



1. Petro Seychelles Ltd. (Petro)

1.1. Strategic Overview

1.1.1. Mandate

Petro Seychelles is responsible for supervising the Petroleum Operations in the EEZ and ensures that a regulatory and management regime is put in place by each Operator that:

- reflects the highest standards of International Oilfield Practice including a zero-discharge policy while petroleum operations including drilling, development and production are being carried out
- protects the health and human resources of all affected by the Petroleum Operations
- ensures the public safety
- ensures the preservation of the environment, pristine marine habitats and amenities of Seychelles
- ensures that Seychelles fishermen, tourism operators and others who depend on commercial operations within and without Seychelles waters are not disadvantaged

1.1.2. Vision

“A highly competent team running a thriving oil and gas industry, operating with due respect for the environment, other ocean users and benefiting every Seychellois for this generation and beyond”

1.1.3. Mission

“To facilitate, regulate and ultimately participate in the exploitation of oil and gas resources within the Seychelles EEZ while ensuring the proper management of all tangible and non-tangible resources.”

1.1.4. Strategic Priorities for 2024-2026

PetroSeychelles, in its role as an upstream oil and gas regulator, is committed to the pursuit of key strategic priorities that are directed towards the promotion of safe, responsible, and sustainable oil and gas exploration and production activities. This commitment is further reinforced by the need to remain responsive to the involving dynamics of the industry and the growing concerns of environmental sustainability. Looking ahead to the year 2025-2027, some of the key strategic priorities that will be pursued include:

1. To be recognised as a potential economic pillar

As part of PetroSeychelles’ strategy, the company will seek to further influence the National Development Strategy to include hydrocarbon exploration as a topic of national interest and as a potentially important economic activity that could also help achieve energy security by providing a local supply of natural gas for electricity generation and also by helping the economy through the export of hydrocarbon products. This will be achieved by engaging stakeholders through educational campaigns that will help remove the negative narratives currently surrounding the oil

and gas industry. Some headway has already been made on this by having oil exploration listed as part of a strategic objective in the National Development Strategy 2024 to 2028.

2. Prospectively Development

The refinement of existing, and development of new play styles, leads and prospects, is key to improving the perceived proceptivity of the Seychelles EEZ. One of the key strategic priorities will be to continue to undertake inhouse data interpretation projects targeted towards achieving this.

3. Attract Investment:

Oil and gas exploration and exploitation are a very costly as well as specialized activity. PetroSeychelles will therefore need to attract investment from international oil and gas companies to fulfill its mandate. A robust promotion campaign will ensure that Seychelles remains visible to international oil and gas companies. PetroSeychelles will endeavor to get new petroleum agreements and exploration licenses signed during 2025 to 2027.

4. Reduce Regulatory Turnaround Time:

Securing and maintaining investment in the Upstream Sector is highly dependent on fast regulatory turnaround times. Currently the due diligence process on license applicants can take several months since PetroSeychelles relies on its partners the Financial Intelligence Unit and the Attorney General's Office to vet the financial and legal standings of companies applying. PetroSeychelles will seek to find ways to reduce the turnaround times so that investments can be secured in a timely manner.

5. Staff Development

Staff development is a critical strategic priority for PetroSeychelles. Investing in the professional growth and capabilities of employees can have a significant positive impact on the company's effectiveness, adaptability, and long-term success. The human resources department will work closely with staff to continuously identify training needs and professional development opportunities.

6. Environmental Protection:

During 2025 to 2027 PetroSeychelles will seek to bring the draft Environmental Protection (Offshore Exploration and Production) Regulations to enactment. This will help to implement stringent environmental standards and measures to mitigate potential negative impacts of drilling, production, and transportation activities on the environment. This will be done in line with the ongoing Seychelles Marine Spatial Plan.

7. Health and Safety:

PetroSeychelles will seek to bring the draft Seychelles Petroleum Mining (Health and Safety) Regulations to enactment. This will contribute towards the development, enforcement, and continual update of health and safety regulations to prevent accidents, protect workers, and minimize environmental incidents.

