\$'000)	317,431	284,178

(1) Working interest share production, before royalties.

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

H1 2024 Performance versus Guidance

Valeura has revisited its guidance estimates and has adjusted its outlook to reflect year-to-date performance and expectations for the remainder of the year.

		2024 Full Year	2024 Full Year	Six months ended 30-Jun-24
		Original Guidance	Updated Guidance	Performance
Average Daily Oil Production ⁽¹⁾	(bbls/d)	21,500 – 24,500	22,000 – 24,000	21,475
Price realisations	(\$/bbl)	Approx. equivalent to the Brent crude oil benchmark	Approx. equivalent to the Brent crude oil benchmark	\$2.2/bbl premium to Brent
Opex ⁽²⁾	(\$ million)	205 – 235	205 – 235	106
Capex ⁽³⁾	(\$ million)	135 – 155	135 – 145	60
Exploration expense	(\$ million)	Approx. 8	Approx. 8	7

(1) Working interest share production, before royalties.

(2) Represents adjusted opex which is a non-IFRS financial measure – see "Non-IFRS Financial Measures and Ratios" section in this MD&A.

(3) Represents adjusted capex which is a non-IFRS financial measure – see "Non-IFRS Financial Measures and Ratios" section in this MD&A.

Oil production expectations remain largely unchanged but have been narrowed to a range of 22,000 – 24,000 bbls/d. In the Company's estimation, the impact of deferring production as a result of the precautionary suspension at the Wassana field is offset by demonstrated stronger-than-plan potential rates from the field, when in full operation. In addition, the Company's drilling programme to date has included two infill development wells at Nong Yao A, which were drilled earlier than planned in the year, and serve to offset the later start of first oil from the Nong Yao C development than originally planned. The Company feels its portfolio offers substantial optionality to adjust work programmes to compensate for unanticipated deferrals of production. For this reason, the drilling schedule remains subject to ongoing optimisation.

The Company now anticipates total capex⁽³⁾ of \$135 – 145 million, a slight downward revision. Over 85% of the capex⁽³⁾ is associated with drilling operations, and as the Company has a drilling rig on contract for the full year, the capex⁽³⁾ budget is therefore largely fixed. However, given an efficient drilling operations performance to date, additional wells from the Manora campaign are now expected to be realised in 2024 for essentially the same full-year drilling budget.

The Company's opex⁽²⁾ and price realisation guidance is re-affirmed. For opex⁽²⁾, management expects the combined effects of increases due to higher costs of diesel and the additional costs associated with the advanced underwater inspection at the Wassana field to be largely offset by strong underlying operational performance and reductions in connection with owning, rather than leasing, the Nong Yao FSO. On pricing, while recent price realisations have somewhat exceeded management's expectations, the Company considers long-term price performance in forecasting to be more in line with its guidance.

Exploration expense remains unchanged at approximately \$8 million. To date, Valeura has drilled three exploration wells. All were successful and as a result the management team opted for additional spending for enhanced data acquisition to support future appraisal and development planning. The Company continually seeks to optimise its drilling schedule to maximise value, and as a result, future refinements may have a bearing on the ultimate exploration expense recorded.

PERIOD OVERVIEW

Operations Overview

During Q2 2024, the Company had ongoing production operations on all of its Gulf of Thailand fields including the Jasmine, Nong Yao, Manora, and Wassana fields. One drilling rig and one workover rig were under contract throughout the quarter.

	Unit	Three months ended		Six months ended	
		June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Average Oil Production⁽¹⁾	bbls/d	21,068	22,097	21,475	12,176
Jasmine/Ban Yen	bbls/d	7,402	9,838	7,532	5,437
Nong Yao	bbls/d	6,293	7,486	6,800	4,168
Manora	bbls/d	2,665	3,145	2,800	1,753
Wassana	bbls/d	4,708	1,628	4,343	818

(1) Working interest share production, before royalties.

Jasmine/Ban Yen:

Oil production before royalties from the Jasmine/Ban Yen field, in Licence B5/27 (100% operated interest) averaged 7.4 mbbls/d during Q2 2024, a decrease of 3% from Q1 2024. No wells were drilled on Licence B5/27 in Q2 2024, but Valeura began a six-well workover campaign, with two being completed by end of the quarter.

An infill drilling programme on the Jasmine field is planned to commence immediately with the imminent release of the drilling rig from Nong Yao C, and will include five development wells intended to increase production volumes as well as to up to two appraisal wells to assess potential future development targets. Valeura is continually optimising its drilling schedule, and still anticipates drilling the Rtree exploration prospect, on Licence B5/27 in due course, while constantly seeking to maximise value through its drilling operations.

Nong Yao:

At the Nong Yao field, in Licence G11/48 (90% operated working interest), Valeura's working interest share of oil production before royalties averaged 6.3 mbbls/d during Q2 2024, which represents a decrease of 14% from Q1 2024. This reflects planned downtime for construction work and modifications in connection with tying in the Nong Yao C MOPU to the field's pre-existing infrastructure. Following the work, and with production contributions from the two infill wells drilled from the Nong Yao A facility, oil production at Nong Yao has increased to an average of 7.6 mbbls/d for July 2024 (average working interest share rate before royalties).

Following infill wells, drilling operations focused on the new Nong Yao C development for the remainder of the quarter. To date, Valeura has drilled the six planned horizontal development wells, with reservoir intervals encountered in line with expectations, one appraisal well which was successful and will be converted to a seventh production well, and one water injection well. Two of the development wells were also extended to test appraisal targets, with both being successful and thereby forming an early basis for potential future infill drilling. Even with the expanded scope of the drilling programme to include appraisal work, the Company anticipates that the Nong Yao C drilling programme has been delivered approximately 25% under budget. The drilling rig is being released from the Nong Yao field imminently, and will mobilise to the Jasmine field next.

The Company is in the final stages of preparing the Nong Yao C production facility to receive oil for the first time, and anticipates achieving full operational readiness and first production in August 2024. Nong Yao C is planned to be Valeura's single biggest source of organic production growth in 2024, and will increase oil production from the greater Nong Yao area to peak rates of approximately 11 mbbls/d (Valeura's working interest share, before royalties).

During Q2, the Company also completed its purchase of the Nong Yao FSO vessel for \$19.0 million. Valeura anticipates that the change to owning, rather than leasing, the Nong Yao FSO will yield a reduction in opex going forward.

Wassana:

Oil production at the Wassana field, in Licence G10/48 (100% operated interest), averaged 4.7 mbbls/d (before royalties), an increase of 18% over Q1 2024. The increase was largely driven by production contributions from new infill wells drilled in Q1 2024, which increased production rates to approximately 5.0 mbbls/d near the end of Q2 2024.

