

26 March 2025
2024 Preliminary Results

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

2024 Preliminary Results

A year of strong progress and momentum

Pharos Energy plc, an independent energy company with assets in Vietnam and Egypt, announces its preliminary results for the year ended 31 December 2024. An analyst presentation will take place at 12.30 GMT today by invitation only. If you would like to register to attend, please contact Camarco at pharosenergy@camarco.co.uk.

Katherine Roe, Chief Executive Officer, commented:

"2024 was a year of strong progress and delivery for Pharos, culminating in the approval for the extension of our producing licences in Vietnam. This milestone has enabled Pharos to begin 2025 with renewed momentum and a focus on growth.

"Operationally we delivered successful drilling results and maintained stable production in Vietnam and Egypt delivering 5,801 boepd, generating consistent cash flows, allowing us to fully repay the legacy debt and declare today a 10% increase in the final dividend. We now have the benefit of an unlevered balance sheet capable of supporting additional financing for growth alongside our existing cash resources of \$16.5 million at year end.

"The recent licence extensions in Vietnam are enabling us to move forward with a work programme to fully unlock the significant resource potential within these high quality assets. In Egypt, the signing of an MOU with EGPC for the merger of our Egyptian concessions in February this year demonstrates the alignment between all parties to conclude negotiations as soon as possible.

"Our disciplined approach to capital allocation continues to underpin our work programme as we focus on projects that yield the highest returns for our shareholders. We have recently submitted an application for a two-year extension on Blocks 125 & 126 which will allow us to retain future optionality for the prospect to be drilled, whilst investing in near term production growth in Vietnam.

"Pharos is a cash generative, debt free business with a robust balance sheet. This provides us with the flexibility and capacity to pursue both organic growth and inorganic opportunities, specifically compelling accretive acquisitions, to utilise our existing in-country track record and relationships to drive scale, growth and continued shareholder returns.

"I would like to thank all of our colleagues and stakeholders for their continued efforts and support and look forward to delivering in the year ahead."

2024 Operational Highlights

- Group working interest 2024 production was 5,801 boepd net, in line with guidance:
 - Vietnam 4,361 boepd
 - Egypt 1,440 bopd
- Successful drilling campaigns in both Vietnam and Egypt
- Strong safety record with no LTIs
- Vietnam:
 - Applications for five-year licence extensions to the TGT and CNV fields formally granted by the Vietnamese Government in December, increasing year-end 2024 2P reserves in Vietnam by approximately 19% to 8.9 mmboe and enabling further investment in both fields
 - TGT: successful completion of two-well infill drilling programme in October on time and under budget; we are pleased that both wells are now producing in line with expectations
 - Blocks 125 & 126: detailed drilling engineering studies for the proposed well on Prospect A commenced in 3Q; orders placed for long lead items in August

26 March 2025
2024 Preliminary Results

- Egypt:
 - El Fayum: successful drilling of second exploration commitment well in September, encountering oil-bearing reservoirs in Abu Roach G formation
 - One El Fayum development well put on production in December
 - North Beni Suef (NBS): ongoing processing of 3D seismic data

2024 Financial Highlights

- Group revenue of \$136.1m ^{1,2} (2023: \$168.1m ^{1,2})
- Cash generated from operations \$89.3m (2023: \$88.8m)
- Operating cash flow \$54.0m ³ (2023: \$44.9m)
- Cash operating costs ⁴ of \$17.80/bbl (2023: \$15.70/bbl)
- Cash balances as at 31 December 2024 of \$16.5m (2023: \$32.6m)
- Net cash ⁴ as at 31 December 2024 of \$16.5m, the Group is debt free (2023: \$6.6m net debt ^{4,5})
- Profit for the year of \$23.6m (2023: loss \$48.8m), including post-tax impairment reversals of \$19.9m (2023: post-tax impairment losses of \$42.7m)

2024 Corporate Highlights

- Commitment to shareholder returns continue:
 - Sustainable dividend policy delivered with an interim dividend of 0.363 pence per share for the 2024 financial year, and proposed final dividend of 0.847 pence per share announced today, subject to shareholder approval at 2025 AGM
 - Share buyback programme concluded in January 2025 following full utilisation of the latest \$3.0m committed to the programme. Since its initiation in July 2022, 30,708,855 ordinary shares have been repurchased by the Company at an average price paid of 23.65p per share

2025 Outlook and Highlights

- Group working interest production guidance of 5,000 – 6,200 boepd net:
 - Vietnam 3,600 – 4,600 boepd
 - Egypt 1,400 – 1,600 bopd
- Vietnam production; following the approval of the TGT and CNV five-year licence extensions:
 - TGT: Drilling of an appraisal commitment well in 4Q; appraisal success would open up an undrilled area in the field
 - TGT: Three infill wells drilling programme expected to commence in 4Q
 - CNV: Planning underway for the drilling of one infill well expected to commence in 4Q
 - 3D seismic reprocessing on both assets commenced in January 2025, expected completion in 3Q
- Vietnam exploration; Blocks 125 & 126:
 - Submitted application for a 2-Year PSC Exploration Phase Extension in February 2025
 - Long Lead Items for Block 125 exploration well expected to arrive in 2Q 2025
 - Renewed focus on farm-out strategy to enable drilling of the prospect

26 March 2025
2024 Preliminary Results

- Egypt:
 - El Fayum: Testing of the successful exploration commitment well in February
 - Application for commercial discovery declaration submitted to EGPC in 1Q
 - Planning underway to commence two-well El Fayum drilling programme in 2H
 - NBS: expected completion of 3D seismic data processing in 1H, with interpretation and mapping to follow
 - Memorandum of Understanding (MOU) with EGPC in relation to the proposed consolidation of the El Fayum and NBS concessions signed in February 2025
- On track to achieve our Net Zero interim three-year target (2024-2026) of 5% emissions reduction
- Forecast Group cash capex in the year expected to be a minimum of \$37m and could potentially increase to \$66m. The minimum programme reflects the drilling of one TGT appraisal commitment well and long lead items for TGT and CNV infill wells. The upper range would include drilling the three TGT infill wells, one CNV appraisal commitment well, and one CNV infill well. The minimum range includes long lead items for Block 125 exploration drilling in Vietnam. In Egypt, the minimum programme includes two El Fayum development wells and two injector wells, with the potential for three additional development wells on El Fayum and two development wells and one water injector in NBS in our upper range, should activity increase following approval and signature of a consolidated concession agreement
- Active capital programme aimed at delivering important production growth from 2026

¹ Egyptian revenues are stated post government take

² Stated prior to realised hedging loss of \$0.1m (2023: loss of \$0.2m)

³ Operating cash flow = Net cash from operating activities, as set out in the Cash Flow Statement

⁴ See Non-IFRS measures on page 40

⁵ Includes RBL and National Bank of Egypt working capital drawdown

Enquiries

Pharos Energy plc
Katherine Roe, Chief Executive Officer
Sue Rivett, Chief Financial Officer

Tel: 020 7747 2000

Camarco
Billy Clegg | Georgia Edmonds | Violet Wilson | Tamsin Howard

Tel: 020 3757 4980

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 production started in December 2023. IPR Lake Qarun operates and holds the remaining 55% working interest in the NBS Concession. In Vietnam, Pharos currently 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 currently 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. Following the announcement by Pharos in December 2024 of approval a five year extension to the terms of the petroleum contracts for Blocks 16-1 and 9-2, together with associated changes to fiscal terms and participating interests, Pharos will hold a revised working interest in Block 16-1 (TGT) of 25.33% with effect from 8 December 2026 and a revised working interest in Block 9-2 (CNV) of 20% with effect from 16 December 2027. 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.