8. Data Management:

Development of data management strategies to handle the vast amounts of data and information generated by upstream activities, ensuring integrity and accessibility. Transcribing and transferring data to modern media and standards will continue to ensure compatibility with industry standards. Additionally, during 2025 to 2027, PetroSeychelles will seek to carry out the duplication and offsite storage of its most

valuable data sets to ensure additional redundancy and business continuity.

9. Community and Stakeholder Engagement:

PetroSeychelles will foster open and transparent communication with local communities and all stakeholders, addressing concerns related to its activities in the EEZ. A stronger Social Media presence during 2025 to 2027 will also contribute towards this objective.

10. International Cooperation:

PetroSeychelles will continue to collaborate with international counterparts and organisations to share best practices, harmonise standards, and address any cross-border issues.

11. Formalize Geological Survey Role:

PetroSeychelles currently acts as the de-facto Geological Survey of Seychelles by assisting the Government with a wide gamut of geoscience related projects. PetroSeychelles will seek to formalize this arrangement by expanding its mandate to include such activities and securing a budget for the same through retainer fees or similar arrangements. Discussions with a key partner, the Disaster and Risk Management Division (DRMD), has already started to that effect.

1.1.5. Key Challenges

The challenges facing PetroSeychelles as an upstream oil and gas regulator from 2025 to 2027 are multifaceted and will include the following:

1. Funding the Company:

The upstream sector in Seychelles is still in its exploration phase and as such the only income is through area rentals, license application fees, training and technical assistance funds from operators and the licensing of data. Currently, there are only two Petroleum Agreements in place and minimal income being generated. A key challenge for PetroSeychelles during 2025 to 2027 will therefore be to secure a reliable source of funding for the company.

2. Energy Transition to Renewables

Anthropogenic climate change, believed to be caused by man-made CO₂ emissions from the burning of fossil fuels is driving the current energy transition from hydrocarbons to renewables. As a result, investment in oil and gas exploration projects has slowed down and some upstream companies are even diversifying into renewable energy production. Securing investment in the upstream sector is a real challenge which will only become more challenging in the coming years.

3. Geopolitical Dynamics:

Geopolitical dynamics have been shown to have a large effect on supply and demand of oil and gas products and thus on the costs. These fluctuations in oil price affect the balance sheet of international oil companies which in turn affect their ability to invest in new exploration projects. While PetroSeychelles does not have control on worldwide geopolitical forces, the company needs to be au fait with all such developments to be in a position to adjust its strategy as and when necessary to help mitigate any negative effects they may have on investment in the Seychelles upstream oil and gas sector.

4. Marine Spatial Plan:

While it is clear that a Marine Spatial Plan (MSP) can help ensure the sustainable usage of the Seychelles EEZ, there is a danger that prioritizing environmental preservation over economic development could mean that potential prospective areas become out of bounds for oil and gas prospecting. This will be a hindrance for the upstream sector which requires surveys over large enough areas to better understand the geology and thus oil and gas potential of the EEZ. Furthermore, all activities will be controlled by ManagementPlans that are yet to be developed and the contents of which could impose operational limitations on PetroSeychelles.

5. Data Management:

Ensuring the secure and responsible management of the vast amounts of data generated by digital technologies and analytics in the upstream sector is and will remain a challenge for PetroSeychelles especially due to the unavailability of suitable digital media storage facilities locally.

6. Technology Adoption:

Technological development in the upstream sector occurs at a fast pace and keeping up with the latest technology requires adequate funding as well as training. This is a challenge that PetroSeychelles will face during the next three years. The company will thus need to be strategic in deciding which technology to adopt.

7. Community and Stakeholder Engagement:

Managing community concerns related to activities associated with upstream activities is a challenge that PetroSeychelles will need to proactively address to ensure smooth uninterrupted operations. Stakeholder consultations and involvement from project initiation stages and during implementation will help alleviate any concerns.