As part of planned maintenance and asset integrity assurance work, the Company conducted a thorough inspection of the underwater components of the field's MOPU in June 2024. Thereafter, Valeura implemented a precautionary suspension of production operations at the field starting on June 28, 2024 and lasting for approximately five weeks, while investigating a potential structural anomaly with one of the steel jack-up legs. The anomaly was ultimately determined to be superficial in nature, enabling the safe restart of production operations on August 2, 2024 and production rates have now ramped up to pre-suspension levels.

Separately, Valeura has begun front end engineering and design work for the potential redevelopment of the Wassana field. The Company is targeting to be ready for a final investment decision on the project in early Q1 2025, with an ultimate goal of more fully commercialising the Wassana field's reserves and resources and extending the economic life of the field well beyond 2030.

Manora:

At the Manora field, in Licence G1/48 (70% operated working interest), Valeura's working interest share of oil production before royalties averaged 2.7 mbbbls/d, a decrease of 9% from Q1 2024. No wells were drilled on Licence G1/48 during Q2 2024, but the Company conducted two well workovers.

Following on from the successful drilling in 2023, the Company has now agreed further drilling opportunities on the Manora field which are expected to further extend the field's life. Given efficiencies in the drilling operations to date in 2024, Valeura expects to accelerate the drilling of three infill development wells plus two appraisal wells, to commence in Q4 2024, following infill drilling on Jas mine.

West Thrace Deep Gas Play:

The Company had no active operations in Türkiye during Q2 2024 as it continued its search for a farm-in partner to pursue the next phase of work on the Deep Gas Play, where it holds interests ranging from 63% to 100% (assuming the licence renewals are obtained). On March 29, 2024, the Company received a written communication from the regulator stating that the extension applications evaluation is ongoing.

Environmental, Social and Governance Overview

Valeura is committed to ensuring the sustainability of its business, and aspires toward world class standards for environmental responsibility, social wellbeing, and governance. The Company was recently awarded the *2024 EIA Monitoring Award* from Thailand's Office of Natural Resources and Environmental Policy and Planning. This reflects the Company's strong performance with regard to its environmental monitoring activities and reporting under its formal Environmental Impact Assessment, in respect of its Nong Yao, Manora, and Ban Yen fields. Further details on the Company's commitment to sustainability can be found in Valeura's inaugural Sustainability Report, which is available on the Company's website.

Financial Overview

The Company's Q2 2024 financial performance was influenced by higher revenue, driven by both more oil volumes sold during the quarter, and higher realised prices.

Performance in the six months ended June 30, 2023 is not directly comparable to the six months ended June 30, 2024, as the Mubadala acquisition concluded on March 22, 2023, resulting in approximately three months of production, revenue and costs associated with these assets for the six month period in 2023.

Financial Metrics

	Three months ended		Six months ended	
	Unaudited June 30, 2024	Unaudited June 30, 2023	Unaudited June 30, 2024	Unaudited June 30, 2023
<i>In \$'000</i>				
Revenue and other income				
Oil revenues	163,960	174,196	313,368	174,196
Royalties	(17,947)	(23,309)	(36,586)	(23,309)
Net oil revenues	146,013	150,887	276,782	150,887
Other income	2,252	1,309	4,321	1,372
	148,265	152,196	281,103	152,259
Expenses				
Operating	41,694	70,616	83,482	75,294
Exploration	269	320	2,465	361
Special remuneratory benefit ("SRB")	48	4,768	48	4,715
General and administrative	4,725	6,861	11,142	9,898
Impairment on Exploration and Evaluation ("E&E") asset	-	4,278	-	4,278
Provision for doubtful debt	-	955	-	955
Transaction costs	-	157	-	986
Finance costs	6,775	10,810	13,291	12,754
Foreign exchange loss (gain)	307	188	639	1,167
Share-based compensation	2,707	214	3,596	786
Depletion and depreciation	52,899	51,388	100,495	51,501
	109,424	150,555	215,158	162,695
Profit (loss) for the period before other items	38,841	1,641	65,945	(10,436)
Bargain purchase gain	-	-	-	238,143
Change in net monetary position due to hyperinflation	285	116	548	384
Profit for the period before income taxes	39,126	1,757	66,493	228,091
Income taxes				
Deferred tax recovery	(4,915)	(15,051)	(21,199)	(22,999)
Tax expense	32,732	24,060	56,965	24,060
Net income (loss)	11,309	(7,252)	30,727	227,030
Net income (loss) attributable to:				
Shareholders of Valeura Energy	11,309	(7,252)	30,727	227,743
Non-controlling interest	-	-	-	(713)
Net income (loss)	11,309	(7,252)	30,727	227,030
Other comprehensive income (loss)				
Currency translation adjustments	39	233	(79)	182
Comprehensive income	11,348	(7,019)	30,648	227,212
Net income (loss) attributable to:				
Shareholders of Valeura Energy	11,309	(7,252)	30,727	227,743
Non-controlling interest	-	-	-	(713)
Earnings (loss) per share				
Basic	0.11	(0.07)	0.29	2.37
Diluted	0.10	(0.07)	0.28	2.26

Oil Revenues

		Three months ended		Six months ended	
		June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Oil Volumes Sold	mbbl	1,870	2,167	3,635	2,167
<i>Jasmine/Ban Yen</i>	mbbl	519	937	1,215	937
<i>Nong Yao</i>	mbbl	801	810	1,341	810
<i>Manora</i>	mbbl	210	420	420	420
<i>Wassana</i>	mbbl	340	-	659	-
		Three months ended		Six months ended	
		June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Brent Average	\$/bbl	84.9	78.5	84.0	79.9
Dubai Average	\$/bbl	85.3	77.8	83.3	79.0
Realised	\$/bbl	87.7	80.4	86.2	80.4
<i>(Discount) / Premium to Brent</i>	\$/bbl	2.8	1.9	2.2	0.5
<i>(Discount) / Premium to Dubai</i>	\$/bbl	2.4	2.6	2.9	1.4

In Q2 2024, the Company sold approximately 1.9 mmbbls from its four producing oil fields, which included both crude oil held as inventory as at March 31, 2024 and a portion of the production from Q2 2024. The Company sold crude oil to both domestic Thai refiners and export buyers.

		Three months ended
Beginning Inventory at March 31, 2024	mbbl	880
Add: Production	mbbl	1,917
Less: Fuel used and crude condition adjusted	mbbl	(3)
Available for sale	mbbl	2,794
Less: Lifting	mbbl	(1,870)
Ending Inventory at June 30, 2024	mbbl	924
		Six months ended
Beginning Inventory at January 1, 2024	mbbl	672
Add: Production	mbbl	3,908
Less: Fuel used	mbbl	(21)
Available for sale	mbbl	4,559
Less: Lifting	mbbl	(3,635)
Ending Inventory at June 30, 2024	mbbl	924

As at June 30, 2024, the Company had 924 mbbl of crude oil inventory, while the Company had 672 mbbl of crude oil inventory as at December 31, 2023. The quarter-on-quarter increase was due to the timing of liftings.