Chair's Statement

Strengthened foundation for future growth

For Pharos, 2024 has been a year of significant progress, during which we have enhanced our core business with the licence extensions in Vietnam, achieved financial resilience with the repayment in full of the company's debt and strengthened our leadership team, laying the foundation for the next stage of growth.

Throughout the portfolio, the team's focus on operational delivery was evidenced by good drilling performance both in Vietnam, with the two TGT wells contributing to production, and in Egypt, with exploration success on the El Fayum commitment well. Most notably, the Vietnam JOCs' application for the five-year licence extensions to the TGT and CNV fields was granted by the Vietnamese Government in December, an important catalyst to enable further investment in both fields. We have continued to build on a culture of capital discipline to transform the Group's balance sheet, having fully paid off all outstanding debt in September and leaving the Company debt-free. Alongside this, the improving macro environment in Egypt has seen our receivables position improve with over \$25m received during the year. This performance has allowed the Board to announce today the intention to pay a final dividend of 0.847pence per share for the 2024 financial year, taking the 2024 full year dividend to 1.210 pence, a continuation of our commitment to sustainable shareholder returns.

These achievements are a testament to the hard work, dedication, and commitment of the entire Pharos team. I would like to congratulate all of my colleagues on a year of good performance which has positioned Pharos for a positive future with strong operational momentum, a robust capital structure, and excellent growth opportunities.

Board governance and leadership changes

Over the past few years, the Board has undergone significant changes to strengthen Board independence and maintain a high standard of governance. We invest in regular Board training and evaluations to address any skills gaps and ensure the Board has the right balance of relevant skills and expertise to guide the Company through its next phase of growth.

I am delighted that Katherine Roe joined the Pharos Board as its new Chief Executive Officer in July 2024 following Jann Brown's retirement from the Board in April. Katherine's 20 years of senior corporate, industry and capital markets experience across several international jurisdictions will be of great value to us as she leads Pharos into our next strategic stage. Since joining the Company in July, Katherine has already forged strong relationships with key stakeholders in both jurisdictions, successfully securing the five-year licence extensions to TGT and CNV in Vietnam in December 2024, and the signing of the MOU with IPR and EGPC for the consolidation of our Egyptian assets in February 2025. It is also important to recognise Jann's contribution throughout her tenure as CEO during challenging times, establishing the platform for much of the recent progress across the business. I would like to thank Jann for her years of service to Pharos and wish her well in her retirement.

Another significant change the Company made was the appointment of Bill Higgs as Independent Non-Executive Director in January 2024 and subsequently as Chair of the Company's new Reserves Committee, an important addition to our governance framework as his technical expertise will be crucial to assess and advise on growth opportunities in our portfolio.

With the changes in 2024, the Board is refreshed, resilient, and strong. We will continue to evaluate opportunities to strengthen our capabilities at Board and senior management level with a view to ensuring we are well-positioned for future success.

A diverse and inclusive culture

At Pharos, we recognise that a positive and inclusive company culture is essential to our long-term success. We are proud of our small yet diverse global workforce, whose broad range of backgrounds, ethnicities, skills and experience help strengthen the Company for the future. As at year end, I am pleased to report that the Company had three female Directors, representing 50% of the Board. Most notably, our global team comprised 10 different nationalities, of which women account for c.51%.

The Board and senior management team are dedicated to creating a safe workplace for all, in which people are confident to engage and contribute. During the year, as Non-Executive Chair of the Board and designated Non-Executive Director responsible for workforce engagement, I carried out various in-person town hall meetings, during which staff were invited to share their feedback and views about the Company without the presence of any Executive Directors to provide an open, honest and safe space for all employees to express any concerns they might have. I am pleased to report that staff morale remains high, and we have seen a significant strengthening of our company culture post COVID-19 lockdowns. We operate in a global industry, and we are careful to ensure that we continue to foster an environment that is safe, inclusive and collaborative in order to benefit from the diverse perspectives that our people bring.

26 March 2025
2024 Preliminary Results

Ongoing dialogues with stakeholders

Pharos' operational success and long-standing partnerships, spanning over 25 years, are built on a culture of transparency and integrity. The senior management team and I have maintained regular and proactive dialogues with local governments, joint-operating partners, and shareholders. In addition to the annual Strategy Day, where the Board focuses on where and how we can best offer value to our stakeholders, we also held regular ad-hoc discussions with corporate advisers and commercial experts in 2024 to stay well-informed about shareholder interests and industry challenges as the Company develops, reviews, refines and executes its long-term strategic plan.

The Board recognises the importance of scale. While Pharos has consistently delivered strong results as an independent small-cap energy producer, we understand that increasing our scale will allow us to create more long-term value for shareholders and compete more effectively in the E&P market. The Board remains committed to delivering returns for shareholders, including potential organic and inorganic opportunities that will enhance our portfolio and strengthen the Company's position in the sector. In doing so, the Board and senior management team will continue to engage with our stakeholders in a personal and meaningful way. We are grateful to our shareholders whose support during times of uncertainty has been crucial to our growth and transformation throughout the years.

Making a positive difference

As Pharos explores these strategic opportunities, we also recognise the need for more balanced energy systems worldwide, delivering energy sources that have a lower climate impact and are reliable and affordable for developed and emerging nations alike. The importance of energy and climate security continues to be a key issue for global governments, and I firmly believe that responsible production and development of oil and gas resources, especially in economies transitioning from heavy reliance on coal, can be a major driver for economic development and alleviating energy poverty. Our host governments understand and appreciate Pharos' in-country impact that goes beyond national revenues from oil and gas production, and we appreciate our host nations' trust in us and the long-term role that we play in their countries' energy transition.

As the global energy landscape continues to evolve, sustainability remains at the heart of our business. In 2024, we progressed our net zero strategy by updating our 2023 Net Zero Roadmap to outline the steps we have taken to reduce our carbon footprint and contribute to a more sustainable future. We are on track to achieve our 2026 interim emissions reduction target and remain committed to transparency in our sustainability reporting.

We are proud of our social and community initiatives, which have been an important part of the Company's philosophy throughout its history. In 2024, in addition to a training levy of \$500,000 that goes into a ring-fenced fund to support the development of industry talents in Vietnam and Egypt, we also supported a record 26 community investment projects across Egypt, Vietnam, and the UK, investing a total of \$259,889 in education, training, healthcare and infrastructure in our local communities. Pharos is committed to deploying our expertise and capital to partner with host governments to develop local capacity, enhance energy security and unlock value from our host nations' natural resources in an environmentally sustainable and socially responsible manner.

Looking ahead

In addition to seeing a number of important organisational changes at Board and senior management level, 2024 was a year of delivery for Pharos. The Company continued to deliver on its strategy, strengthened its financial health, and built on its track record of sustainable shareholder returns. As Chair of the Board, I would like to thank my fellow Board members, senior management and the Pharos team as a whole for their hard work, commitment, and dedication throughout the year. Their expertise and support have been vital in driving Pharos forward and delivering long-term sustainable value for all shareholders. I am also grateful to our host nations and communities for their continued trust, our shareholders for their confidence, and our partners, suppliers and advisers for their support.