8. Reporting Obligations

Reporting obligations on State Owned Enterprises (SOEs) has increased recently. PetroSeychelles has a very small workforce and will face a real challenge meeting the reporting obligations. Increasing the workforce may also not be possible due to budgetary constraints.

1.2. Outlook of Financial Strategy

1.2.1. Projected Financial Position of PetroSeychelles

SCR ('000)

	Actual figures		Provisional		Forecast		
	2021	2022	2023	2024	2025	2026	2027
Non-current Assets							
Property and equipment	321	307	293	168	826	426	426
Intangible Assets	-	2	17	17	35	35	35
	321	309	309	184	861	461	461
Current Assets							
Trade and other receivables	49	25,405	26,502	36,485	41,752	41,481	41,481
Cash and Cash equivalents	8,583	4,776	2,374	5,039	18,813	18,813	18,813
Other current financial assets	64	65	65	4,834	4,836	4,836	4,836
	8,696	30,246	28,941	46,358	65,400	65,130	65,130
Total Assets	9,017	30,555	29,250	46,542	66,261	65,591	65,591
Liabilities							
Retirement benefit obligations	531	600	927	1,149	1,149	1,206	1,206
Deferred Income	15,316	14,460	14,460	21,717	23,717	23,717	23,717
Non Current Liabilities	15,847	15,060	15,387	22,866	24,866	24,923	24,923
Trade and other payables							
Deferred income	1,664	5,781	4,798	7,684	13,212	13,212	13,212
Current Liabilities	2,122	6,343	5,079	8,117	13,976	13,976	13,976
Share Capital	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Retained Earning	(29,952)	(11,848)	(12,176)	(5,441)	6,420	5,692	5,692
Shareholder Loan	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Total Equity	(8,952)	9,152	8,824	15,559	27,420	26,692	26,692
Total Equity and Liabilities	9,017	30,555	29,290	46,542	66,261	65,591	65,591

1.2.2. Projected Statement of Comprehensive Income of PetroSeychelles

SCR ('000)

	Actual figures		Provisional		Forecast		
	2021	2022	2023	2024	2025	2026	2027
Revenue							
Revenue	2,945	3,804	3,645	6,054	10,000	10,000	10,000
Cost of sales	(1,387)	(1,551)	(1,690)	(4,409)	(4,416)	(4,502)	(4,502)
Gross profit	1,558	2,252	1,955	1,646	5,584	5,498	5,498
Expense							
Administrative and general	(5,866)	(561)	(452)	(5,324)	(5,327)	(5,445)	(5,445)
Depreciation	-	(37)	(70)	(70)	(70)	(70)	(70)
Amortisation	-	(1)	(8)	(8)	(8)	(8)	(8)
Employee expenses	-	(2,392)	(2,706)	(2,841)	(2,983)	(2,983)	(2,983)
Insurance	-	(10)	(18)	(18)	(18)	(18)	(18)
Marketing and sales promotion	-	-	(28)	(28)	(28)	(28)	(28)
Operating exchange adjustments	(8,862)	(997)	1,126	(2)	(2)	(2)	(2)
Reapairs and maintenance			(4)	(14)	(14)	(14)	(14)
Telecommunications & internet			(110)	(116)	(116)	(116)	(116)
Allowance for credit impairment	5,934	-	-	-	-	-	-
Total Expense	(8,795)	(4,112)	(2,286)	(8,421)	(8,566)	(8,685)	(8,685)
Operating profit before fixed charges	(7,236)	(1,860)	(331)	(6,775)	(2,982)	(3,187)	(3,187)
Finance income	5	4	3	250	250	250	250

Finance cost	-	-	-	-	-	-	-
Finance income/(cost)	5	4	3	250	250	250	250
Loss before income tax	(7,231)	(1,855)	(328)	(6,525)	(2,732)	(2,937)	(2,937)
Other comprehensive income							
Total comprehensive profit/(loss) for the year	(7,231)	(1,855)	(328)	(6,525)	(2,732)	(2,937)	(2,937)