Royalties

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

(i) Royalties to government in Thailand

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

(ii) Payment to previous owner in Thailand

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

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

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

	Three months ended		Six months ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
<i>\$'000</i>				
Royalties to government in Thailand	14,451	17,181	28,464	17,181
Payment to previous owner in Thailand	3,496	5,940	8,122	5,940
Marketing fee	-	188	-	188
Royalties	17,947	23,309	36,586	23,309

Adjusted Opex⁽¹⁾

	Three months ended		Six months ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
<i>\$'000</i>				
Operating Costs	41,694	70,616	83,482	75,294
Reversal of Loss of Net Realisable Value (Wassana) ⁽²⁾	-	(4,742)	7,126	(4,742)
Cost of Goods Sold	41,694	65,874	90,608	70,552
Reversal of accounting adjustments related to PPA inventory valuation and capitalisation ⁽³⁾	4,980	(28,556)	(265)	(27,024)
Adjusted Opex (excluding Leases)	46,674	37,318	90,343	43,528
Leases ⁽⁴⁾	7,497	8,295	16,092	11,323
Adjusted Opex	54,171	45,613	106,435	54,851
Production Volumes during the period (mdbl)	1,917	2,011	3,908	2,226
Adjusted Opex per Barrel⁽¹⁾ (\$/bbl)	28.3	22.7	27.2	24.6

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

(2) Represent write down inventory to net realisable value.

(3) The item is not shown in the Interim Financial Statements. As a result of the Mubadala Acquisition, and in accordance with IFRS 3 Business Combinations, the Company is required to calculate the purchase price allocation (“PPA”) of the identifiable assets acquired and liabilities assumed at fair value. Crude oil inventory is one the identifiable assets acquired at fair value. The cost of crude inventory is capitalised from operating costs. As a result, the Company has excluded the effect of crude inventory capitalisation during the period including the effect of crude inventory from PPA valuation.

(4) In accordance with IFRS 16 - Leases, the Company recognised cost related to its operating leases – attributed to FSO and floating production, storage, and offloading (“FPSO”) vessels used at its Jasmine/Ban Yen, Nong Yao, Manora, and Wassana fields, as well as onshore warehouse facilities costs to its balance sheet and finance cost in the profit and loss statement. In order to report a more relevant lifting cost, the Company has included costs associated with these leases in the adjusted operating cost calculation. This will be a recurring adjustment.

Operating costs as reported under IFRS Accounting Standards were \$41.7 million for Q2 2024 (Q2 2023: \$70.6 million) and \$83.5 million for the six months ended June 30, 2024 (2023: \$75.3 million). To allow for a more meaningful periodic comparison, the above material adjustments were made in order to arrive at the Company's adjusted opex per barrel or often cited as lifting cost per barrel in the common industry term. See “Non-IFRS Financial Measures and Ratios” section in this MD&A for reconciliation and definition.

Adjusted opex per barrel is calculated as adjusted opex divided by the number of barrels produced in the same period. Adjusted opex was largely comprised of bareboat charter contracts and operation and maintenance expenses associated with the FSO and FPSO vessels, logistics expenses, workovers, and fuel. The most material variable components of adjusted opex were fuel costs and workovers. In Q2 2024, the Company's adjusted opex per barrel was \$28.3/bbl, while in Q2 2023, the Company's adjusted opex per barrel was \$22.7/bbl. For the six months ended June 30, 2024, the Company's adjusted opex per barrel was \$27.2/bbl, while for the six months ended June 30, 2023 the Company's adjusted opex per barrel was \$24.6/bbl in 2023. Opex per barrel was higher in the six months ended June 30, 2024 compared to the same period in 2023 due to higher workover activities and inspection of the underwater components of the MOPU in the Wassana field in June 2024.

Special Remuneratory Benefit

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

The Company recognised SRB expense of \$0.05 million in Q2 2024 (Q2 2023: \$4.8 million), and \$0.05 million for the six months ended June 30, 2024 (2023: \$4.7 million). The SRB expense in Q2 2024 was an SRB adjustment which was a result of SRB audit of Block G1/48 for the period ended December 31, 2022 conducted by Thai government in Q2 2024. As at June 30, 2024, there is no SRB payable, as the revenue per one meter of well drilled, a key metric for SRB trigger, has not yet been triggered in the six month period to June 30, 2024. SRB payable will start to accrue in the following six month period.

General and Administrative ("G&A") Expenses

	Three months ended		Six months ended	
	Unaudited June 30, 2024	Unaudited June 30, 2023	Unaudited June 30, 2024	Unaudited June 30, 2023
\$'000				
Personnel and office costs	3,763	4,513	8,646	5,811
Severance	-	1,133	763	1,133
IT hardware & software licences	198	-	269	200
Consultancy and professional services	764	1,215	1,464	2,754
Total G&A expenses	4,725	6,861	11,142	9,898
Severance (Non-recurring)	-	(774)	-	(774)
Consultancy for merger and acquisition	-	-	-	(560)
Recurring G&A expenses	4,725	6,087	11,142	8,564

General and administrative expenses decreased in Q2 2024 when compared to Q2 2023 due to costs from the Mubadala Acquisition closing on March 22, 2023, which included personnel and office costs, and professional services regarding Kris Acquisition and Mubadala Acquisition consultancy.

Performance in the six months ended June 30, 2023 is not directly comparable to the six months ended June 30, 2024, as the Mubadala Acquisition occurred 10 days prior to the end of the Q1 2023 period, and hence G&A costs for the enlarged organisation were only recorded for approximately half of the six month period ended June 30, 2023.

Finance Costs

	Three months ended		Six months ended	
	Unaudited June 30, 2024	Unaudited June 30, 2023	Unaudited June 30, 2024	Unaudited June 30, 2023
\$'000				
Interest expense and commitment fee on facility	-	89	-	102
Amortisation of financing transaction costs	-	2,330	-	3,099
Accretion on decommissioning obligations	2,978	4,698	5,956	5,667
Accretion on contingent consideration	16	38	39	68
Interest expenses on lease liabilities	1,929	2,198	4,194	2,349
Financing fee	1,852	1,359	3,102	1,359
Other	-	98	-	110
Total finance costs	6,775	10,810	13,291	12,754

The significant decrease in finance costs in Q2 2024 compared to Q2 2023 was due largely to the company fully repaying its debt facility in October 2023 (Facility which subsidiaries of the Company signed agreement on November 11, 2022); and a reduction in the discount rate used to calculate the decommissioning obligations. Finance costs in Q2 2024 included costs related to accretion of decommissioning obligations, and interest expense for leases, unwinding contingent consideration and financing fees. Higher finance costs for the six months ended June 30, 2024 represent the full period of six months, while lower amounts in the six month period ended June 30, 2023 are the result of the closing of the Mubadala Acquisition 10 days prior to the end of Q1 2023 period.

