06 December 2023
Interim Dividend Declaration & Continuation of Share Buyback Programme

Pharos Energy plc
("Pharos" or the "Company" or, together with its subsidiaries, the "Group")

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Interim Dividend

In the Company's Interim Results announcement on 13 September 2023, the Company indicated an additional distribution to shareholders would be considered within the parameters of the sustainable regular dividend policy announced in September 2022. Under the policy, Pharos intends to return to shareholders by way of dividend no less than 10% of Operating Cash Flow (OCF) each year in two tranches:

- An interim dividend of around 33% of the previous year's final dividend, payable in January of the following year; and
- Subject to shareholder approval, a final dividend payable in July of the following year.

Consistent with the policy, the Board today announces that it has resolved to declare and pay an interim dividend in relation to the financial year ending 31 December 2023 of 0.33 pence per ordinary share, amounting to approximately $1.8m. The estimated total cost of the interim dividend assumes that the trustee of the Pharos Employee Benefit Trust (EBT) will waive its right to receive the dividend in relation to the ordinary shares held in the EBT.

The key dates for this interim dividend are as follows:

- Ex-dividend date: Thursday 21 December 2023
- Record date *: Friday 22 December 2023
- Payment date: Wednesday 24 January 2024

* Only shareholders on the Pharos Energy plc register of members as at close of business on the record date will receive the interim dividend.

Continuation of share buyback programme

Following the initiation of a share buyback programme to purchase $3m (excluding stamp duty and expenses) of the Company's ordinary shares in July 2022, and the commitment of a further $3m (excluding stamp duty and expenses) to an extension of the programme (the First Programme Extension) in January 2023, we are pleased to announce that we expect to complete the First Programme Extension around the end of the year. As at close of business on 5 December 2023, a total of 19.8 million shares have been repurchased by the Company during the initial phase of the programme and the First Programme Extension, at a daily average price of 23.7 pence.

The Board believes that the Company's shares are still trading at a material discount to their underlying net asset value, and remains of the view that on-market share repurchases is an appropriate means of returning value to shareholders while this remains the case. Therefore, the Company intends to continue with the share buyback programme in 2024 by committing a further $3m (excluding stamp duty and expenses). This further extension of the programme (the Second Programme Extension), is expected to commence following completion of the First Programme Extension.

As with the initial share buyback programme announced in July 2022 and the First Programme Extension announced in January 2023:

- the Second Programme Extension will be conducted in compliance with European Union (EU) Regulation No 596/2014 (MAR) and the MAR buyback technical standards (Commission Delegated Regulation (EU) 2016/1052) (the Technical Standards), both of which form part of Retained EU Law as defined in the European Union (Withdrawal) Act 2018;
- the Company will not seek to rely on the safe harbour conditions for trading set out in Article 3(2) and Article 3(3) of the Technical Standards, given the limited liquidity in its ordinary shares and the limitations that the conditions would impose on the number of shares that can be purchased;
- ordinary shares purchased under the Second Programme Extension will be cancelled; and
- Peel Hunt LLP, the joint broker to Pharos, will manage the Second Programme Extension and carry out on-market purchases as principal, with the authority to enact purchases and make trading decisions concerning the timing of the purchases independently of the Company. Details of any and all purchases made under the Second Programme Extension will be provided via RNS announcements and published in the regulatory news section of the Company's website.

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Jann Brown, Chief Executive Officer commented:

"We are delighted to announce the interim payment for 2023 under our dividend policy, which underpins our commitment to regular shareholder returns. In addition, the Board believes that the Company's shares continue to trade at a material discount to their underlying net asset value and has committed a further $3m to the share buyback programme.

"We look forward to continuing to deliver such returns in 2024 and beyond, supported by our prudent approach to financial management and capital allocation for the benefit of all stakeholders."

Enquiries

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Notes to editors

Pharos Energy plc is an independent energy company with a focus on sustainable growth and returns to stakeholders, which is listed on the London Stock Exchange. Pharos has production, development and/or exploration interests in Egypt and Vietnam. In Egypt, Pharos holds a 45% working interest share in the El Fayum Concession in the Western Desert, with IPR Lake Qarun, part of the international integrated energy business IPR Energy Group, holding the remaining 55% working interest. The El Fayum Concession produces oil from 10 fields and is located 80 km southwest of Cairo. It is operated by Petrosilah, a 50/50 joint stock company between the contractor parties (being IPR Lake Qarun and Pharos) and the Egyptian General Petroleum Corporation (EGPC). Pharos also holds a 45% working interest share in the North Beni Suef (NBS) Concession in Egypt, which is located immediately south of the El Fayum Concession. The first development lease on the NBS Concession was awarded in September 2023 and early production is underway from the first discovery on the Concession. IPR Lake Qarun operates and holds the remaining 55% working interest in the NBS Concession. In Vietnam, Pharos has a 30.5% working interest in Block 16-1 which contains 97% of the Te Giac Trang (TGT) field and is operated by the Hoang Long Joint Operating Company. Pharos' unitised interest in the TGT field is 29.7%. Pharos also has a 25% working interest in the Ca Ngu Vang (CNV) field located in Block 9-2, which is operated by the Hoan Vu Joint Operating Company. Blocks 16-1 and 9-2 are located in the shallow water Cuu Long Basin, offshore southern Vietnam. Pharos also holds a 70% interest in, and is designated operator of, Blocks 125 & 126, located in the moderate to deep water Phu Khanh Basin, north east of the Cuu Long Basin, offshore central Vietnam.