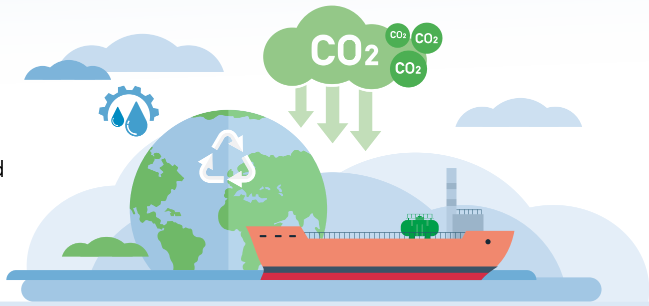
The Key Risks and Opportunities That Lie Ahead

We currently operate in the crude and petroleum product tankers segment, which is cyclical and highly sensitive to market conditions. Here, we outline the key emerging and other critical risks and opportunities that could impact our earnings, along with our mitigation strategies and ways to capitalise on these opportunities.

Categories	Risks and Opportunities	Mitigations/Actions
Geopolitical Geopolitical confrontation (such as sanctions, war and tariffs) Emerging Risk	• **Escalating geopolitical confrontations among major economies** create uncertainty in global trade, dampening economic growth and disrupting supply chains. Global oil demand in 2025 could be 0.5 million barrels per day lower[(1)] than 2024, impacting freight rates • **Rising conflicts**, such as US-China tensions over Taiwan and instability in the Middle East, heighten security risks and disrupt trade flows. However, on the flip side, vessels may be forced to take longer routes, increasing sailing distances and tonne-mile demand, which could support freight rates. • **Supply disruptions and shifting energy trade patterns** (for example, China diversifying crude imports) could reshape demand across tanker segments	• **Continue maintaining optimal portfolio of assets on long-term charters** to reduce AET's exposure to market risk and capitalise on the upside from the spot market whenever possible
Technological Unavailability or delayed development of critical decarbonisation technologies and unavailability of green fuels Emerging Risk	• **The delayed development or unavailability of critical innovations**, such as fuel-efficient propulsion systems and green technologies, could create significant challenges and disruptions for the shipping industry, impacting profitability, operational efficiency, safety and environmental sustainability • Cleaner fuels such as green ammonia and biofuels play a critical role in reducing carbon emissions and addressing climate change. However, their **adoption has been hindered** by infrastructure limitations, high costs, market readiness and regulatory barriers. • AET has three ammonia dual-fuel vessels on its orderbook and ambitious decarbonisation goals, which may subject it to these challenges	• AET is **collaborating with partners to advance technologies across the supply chain** to decarbonise profitably. For example, by providing technical expertise and using its vessels as a testbed for Daphne Technology and its PureMetrics™ emissions tracking technology.
Energy Transition Renewed focus on strategic resources, with a reinforced commitment to oil and gas development and unpredictable policy landscape affecting the progress of project approvals	• **A shift in policy direction favouring oil and gas development and the potential rollback of climate commitments in key markets** could slow the global energy transition. While this may support short-term growth in fossil fuel exports, potentially altering trade routes and market dynamics, the broader structural shift toward decarbonisation remains inevitable as global regulatory, financial and customer pressures continue to build momentum.	• The AET Energy Transition Strategy ensures long-term business sustainability by focussing on building a profitable New Energy business portfolio that is adjacent to our existing business. **We are actively diversifying our portfolio, identifying niche opportunities, and pursuing differentiated plays that leverage on our core capabilities and strengths** — ensuring resilience and long-term value creation in an evolving energy landscape. • **We are focussing on regions with stronger policy support** and making well-informed investment decisions with thorough market evaluation and adequate project risk assessment.



