

PRELIMINARY RESULTS 2023

27 March 2024

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Introduction



STRONG PERFORMANCE IN 2023



PHAROS
ENERGY



Pharos has
robust cash flows



Substantial upside in
near term developments



Exploration
potential



OPERATIONS



Vietnam

- Steady progress on approvals
 - 125 licence extension
 - TGT RFDP
- Success on first lateral well in CNV
- Life of licence sales contract signed

Egypt

- El Fayum – cautious investment maintained
- NBS – discovery with first well
- Now producing with 20 year lease



CORPORATE



- OCF of c.\$45m
- Funded:
 - \$26.7m investment in assets
 - \$35m pay down RBL
 - \$8.4m shareholder returns
- Net zero roadmap published
- Board strengthened
- Dividend declared today, 10% increase



FUTURE VALUE



Vietnam

- 2 TGT wells 2024
- Licence extensions to unlock value
- Rig for block 125 ongoing

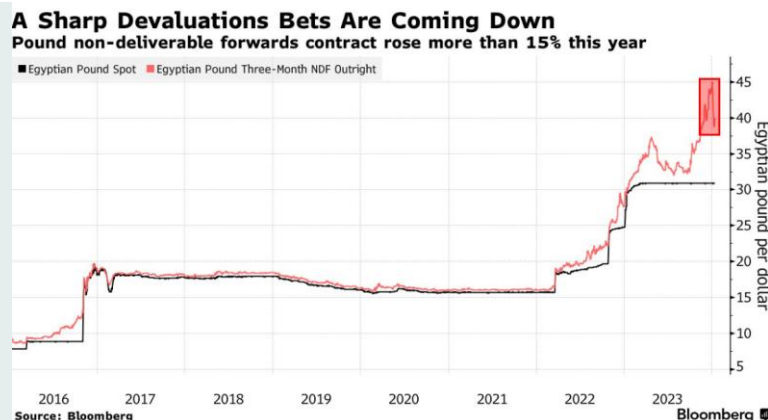
Egypt

- NBS development
- Review of concession terms
- USD inflows from international support
- \$10m received today from EGPC in USD**

EGYPTIAN ECONOMY

2023 Macro:

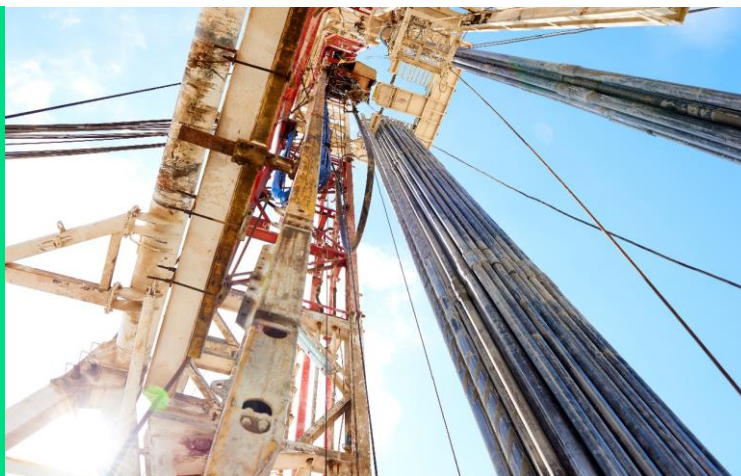
- Lack of hard currency to pay foreign investors
- Our oil sales are USD denominated, so held on b/s as receivables to avoid devaluation



PHAROS
ENERGY

response

- Full cost carry so no expenditure, receivables accumulating



2024 Macro:

- Support packages \$57bn
- Government of Egypt has committed \$1 - \$1.5bn to EGPC and EGAS to pay foreign oil companies
- Pharos lobbying at every level to be “front of the queue”

PHAROS
ENERGY

response

- End of carry, substantial amount of JOC expenditure expected to be in EGP
- USD component of current WP expected to be funded from contingent deal payment due June 2024 c.\$3.6m
- Static pool of cash receivables can now be used to fund investment in assets to grow their value
- As payments for oil sales start to flow, appetite to invest will pick up

\$10m received today from EGPC in USD, equates to 26.7% of the year-end receivable balance

Financial Review

FINANCIAL STRENGTH

Revenue ⁽¹⁾

2023

Brent Price
= \$80.91/bbl

\$168.1m

Vietnam	\$149.2m
Egypt	\$18.9m

Revenue
down

24%

Brent price
down

20%

2022

Brent Price
= \$101.65/bbl

\$221.6m

Vietnam	\$184.8m
Egypt	\$36.8m

Egyptian Receivables

2023

\$37.4m

2022: \$24.2m

Up
55%

- \$10m received today in USD
- USD receivable
- \$5.7m received from EGPC during 2023
- Cash positive throughout
- Operations self funding
- EGP devalued during 2023
- Decision not to accept payment in EGP
- \$57 billion finance package



Net Debt

2023

\$6.6m

Down
77%

Cash	\$32.6m
RBL	\$30.0m
NBE	\$9.2m

2022

\$28.9m

Cash	\$45.3m
RBL	\$65.0m
NBE	\$9.2m



Debt

RBL (Vietnam assets only)

- \$57.3m facility 31 Dec 2023
- \$30.0m drawn
- 6 monthly amortisation to July 2025

NBE

- \$18.0m facility
- \$9.2m drawn
- Renewed to 31 May 2025



Hedging

- Reduced hedged position (<30% of Group 2023 volumes hedged)
- Hedges to support RBL (35% of Vietnam RBL volumes)
- Currently hedged min \$63.0/bbl to max \$91.5/bbl

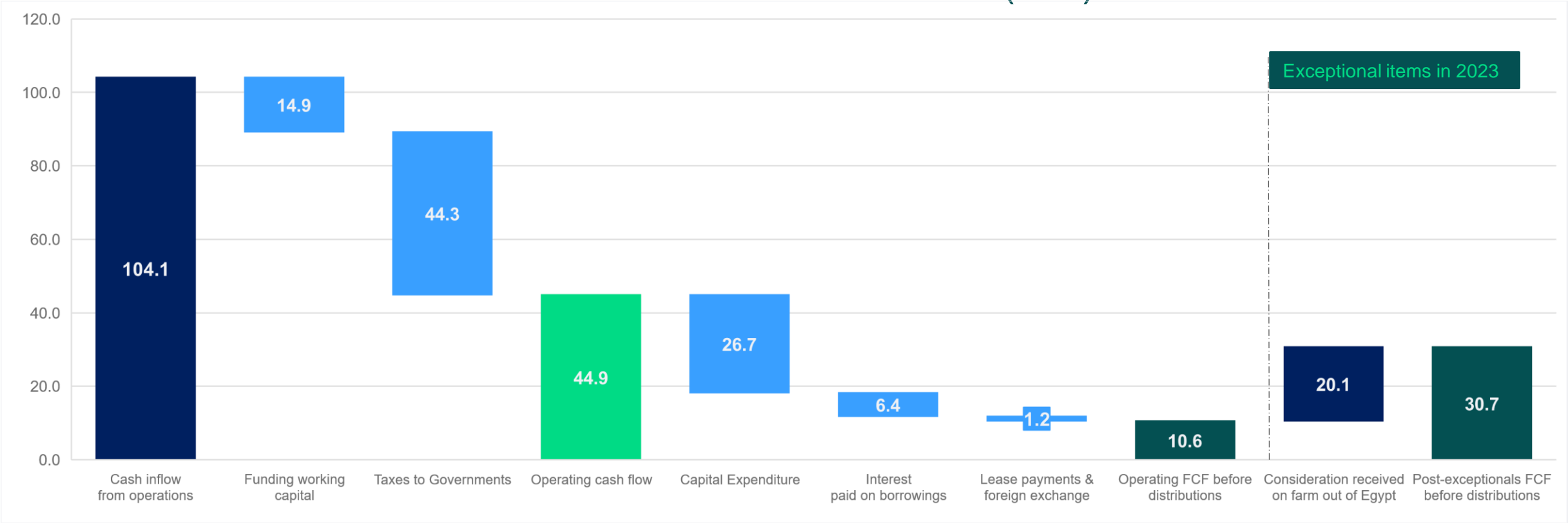


Cash flow metrics

- Operating cash flow = \$44.9m
- Free cash flow = \$18.2m

Note: (1) Stated before realised hedging loss of \$0.2m (2022: \$22.5m)

STRONG FREE CASH FLOW FROM PRODUCTION (\$'M)