1.2.3. Projected Cash flow Statement of Petro Seychelles

	SCR ('000)						
	Actual figures			Provisional		Forecast	
	2021	2022	2023	2024	2025	2026	2027
Operating Activities							
Loss for the year	(7,231)	(1,855)	(328)	(6,525)	(2,732)	(2,937)	(2,937)
Adjustment for:							
Amounts released for deferred income	4,910	3,261	(983)	(983)	(983)	(983)	(983)
Depreciation charges	39	37	70	70	70	70	70
Amortisation	0	1	8	8	8	8	8
Change in compensation liability	(5,934)	92	304	304	304	304	304
Gratuity paid		(45)	(10)	(10)	(10)	(10)	(10)
Finance income		3	3	3	3	3	3
Changes in working capital	(8,215)	1,495	(936)	(7,134)	(3,341)	(3,545)	(3,545)
Increase in receivables	(17)	(5,397)	(1,097)	329	(5,267)	270	270
(Increase)/decrease in payables	121	126	(288)	(25)	330	-	-
Cash generated from operating Activities	(8,111)	(3,777)	(2,321)	(6,830)	(8,277)	(3,275)	(3,275)
Interest Income	4	(4)	(3)				
Net cash generated from Operating activities	(8,107)	(3,781)	(2,324)	(6,830)	(8,277)	(3,275)	(3,275)
Cashflows from Investing Activities							
Payments to acquire tangible fixed assets	(31)	(26)	(78)		(400)	-	-
Net cash generated from /(used)investing activities	(31)	(26)	(78)	-	(400)	-	-
Decrease in cash and cash equivalents	(8,138)	(3,807)	(2,402)	(6,830)	(8,677)	(3,275)	(3,275)
Exchange gain on bank balances	-	-	-	-	-	-	-
Government Subvention					5,000		
cash & cash equivalent at January 1	7,578	8,583	4,776	2,374	5,039	18,813	18,813
cash & cash equivalent at December 31	8,583	4,776	2,374	5,039	18,813	18,813	18,813

1.2.4. Projected Capital Investment Plan of PetroSeychelles

Project Name	Project Purpose and Description	Expected Outcome of the Project	Total Estimated Project Cost	Source of Funds	Year of		Expected Date	Actual Figures			Actual Figures		Forecast			Anticipated Risks
					Commenced	Date		2020	2021	2022	2023	2024	2025	2026	2027	
Major Capital Investments																
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Replacements and upkeep of Assets (PPE)																
Purchase of motor vehicle	To replace ageing company car.		400	Company budget	2025	2025								400		
Total														400		

1.3. Projected TAX, Divided, Debt Payments, Subventions, Grants and Contingencies

1.3.1. Tax Implications by the Operations of PetroSeychelles

Type of Tax	Actual Figures				Actual Figures				Forecast				SCR ('000) Anticipated		
	2020	2021	2022	2023	2024	2025	2026	2027							
Business Tax	-	-	-	-	-	-	-	-							
PIT	416	419	418	613	615	647	679								713
VAT															
Total	416	419	418	613	615	647	679								713

1.3.2. Anticipated Dividend Declarations By PetroSeychelles

Petro Seychelles does not anticipate paying any dividends for the years 2025 to 2027. Upstream oil and gas projects do not normally generate any profit in the early stages of exploration. Such projects start generating considerable turnover after the production and marketing stages.

Although Petro Seychelles does not pay dividends, the company, in its role as the de-facto geological survey, contributes to the country in several areas including *inter alia* risk and disaster assessment and management, maritime boundaries delimitation, extended continental shelf claims, as well as the provision of geotechnical data to several departments and agencies.