Impairment on Exploration and Evaluation (E&E) asset

The Company divested its working interest in Licence G6/48 to its partner Northern Gulf Petroleum by way of an agreement to withdraw from and transfer its working interest in the G6/48 Concession, dated April 27, 2023. Completion of this divestment is pending government approval. In Q2 2023, the outstanding balance of E&E related to the Licence G6/48 of \$4.28 million was fully impaired.

The Company recognised additions of \$4.97 million from two oil discoveries in Niramai-4 well and Niramai-4ST1 well as E&E assets during Q2 2024. There are no indications of impairment during Q2 2024.

Impairment Loss on Receivable

The Company's 11% partner in Licence G10/48, PSL, discontinued its participation in the block during Q2 2023 and transferred its 11% working interest to the Company for no consideration. Completion of this 11% transfer is pending government approval. In Q2 2023, the outstanding balance of receivables from PSL from Licence G10/48 of \$0.96 million was recognised in impairment loss on receivable. There were no additional provisions recognised during Q2 2024.

Depletion and Depreciation

	Three months ended		Six months ended	
	Unaudited June 30, 2024	Unaudited June 30, 2023	Unaudited June 30, 2024	Unaudited June 30, 2023
\$'000				
Property, plant and equipment ("PP&E")	46,377	55,350	94,214	60,754
Right-of-use assets	6,963	5,876	13,923	6,483
Capitalised	(441)	(9,838)	(7,642)	(15,736)
Depletion and depreciation	52,899	51,388	100,495	51,501

Depletion and depreciation expenses for Q2 2024 are mostly related to the Company's producing assets in Thailand. Following the Mubadala Acquisition in 2023, PP&E was subsequently recognised for all five assets, compared to Q2 2023 which are mostly related to the Company's Thailand assets, in particular to production and PP&E acquired in the Mubadala Acquisition. For the six months ended June 30, 2024, the Company recognised depletion and depreciation expenses for the full operation. For the six months ended June 30, 2023, the Company recognised depletion and depreciation expenses from acquired assets in Thailand plus only 10 days after the Mubadala Acquisition completion date in Q1 2023.

Income Tax

	Three months ended		Six months ended	
	Unaudited June 30, 2024	Unaudited June 30, 2023	Unaudited June 30, 2024	Unaudited June 30, 2023
<i>\$'000</i>				
Tax obligation relating to 2018/2019 under previous ownership	11,349	-	11,349	-
Current income tax expense	21,383	24,060	45,616	24,060
Deferred income tax expense (recovery)	(4,915)	(15,051)	(21,199)	(22,999)
Income tax expense (recovery)	27,817	9,009	35,766	1,061

Profits generated by the Company's Thai oil concessions are assessed in accordance with the PITA. Taxable profits are subject to a 50% tax rate under PITA. During Q2 2024, the Company recognised a recovery of \$4.9 million (Q2 2023: \$15.0 million) related to the unwinding of deferred tax liability arising from the fair value of the Mubadala Acquisition's PPA recognised in Q1 2023. In addition, the Company paid additional tax obligation of \$11.4 million arising from tax re-assessment by the local tax authorities in respect of the periods 2018 and 2019, before the effective date of Valeura's acquisition of certain Thai assets. The Company is currently evaluating the prospects of recovering those additional taxes from the former owner of the assets and is intent on pursuing all available remedies.

Share-based Compensation

Share-based compensation is a non-cash expense associated with stock-based compensation issued to directors, officers, employees of the Company.

Share-based compensation expense for Q2 2024 was \$2.7 million as compared to \$0.2 million in Q2 2023.

Share-based compensation expense for the six months ended June 30, 2024 was \$3.6 million as compared to \$0.8 million for the six months ended June 30, 2023. The increase was a result of stock options, performance share units and restricted share units granted in 2024.

Capital Expenditure / Investing

	Three months ended		Six months ended	
	Unaudited June 30, 2024	Unaudited June 30, 2023	Unaudited June 30, 2024	Unaudited June 30, 2023
<i>\$'000</i>				
Drilling	28,606	25,895	56,219	29,453
Brownfield	2,806	7,320	6,024	7,320
Other PPE	(771)	5,434	(2,344)	5,756
Adjusted capex⁽¹⁾	30,641	38,649	59,899	42,529

Acquisition: On December 7, 2023, the Company sent notice of exercise of option to purchase the Nong Yao FSO system, which consists of the FSO and CALM Buoy, from the Nong Yao FSO system owner and the owner acknowledged receipt of the Company's notice on January 15, 2024. The Company entered into an agreement dated February 3, 2024 to purchase the Nong Yao FSO system. On June 11, 2024, the ownership of the Nong Yao FSO system completely transferred to the Company.

	Three months ended		Six months ended	
	Unaudited June 30, 2024	Unaudited June 30, 2023	Unaudited June 30, 2024	Unaudited June 30, 2023
<i>\$'000</i>				
Nong Yao FSO (Acquisition)	19,000	-	19,000	-
Acquisition⁽¹⁾	19,000	-	19,000	-

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

Capex for Q2 2024 is mostly related to the Company's Thailand assets. The Company spent \$28.6 million on drilling activities associated with the extensive development programme on Nong Yao C. In Q2 2023, the Company spent \$25.9 million on drilling activities associated with the infill drilling programmes on Jasmine/Ban Yen and Nong Yao. In addition, during Q2 2024, the Company purchased the Nong Yao FSO vessel of \$19.0 million while the Company paid the final deferred \$5.0 million payment on the Wassana MOPU during Q2 2023.

The Mubadala Acquisition

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

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

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

The identifiable assets and liabilities have been measured at their individual fair value as at the date of acquisition. The fair value of property, plant and equipment was recorded based on the estimate of proved and probable reserves as determined by an independent third-party reserve evaluation prepared as at December 31, 2022 and adjusted for production from January 1, 2023 to March 22, 2023. Deferred taxes were calculated by applying the statutory tax rate to the fair values of property, plant and equipment, right of use assets, decommissioning obligation, and lease liabilities less available tax pools. The fair value of decommissioning obligations was determined by applying a credit adjusted interest rate of 2%.

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

The contingent consideration is payable if the arithmetical average of the daily "close" of all quotations in US dollars for Dubai crude oil in the Platts Crude Oil Marketwire on a \$/bbl basis (the "Benchmark") averages over \$100 for 2022, 2023 or 2024. No contingent consideration was payable for 2022 and 2023 as the reference price did not average over \$100. Such contingent consideration is capped at a maximum of \$50 million, and each year is calculated independently of each other year. The contingent consideration is payable in January 2025 for any amounts related to 2024 (if applicable).