TOTAL CAPITAL EXPENDITURE \$26.7m

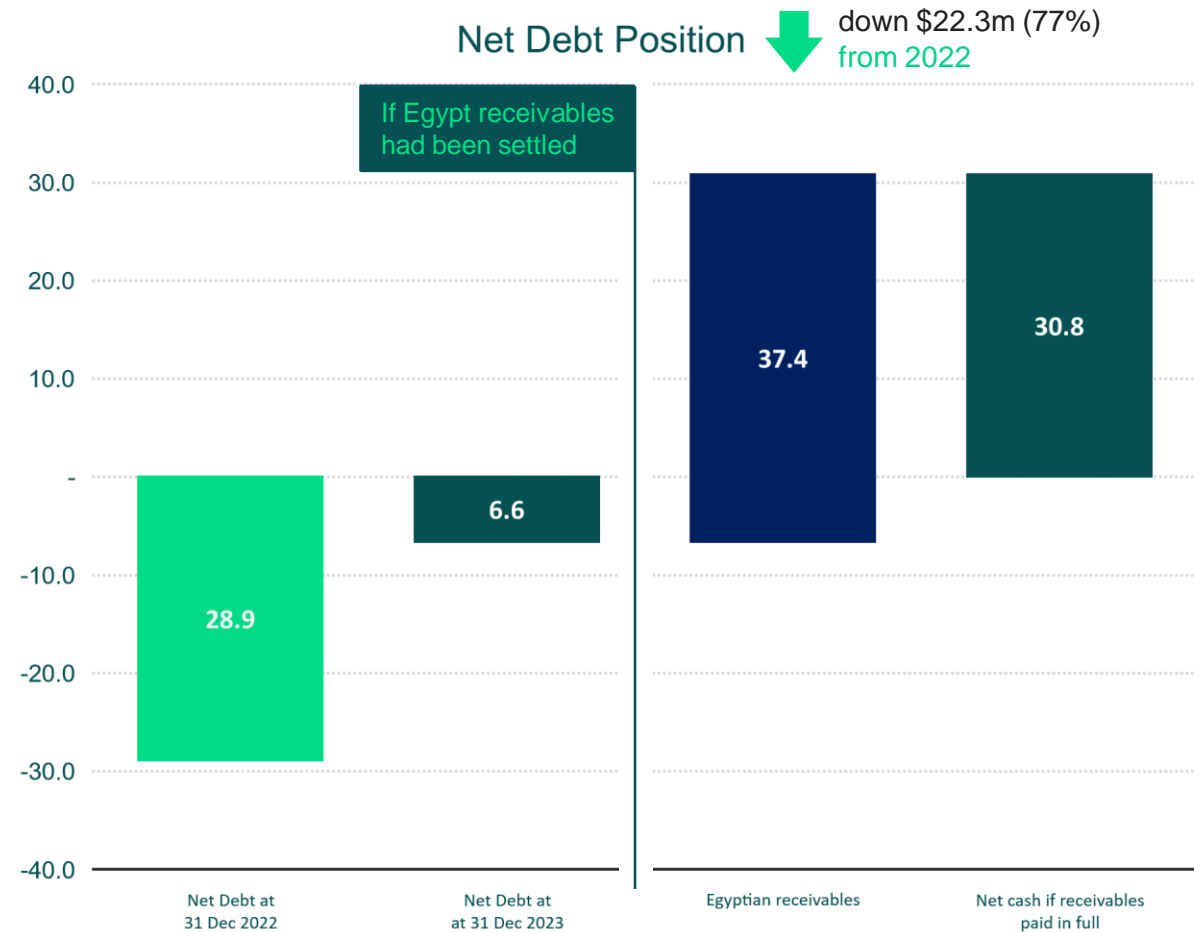
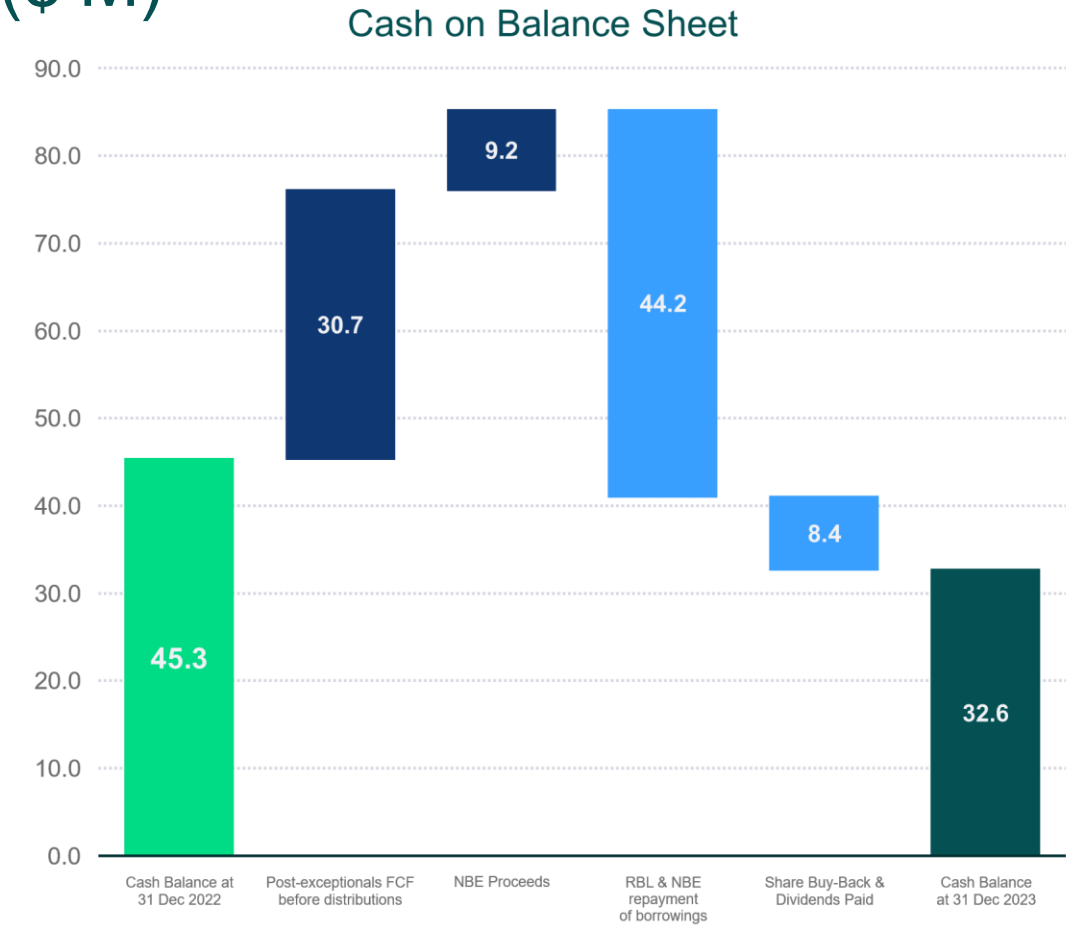
VIETNAM

		\$12.5m
TGT	\$3.0m abandonment	\$4.3m
CNV	completion of lateral well + \$0.5m abandonment	\$5.1m
Block 125	capitalised G&A	\$3.1m

EGYPT

		\$14.2m
El Fayum	3 new wells (2 producers, 1 injector)	\$7.5m
North Beni Suef	\$2.9m SW1X well transferred to PP&E	\$6.7m

LARGE REDUCTION IN NET DEBT WITH STRONG CASH BALANCES (\$'M)



Net debt to EBITDAX 0.06x (2022: 0.23x)

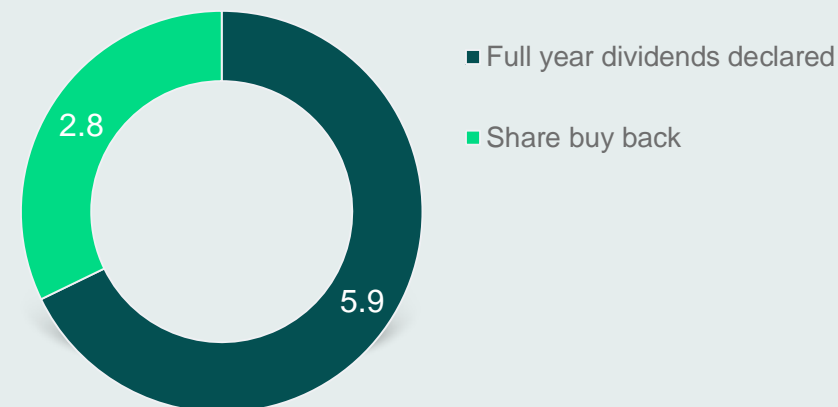
SUSTAINABLE SHAREHOLDER RETURNS



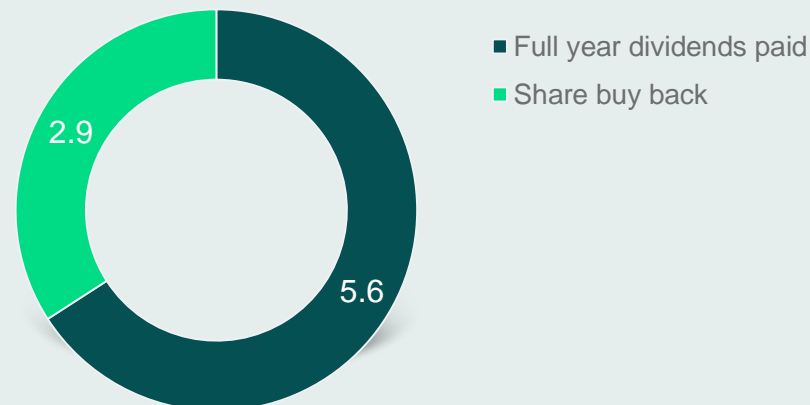
Share buyback programme and Dividends

- Dividend policy: To return no less than 10% of operating cash flows
- Full-year dividend 2023 of **1.10p a share** (2022: 1p a share, or \$5.6m in total):
 - Interim dividend for 2023 of **0.33p a share**, \$1.7m, paid in January 2024
 - Final dividend for 2023 of **0.77p a share** to be paid in July 2024
- **13% of operating cash flows** allocated to 2023 full-year dividend (2022: 10%)
- Ongoing share buy back now in third programme – \$5.7m redeemed by December 2023 in relation to the initial programme and the first extension

2023 Returns to Shareholders (\$'m)
\$8.7m (7.9% yield) *



2022 Returns to Shareholders (\$'m)
\$8.5m



*Note: Yield is calculated based on closing share price as at Monday 25 March 2024.