1.3.3. Debt Payments Forecasts By PetroSeychelles

SCR ('000)

Lending Organisation	Description	Purpose of Borrowings	Debt Amount (Capital)	Total Borrowings and Debt Servicing							
				Actual Figures			Actual Figures		Forecast		
				2020	2021	2022	2023	2024	2025	2026	2027
Debt for Other PEs (Please Specify the Name of the PE)	Borrowings	-	-	-	-	-	-	-	-	-	-
	Interest for the Year	-	-	-	-	-	-	-	-	-	-
	Repayment of Capital	-	-	-	-	-	-	-	-	-	-
	Balance carried forward	To fund the running of the company	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
TOTAL			20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000

Following the splitting of Seyppec into Seyppec and PetroSeychelles in 2012, an agreement was reached whereby Seyppec would repay SCR 50,000,000 assets it had acquired from taking over PetroSeychelles in SCR 5,000,000 yearly installments over a period of ten years. Seyppec decided to pay its dividends directly to Government and leave it to Government to find a mechanism by which to transfer the agreed yearly amount to PetroSeychelles. This came in the form of a loan from SSI offering a loan of SCR 20,000,000 to PetroSeychelles. The agreement for the loan was signed in 2018 but the agreement does not specify the repayment period nor the interest rate. This debt has therefore been included for complete disclosure. PetroSeychelles has nevertheless liaised with the Department of Finance to request for a write off of the loan and for Government subvention from the Seyppec dividends.

1.3.4. Anticipated Subventions and Grants By PetroSeychelles

SCR (000)

Nature of Funding	Funding Agency	Purpose	Total Agreed Amount	Total Receipts of Subventions and Grants							
				Actual Figures			Provisional		Forecast		
				2021	2022	2023	2024	2025	2026	2027	
				SCR	SCR	SCR	SCR	SCR	SCR	SCR	SCR
Subventions	Government								5,000	5,000	5,000
	EIB			-	-	-	-	-	-	-	-
	AfDB			-	-	-	-	-	-	-	-
Grants	Government	Capital Projects		-	-	-	-	-	-	-	-
	EIB			-	-	-	-	-	-	-	-
	AfDB (AWF)			-	-	-	-	-	-	-	-
TOTAL								5,000	5,000	5,000	

*PetroSeychelles anticipates receiving subvention of SCR 5,000,000 annually from Government.

1.3.5. Contingencies of PetroSeychelles

PetroSeychelles does not anticipate any contingent liabilities

1.3.6. Assumptions used for the Financial Projections of PetroSeychelles

Assumptions on salaries

- All allowances were merged with Basic Salary as from April 2023
- A 5% increase has been added with the Basic Salary for the year 2024
- A 5% increase has been added with the Basic Salary for the year 2025
- A forecast of 5% PIT has been added each year as from 2024 -2025
- PSC Performance will be increased by 5% in 2026

Assumptions on rent of office spaces and utilities

It has been assumed that PetroSeychelles will continue to benefit from rent free inclusive of utilities at Sepec House for the next three years.

Assumptions on agreements

It has been assumed that the debt owed by SSRL will be recovered and that onwards payment of dues will be timely.

It has also been assumed that the existing Adamantine agreement will continue without any relinquishment of Scheduled lands

It has been assumed that one additional petroleum agreement will be signed in 2025. This impacts on rental fees and education bonus.

1.4.KPIs, Risk Management Strategy and Reporting Obligations

1.4.1. Key Performance Indicators of PetroSeychelles

Performance Indicators	Description	Achievements of KPIs								
		Actual Figures			Provisional		Forecast			
		2020	2021	2022	2023	2024	2025	2026	2027	
No. of Applications Received	The number of applications received will be a measure of the effectiveness of the promotional campaign	1	0	1	0	1	1	1	1	
No. of agreements and licenses signed	The number of agreements signed will be a measure of the success of the promotion campaign as well as the prospectivity development exercise.	0	0	1	1	0	1	0	0	
Regulatory Turnaround Time	The average time it takes to process permits, licenses, and approvals	12 months		6 months	30 days	30 days	30 days	30 days	30 days	
Data Availability and Accessibility	The percentage of time data is available and accessible for authorized users.				95%	97%	98%	100%	100%	
Training Completion Rate	Percentage of employees who have successfully completed the required training and development programs within a specified timeframe.	100%	100%	50%	100%	100%	100%	100%	100%	