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

In the final PPA exercise, the valuation methodology for valuing the contingent consideration was based on Monte Carlo simulation of the future expected Dubai crude oil prices. A Monte Carlo simulation was used to model the probability of different outcomes in a process that cannot easily be predicted due to the intervention of random variables. The simulation estimated a fair value of the contingent consideration as at March 22, 2023 of \$3.5 million. Using the same methodology, the simulation estimated a fair value as at December 31, 2023 of \$0.7 million. The change in the fair value of the contingent consideration has been recorded on the statement of profit or loss and other comprehensive income. During the period ended June 30, 2024, the change in contingent consideration value pertains to the recognition of accretion expense.

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

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

Financial Position and Liquidity

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

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

<i>\$'000</i>	Unaudited June 30, 2024	December 31, 2023
Non-current assets	370,371	410,759
Current assets	277,703	293,555
Non-current liabilities	177,700	202,678
Current liabilities	152,943	217,458
Shareholders' equity	317,431	284,178

As at June 30, 2024, the Company had a net working capital balance including cash of \$124.8 million and adjusted net working capital of \$144.2 million. Net working capital and adjusted net working capital are non-IFRS financial measures. See "Non-IFRS Financial Measures and Ratios" section in this MD&A for reconciliation and definition.

<i>\$'000</i>	Unaudited June 30, 2024	December 31, 2023
Net working capital	124,760	76,097
Adjusted net working capital	144,224	118,143

Adjusted net working capital is derived by deducting current lease liabilities from the net working capital. The leases are associated with operations, such as bareboat charter contracts for key operating equipment, such as FSOs, FPSOs, and warehouses which are included in the Company's disclosed adjusted opex.

<i>\$'000</i>	Unaudited June 30, 2024	December 31, 2023
Cash & cash equivalents	129,520	133,866
Restricted cash	17,299	17,299
Cash balance	146,819	151,165

Credit facilities and restricted cash

Letter of credit facility: The Company's account performance security guarantee facility ("APSG Facility") with Export Development Canada with a limit of \$11.0 million was renewed to September 30, 2024. The APSG Facility, which was issued to National Bank of Canada ("NBC"), allows the Company to use the APSG Facility as collateral for certain letters of credit issued by NBC. The Company has issued approximately \$10.2 million in letters of credit under the APSG Facility following completion of the Company's acquisition of Nong Yao FSO vessel, the \$7.2 million letter of credit was released in July 2024 (2023: \$10.2 million).

Restricted Cash

The Company has restricted cash in the total amount of \$17.3 million as at June 30, 2024 (2023: \$17.3 million). Of the \$17.3 million, (i) \$16.3 million held with banks in Thailand and related to securing a financial security issued in accordance with decommissioning regulation issued by Department of Mineral Fuels for Valeura's Thai licences; and (ii) the \$1.0 million is related to securing licence deposits with the General Directorate of Mining and Petroleum Affairs of the Republic of Türkiye and for letters of credit lodged with the Thai Customs department.

Selected Quarterly Information

		Three months ended							
		Jun 30, 2024	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023	Dec 31, 2022	Sep 30, 2022
Average Daily Oil Production ⁽¹⁾	<i>bbl/d</i>	21,068	21,882	19,165	19,961	22,097	2,388	-	-
Oil volumes sold	<i>mbbl</i>	1,870	1,765	1,987	1,701	2,167	-	-	-
Net income /(loss) attributable to shareholders	<i>\$'000</i>	11,309	19,418	59,476	(6,844)	(1,533)	197,431	(6,888)	(3,612)
Per share basic & diluted	<i>\$</i>	<i>0.11/0.10</i>	<i>0.19/0.18</i>	<i>0.55/0.52</i>	<i>(0.07)/(0.07)</i>	<i>(0.15)/(0.14)</i>	<i>2.17 / 2.05</i>	<i>(0.07)/(0.07)</i>	<i>(0.04)/(0.04)</i>

(1) Working interest share production, before royalties.

Outstanding Share Data

	Unaudited June 30, 2024	December 31, 2023
Common Shares	106,928,768	102,954,826
Stock options	1,941,664	6,038,164
Performance and restricted share units	2,120,872	1,499,433
Total	110,991,304	110,492,423

Off Balance Sheet Arrangements

The Company had no material off-balance sheet arrangements outstanding as at June 30, 2024, other than those discussed in note 22 of the Interim Financial Statements.

Financial Instruments

Financial instruments of the Company include cash, accounts receivable, accounts payable, accrued liabilities and debt. The carrying values of the financial instruments approximate their fair values due to their relatively short periods to maturity. Financial instruments are discussed in more detail in note 20 of the Interim Financial Statements.

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

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

The Company's CEO and CFO along with participation from other members of management, are responsible for establishing, or caused to be designed under their supervision, internal controls over financial reporting ("ICFR") to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company is required to disclose herein any change in the Company's ICFR that occurred during the period of June 30, 2024, that has materially affected, or is reasonably likely to materially affect, the Company's ICFR. No material changes in the Company's ICFR were identified during such period that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.

During the period ended June 30, 2024, in accordance with NI 52-109, the CEO and CFO have implemented the control policies and procedures in the operation following the control framework. The Company's design and operation of ICFR including the operation under the Mubadala Acquisition on March 22, 2023, are assessed as efficient and effective, which is in a manner consistent with the Company's other operations.

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

NON-IFRS FINANCIAL MEASURES AND RATIOS

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

	Three months ended		Six months ended	
	Unaudited June 30, 2024	Unaudited June 30, 2023	Unaudited June 30, 2024	Unaudited June 30, 2023
\$'000				
Profit (loss) for the period before other items	38,841	1,641	65,945	(10,436)
Other income	(2,252)	(1,309)	(4,321)	(1,372)
Exploration	269	320	2,465	361
SRB	48	4,768	48	4,715
Impairment on E&E asset	-	4,278	-	4,278
Provision for doubtful debt	-	955	-	955
Transaction costs	-	157	-	986
Finance costs	6,775	10,810	13,291	12,754
DD&A	52,899	51,388	100,495	51,501
Foreign exchange loss (gain)	307	188	639	1,167
Reversal of loss on inventory due to decline in resale value associate with Wassana ⁽¹⁾	-	4,742	(7,126)	4,742
Share-based compensation and others	2,707	214	3,596	786
Other non-recurring G&A costs ⁽¹⁾⁽²⁾	-	774	-	1,334
Adjusted EBITDAX	99,594	78,926	175,032	71,771

(1) Items are not shown in the Interim Financial Statements.