2024 KEY CONSIDERATIONS



Group

- Strengthened balance sheet
- Improved liquidity, reduced net debt
- Strong cash flow generation
- Reduced overheads
- Net cash position



Capital Allocation

- Returns to shareholders
 - Share buyback - \$3m
 - Dividends - \$1.7m in January, final in July
- RBL debt - \$30m (as of Year end 2023)
- Capital programme - \$27m post carry



Vietnam

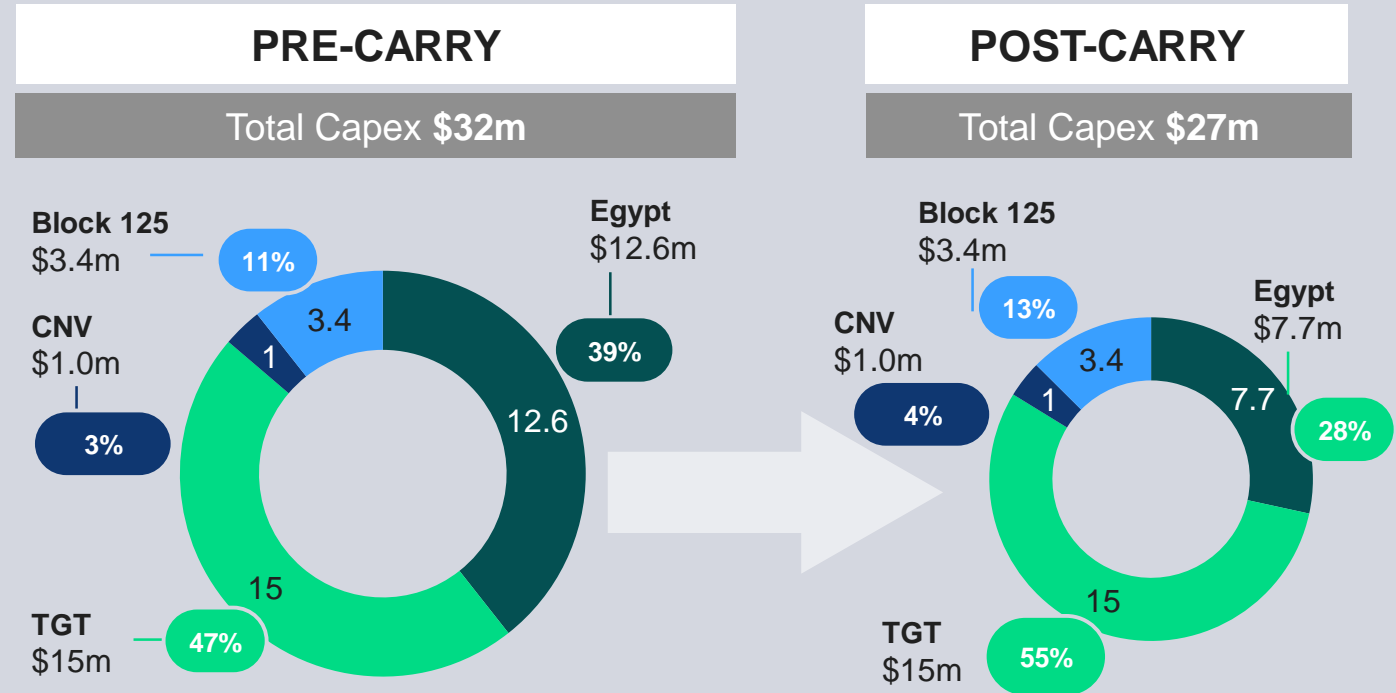
- Robust revenues with strong USD inflows
- Low break-even, high premiums to Brent
- TGT & CNV five-year license extension work ongoing
- CNV RFDP approval in progress
- Block 125 ongoing discussions to secure a drilling slot



Egypt

- Significant % of cash calls will be paid in EGP
- Contingent receipt - \$3.6m due in June 24 from IPR
- Ongoing discussion for assets' terms improvement
- Improvement in payments, \$10m received today

2024 Cash Capex



Vietnam

- TGT – 2 wells in 2H 2024
- CNV – Abandonment cash provisions

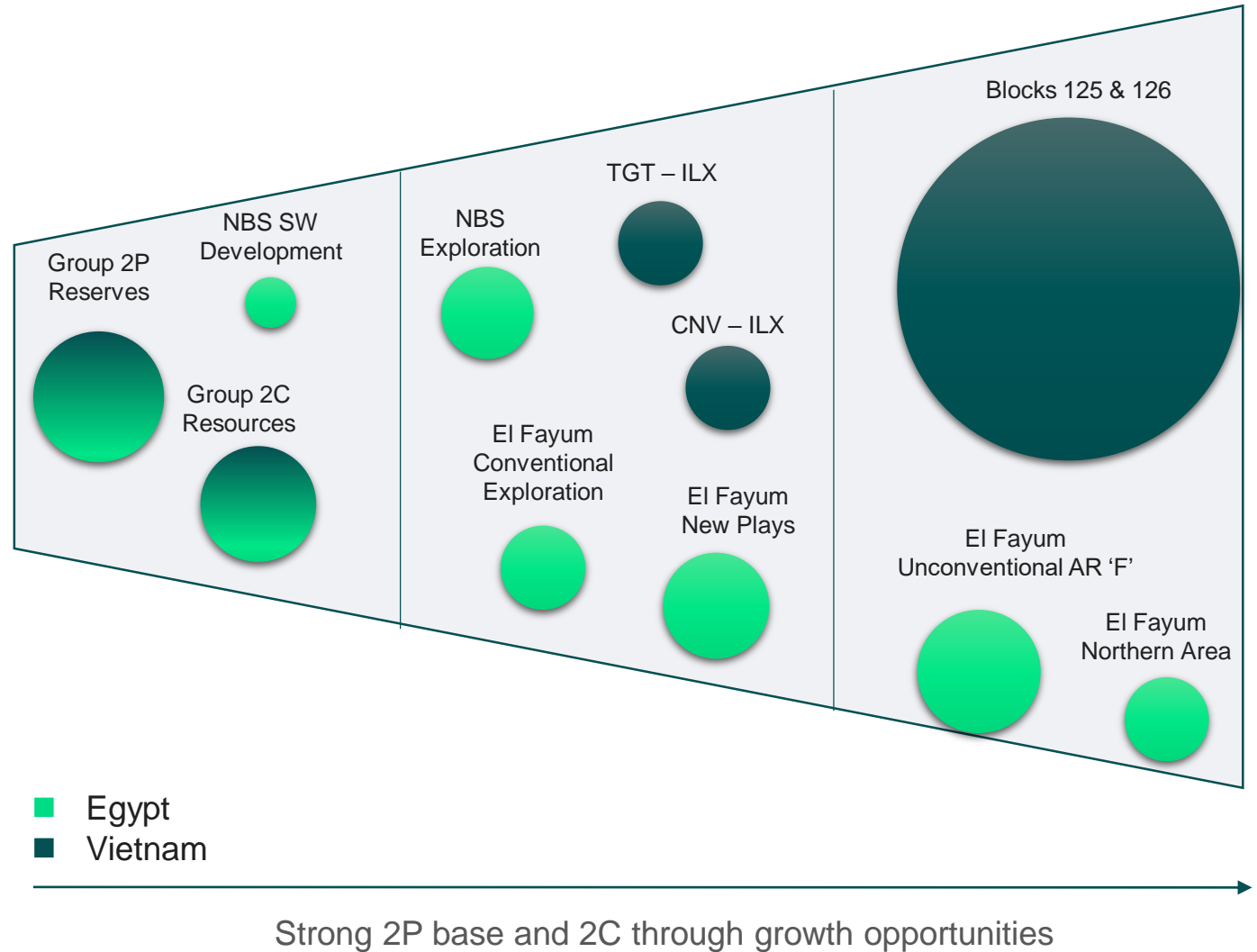
Egypt

- El-Fayum – recompletions & waterflood
- NBS - 5 wells in 2H 2024

Portfolio Review

DELIVERING VALUE

- ✓ Delivering within Guidance
- ✓ Stable Production Across our Assets
- ✓ New TGT RFDP
- ✓ First Lateral in CNV
- ✓ NBS and El Fayum Exploration Success
- ✓ NBS Early Production
- ✓ Blocks 125 & 126 Licence Extension
- ⌚ Vietnam Licences Extensions
- ⌚ ILX Exploration Upside in all our assets
- ⌚ Egypt concession terms under review
- ⌚ Upside in Exploration & Unconventional in Egypt
- ⌚ Transformational Upside in Blocks 125 & 126



Vietnam



VIETNAM

HIGH NETBACK, CASHFLOW ASSETS

Vietnam Production



2023 Production net

5,127 boepd



2023 Production guidance net

5,000 – 5,300 boepd

TGT Activities



2023 Production net

3,661 boepd

- Strong performance with no new wells drilled
- 2023 Operations focused on well intervention programme and FPSO optimisation to maintain production