Pharos has a leadership team that brings deep technical experience and strong financial discipline, a clear strategy, a focused portfolio that is unique within our sector, and a commitment to delivering value. We have the right combination to execute the right growth opportunities at the right time, and the Board looks to the future with great confidence in our ability to deliver growth and value in 2025 and beyond.

John Martin
Non-Executive Chair

Chief Executive Officer's Statement

Maximising the value of our high quality portfolio

2024 has been a year of delivery for Pharos Energy. Amidst the challenging global environment and ongoing volatilities facing the industry, Pharos delivered crucial milestones that allowed us to emerge operationally stronger and financially robust. In my first Annual Report statement as Chief Executive Officer of Pharos Energy, I am proud to report a strong performance throughout 2024, with a solid operational business, high-quality assets delivering stable production and robust cash flows, an impressive and dedicated team, and a robust financial base.

Financial strength

Strengthening our balance sheet has been a pivotal achievement for Pharos in 2024. We were proud to report our Company moving to a debt-free position in September with the full repayment of all outstanding legacy debt since 2019. We ended the year in a strong financial position with cash balances of \$16.5m and revenues of \$136.1m. Alongside this, the improving macroeconomic environment in Egypt, coupled with our careful cost control, has seen our receivables position improve, with year-end 2024 balance down 21% to \$29.5m and over \$25m received from EGPC during the year. The continued progress of regular receivable payments will determine the pace of our future investment in country. We benefit from having quality assets with catalysts to extract further value and we look forward to continuing to invest in our portfolio within the framework of a strict and transparent capital allocation policy.

At Pharos, we have a firm commitment to deliver returns to shareholders. Our established dividend programme is at the heart of our business model, and it is through this lens that we assess all capital allocation goals. With a stronger balance sheet compared to the same time last year and disciplined fiscal management, we continue our track record of delivering sustainable shareholder returns in 2024, totalling \$8.8m this year through a combination of dividend payments and share buybacks.

Today, the Board have recommended a final dividend for the 2024 financial year of 0.847 pence per share which, subject to shareholders' approval at the Company's 2025 AGM, would take the 2024 full year dividend to 1.210 pence per share. Dividends continue to be a fundamental part of the Company's investment proposition, and we are committed to striking the right balance between tangible shareholder returns with investment in our assets to generate growth whilst preserving the financial health of the business.

Operational momentum across the portfolio

The Company had an operationally busy year in 2024. Our healthy balance sheet allowed us to support active drilling work programmes during the year, with campaigns in both Vietnam and Egypt successfully completed in the second half. We are proud to have delivered solid production results on time, on budget, in line with guidance, and with zero LTIs across the Group.

In Vietnam, the Group continued to deliver stable production rates, robust operations, and high netback. At the TGT field, a two infill well drilling programme was completed in October, with both wells producing in line with expectations. At the CNV field, two infill wells were agreed by all partners in 1H. Overall production from Vietnam was further supported by well interventions and production optimisation activities throughout the year. Most notably, in December, the HLHVJOCs' applications for five-year licence extensions to both the TGT and CNV fields were granted by the Vietnamese Government, extending the licence for the TGT field to 7 December 2031, and CNV field to 15 December 2032. The granting of the licence extensions is a significant achievement for the Company, immediately increasing our year-end 2024 2P reserves in Vietnam by approximately 19% and allowing us to prioritise future investments to unlock untapped potential in both fields.

In Egypt, the Group maintains a measured approach to funding allocation for capital expenditure. Production throughout the year was stable due to a strong focus on workovers, recompletions, and water injection to bring low-cost barrels to production and build reservoir energy for future drilling. On El Fayum, drilling of the second exploration commitment well successfully completed in September after encountering oil-bearing reservoirs in the Abu Roach G formation. Additionally, one El Fayum development well was put on production in December. On North Beni Suef, the processing of 3D seismic data continued, with interpretation and mapping to follow in 2025.

We are committed to operating safely and responsibly at all times. We are proud to have maintained our excellent safety record during an operationally active year like 2024. In particular, in Vietnam, we have maintained this record since 1997 thanks to the JOCs' consistent efforts to provide and champion workers' health, safety, and well-being; an achievement of which we are proud. The health and safety of our workforce remains our highest priority, and we are careful to maintain this going forward.

26 March 2025
2024 Preliminary Results

Well-positioned to develop growth opportunities

Our operational momentum in 2024 has laid a solid foundation for Pharos to further develop growth opportunities in our portfolio, with options continuously being explored and development work progressed to maximise the potential of each asset.

In Vietnam, our exploration blocks, Blocks 125 & 126, have significant potential to unlock material organic value. We are active in our discussions to source a partner to support the funding of a commitment well on Block 125. To preserve our ability to drill in 2025, we ordered Long Lead Items (LLIs) in August 2024, demonstrating our commitment to progressing this opportunity. We have recently submitted an application for a two-year extension on Blocks 125 & 126 which will allow us to retain future optionality for the prospect to be drilled, whilst investing in near term production growth in Vietnam.

In Egypt, we have further upside in El Fayum and North Beni Suef, demonstrated by the successes in both concessions in 2023 and 2024. The recent signing of a Memorandum of Understanding (MOU) with IPR and EGPC in February 2025 was a key catalyst in the project seeking to consolidate our two existing concessions. The negotiations, once concluded, are expected to result in a new consolidated Concession Agreement for both assets with improved fiscal terms, an extension of the current term of the concessions and further work programmes aimed at increasing production from the areas. This consolidation is expected to add significant value to our low-cost Egyptian asset base and deliver future growth. We will continue to work closely with all parties and use our best efforts to complete negotiations as soon as possible, with a view to the new agreement receiving government and parliament approval and then being signed by all parties at the earliest opportunity.

Positive partnerships for mutual success

Since joining as CEO in July 2024, I have been greatly encouraged by the open and receptive dialogues we had with key stakeholders. During the year, I met with our regulators, government representatives and JOC partners in both Vietnam and Egypt, including EGPC, IPR, the Egyptian Minister of Petroleum and Natural Resources, PetroVietnam (PVN), and the HLHVJOCs. Their ongoing support has been instrumental in delivering some of our key strategic objectives in 2024, such as the TGT and CNV licence extensions in Vietnam and the signature of the consolidation MOU in Egypt, and underscored the constructive relationship and recognition of our long-term commitment to the regions from our host governments and joint operating partners.

Our positive relationships in both jurisdictions will continue to support our strategy and provide a competitive edge as we seek to unlock further value from these assets. As we maintain a firm handle on our existing portfolio, we also look for inorganic opportunities that can generate additional value for our shareholders, align with our long-term strategy, and leverage our existing long-standing in-country presence and partnerships. We have an experienced and highly dedicated team with strong industry relations to assess these opportunities in a disciplined and systematic manner. Underpinned by a debt-free balance sheet and steady production base, we are confident in our ability to build on our existing portfolio to create further sustainable, value-accretive growth for all our shareholders.