1.4.2. Risks and Resilience Plan of the PetroSeychelles

Risk Category		Potential Risks Identified		Risk Mitigation Strategies			
Strategic Risks	Energy Transition and Decarbonization						
	Cyber Security		Put in place next-generation Sophos firewall				
Financial Risks	Budget Constraints		To diversify seeking new revenue streams				
Operational Risks	Workforce availability and competency		Ensure timely training and employment of staff based on anticipated developments in the sector				
	Regulatory Oversight in Remote or Challenging Environments		Conduct comprehensive risk assessment and ensure regular inspections and audits. Also ensure that a robust incident reporting system is in place.				
Compliance and Regulatory Risks	Non-Compliance by Industry Operators		Regular monitoring and enforcement coupled with severe penalties				
	Resource constraints		Ensure timely availability of budget and human resource to ensure effective monitoring and enforcement				
Environmental and Social Risks	Potential for oil spills, accidents, and breaches of environmental standards.		Stringent environmental legislations and EIA requirements.				
	Marine mammal disturbance		EIA plus soft start requirements for seismic surveys				
PESTEL (See below)		Public Perception and Trust:		Community and Stakeholder Engagement			

A PESTEL analysis is a strategic way to understand the external factors influencing how an organisation operates. For PetroSeychelles, Seychelles' national petroleum exploration company, this tool can help highlight the major elements that could affect its activities.

PESTEL Analysis of PetroSeychelles

1. Political Factors

- **Government Policies:** The government of Seychelles places a strong emphasis on environmental protection, focusing on conservation and sustainable resource use. This has a direct influence on PetroSeychelles' operations. Any shifts in environmental or energy policies could impact how the company conducts exploration and extraction.
- **International Relations:** Seychelles' ties with countries experienced in oil and gas exploration are key. These relationships shape partnerships, investments, and the exchange of technology. Additionally, Seychelles' participation in global agreements like the Paris Accord influences its energy decisions.
- **Political Stability:** Seychelles is known for its stable political environment, which is great for business. However, any changes in government priorities or policy could affect energy strategies or exploration licenses.

2. Economic Factors

- **Global Oil Prices:** The ups and downs of global oil prices directly affect PetroSeychelles' activities. Low prices might slow down exploration, while higher prices could make it more attractive.
- **Investment Climate:** Attracting foreign investment is crucial for Seychelles' oil and gas sector. Policies on taxes and the ease of doing business can either encourage or hinder investments in PetroSeychelles.
- **Economic Diversification:** Seychelles is working to diversify its economy beyond tourism and fishing. Success or setbacks in this strategy, including efforts in the energy sector, will likely shape PetroSeychelles' future.

3. Social Factors

- **Public Opinion:** Local opinions and those of environmental groups hold significant sway. There could be opposition to oil exploration due to environmental concerns, possibly leading to protests or policy shifts.
- **Employment Opportunities:** PetroSeychelles has the potential to create jobs and provide training for locals, contributing to social development. However, managing public expectations will be key.
- **Health and Safety:** Oil exploration poses risks to health and safety. PetroSeychelles must ensure high safety standards to protect workers and local communities.

4. Technological Factors

- **Exploration Technology:** Technological advancements in exploration and drilling could make it easier and more cost-effective for PetroSeychelles to find and extract resources. Staying updated with new technologies is critical.
- **Environmental Technologies:** Investing in technologies that minimize environmental impact can help PetroSeychelles balance its operations with the need for sustainability.
- **Data Management:** Using tools like data analytics and seismic imaging can improve decision-making and reduce exploration risks.

5. Environmental Factors

- **Climate Change:** As an island nation, Seychelles is deemed to be particularly vulnerable to climate change. This place added pressure on companies like PetroSeychelles to operate sustainably, and tighter regulations may affect fossil fuel exploration.
- **Environmental Regulations:** Seychelles has strict environmental laws. PetroSeychelles must follow these rules, which could limit their exploration activities.
- **Natural Disasters:** Offshore exploration carries the risk of disruptions from natural disasters, such as tropical storms, which could impact operations.