CNV Activities

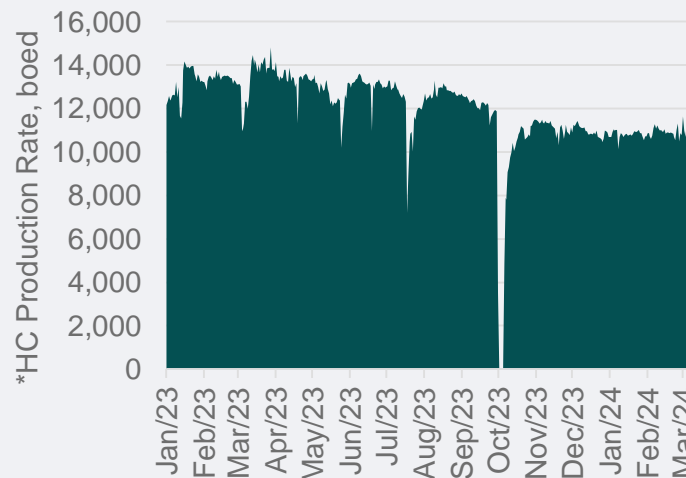


2023 Production net

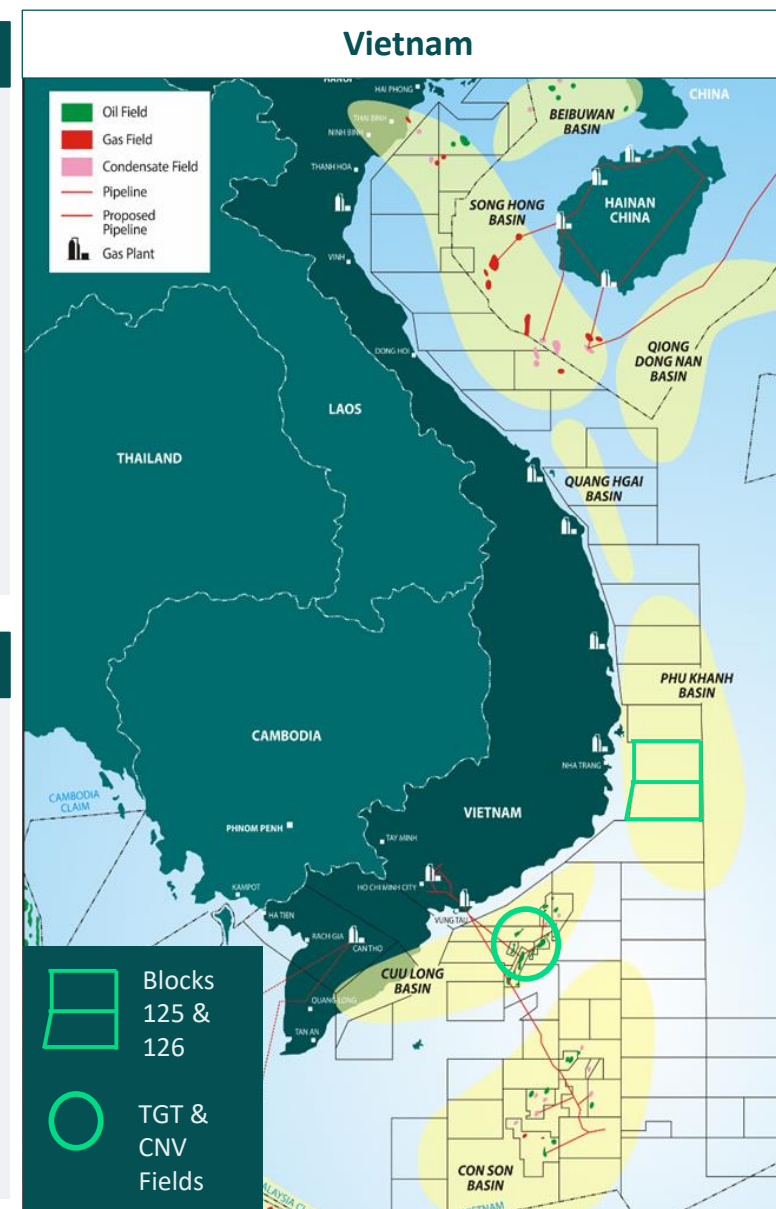
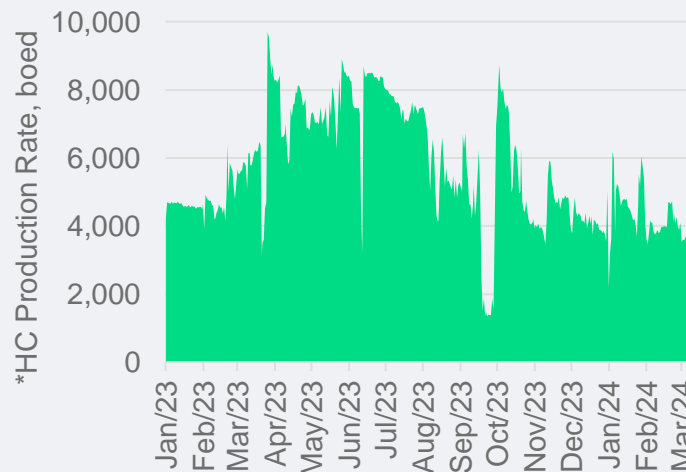
1,466 boepd

- High initial rate of 2PST1 lateral increasing overall field production

2023 Production Performance – TGT



2023 Production Performance – CNV



Note: boe calculated using daily oil production and export gas.

VIETNAM – 2024 ACTIVITIES

TGT

- Planning underway for a two-well TGT drilling programme, expected to commence 2H
- Received final approval for RFDP submitted to government
- Continued positive feedback received from PVN and MOIT on five-year extension out to 2031

CNV

- Focus on platform level optimisation to assess when to open original 2P wellbore
- Update RFDP incorporating the learnings from 2PST1 and submit for approval
- Continued positive feedback received from PVN and MOIT on five-year extension out to 2032

Blocks 125 & 126

- Ongoing discussions with another operator to secure a well drilling slot in connection with their proposed multi-well drilling programme in the region
- Continue engagement with potential farm-in partners

2024 Production guidance (net)

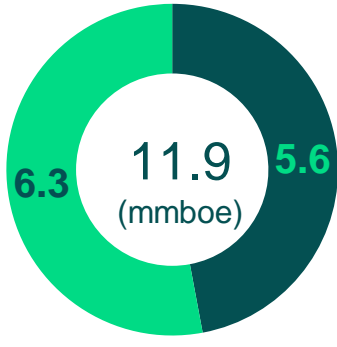
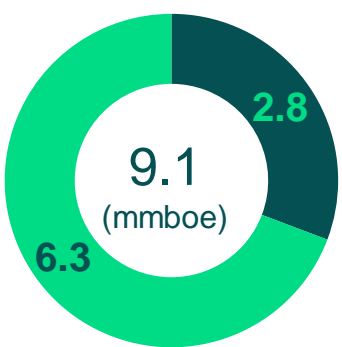


3,900 – 5,000 boepd

Discovered Resources at YE23

Net 2P Reserves

Net 2C Resources



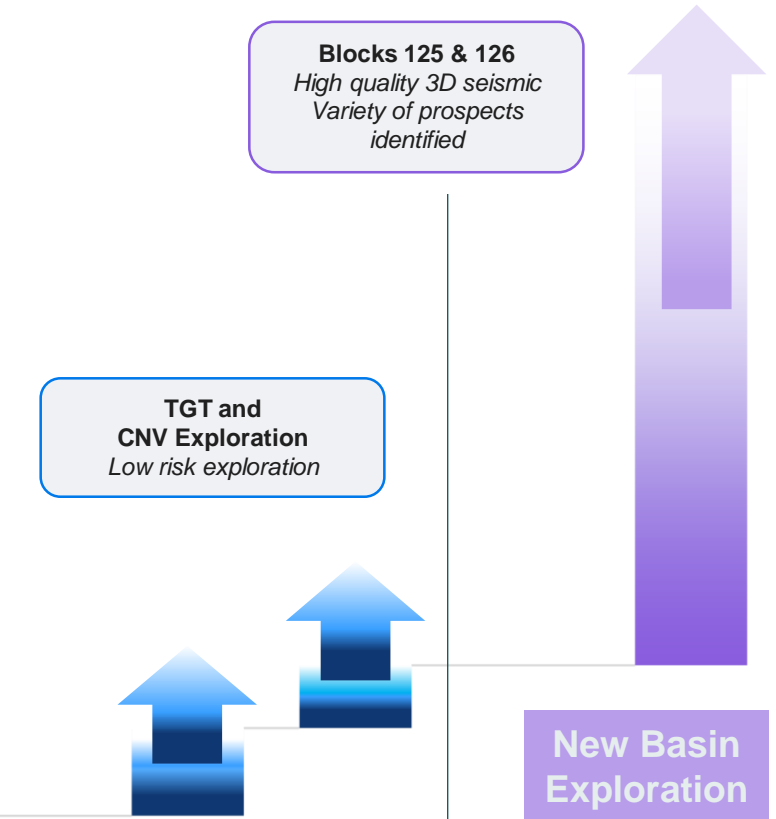
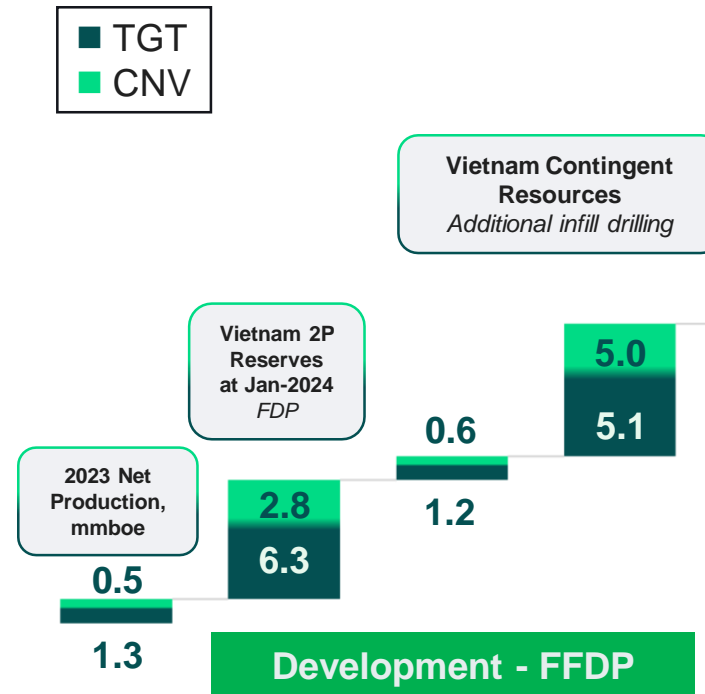
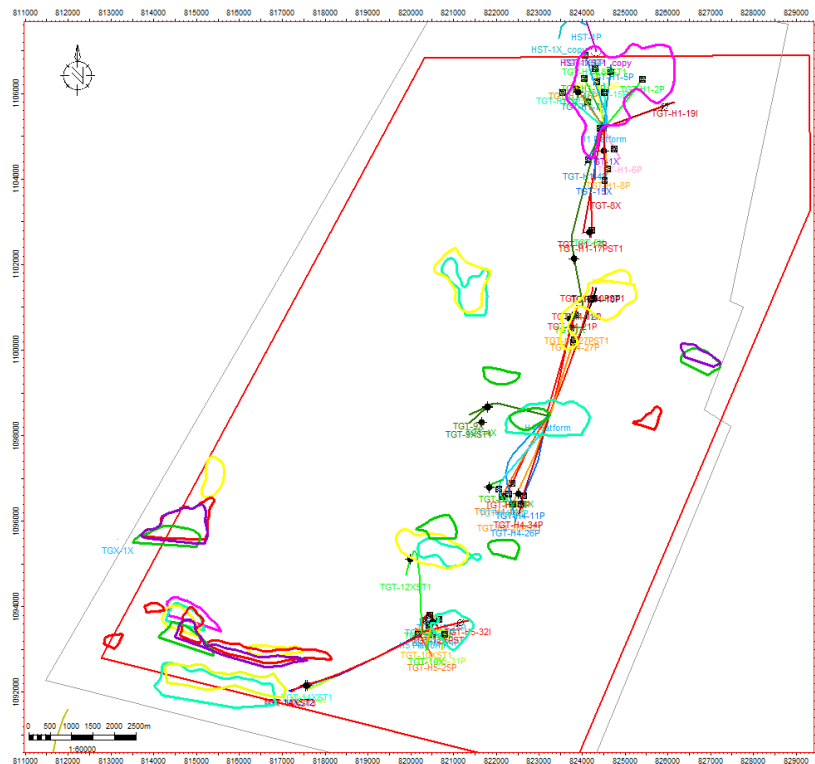
TGT CNV