(2) Represents non-recurring costs associated with consultancy for merger and acquisition incurred as part of the Mubadala Acquisition - See "General and Administrative ("G&A") Expenses" for more details.

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

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

	Three months ended		Six months ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
\$'000				
Operating Costs	41,694	70,616	83,482	75,294
Reversal of Loss of Net Realisable Value (Wassana) ⁽²⁾	-	(4,742)	7,126	(4,742)
Cost of Goods Sold	41,694	65,874	90,608	70,552
Reversal of accounting adjustments related to PPA inventory valuation and capitalisation ⁽³⁾	4,980	(28,556)	(265)	(27,024)
Adjusted Opex (excluding Leases)	46,674	37,318	90,343	43,528
Leases ⁽⁴⁾	7,497	8,295	16,092	11,323
Adjusted Opex	54,171	45,613	106,435	54,851
Production Volumes during the period (mbbl)	1,917	2,011	3,908	2,226
Adjusted Opex per barrel⁽¹⁾ (\$/bbl)	28.3	22.7	27.2	24.6

(1) Represent write down inventory to net realisable value.

(2) The item is not shown in the Interim Financial Statements. As a result of the Mubadala Acquisition, and in accordance with IFRS 3 Business Combinations, we are required to calculate the PPA of the identifiable assets acquired and liabilities assumed at fair value. Crude oil inventory is one the identifiable assets acquired at fair value. The cost of crude inventory is capitalised from operating costs. As a result, we excluded the effect of crude inventory capitalisation during the period including the effect of crude inventory from PPA valuation.

(3) In accordance with IFRS 16 - Leases, the Company recognised cost related to its operating leases – attributed to FSO and FPSO vessels used at its Jasmine/Ban Yen, Nong Yao, Manora and Wassana fields, as well as onshore warehouse facilities costs to its balance sheet and finance cost in the profit and loss statement. In order to report a more relevant lifting cost, the Company has included costs associated with these leases in the adjusted operating cost calculation. This will be a recurring adjustment.

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

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

\$'000	Three months ended		Six months ended	
	Unaudited	Unaudited	Unaudited	Unaudited
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Oil revenues	163,960	174,196	313,368	174,196
Royalties	(17,947)	(23,309)	(36,586)	(23,309)
Adjusted opex	(54,171)	(45,613)	(106,435)	(54,851)
Recurring G&A costs	(4,725)	(6,087)	(11,142)	(8,564)
Adjusted pre tax cashflow from operations	87,117	99,187	159,205	87,472
Income tax / PITA tax	(21,383)	(24,060)	(45,616)	(24,060)
SRB expenses	(48)	(4,715)	(48)	(4,715)
Adjusted cashflow from operations	65,686	70,412	113,541	58,697
Production during the period	1,917	2,011	3,908	2,226
Adjusted cashflow from operations per barrel (\$/bbl)	34.3	35.0	29.1	26.4

\$'000	Three months ended		Six months ended	
	Unaudited	Unaudited	Unaudited	Unaudited
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Cash generated from (used in) operating activities	18,095	(93,629)	99,237	(122,453)
Change in non-cash working capital	6,772	60,063	739	77,527
Non-cash items	121,146	184,453	176,446	195,813
Adjusted opex	(54,171)	(45,613)	(106,435)	(54,851)
Recurring G&A costs	(4,725)	(6,087)	(11,142)	(8,564)
Adjusted pre tax cashflow from operations	87,117	99,187	159,205	87,472
Income tax / PITA tax	(21,383)	(24,060)	(45,616)	(24,060)
SRB expenses	(48)	(4,715)	(48)	(4,715)
Adjusted cashflow from operations	65,686	70,412	113,541	58,697
Production during the period	1,917	2,011	3,908	2,226
Adjusted cashflow from operations per barrel (\$/bbl)	34.3	35.0	29.1	26.4

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

US\$'000	Unaudited June 30, 2024	Audited December 31, 2023
Current portion of debt	-	-
Long-term debt	-	-
Debt	-	-
Reversal of accounting adjustments	-	-
Outstanding Debt	-	-
Cash & cash equivalents	129,520	133,866
Restricted cash	17,299	17,299
Cash balance	146,819	151,165
Net cash (debt)	146,819	151,165

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

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

<i>\$'000</i>	Unaudited June 30, 2024	Unaudited December 31, 2023
Current assets	277,703	293,555
Current liabilities	(152,943)	(217,458)
Net working capital	124,760	76,097
Current lease liabilities	19,464	42,046
Adjusted net working capital	144,224	118,143

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

<i>\$'000</i>	Three months ended		Six months ended	
	Unaudited June 30, 2024	Unaudited June 30, 2023	Unaudited June 30, 2024	Unaudited June 30, 2023
Drilling	28,606	25,895	56,219	29,453
Brownfield	2,806	7,320	6,024	7,320
Other PPE	(771)	5,434	(2,344)	5,756
Adjusted capex	30,641	38,649	59,899	42,529

Acquisition: On December 7, 2023, the Company sent notice of exercise of option to purchase the Nong Yao FSO vessel from one of the Nong Yao FSO vessel owners and the Nong Yao FSO vessel owner acknowledged receipt of the Company's notice on January 15, 2024. The Company entered into an agreement dated February 3, 2024 to purchase the Nong Yao FSO vessel. On June 11, 2024, the ownership of the Nong Yao FSO vessel completely transferred to the Company.

<i>\$'000</i>	Three months ended		Six months ended	
	Unaudited June 30, 2024	Unaudited June 30, 2023	Unaudited June 30, 2024	Unaudited June 30, 2023
Nong Yao FSO (Acquisition)	19,000	-	19,000	-
Acquisition	19,000	-	19,000	-

BUSINESS RISKS AND UNCERTAINTIES

The reader is referred to the Interim Financial Statements and the AIF for a more complete description of risks. As a result of the Mubadala Acquisition and the Kris Acquisition, the following risk factors were more prevalent as at June 30, 2024: failure to realise anticipated benefits related to mergers and acquisitions; exploration, development and production risks; acquisitions, dilution and availability of debt; climate change legislation; capital requirements; and price volatility, markets and marketing.