6. Legal Factors

- **Regulatory Framework:** PetroSeychelles must comply with laws governing exploration licenses, environmental standards, and safety regulations. Changes in these laws could influence its operations.
- **International Agreements:** Seychelles' commitments to global environmental and maritime laws can impact how PetroSeychelles operates, especially in offshore exploration.
- **Contractual Obligations:** The company must also honour agreements with international partners and investors. Any legal issues or breaches of contract could have serious consequences.

Conclusion

The PESTEL analysis shows that PetroSeychelles operates in a challenging environment, shaped by political, economic, social, technological, environmental, and legal factors. To succeed, the company will need to navigate these forces carefully, balancing opportunities with responsibilities and public expectations.

1.4.3. List of External Reporting's by the PetroSeychelles

Name/Title of the Report	Recipients of the Report	Description of the purpose, content and inclusion of the report	Frequency and Timing of the Report
EITI Report	EITI secretariat	To report on all funds collected from oil and gas companies.	yearly
PEMC quarterly financial report	PEMC	Quarterly financial statements	quarterly
PEMC annual operations report	PEMC	Documents the operations of the company for the year.	Yearly, due 6 months after year end.
Statement of corporate intent	PEMC	The Statement of Corporate Intent is a document that outlines the company's intentions, objectives, and strategic priorities.	Every three years.
Audited Financial Statements	PEMC, Dept of Finance	the financial statements of the organization that have been examined by a certified public accountant.	Yearly, due 5 months after year end

1.5. Stakeholder Engagement

1.5.1. Statement by CEO

As we move forward over the next three years, PetroSeychelles is facing a critical moment. We're dealing with significant financial challenges, especially with no income from our current petroleum agreements. But I believe that if we stay focused on our goals and have the government's support, we can continue to make a real difference in Seychelles' energy sector.

We are fully committed to the priorities outlined in the Medium-Term Financial Strategy (MTFS) for 2025-2027. With the strong guidance of our Board of Directors, our focus will be on monetizing geological surveys and other geotechnical projects, and fine-tuning our involvement in maritime boundaries work. These initiatives are essential, not only for PetroSeychelles but for the country, as we aim to manage our natural resources responsibly while aligning with national goals.

Given our current financial situation, we need to rethink how we operate. But instead of seeing this as a setback, we see it as a chance to innovate and strengthen our regulatory framework and expand the scope of our mandate. We will also actively seek new petroleum agreements to diversify our income and attract investments.

The potential for this industry to benefit Seychelles is huge, but it will take time, effort, and strong government policies to make exploration a reality.

At PetroSeychelles, we are committed to balancing economic growth with environmental responsibility. We will continue to promote hydrocarbon exploration that aligns with the environmental and social priorities of Seychelles. Working together with stakeholders, we will ensure that our projects are sustainable and in line with the country's values.

Over the years, PetroSeychelles has contributed to the national economy through various Corporate Social Responsibility (CSR) initiatives and strategic projects. While we recognize the financial challenges we face, we are determined to continue exploring new opportunities to add value to Seychelles.

Looking ahead, our focus will remain on securing the long-term future of PetroSeychelles. With support from the government and our partners, I'm confident we can overcome these challenges and set ourselves up for future success.

Finally, I want to thank our Board, Management Team, and every employee for their hard work and commitment. Together, we'll keep pushing towards our vision of creating a thriving oil and gas industry that benefits all Seychellois, while staying true to our environmental principles. With a clear direction and the right support, I believe we can come out of these challenging times stronger and more resilient.

Mr. Patrick Joseph

Chief executive Officer

1.5.2. Foreword by Chairperson

As we step into the 2025-2027 period, PetroSeychelles continues to play a crucial role in Seychelles' energy sector. However, we face significant financial challenges this year due to the absence of income from existing petroleum agreements, making it imperative to secure government support through subvention to assure the company's stability and continued operations.