As Pharos explores these opportunities, we remain focused on the role we play in the socio-economic development of our host countries. We believe that oil and gas companies like Pharos, with our commitment to producing safely and responsibly, a wealth of industry expertise, and a healthy financial base, will continue to play an important part in the energy transition, especially in emerging economies like Vietnam and Egypt. In our discussions with our host governments, we note their recognition of the importance of our operations and investments to support their broader energy security agenda and prosperity. This is exactly what we have done in 2024, having committed to the domestic sale of 100% of oil and gas produced from our assets in both Egypt and Vietnam during the year. We also progressed our net zero strategy in 2024 by updating our 2023 Net Zero Roadmap to outline the steps we have taken since its original publication to reduce our carbon footprint and contribute to a more sustainable future. More details of our updated Roadmap will be set out in our 2024 Annual Report & Accounts.

Outlook

Pharos has made significant strides in 2024, having delivered a stabilised asset base set for growth, a solid financial performance, well-protected cash flows, and an exciting mix of opportunities to pursue in 2025 and beyond. In Vietnam, planning is underway for the drilling of a TGT commitment well in 4Q 2025, the success of which could open up an undrilled area in the field. We also have additional infill drilling programmes in both TGT and CNV. We have recently submitted a two-year extension on Blocks 125 & 126 which will allow us to retain future optionality for the prospect to be drilled, whilst investing in near term production growth in Vietnam. In parallel, we continue active farm-out discussions with potential partners recognising the risk- reward balance of our portfolio. In Egypt, a two-well drilling programme in El Fayum will commence in 2H 2025 and, in parallel, discussions will continue on the consolidated Concession Agreement.

26 March 2025
2024 Preliminary Results

With capital discipline at our core, a clear set of strategic objectives, a portfolio of assets with catalysts, a strong financial position, a dedicated and diverse workforce, and a committed leadership team, the Company is well-positioned to deliver long-term sustainable value for all stakeholders. We have a stronger than ever foundation from which to build on and move forward to grow value in both Vietnam and Egypt.

I would like to take this opportunity to thank all of our employees, partners, and shareholders for their continued dedication and support. Looking ahead, I am confident in our ability to execute our strategy and look forward to steering Pharos on a path towards a new phase of growth and success.

Katherine Roe
Chief Executive Officer

Operational Review

Operations

The Group's working interest 2024 production was 5,801 boepd net, in line with the Group's production guidance of 5,200 to 6,500 boepd.

Vietnam

Vietnam Production

Production in 2024 from the TGT and CNV fields net to the Group's working interest averaged 4,361 boepd. This is in line with the 2024 production guidance for Vietnam of 3,900 – 5,000 boepd net.

TGT production averaged 10,968 boepd gross and 3,254 boepd net to the Group. CNV production averaged 4,426 boepd gross and 1,107 boepd net to the Group.

Vietnam Development and Operations

TGT & CNV Fields

On Block 16-1 – TGT Field, operational activities in the first half of 2024 focused on adding low-cost production through well interventions and production optimisation opportunities. The second half of the year saw successful completion of the two-well infill drilling programme from October on time and under budget. Both wells are contributing to production.

On 20 December 2024, the applications for our five-year licence extensions to the TGT and CNV fields were granted by the Vietnamese Government. The extensions resulted in an increase to the TGT and CNV 2024 year-end 2P reserves of approximately 19%, with potential to further increase reserves through appraisal success and infill wells. As one of the conditions of the licence extensions, the working interest of the foreign contractor parties will reduce with effect from the start of the five year extension period under each petroleum contract, being December 2026 for TGT (Block 16-1) and December 2027 for CNV (Block 9-2)). The Group's working interest for TGT will change from 30.5% to 25.3% and its working interest in CNV will change from 25% to 20%. The extensions are accompanied by an agreed work programme commitment of 3D seismic reprocessing and one appraisal well on each field. Certain other licence terms have been revised to be consistent with precedent extensions granted to other operators by the Vietnamese Government and are in line with the current Vietnamese Petroleum Law.

Vietnam Exploration

Blocks 125 & 126

On Blocks 125 & 126, discussions with potential farm-in parties and drilling contractors are ongoing. In 2024, the Company continued to optimise its prospects and leads portfolio, and progress options to secure a drilling slot in Block 125. Detailed drilling engineering studies for the well on Prospect A commenced in 3Q 2024. To preserve our ability to drill, we have ordered Long Lead Items (LLIs) in August 2024 for delivery during 2025. In February 2025, we also submitted an application for a two-year PSC exploration phase extension to the relevant authorities, underscoring our commitment to pursuing this exciting opportunity.

2025 Vietnam Work Programme

TGT & CNV Fields

- Vietnam production guidance for 2025 is 3,600 – 4,600 boepd net
- Following the approval of the TGT and CNV five-year licence extensions:
 - TGT: Drilling of an appraisal commitment well in 4Q; appraisal success would open up an undrilled area in the field
 - TGT: Three TGT infill wells drilling programme expected to commence in 4Q
 - CNV: Planning underway for the drilling of one infill well expected to commence in 4Q
 - 3D seismic reprocessing on both assets commenced in January 2025, expected completion in 3Q 2025

26 March 2025
2024 Preliminary Results

Blocks 125 & 126

- Submitted application for a 2-Year PSC Exploration Phase Extension in February 2025
- Long Lead Items for Block 125 exploration well expected to arrive in 2Q 2025
- Renewed focus on farm-out strategy to enable drilling of the prospect

Egypt

Egypt Production

Production in 2024 from the El Fayum and NBS concessions net to the Group's working interest averaged 1,440 bopd. This is in line with the 2024 production guidance for Egypt of 1,300 – 1,500 bopd net.

El Fayum production averaged 2,978 bopd gross and 1,340 bopd net to the Group. NBS production averaged 223 bopd gross and 100 bopd net to the Group.

Egypt Development and Operations

El Fayum

One development well was put on production in 2024.

North Beni Suef (NBS)

The NBS-SW1X well, which was declared a commercial discovery and put on production in December 2023, continued to contribute to total production in 2024.

Egypt Exploration

El Fayum exploration

In 2024, we had continued exploration success with a second exploration commitment well in September encountering oil-bearing reservoirs in the Abu Roach G formation.

North Beni Suef exploration

On NBS, all technical commitments of the initial exploration period have been fulfilled with 3D seismic survey acquired on time and on budget. The processing of 3D seismic data is ongoing, with data interpretation and mapping to follow.

Egypt Commercial

IPR and Pharos El Fayum (PEF), in their capacity as the Contractor parties under the El Fayum and NBS Concession Agreements, submitted a request to EGPC to merge the two assets and replace them with a new consolidated Concession Agreement. The consolidated Concession Agreement is expected to unlock significant value in the Western Desert by improving certain fiscal terms, extending the term of the concessions and committing the Contractor parties to additional work programmes aimed at increasing production from the areas.

In February 2025, the Company announced that PEF had entered into a non-binding Memorandum of Understanding (MOU) with IPR and EGPC in relation to the proposed consolidation of the two Concession Agreements. The signing of the MOU is a key milestone in the process. Under the MOU, EGPC and the Contractor parties have agreed to use their best efforts to conclude negotiations on the new consolidated Concession Agreement as soon as possible, with a view to the agreement receiving government and parliament approval and then being signed by all parties at the earliest opportunity.