2023 year-end reserves, Pharos Net Working Interest

VALUE GROWTH IN VIETNAM

- 2C to 2P through additional timing and drilling
- CNV and TGT have the potential to get bigger with Exploration & Appraisal ILX opportunities
- Blocks 125 & 126 Exploration – secure well drilling slot

ULBH to C indicative prospect inventory



Note: Production, Reserves, Contingent and Prospective Resources figures are Pharos net working interest. | * ILX : infrastructure-led exploration, not to scale

Egypt



EGYPT

- LOW COST & LOW RISK GROWTH OPPORTUNITIES

Egypt Production



2023 Production net

1,381 bopd



2023 Production guidance net

1,350 - 1,450 bopd

El Fayum Activities

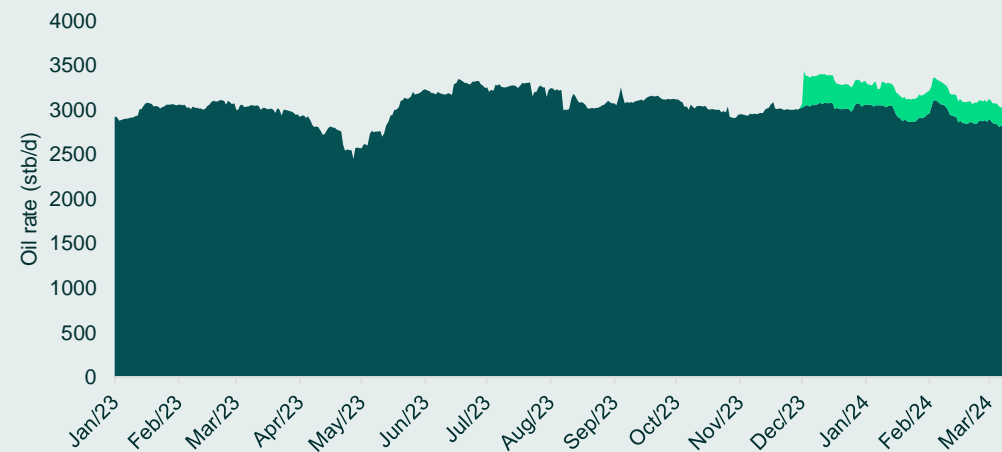
- Three new wells (2 producers and 1 injector) put on production and injection in 2023 in line with pre-drill expectations
- Exploration success with the first commitment well in July 2023. The well is set up for re-entry and testing in 2024
- Three new water injection projects completed

NBS Activities

- First exploration commitment well declared a commercial discovery in April, awarded a 20-year (+5 year) development lease in September, and put on production in December 2023
- 3D seismic acquisition is completed

2023 Production Performance – Egypt

■ El Fayum ■ NBS



El Fayum Historical Production



Note: Well count excludes water injectors and water supply wells. Development includes appraisal wells

EGYPT – 2024 ACTIVITIES

El Fayum

- ✓ Improved economic situation in country encourage further investments in the field
- ✓ Focus on water injection projects and recompletions
- ✓ Add value through exploration drilling

North Beni Suef

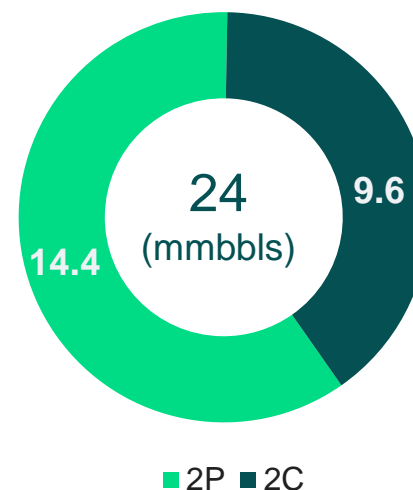
- ✓ Development drilling in the NBS SW field planned to start in 2H
- ✓ 3D seismic activities and data interpretation

2024 Production guidance (net)



1,300 – 1,500 bopd

Egypt Discovered Resources at YE23

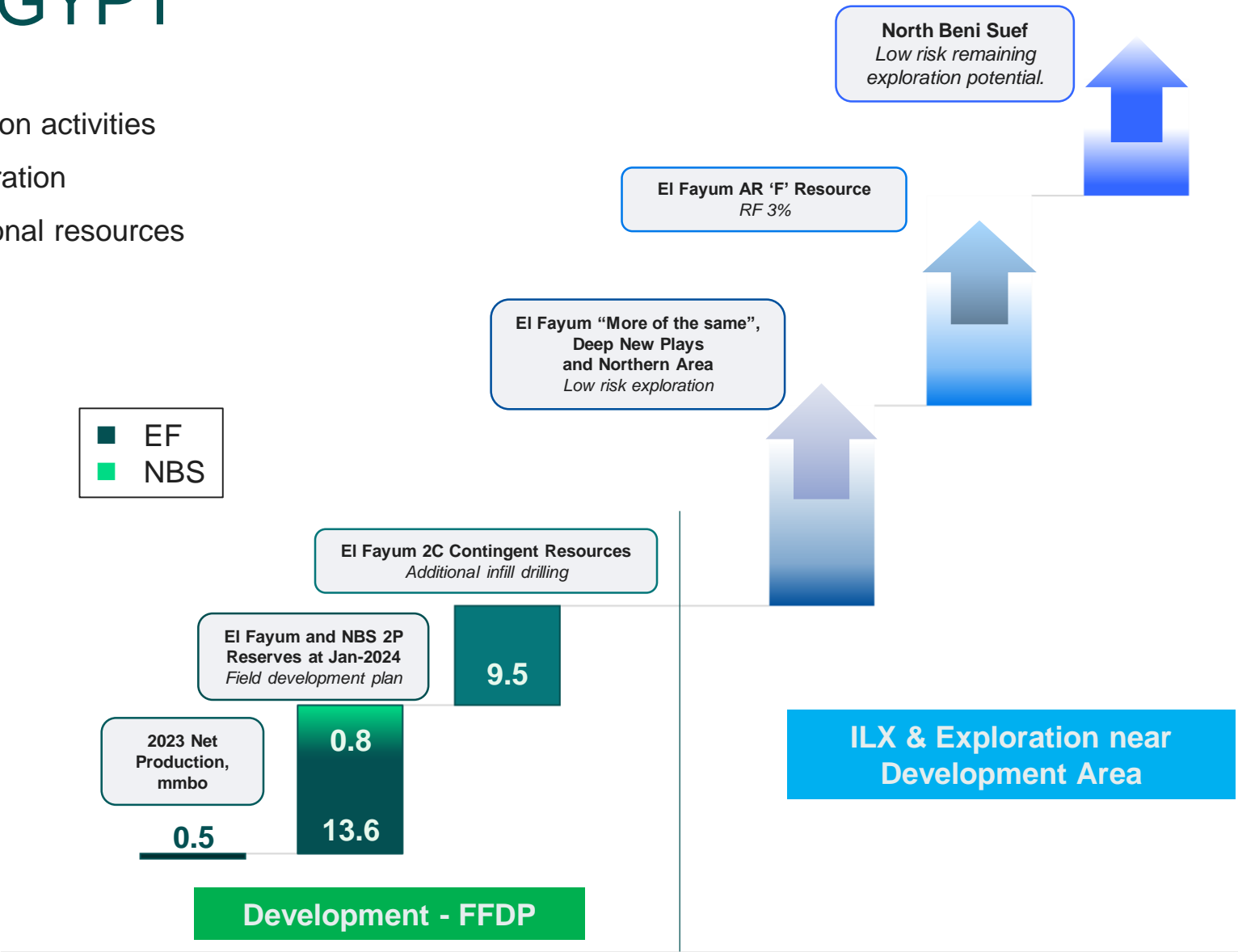
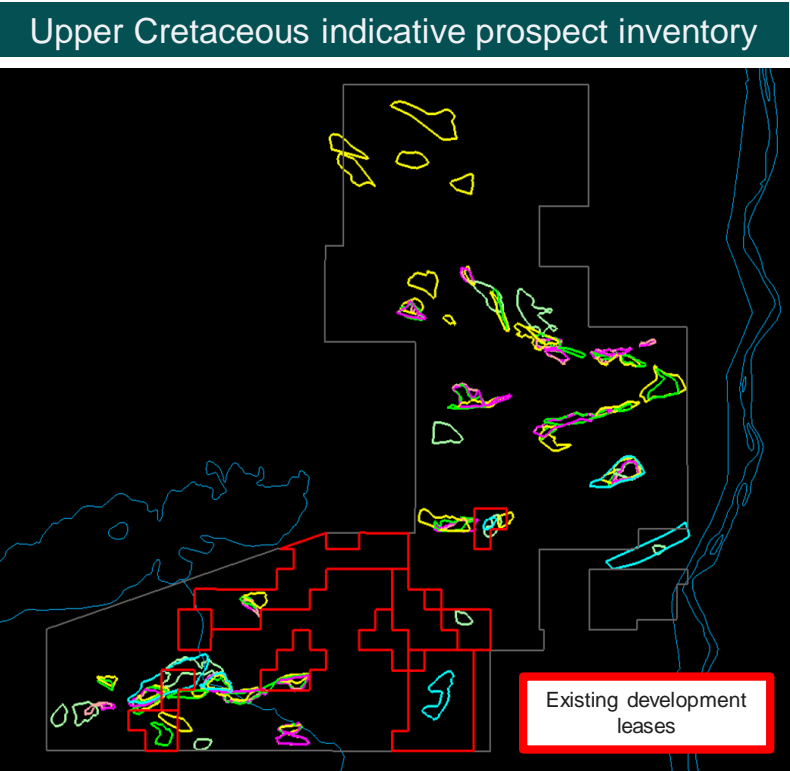