PetroSeychelles represents more than just a company; it embodies the dedication of a team striving to balance the exploration of natural resources with environmental preservation. The Board of Directors is committed to advancing the strategic priorities outlined in the Medium-Term Financial Strategy (MTFS) for 2025-2027. These priorities include formalising our approach to geological surveys, addressing geotechnical concerns, and refining maritime boundary delimitation efforts.

The current financial landscape necessitates an adaptation of our strategies. We recognise the urgent need to enhance our regulatory efficiency and actively pursue new petroleum agreements to diversify revenue streams and secure necessary investments. This industry's potential economic contributions hinge on successful exploration efforts and government policy directives.

The Board is deeply aware of the broader economic, environmental, and socio-political factors. We are committed to navigating these complexities with prudence and foresight, aligned with the national strategy of promoting hydrocarbon exploration while respecting environmental and socio-economic implications.

PetroSeychelles has a history of contributing to the national economy through Corporate Social Responsibility initiatives and strategic projects. Yet, as we face financial constraints, our future trajectory depends heavily on government support and our ability to attract new investments.

I encourage all stakeholders to engage with this report outlining our financial outlook and strategic initiatives. It is crucial that we work together to overcome the challenges ahead and ensure PetroSeychelles' sustainability. Our dedication remains unwavering, and I extend my deepest gratitude to our Board, Management Team, and Staff for their continued commitment to our shared vision.

In closing, I want to reaffirm our vision to establish a thriving oil and gas industry that respects the environment and benefits every Seychellois. The path forward is challenging, but with the right support and a clear focus on our strategic priorities, I am confident that PetroSeychelles will navigate these challenging times.

*Mrs. Sheriffa Morel
Chairperson*

1.5.3. Statement by the Responsible Minister

In my capacity as the Minister responsible for supervising PetroSeychelles, I am firmly committed to advancing the strategic priorities outlined in the Medium-Term Financial Strategy (MTFS) for the period of 2025-2027.

One of our most remarkable achievements is the incorporation of hydrocarbon exploration into the National Development Strategy, highlighting its pivotal role in driving economic diversification through the exploration of new and emerging sectors. By actively engaging stakeholders and spearheading educational initiatives, we have successfully championed its acceptance and seamless integration into our national interests.

Moving forward, we are unwavering in our commitment to unlocking the full potential of the Seychelles of our ocean space and continental shelf. Through the identification of new prospects, we are dedicated to attracting international investment that will drive sustainable growth in our upstream sector. Petro Seychelles will proactively undertake in-depth data interpretation projects to strengthen our geological insights, thereby creating an enticing landscape for potential investors.

PetroSeychelles is dedicated to enacting robust regulations that will significantly reduce environmental impacts and prioritize the safety and well-being of our workforce. These proactive measures will not only align Petro Seychelles with global industry standards but also bolster seamless collaboration, ultimately enhancing our international reputation as a responsible and forward-thinking organization. In addition, we will implement cutting-edge data management strategies to ensure the integrity and accessibility of information generated by our upstream activities.

It is imperative to emphasize our unwavering commitment to establishing a commanding presence on social media platforms to facilitate open dialogue and instill public confidence. Engaging the entire community is paramount in championing transparent communication and effectively addressing any concerns pertaining to PetroSeychelles' operations.

In addition, we will further enhance our international partnerships by collaborating with counterparts and organizations to share best practices, standardize norms, and tackle cross-border challenges. Moreover, PetroSeychelles will solidify its position as the Official Geological Surveyor of Seychelles, broadening its mandate to assist various geoscience projects crucial for our country's development.

In conclusion, I am emphasizing the importance of collective action for the successful implementation of this strategy. Through collaborative efforts, we can propel sustainable development forward and shape the prosperous Seychelles we want to achieve. Together, let us work towards a more sustainable and resilient future for generations to come as this strategy is simply showing us the way, how and what we do to get there will depend on all of us.

Mr. Jean-Francois Ferrari

Minister for Fisheries and the Blue Economy