26 March 2025
2024 Preliminary Results

2025 Egypt Work Programme

El Fayum & North Beni Suef

- Egypt production guidance for 2025 is 1,400 – 1,600 bopd net
- El Fayum:
 - Testing of the successful exploration commitment well completed in February
 - Application for commercial discovery declaration submitted to EGPC in 1Q
 - Planning underway to commence two-well El Fayum drilling programme in 2H
- NBS:
 - Expected completion of 3D seismic data processing in 1H, with interpretation and mapping to follow

Health, Safety and Environment (HSE)

On health and safety, we are pleased to report that in Egypt and Vietnam, we have worked with our partners to maintain our record of zero Lost Time Injury (LTI) and zero spillage incidents in 2024. The health and safety of our workforce remains our highest priority, and we are committed to operating safely and responsibly at all times to provide a safe and healthy working environment for staff and contractors.

On environmental matters, while operational activities in 2024 have increased compared to last year, we have maintained our emissions reduction. This is driven by improved process optimisation and monitoring, and measures to reduce the consumption of carbon-intensive fuel in our field operations. Compared to our 2021 baseline, we are on track to achieve our Net Zero interim short-term three-year target (2024-2026) of 5% emissions reduction. Pharos will continue to work closely with our operating partners to identify opportunities to reduce emissions to ensure we achieve our climate targets.

26 March 2025
2024 Preliminary Results

Group Reserves and Contingent Resources

The Group Reserves Statistics table below summarises our reserves and contingent resources based on the Group's unithised net working interest in each field. Gross reserves and contingent resources have been independently audited by McDaniel & Associates Consultants Ltd. (McDaniel).

Group Reserves Statistics

Net working interest, mmmboe	TGT	CNV	Vietnam	EI Fayum	NBS	Egypt	Group
Oil and Gas 2P Commercial Reserves^{1,2}							
As at 1 January 2024	6.3	2.8	9.1	13.6	0.8	14.4	23.5
Production	(1.2)	(0.4)	(1.6)	(0.5)	-	(0.5)	(2.1)
Revision	1.0	0.4	1.4	(1.6)	0.1	(1.5)	(0.1)
2P Commercial Reserves as at 31 December 2024	6.1	2.8	8.9	11.5	0.9	12.4	21.3
Oil and Gas 2C Contingent Resources^{1,2}							
As at 1 January 2024	6.3	5.6	11.9	9.6	-	9.6	21.5
Revision	(0.8)	(3.3)	(4.1)	(1.3)	-	(1.3)	(5.4)
2C Contingent Resources as at 31 December 2024	5.5	2.3	7.8	8.3	-	8.3	16.1
Total of 2P Reserves and 2C Contingent Resources as at 31 December 2024	11.6	5.1	16.7	19.8	0.9	20.7	37.4

1) Reserves and Contingent Resources are categorised in line with 2018 SPE/WPC/AAPG/SPEE /SWLA Petroleum Resource Management System.

2) Assumes an oil equivalent conversion factor of 6,000 standard cubic feet per barrel of oil equivalent.

26 March 2025
2024 Preliminary Results

Group's Net Working Interest Reserves and Contingent Resources

TGT Field at 31 December 2024 (mmboe) (net to Group's working interest)

Reserves ²	1P	2P	3P
Oil	5.0	5.8	6.3
Gas ¹	0.1	0.3	0.4
Total	5.1	6.1	6.7

Contingent Resources ²	1C	2C	3C
Oil	3.3	5.1	6.7
Gas ¹	0.2	0.4	0.5
Total	3.5	5.5	7.2

Sum of Reserves and Contingent Resources ³	1P & 1C	2P & 2C	3P & 3C
Oil	8.3	10.9	13.0
Gas ¹	0.3	0.7	0.9
Total	8.6	11.6	13.9

- 1) Assumes oil equivalent conversion factor of 6,000 standard cubic feet per barrel of oil equivalent.
- 2) Reserves and Contingent Resources have been audited independently by McDaniel.
- 3) The summation of Reserves and Contingent Resources has been prepared by the Company.

CNV Field at 31 December 2024 (mmboe) (net to Group's working interest)

Reserves ²	1P	2P	3P
Oil	1.5	1.7	1.9
Gas ¹	1.0	1.1	1.2
Total	2.5	2.8	3.1

Contingent Resources ²	1C	2C	3C
Oil	0.8	1.4	2.2
Gas ¹	0.6	0.9	1.4
Total	1.4	2.3	3.6

Sum of Reserves and Contingent Resources ³	1P & 1C	2P & 2C	3P & 3C
Oil	2.3	3.1	4.1
Gas ¹	1.6	2.0	2.6
Total	3.9	5.1	6.7

- 1) Assumes oil equivalent conversion factor of 6,000 standard cubic feet per barrel of oil equivalent.
- 2) Reserves and Contingent Resources have been audited independently by McDaniel.
- 3) The summation of Reserves and Contingent Resources has been prepared by the Company.

26 March 2025
2024 Preliminary Results

El Fayum Concession at 31 December 2024 (mmboe) (net to Group's working interest)

Reserves ¹	1P	2P	3P
Oil	6.1	11.5	13.9
<hr/>			
Contingent Resources ¹	1C	2C	3C
Oil	3.1	8.3	16.4
<hr/>			
Sum of Reserves and Contingent Resources ²	1P & 1C	2P & 2C	3P & 3C
Total	9.2	19.8	30.3

- 1) Reserves and Contingent Resources have been audited independently by McDaniel.
2) The summation of Reserves and Contingent Resources has been prepared by the Company.

North Beni Suef Concession at 31 December 2024 (mmboe) (net to Group's working interest)

Reserves ¹	1P	2P	3P
Oil	0.3	0.9	1.0
<hr/>			
Contingent Resources ¹	1C	2C	3C
Oil	-	-	-
<hr/>			
Sum of Reserves and Contingent Resources ²	1P & 1C	2P & 2C	3P & 3C
Total	0.3	0.9	1.0

- 1) Reserves and Contingent Resources have been audited independently by McDaniel.
2) The summation of Reserves and Contingent Resources has been prepared by the Company.

Chief Financial Officer's Statement

Robust Financial Position

We have seen a strong financial performance from our operations and continued strengthening of our liquidity position, where we have moved into a positive net cash position of \$16.5m compared to net debt of \$6.6m reported at the end of December 2023. We have achieved solid USD cash flow from our Vietnam and Egypt portfolios and this has enabled us to accelerate the repayment of our borrowings. Following the farm down of the Egypt concessions in 2022, the Company continued to benefit from a full carry of all contractor costs for G&A, opex and the capital programme through to April 2024. In addition, Egypt operations became profitable during 2024, reversing the previous historical tax losses since first production, and this has led to a gross-up of revenues and tax charge in the Income Statement by \$1.9m.

Returns to shareholders have been delivered through an additional \$3.0m committed to the Company's share buyback programme, completed in January 2025, and the payment of an interim and final dividend in respect of the year ended 31 December 2023. The interim dividend of 0.33 pence per share was paid in January 2024, and the final dividend of 0.77 pence per share, following approval at the AGM in May 2024, was paid to shareholders in July 2024. In addition, an interim dividend of 0.363 pence per share in respect of the year ended 31 December 2024 was paid to shareholders in January 2025, and a final dividend of 0.847 pence per share to be paid in July 2025 will be proposed to shareholders at this year's AGM.

Operating performance

Revenues

Group revenues of \$136.1m, prior to realised hedging loss of \$0.1m (2023: \$168.1m prior to realised hedging loss of \$0.2m) were negatively impacted by an 18% decrease in sales volumes, leading to an inventory build of \$6m in Vietnam, and 3% fall in realised commodity prices.