2023 year-end reserves report, Pharos Net Working Interest

Working on consolidation of the two concessions with improved fiscal terms

VALUE GROWTH IN EGYPT

- Maximise waterflood implementation and recompletion activities
- Replaced produced reserves through low-risk exploration
- Continue to mature deep prospects and unconventional resources



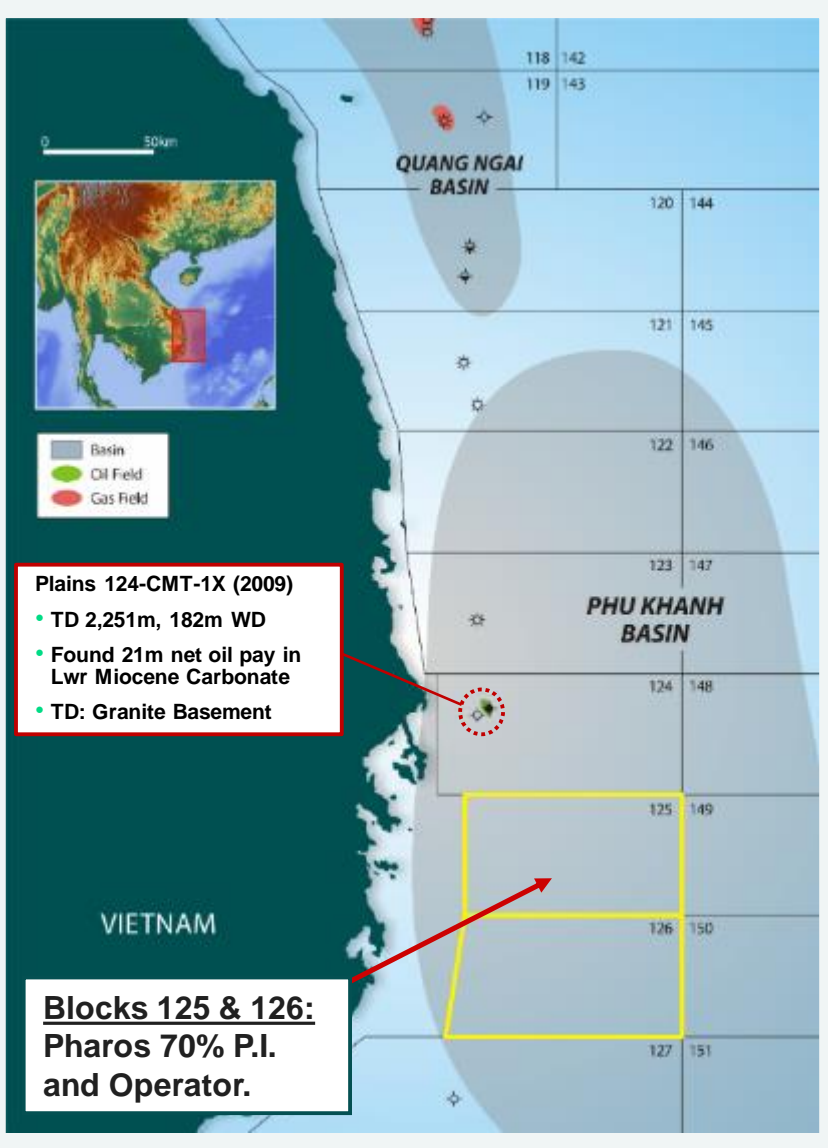
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VIETNAM

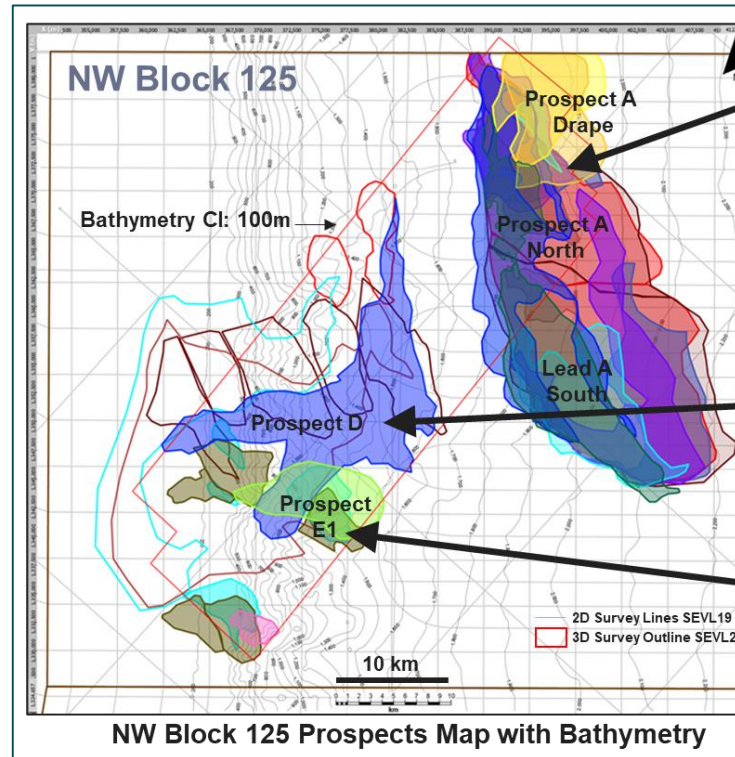
**PHU KHANH BASIN
BLOCKS 125 & 126**

A Transformational Exploration Opportunity

PHU KHANH BASIN – THE LAST REMAINING FRONTIER IN VIETNAM



- Geological observations indicate:
 - demonstrated source, generation and migration of oil in this basin; Tertiary & Basement reservoirs
- Oil discovery in Block 124:
 - confirms oil system in the basin
- Multiple structural and stratigraphic Prospects and Leads observed on the 2D and 3D seismic data in Blocks 125 & 126



Prospects A North, A Drape and Lead A South:

Water Depth 1,900 m; Well Total Depth 6,500 m TVDSS. A Well would test Middle Miocene, Lower Miocene and Oligocene clastics in a structural play at 5 separate reservoir levels. This well would also test an Upper Miocene amplitude anomaly.

ERCE Mean STOOIP = 41,700 MMstb

Prospect D:

Water Depth 1,450 m; Well Total Depth 5,000 m TVDSS. A Well would test Lower Miocene and Oligocene clastics in a pinch-out play at 3 separate reservoir levels.

ERCE Mean STOOIP = 5,505 MMstb

Prospect E1:

Water Depth 1,300 m; Well Total Depth 4,500 m TVDSS. A Well would test Lower Miocene and Oligocene clastics in a Fault Trap play at 3 separate reservoir levels.

ERCE Mean STOOIP = 956 MMstb

PHU KHANH BASIN SUMMARY & CONCLUSIONS



A New
Frontier Area



Shallow to Deep
Water Basin
(water depth 50m-
2,500m)

Undrilled in the main basin area,
but a few wells on the shelf area
show promising results

Sediment thickness up to 8km in the main
basin depocenter with similar source rock
package as Cuu Long Basin

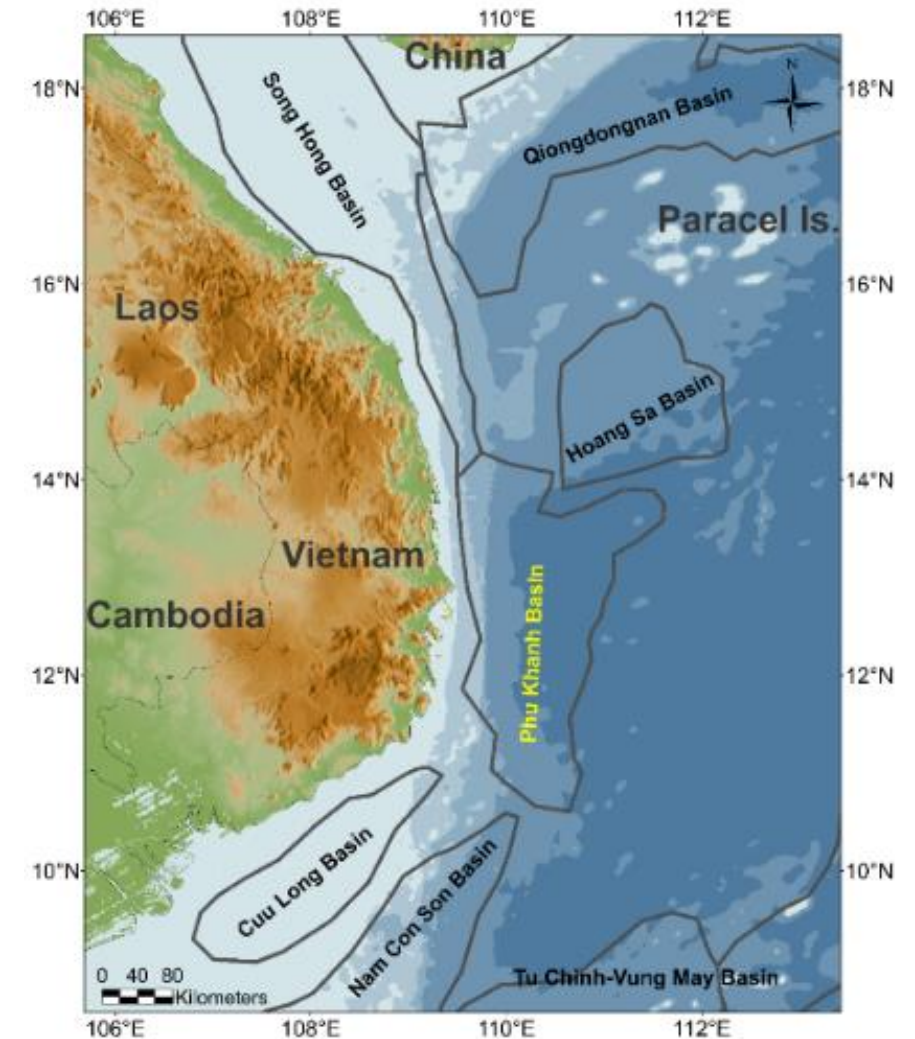
Multiple Structural
and Stratigraphic
Play Types.