MATERIAL ACCOUNTING POLICIES

Use of Estimates and Judgments

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

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

(a) Basis of consolidation

(i) *Subsidiaries:*

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved when the Company:

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

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

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

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

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

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

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

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

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

(ii) *Joint arrangements:*

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

Name of the joint arrangement	Nature of the relationship with the joint arrangement	Principal place of operation of joint arrangement	Thai Licence regime	Working Interests
G10/48 Concession ⁽¹⁾	Operator	Gulf of Thailand	Thai III	100%
B5/27 Concession ⁽²⁾	Operator	Gulf of Thailand	Thai I	100%
G1/48 Concession ⁽³⁾	Operator	Gulf of Thailand	Thai III	70%
G11/48 Concession ⁽⁴⁾	Operator	Gulf of Thailand	Thai III	90%
West Thrace Deep JV ⁽⁵⁾	Operator	Türkiye	N/A	63% (all rights)
Banarli Deep JV ⁽⁵⁾	Operator	Türkiye	N/A	100% (all rights)

- (1) The Company's interest in the G10/48 Concession is held by Valeura Energy (Thailand) Ltd. (64%) and Valeura Energy (Gulf of Thailand) Ltd. (25%). Transfer of the additional 11% working interest from the withdrawing partner to Valeura Energy (Thailand) Ltd is pending government approval.
- (2) The Company's interest in the B5/27 Concession is held by Busrakham Jasmine Ltd.
- (3) The Company's interest in the G1/48 Concession is held by Busrakham Manora Ltd.
- (4) The Company's interest in the G11/48 Concession is held by Busrakham G11 Ltd (67.5%) and Busrakham Nong Yao Ltd. (22.5%)
- (5) On April 7, 2023, Valeura submitted an application for the second extension period of the Banarli and West Thrace Exploration Licences and has been advised that the renewal remains in administrative processing.

A subsidiary of the Company has divested its working interest of 43% in Licence G6/48. The agreement for the withdrawal from and transfer of the G6/48 interest is dated April 27, 2023, which is awaiting government approval. As of June 30, 2024, the Company has no proportion of the participating share in the licence.

The partner in Licence G10/48, Wassana field, has discontinued its participation in the licence. The partner transferred its 11% working interest to the subsidiary under the deed of novation and amendment agreement on April 20, 2023. As of June 30, 2024, the proportion of participating share in the licence of the Company is 100%.

(iii) Transactions eliminated on consolidation:

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

(b) Business combination

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

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

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

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

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

(c) Financial instruments

(i) Non-derivative financial instruments:

a. Financial assets

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

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

Classification of financial assets

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

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

b. Financial liabilities

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

Financial liabilities at FVTPL

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

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

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

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

Financial liabilities measured subsequently at amortised cost

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

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

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

(ii) Share capital:

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

(d) Inventory

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

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

(e) Exploration and evaluation assets

Pre-licence costs are recognised in profit or loss as incurred. E&E costs, including the costs of acquiring licences and directly attributable general and administrative costs, are initially capitalised as exploration and evaluation assets. The costs are accumulated by well, field or exploration area pending determination of technical feasibility and commercial viability.

(f) Property, plant and equipment**(i) Recognition and measurement:**

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

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

(ii) Subsequent costs:

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

(iii) Depletion and depreciation:

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

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

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

(g) Impairment

(i) Financial assets:

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

(ii) Non-financial assets:

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

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

In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets. Value-in-use is generally computed by reference to the present value of the future cash flows expected to be derived from production of proved and probable reserves.

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

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

(h) Leases

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

As a lessee

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

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

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options.

- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

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

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

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

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

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

(i) Employee benefits

(i) Short-term employee benefits

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

(ii) Retirement and termination benefit costs

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

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

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

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

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

(iii) Other long-term benefits

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

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

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

(j) Provisions

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

Decommissioning obligations:

The Company's activities give rise to dismantling, decommissioning and site disturbance re-mediation activities. Provision is made for the estimated cost of site restoration and capitalised in the relevant asset category. Decommissioning obligations are measured at the present value of management's best estimate of expenditure required to settle the present obligation at the statement of financial position date. The Company uses a credit adjusted interest rate in the measurement of the present value of its decommissioning obligations.

Subsequent to the initial measurement, the obligation is adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. The increase in the provision due to the passage of time is recognised as finance costs whereas increases/decreases due to changes in the estimated future cash flows are capitalised. Actual costs incurred upon settlement of the decommissioning obligations are charged against the provision to the extent the provision was established.

(k) Share based payments

(i) Stock options

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

(ii) Performance share units and Restricted share units

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

(iii) Deferred share units

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

(l) Revenue from contracts with customers

Valeura's petroleum revenues from the sale of crude oil are based on the consideration specified in the contracts with customers. Valeura recognises revenue when the performance obligation is satisfied by transferring control of the product to the customer, which is generally when legal title passes to the customer and collection is reasonably assured.

Crude oil sales in Thailand are conducted on a tender basis for both domestic and export sales. The reference price generally used for Thai crude oil is Dubai crude oil. Oil revenues is presented net of royalties.

(m) Royalties

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

(i) Royalties to government in Thailand

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

(ii) Payment to previous owner in Thailand

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

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

(iii) Royalties to government in Türkiye

Royalties paid to the government for natural gas production are 12.5% based on production volumes and are payable in the month following production.

(n) Special remuneratory benefit

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

If the concessionaire has Petroleum Profit (as such term is defined in the PITA) for the year, calculated based on related annual income per one meter of well, the SRB is calculated at the following rates, subject to a ceiling of 75% of Petroleum Profit for the year.

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

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

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

(o) Finance costs

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

(p) Income tax

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

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

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

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

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

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

(q) Foreign Currency Translation***(i) Transactions and balances***

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

(ii) Functional and presentation currency

Items included in the financial statements of each of the operational entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the Company's operational entities are the US\$, CAD and TRY. The consolidated financial statements are presented in US\$ (or \$) which is the Company's presentation currency. The balance sheets and income statements of foreign companies are translated using the current rate method. All assets and liabilities are translated at the balance sheet date rates of exchange, whereas the income statements are translated at average rates of exchange for the year, except for transactions where it is more relevant to use the rate of the day of the transaction, and the translation of assets and liabilities under a hyperinflationary environment disclosed in note 5 of the Interim Financial Statements. The translation differences which arise are recorded directly in other comprehensive income.