Revenues for Vietnam of \$115.4m (2023: \$149.2m) decreased year on year as a result of a reduction in sales volumes due to timing of cargoes and maintenance shutdown at the BSR-owned Dung Quat refinery to which TGT crude is sold, together with lower realised prices in general. The average realised crude oil price was \$85.52/bbl (2023: \$87.42/bbl), a 2% decrease year on year, and the premium to Brent was over \$5/bbl on average (2023: just under \$7/bbl). Production was lower at 4,361 boepd (2023: 5,127 boepd) and, combined with 21% fall in sales volumes, this has led to an inventory build of \$6.0m for the Vietnam producing fields.

The revenue for Egypt of \$20.7m (2023: \$18.9m) increased year on year, inclusive of \$1.9m (2023: \$nil) gross-up for corporate income taxes to be paid by EGPC on behalf of PEF. There was lower average realised crude oil price, down 4% to \$74.83/bbl (2023: \$78.18/bbl). Production rose to 1,440 bopd (2023: 1,381 bopd) and this included the NBS-SW1X well that commenced production in December 2023. There are two discounts applied to the Egypt crude production – a general Western Desert discount and one related specifically to El Fayum. Both are set by EGPC (the in-country regulator) and combined increased to just under \$6/bbl for the year (2023: over \$4/bbl).

Hedging

During 2024, the Group entered into zero cost collar hedges to protect the Brent component of forecast oil sales and to ensure future compliance with its obligations under the RBL facility agreement secured over the Group's producing assets in Vietnam and to provide downside protection to cash flows in the event of commodity price falling.

At 31 December 2024, the commodity hedges run until June 2025 and are settled monthly. Our hedging positions for the year resulted in a \$0.1m realised loss (2023: loss of \$0.2m).

For full year 2024, 31% of the Group's total oil entitlement production was hedged, securing average floor and ceiling prices for the hedged volumes at \$63.4/bbl and \$89.2/bbl, respectively. The RBL facility agreement requires the Group to hedge at least 35% of Vietnam RBL production volumes and the current hedging programme meets this requirement through to June 2025, leaving 72% of 1H 2025 Group entitlement production unhedged as at 31 December 2024. Following the maturity of the RBL facility in July 2025, the Group intends to continue hedging to mitigate the risk of commodity prices falling. As a result, the Group placed two further hedges in January 2025 through which the Group has hedged 20% of total forecast group entitlement production for 2025.

26 March 2025
2024 Preliminary Results

The table below sets out a summary of the Group's hedges outstanding as at 31 December 2024, which are all zero cost collars.

	1Q25	2Q25
Production hedge per quarter – 000/bbls	150	90
Min. Average value of hedge - \$/bbl	63.60	64.00
Max. Average value of hedge - \$/bbl	88.94	90.17

Operating costs

Group cash operating costs, defined in the Non-IFRS measures section on page 40, were \$37.8m (2023: \$37.3m). Vietnam increased marginally by 1% from \$28.8m to \$29.1m in 2024, the equivalent of \$18.23/bbl (2023: \$15.39/bbl). The increase is partly due to costs relating to the FPSO as a result of lower 3rd party production throughput from the TLJOC, which increased the HLJOC's share of the costs (TLJOC had 23.4% cost share in 2024 compared to 23.2% in 2023).

Cash operating costs in Egypt were \$8.7m in 2024 (2023: \$8.5m), which equates to \$16.51/bbl (2023: \$16.86/bbl). The 2% decrease in cash operating costs per barrel was mainly due to 4% higher production following full year contribution from NBS, combined with a reduction in fixed costs due to devaluation of the EGP against USD.

DD&A

Group DD&A associated with the producing assets decreased to \$47.1m (2023: \$55.4m) driven by 15% decrease in production year on year for the Vietnam assets and lower DD&A rates per barrel following the impairment charge recorded on TGT in December 2023. This was partially offset by higher DD&A from Egypt due to the increase in production and impairment reversal recorded on El Fayum as at 30 June 2024.

DD&A per bbl is currently \$26.38/boe for Vietnam (2023: \$27.25/boe). DD&A per bbl for Egypt is \$9.49/boe (2023: \$8.73/boe).

Administrative expenses

Administrative expenses in 2024 of \$9.1m (2023: \$9.0m) were comparable to prior year. After adjusting for non-cash share based payment charges of \$0.9m (2023: \$0.9m) the underlying administrative expenses were \$8.2m (2023: \$8.1m).

Other operating expenses

Other operating expenses in 2024 of \$0.8m (2023: \$nil) included \$0.6m in relation to the posthumous vesting of share scheme awards to the former CEO of the Company, which was formally approved by the Remuneration Committee, settled in cash and paid to his estate with the agreement of the executor. A further \$0.2m related to closure costs in respect of the US office, where the former CEO of the Company was based.

Operating profit/(loss)

Operating profit from continuing operations for the year was \$38.0m (2023: \$47.3m) excluding the net impairment reversal of \$26.3m (2023: \$65.4m net impairment charge), reflecting the combined impact of a decrease in production volumes and a lower commodity price environment during the year.

Other/restructuring expenses and gain/(loss) on fair value movement of financial asset

Other/restructuring expenses in 2024 of \$0.4m (2023: \$0.6m) related to restructuring costs for the Egypt office in Cairo.

As part of the 2022 farm-down of 55% of the Egypt concessions, Pharos is entitled to contingent consideration depending on the average Brent price each year from 2022 to the end of 2025 (with floor and cap at \$62/bbl and c.\$90/bbl respectively). The contingent consideration is calculated annually and is capped at a maximum total payment of \$20.0m. The change in contingent consideration is booked under gain/(loss) on fair value movement of financial asset.

The gain on fair value movement of financial assets for the year of \$0.3m (2023: \$0.3m loss) is due to upwards revision of the contingent consideration, as there was an immaterial movement in the assignment fee payable to EGPC.

26 March 2025
2024 Preliminary Results

Finance costs

Finance costs decreased to \$3.9m (2023: \$10.2m), due to voluntary repayments on the Group's RBL facility. Following the June 2024 redetermination, there was a change in estimated future cash flows. Upon full repayment of the loan in September 2024, a credit of \$1.3m was recognised in the income statement. There was also interest expenses and similar fees of \$2.4m, unwinding of discount on Vietnam decommissioning provisions of \$2.2m and foreign exchange losses of \$0.6m primarily driven by devaluation of the EGP against USD.

In 2023, following the June and December 2023 redeterminations and the \$35.0m repayment of principal in relation to the Group's RBL, there was a change in estimated future cash flows. As a result, a charge of \$2.7m was recognised in profit and loss, offset by an amortisation adjustment of \$(1.4)m. There was also interest expenses and similar fees of \$6.4m, unwinding of discount on Vietnam decommissioning provisions of \$2.0m and foreign exchange losses of \$0.5m primarily driven by devaluation of the EGP against USD.

Cash operating cost per barrel*	2024	2023
	\$m	\$m
Cost of sales ¹	87.3	111.2
Less		
Depreciation, depletion and amortisation	(47.1)	(55.4)
Production based taxes	(9.2)	(10.5)
Change in inventories	6.0	(4.0)
Trade receivables expected credit loss	2.5	(2.2)
Other cost of sales	(1.7)	(1.8)
Cash operating costs	37.8	37.3
Production (BOEPD)	5,801	6,508
Cash operating cost per BOE (\$)	17.80	15.70

¹ Includes impairment reversal/(charge) of financial asset

DD&A per barrel*	2024	2023
	\$m	\$m
Depreciation, depletion and amortisation	47.1	55.4
Production (BOEPD)	5,801	6,508
DD&A per BOE (\$)	22.18	23.32

* Cash operating cost per barrel and DD&A per barrel are alternative performance measures. See pages 40 and 41 for definitions.