By analogy with the Cuu Long Basin
and other Sunda basins, the Phu
Khanh Basin has the potential for
Billion Barrel Hydrocarbon Fields



Independent assessment by ERCE confirms a range of
gross unrisked prospective oil resources of between
1,178 MMstb (1U) and 29,785 MMstb (3U) with a Mean
value of 13,328 MMstb

Discussions
continue on
securing rig and
farm-out process



Sustainability

The background features a large, abstract graphic composed of several overlapping, wavy, organic shapes. These shapes are colored in various shades of green and blue, creating a sense of movement and depth. The colors transition from a deep green at the bottom left to a lighter blue at the top right. The overall effect is modern and clean, typical of corporate branding for sustainability.

CORPORATE RESPONSIBILITY FRAMEWORK

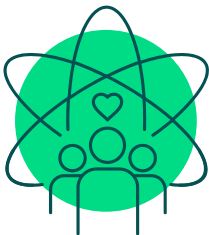
Operating a sustainable business



Environment

281 tonnes CO₂e/1000 tonnes of hydrocarbon produced by equity share in 2023

18% reduction in total emissions compared to 2022



Society

\$247,373 invested in 22 long-term community projects across all assets in 2023

\$500,000 invested in training levies to develop industry talent in Vietnam & Egypt



Business

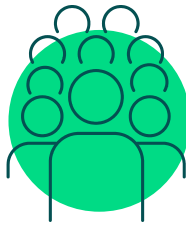
100% El Fayum oil sold domestically in Egypt

\$188.0m tax & royalty payments to government in 2023 ⁽¹⁾



Ethics

100% employees and relevant contractors undertaken annual anti-bribery and corruption (ABC) training



People

0 Lost Time Injury in Egypt & Vietnam⁽²⁾

11 nationalities across all assets

4/7 Board members are women ⁽³⁾

United Nations Sustainable Development Goals

Aligning our social programme with the United Nations Sustainable Development Goals (UN SDGs). Building on community investments done by in-country JOCs for 20+ years.



(1) includes \$110.8m for indirect taxes based on production entitlement in Vietnam and \$18.4m indirect taxes based on production entitlement in Egypt. | (2) Pharos' Vietnam assets have maintained a zero Lost Time Injury record since inception. | (3) Data as at March 2024. For year-end 2023, 4/6 Pharos Board members are women.

NET ZERO ROADMAP

OUR NET ZERO JOURNEY

In September 2022, we announced a commitment to achieve net zero on our Scope 1 and Scope 2 GHG emissions from all our current and future assets by no later than 2050.

Our interim targets on our way to 2050 against our 2021 baseline are:

- 2026: 5% reduction
- 2030: 15% reduction

OUR FIRST STEPS ON THE ROAD TO NET ZERO



Eliminate gas venting

Process optimisation, predictive maintenance, eliminate routine venting



Reducing gas flaring

Install flare stacks, process optimisation, gas utilisation



Reducing fuel consumption

Install renewable energy or switch to alternative marine fuels



Hard-to-abate emissions

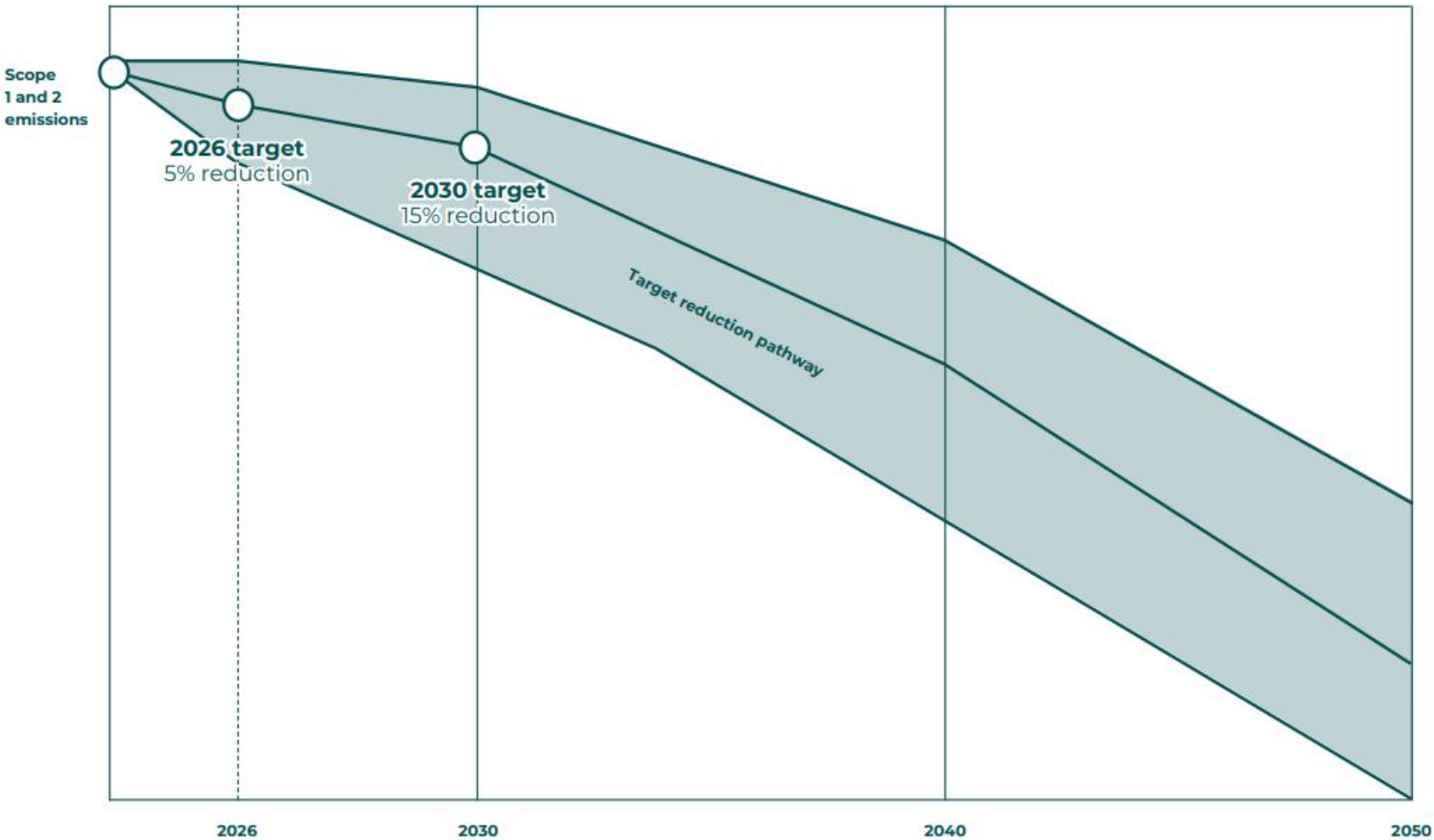
Carbon capture and removal

USING CAPEX TO UNLOCK CHANGE



Emissions management fund

Has now reached c.\$400,000



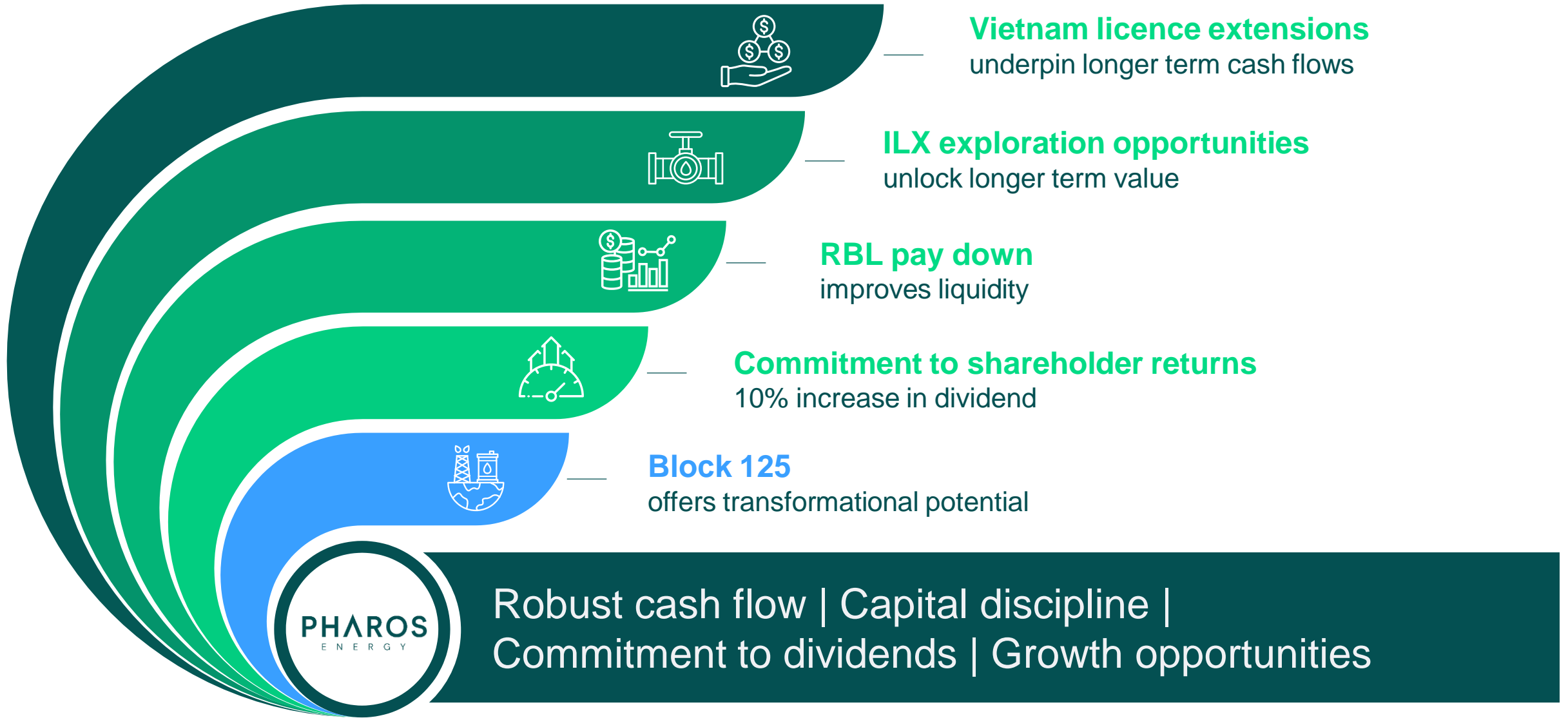
Our emissions reduction pathway with short-and-medium interim targets until 2050

See our detailed net zero roadmap on our website at www.pharos.energy.