(1) Source: Wood Mackenzie, The Edge, Five themes shaping the energy world in 2025

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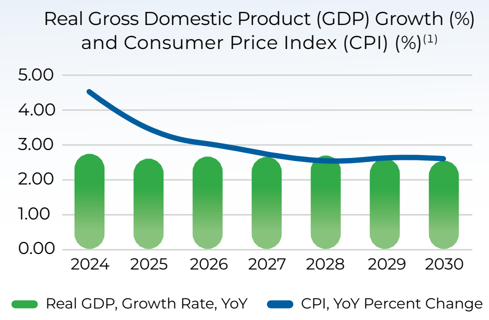
The Key Risks and Opportunities That Lie Ahead

Categories	Risks and Opportunities	Mitigations/Actions

Economic

Elevated costs for financing, newbuilds and operations

- **Interest rates and inflation likely to remain elevated**, potentially leading to higher operating expenses and cost of capital. However, owners with strong balance sheets and access to capital will have a competitive advantage, being better positioned to take advantage of growth opportunities.

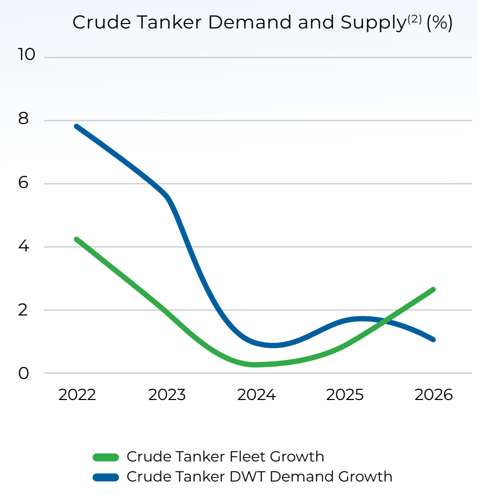


- Continue to **build and strengthen our relationships with banking partners** to enjoy flexibility in financing our assets
- **Build a resilient core** business to support sustainable growth
- **Promote simplification and improve operational efficiency** by streamlining processes
- Leverage our strong financial position to pursue **attractive opportunities** that support our Energy Transition Strategy

Oil and Gas Market Volatility, and Shipping Demand

Some support for crude tanker freight rates; new environmental regulations provide opportunities for investments in greener fleet

- The capacity of the Trans Mountain pipeline expanded from 300,0000 barrels per day to 890,000 barrels per day. An increase in crude oil flows through the Trans Mountain pipeline in Canada will add to the seaborne trade, thereby increasing demand for tankers and lightering services.
- Crude tanker market will be supported by factors including recent sanctions on dark fleet and limited fleet growth. However, **geopolitical changes, slower-than-expected economic growth and the pace of OPEC+ unwinding production cuts remain a risk**. Some pressure is anticipated in 2026 when fleet growth is expected to pick up further, outpacing growth in Deadweight Tonne (DWT) demand.
- **New environmental regulations** provide an opportunity for cleaner crude tankers to reduce emissions and improve overall sustainability in the shipping industry



- **Rejuvenation of our fleet with greener assets** to capture market opportunities
- Maintain **agility** to capture opportunities when it arise
- Continue **maintaining resilient balance sheet and optimal portfolio of assets** on long-term charters to reduce AET's sensitivity to the market

Workforce Gap

Talent and/or labour shortages for New Energy businesses

- **Limited talent pool that has the right skills and capabilities** to operate new assets as we transition into New Energy businesses. This may potentially disrupt our business operations and strategic pivot.

- **Improve Employee Value Proposition** to attract and retain the right talents
- **Reskilling and upskilling** to develop capabilities in our people to support the business' strategic direction

Digitalisation, Artificial Intelligence and Cybersecurity Threats

Digitalisation and AI provide opportunities but also increase cybersecurity threats

- Digitalisation and AI streamline operations, boost efficiency and enable smarter, faster decision-making. However, adoption also increases the risk of **cybersecurity threats**. Cybersecurity breaches could negatively impact the reputation of the business and the trust our customers have in us. It can affect our financials and result in loss of intellectual property, customer data and other sensitive critical information.

According to the Global Cybersecurity Outlook 2024 by World Economic Forum, 29% of organisations reported that they had been materially affected by a cyber incident in the past 12 months

- Increasingly **integrate digitalisation and AI** into our business and processes
- **Conduct regular training and awareness sessions** to educate employees on potential threats
- **Conduct regular checks to ensure systems are updated** and to detect potential breaches

[1] Source: S&P Global
[2] Source: Clarksons