26 March 2025
2024 Preliminary Results

Cash operating cost per barrel by Segment	Vietnam	Egypt	Total
	\$m	\$m	\$m
Cost of sales	75.6	11.7	87.3
Less			
Depreciation, depletion and amortisation	(42.1)	(5.0)	(47.1)
Production based taxes	(9.1)	(0.1)	(9.2)
Change in inventories	6.0	–	6.0
Trade Receivable expected credit loss	–	2.5	2.5
Other cost of sales	(1.3)	(0.4)	(1.7)
Cash operating costs	29.1	8.7	37.8
Production (BOEPD)	4,361	1,440	5,801
Cash operating cost per BOE (\$)	18.23	16.51	17.80

DD&A per barrel by Segment	Vietnam	Egypt	Total
	\$m	\$m	\$m
Depreciation, depletion and amortisation	42.1	5.0	47.1
Production (BOEPD)	4,361	1,440	5,801
DD&A per BOE (\$)	26.38	9.49	22.18

Movements in Property, Plant and Equipment	2024	2023
	\$m	\$m
As at 1 January	279.8	381.8
Capital spend	17.8	12.1
Transfer from intangible assets	–	2.9
Revision in decommissioning assets	(4.9)	(2.5)
DD&A – Oil and gas properties	(47.1)	(55.4)
DD&A – Other assets	(0.2)	(0.2)
Impairment reversal/(charge) – PP&E	28.3	(58.9)
As at 31 December	273.7	279.8
Property, Plant and Equipment	273.5	279.3
Right-of-use-Asset	0.2	0.5
As at 31 December	273.7	279.8

Taxation

The overall net tax charge of \$37.1m (2023: \$19.8m) principally relates to tax charges in Vietnam of \$26.8m and the deferred tax charge on impairment reversals of \$8.4m (2023: Vietnam tax charges of \$36.0m less the deferred tax credit on net impairment charges of \$16.2m).

The Group's effective tax rate approximates to the statutory tax rate in Vietnam of 50%, after adjusting for non-deductible expenditure and tax losses not recognised.

26 March 2025
2024 Preliminary Results

The Egypt concessions are subject to corporate income tax at the standard rate of 40.55%, however responsibility for payment of corporate income taxes falls upon EGPC on behalf of PEF and the other contractor parties. The Group records a tax charge, with a corresponding increase in revenue, for the tax paid by EGPC on its behalf. As PEF became profitable in 2024, reversing the historic tax loss position since first production, this led to a \$1.9m tax charge being recorded (2023: \$nil).

One of the Group's companies entered into commodity zero cost collars designated as cash flow hedges. In accordance with IAS 12, a deferred tax asset has not been recognised in relation to the hedging losses of \$0.1m (2023: \$0.2m) recorded in the year as it is unlikely that the UK tax group will generate sufficient taxable profit in the future, against which the deductible temporary differences can be utilised.

Profit/(loss) post-tax

The post-tax profit for the year of \$23.6m (2023: \$48.8m post-tax loss) included \$19.9m of restructuring expenses, re-measurements and impairments (2023: \$53.8m) which are shown in the table below. Business performance post-tax profit for the year was \$3.7m (2023: \$5.0m).

Restructuring expenses, re-measurements and impairments are comprised of the following:

Financial Statements Impact:	2024 \$m	2023 \$m	
Profit/(loss) for the year	23.6	(48.8)	
<i>Impact of restructuring expense, re-measurements and impairments</i>			
Revenue	(0.1)	(0.2)	Realised hedging losses
Cost of sales	2.5	(2.2)	Trade receivables expected credit loss
Other operating costs	(0.8)	-	Posthumous vesting of share scheme awards and US office closure
Pre-licence costs	(0.8)	-	Write-off of pre-licence costs
Impairment charge – Intangible assets	(2.0)	(6.5)	
Impairment reversal/(charge) – Property, plant and equipment	28.3	(58.9)	
Other/restructuring expenses	(0.4)	(0.6)	Egypt redundancy cost following farm down and revision of carry with IPR
Gain/(loss) on fair value movement of financial asset	0.3	(0.3)	Revision of contingent consideration in relation to Egypt farm-out
Finance costs	1.3	(1.3)	Adjustment and amortisation of capitalised borrowing costs
Income tax (charge)/credit	(8.4)	16.2	Deferred tax on impairment (reversal)/charge
Total	19.9	(53.8)	
Business performance post-tax profit *	3.7	5.0	

* A non-GAAP measure of underlying net profit from operations, which takes out the impact of unusual, non-recurring transactions and the impact of non-cash re-measurements and impairments.

Cash flow

Operating cash flow (before movements in working capital) was \$84.3m (2023: \$103.8m). After tax charges of \$35.3m (2023: \$44.3m), other/restructuring costs of \$0.4m (2023: \$nil), working capital inflow of \$5.0m (2023: \$15.0m outflow) and interest received of \$0.4m (2023: \$0.4m), the cash generated from operations was \$54.0m (2023: \$44.9m).

Cash generated from operations, after tax charges, exceptional expenses and working capital movements, is the basis of our dividend framework.

Operating cash flow (before movements in working capital) adjusted for the impact of the hedging positions of \$0.1m loss (2023: \$0.2m loss) gives an underlying operational performance of \$84.4m (2023: \$104.0m), which is consistent with the production decrease year on year and reduction in realised commodity prices.

26 March 2025
2024 Preliminary Results

The decrease in receivables was \$11.3m (2023: increase in receivables of \$19.1m). The movement in 2024 is primarily driven by \$6.4m decrease from Vietnam (2024: \$7.4m increase) due to three cargoes being lifted in December 2023 compared to two cargoes in December 2024. Payments for the December 2023 cargoes were received in January 2024 and December 2024 cargoes were received in January 2025.

There was a further \$4.8m decrease in receivables from Egypt (2023: increase in receivables of \$11.4m), due to a reduction in EGPC receivables. As of 31 December 2024, the trade receivables with EGPC stood at \$29.5m (2023: \$37.4m) and the Company received total payments of \$25.5m during 2024, following increased recovery during the year.

In Egypt, 2024 has brought about a general improvement of the macroeconomic situation. In late February/early March 2024, the Egyptian Government (i) announced a landmark agreement with ADQ (an Abu Dhabi sovereign wealth fund), whereby the latter has acquired development rights of the new coastal city of Ras El Hekma for \$35 billion (\$24 billion paid in cash and \$11 billion as conversion of UAE deposits at the Central Bank of Egypt), and then (ii) on 6 March 2024, raised all main interest rates by 600 basis points; signed a significantly expanded new loan with the International Monetary Fund (IMF) (\$8 billion, including the original \$3 billion secured in December 2022), which facilitated an additional \$14 billion from other institutional lenders including the World Bank and the European Union; and let the Egyptian pound (EGP) fully float, with an immediate devaluation from c.31 to c.49 EGP per USD, which forthwith eradicated the parallel FX market.