Outlook



OUTLOOK

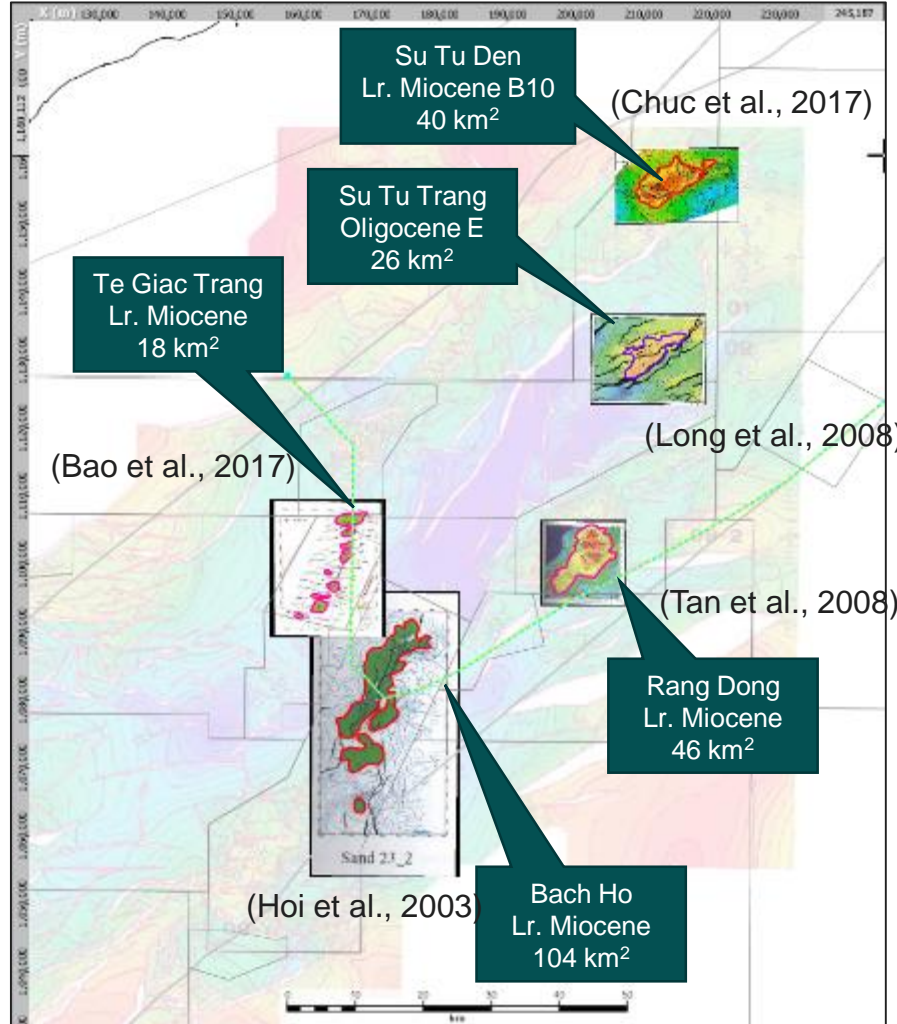


Appendix

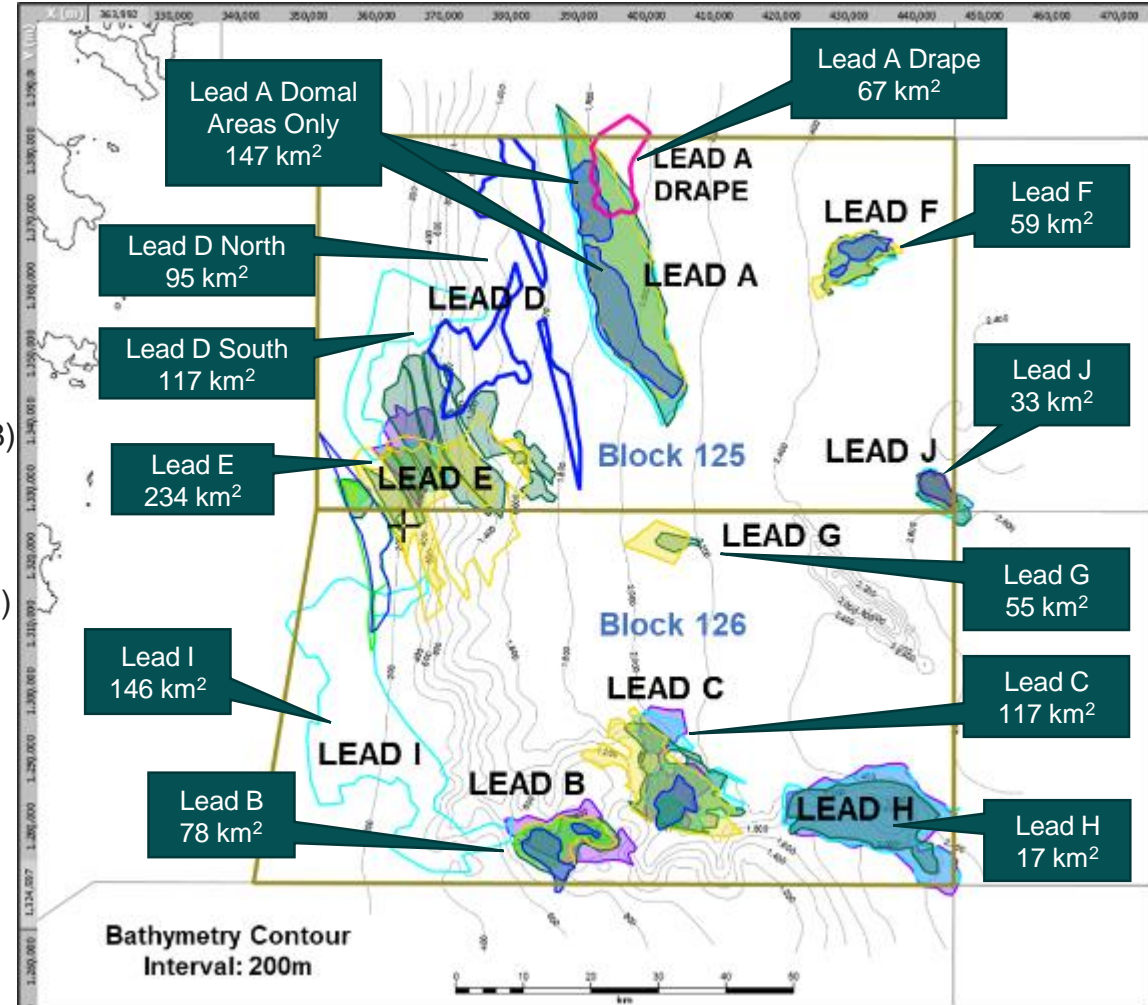


ANALOGUE FIELDS:

Lower Miocene & Oligocene Clastic Reservoirs – Same scale comparisons



Cuu Long Basin



Blocks 125 & 126

NW BLOCK 125 – ERCE INDEPENDENT STOIIP ASSESSMENT OF PROSPECTS

Prospect A (Drape and North)

Prospect Name	STOIIP (MMstb)			
	P90	P50	P10	Mean
Prospect A Drape UM 06	5	19	73	33
Prospect A Drape UM 05b	39	108	307	150
Prospect A Drape UM 05a	178	403	911	492
Prospect A North MMU	17	89	450	201
Prospect A North Top C	5	17	59	27
Prospect A North Top D	84	321	1,193	543
Prospect A North Top E	221	962	4,414	1,914
Prospect A North Lower E	196	818	3,363	1,488
Prospect A North Top F/G	147	1,504	15,684	6,983
Prospect A North Basement	279	1,226	5,404	2,359
Total	1,171	5,467	31,858	14,190

Lead A South

Prospect Name	STOIIP (MMstb)			
	P90	P50	P10	Mean
Lead A South UM06	119	489	1,961	874
Lead A South MMU	26	169	962	418
Lead A South Top C	87	398	1,746	757
Lead A South Top D	11	59	290	126
Lead A South Top E	144	635	2,760	1,198
Lead A South Lower E	76	381	1,947	837
Lead A South Top F/G	2,146	9,759	42,811	18,863
Lead A South Basement	726	2,687	9,945	4,436
Total	3,335	14,577	62,422	27,509

Probabilistic Volumetrics Assessment

Prospect D

Prospect Name	STOIIP (MMstb)			
	P90	P50	P10	Mean
Prospect D Middle Miocene	528	2,568	12,761	5,505

Prospect E1

Prospect Name	STOIIP (MMstb)			
	P90	P50	P10	Mean
Prospect E1 UM15	22	73	253	118
Prospect E1 B1.2	3	16	74	33
Prospect E1 B1.1	51	277	1,457	662
Prospect E1 Top C	30	98	299	143
Total	106	464	2,083	956

Full ERCE Competent Persons Report (CPR) available at:

https://www.pharos.energy/media/0wndh4pl/p6516_vietnam-blocks-125-126-cpr.pdf



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