ACRONYMS

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

FORWARD-LOOKING STATEMENTS

Certain information included in this MD&A constitutes forward-looking information under applicable securities legislation. Such forward-looking information is for the purpose of explaining management's current expectations and plans relating to the future. Readers are cautioned that reliance on such information may not be appropriate for other purposes, such as making investment decisions. Forward-looking information typically contains statements with words such as "anticipate", "believe", "expect", "plan", "intend", "estimate", "propose", "project", "target" or similar words suggesting future outcomes or statements regarding an outlook. Forward-looking information in this MD&A includes, but is not limited to: the Company's expectation that it will provide updates on the new expiry dates for the Banarli and West Thrace Exploration Licences; the Company's expectations regarding drilling wells on the Nong Yao field and the anticipated timing thereof; the Company's expectation that the Nong Yao C drilling programme has been delivered approximately 25% under budget; the Company's anticipated higher production in the second half of 2024; the Company's intention to fund its 2024 spending through cash on hand and cash flow generated from ongoing operations; the Company's intention to maintain a strong balance sheet; the Company's intention to have one drilling rig under contract for the entire year and to conduct a continuous drilling programme covering each of its fields; the investment thesis, that the Company's assets offer opportunities to push field economic lives into the future; the Company's strengthening financial position resulting in being better prepared to grow its business; the Company's revision of its guidance outlook for 2024; the Company's plan for drilling on Jasmine comprising approximately five infill development wells and drilling on the Ratree exploration prospect; the expectation to bring on the new Nong Yao A wells in the coming days; timing to mobilise the drilling rig to Nong Yao C, timing for first oil, and target rates from the development; the potential for the Nong Yao FSO vessel acquisition providing the Company with more operational flexibility and reduced adjusted opex; timing to complete the final investment decision on the Wassana field redevelopment; expectations that well workovers on the Manora field will offset recent production declines; the expectation that a Manora drilling campaign will be included in the drill sequence in late 2024 or early 2025; anticipated 2024 operating costs and capital expenditures; and certain contingent payments of up to a further \$50.0 million under the Mubadala Acquisition relating to future price scenarios; and future liquidity. In addition, statements related to "reserves" are deemed to be forward-looking information as they involve the implied assessment, based on certain estimates and assumptions, that the resources can be discovered and profitably produced in the future.

Forward-looking information is based on management's current expectations and assumptions regarding, among other things: the ability to fully identify and execute infill drilling opportunities in its fields; the ability to achieve regulatory and partner approvals for a new development plan in the Wassana oil field; the accuracy of the independent engineering evaluation of the reserves and contingent resources attributable to the Company's four licences in the offshore Gulf of Thailand prepared by Netherland, Sewell and Associates Inc, with a preparation date of February 19, 2024, effective December 31, 2023; the ability to successfully pursue further opportunities in Thailand and achieve synergies including utilisation of tax losses; the ability to extend the Thrace Basin exploration licences beyond their current expiry dates; the ability to identify attractive M&A opportunities to support growth; the Company's ability to operate the properties in a safe, environmentally responsible, efficient and effective manner; future sources of funding; future economic conditions; the ability to manage costs related to inflation; the ability of the Company to execute its strategy; the Company's ability to effectively manage growth; political stability of the areas in which Valeura is operating and completing transactions; the success of the Deep Gas Play; the ability of the Company to satisfy the drilling and other requirements under its licences and leases; continued operations of and approvals forthcoming from the governments and regulators in a manner consistent with past conduct; future seismic and drilling activity on the required/expected timelines; the prospectivity of the Company's lands; the continued favourable pricing and operating netbacks across its business; future production rates and associated operating netbacks and cash flow; Valeura's forecast for 2024 full year oil production; the commencement of drilling on the Nong Yao C accumulation and the expected timing thereof; Valeura's planned capex for 2024; Valeura's opex guidance for 2024; Valeura's anticipated exploration expense for 2024; the Company's ability to fund its 2024 spending through cash on hand and cash flow generated from ongoing operations; the Company's intention to maintain a strong balance sheet, in support of its grown-oriented strategy; the ability to reach agreement with partners; the ability of the Company to maintain its directors, senior management team and employees with relevant experience; the ability of the Company to successfully manage the political and economic risks inherent in pursuing oil and gas opportunities in Thailand and Türkiye; field production rates and decline rates; the ability of the Company to secure adequate product transportation; the impact of increasing competition in or near the Company's plays; the ability of the Company to obtain qualified staff, equipment and services in a timely and cost-efficient manner to develop its business and execute work programmes; the timing and costs of pipeline, storage and facility construction and expansion; future oil and natural gas prices; currency, exchange and interest rates; the ability of the Company to maintain effective internal controls over financial reporting; the regulatory framework regarding royalties, taxes and environmental matters; the ability of the Company to successfully market its oil and natural gas products; the ability to successfully manage the political and economic risks inherent in pursuing oil and gas opportunities in foreign countries; the state of the capital markets; and the ability of the Company to obtain financing on acceptable terms. Although the Company believes the expectations and assumptions reflected in such forward-looking information are reasonable, they may prove to be incorrect.

Forward-looking information involves significant known and unknown risks and uncertainties. Exploration, appraisal, and development of oil and natural gas reserves and resources are speculative activities and involve a degree of risk. A number of factors could cause actual results to differ materially from those anticipated by the Company including, but not limited to: risks associated with the failure to realise transaction and anticipated benefits related to M&A; risks associated with the management of growth; risks associated with acquisitions, dilution and availability of debt; risks resulting from the Company's dependence on its directors, senior management team and employees with relevant experience; risks associated with the management of key local relationships; the risks of currency and interest rate fluctuations and hedging; risks associated with rising inflationary pressures; risks associated with estimates of reserves and resources; risks associated with the value of the Deep Gas Play in Türkiye; counterparty and partner risk; risks associated with the Company's reliance on third party service providers; operational risks with aging assets; risks relating to internal controls over financial reporting; risks relating to the use of foreign subsidiaries by the Company; income tax risks; risks relating to public health crises, including a pandemic; risks relating to the Company's dependence on other operators of assets and joint venture partners; risks relating to the geopolitical situation in eastern Europe; exploration, development and production risks; offshore operational risks relating to Thailand; risks relating to the availability of drilling, hydraulic stimulation and other equipment and access; risks relating to the revocation or expiration of exploration licences, production leases and other licences, leases and permits; risks relating to the Company's insurance and indemnities; risks relating to the Company's operations and the environment, and the potential for compliance, clean-up or other costs; risks relating to compliance with environmental laws and regulations; climate change risks; risks relating to title to assets; risks relating to the number of laws and regulations applicable to the oil and gas industry; price volatility, markets and marketing risks; access to debt and equity markets risks; competition risks; operational, hazards and unexpected disruptions risks; foreign operations risks; government rules and regulations risks; bribery and corrupt practices risks; and risks relating to the Common Shares. The forward-looking information included in this MD&A is expressly qualified in its entirety by this cautionary statement. See the AIF for a detailed discussion of the risk factors.

Certain forward-looking information in this MD&A may also constitute the "financial outlook" within the meaning of applicable securities legislation. Financial outlook involves statements about Valeura's prospective financial performance or position and is based on and subject to the assumptions and risk factors described above in respect of forward-looking information generally as well as any other specific assumptions and risk factors in relation to such financial outlook noted in this MD&A. Such assumptions are based on management's assessment of the relevant information currently available, and any financial outlook included in this MD&A is made as of the date hereof and provided for the purpose of helping readers understand Valeura's current expectations and plans for the future. Readers are cautioned that reliance on any financial outlook may not be appropriate for other purposes or in other circumstances and that the risk factors described above or other factors may cause actual results to differ materially from any financial outlook.

The forward-looking information contained in this MD&A is made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless required by applicable securities laws. The forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

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