As a result of these policy decisions and diplomatic achievements, Egypt's foreign currency reserves increased from \$35.3 billion in February 2024 to \$47.1 billion in December 2024.

While the improved macroeconomic situation and increased FX reserves have not yet translated into a significant improvement in EGPC's arrears to oil and gas producers, the general trend is encouraging, as is the focus that the new Minister of Petroleum & Mineral Resources, Karim Badawi, is placing on the matter in order to ensure that companies resume investing in field activities. PEF is entitled under contract to be paid for hydrocarbon sales in US dollars. Until March 2024, the Group had opted to reject payment of any part of PEF's receivables balance in EGP and continued to hold USD denominated receivables due to the devaluation of currency against USD. Following the carry with IPR having been fully utilised by April 2024, the Group opted to accept the payment of part of the receivables balance in EGP in order to cover operational expenditure, cash calls and other expenses in local currencies. These factors have accelerated the recovery of Egyptian trade receivables during 2024 and the Group remains optimistic that its receivable position will continue to improve during 2025.

Capital expenditure on continuing operations for the year was marginally lower at \$26.1m (2023: \$26.7m). On Block 16-1 – TGT Field, a two-well infill programme completed successfully in October on time and under budget. In Egypt, on El Fayum, the drilling of a second exploration commitment well completed in September, encountering oil-bearing reservoirs in Abu Roach G formation. In addition, a further El Fayum development well was put on production in December 2024.

Net cash outflows from financing activities of \$51.6m (2023: \$50.1m outflow) included outflows in relation to the RBL of \$20.0m in May 2024 (2023: \$22.4m in June 2023 and \$12.6m in December 2023) following the half year redetermination process, plus a further \$10.0m principal repayment in September 2024. The amount drawn stood at \$nil at year end (2023: \$30.0m) and the RBL facility, which is secured only over the Group's interest in the Vietnam producing assets, matures in July 2025.

There was a net outflow of \$9.2m in relation to the NBE revolving credit facility (2023: \$nil). This facility allows PEF to draw down 60% of the value of each El Fayum invoice in USD. The amount drawn under the NBE facility as at 31 December 2024 was \$nil (2023: \$9.2m).

The Group is now debt free.

Financing activities also included \$2.9m outflow (2023: \$2.8m) in relation to the \$3.0m extension of the share buyback programme and there was a \$5.9m outflow (2023: \$5.6m) following payment of the interim and final dividends of \$1.7m and \$4.2m respectively for the 2023 financial year. The final dividend for the 2023 financial year was approved by shareholders at the AGM in May 2024.

Tax strategy and total tax contribution

Tax is managed proactively and responsibly with the goal of ensuring that the Group is compliant in all countries in which it holds interests. Any tax planning undertaken is commercially driven and within the spirit as well as the letter of the law.

This approach forms an integral part of the Group's sustainable business model.

The Group's Code of Business Conduct and Ethics seeks to build open, cooperative and constructive relationships with tax authorities and governmental bodies in all territories in which it operates. The Group supports greater transparency in tax reporting to build and maintain stakeholder trust. Our Tax Strategy statement can be found on our website at www.pharos.energy/responsibility/policy-statements/. We have a number of overseas subsidiaries which were set up some time ago and the Group is now proactively planning to bring these into the UK tax net to ensure greater transparency and comparability. No additional taxes are expected to be due as a result of this exercise.

During 2024, the total payments to governments for the Group amounted to \$160.3m (2023: \$188.0m), of which \$138.7m or 87% (2023: \$166.5m or 89%) was related to the Vietnam producing licence areas, of which \$92.9m (2023: \$110.8m) was for indirect taxes based on

26 March 2025
2024 Preliminary Results

production entitlement. In Egypt, payments to government totalled \$19.1m (2023: \$19.3m), of which \$18.5m (2023: \$18.4m) related to indirect taxes based on production entitlement.

Balance sheet

Intangible assets increased during the year to \$21.8m (2023: \$18.2m). Additions for the year related to Blocks 125 & 126 in Vietnam \$2.8m (2023: \$3.1m) and Egypt \$2.8m (2023: \$8.0m), which included \$2.2m in respect of the East Saad 1X exploration well drilled on El Fayum. During the prior year, the first exploration well on NBS (NBS-SW1X) was declared a commercial discovery in September 2023 and put on production in December 2023, and exploration costs of \$2.9m relating to the development lease were transferred to property, plant and equipment. There were total Exploration and evaluation expenditure impairment charges of \$2.0m in the year (2023: \$6.5m), which included \$1.4m write-off of an El Fayum exploration well in the Abu Roach G and Upper Bahariya formations drilled in the prior year.

The movements in the Property, Plant and Equipment asset class are shown above.

Impairment reversals/(charges)

As a result of previously recognised impairment losses, combined with the licence extensions, and movements in 2P reserves, we have tested each of our oil and gas producing properties for impairment. The results of these impairment tests are summarised below. For each producing property, the recoverable amount has been determined using the value in use method. The recoverable amount is calculated using a discounted cash flow valuation of the 2P production profile.

Summary of Impairments – Oil and Gas properties	TGT \$m	CNV \$m	El Fayum \$m	NBS \$m	Total \$m
2024					
Pre-tax impairment credit	19.8	3.6	4.9	–	28.3
Deferred tax charge	(7.1)	(1.3)	–	–	(8.4)
Post-tax impairment credit	12.7	2.3	4.9	–	19.9
Reconciliation of carrying amount:					
As at 1 January 2024	158.6	65.0	54.7	1.0	279.3
Additions	12.8	1.0	3.5	0.5	17.8
Changes in decommissioning asset ¹	(4.9)	–	–	–	(4.9)
DD&A	(32.7)	(9.4)	(4.6)	(0.4)	(47.1)
Impairment reversal	19.8	3.6	4.9	–	28.3
As at 31 December 2024	153.6	60.2	58.5	1.1	273.4
2023					
Pre-tax impairment (charge)/credit	(46.3)	0.3	(11.0)	(1.9)	(58.9)
Deferred tax credit/(charge)	16.5	(0.3)	–	–	16.2
Post-tax impairment charge	(29.8)	–	(11.0)	(1.9)	(42.7)
Reconciliation of carrying amount:					
As at 1 January 2023	242.4	76.4	62.5	–	381.3
Additions	1.3	3.0	7.6	–	11.9
Transfer from intangible assets	–	–	–	2.9	2.9
Changes in decommissioning asset ¹	–	(2.5)	–	–	(2.5)
DD&A	(38.8)	(12.2)	(4.4)	–	(55.4)
Impairment (charge)/reversal	(46.3)	0.3	(11.0)	(1.9)	(58.9)
As at 31 December 2023	158.6	65.0	54.7	1.0	279.3

¹ Changes in decommissioning asset for TGT are due to a change in discount rate and field abandonment plan, including two new infill wells completed in October 2024. CNV reflects a change in discount rate and field abandonment plan (2023: change in discount rate only for TGT; change in field abandonment plan and discount rate for CNV)

26 March 2025
2024 Preliminary Results

Cash is set aside into abandonment funds for both TGT and CNV. These abandonment funds are controlled by PetroVietnam and, as the Group retains the legal rights to the funds pending commencement of abandonment operations, they are treated as other non-current assets in the Financial Statements. As at 31 December 2024, the Group's total contribution to the funds was \$56.0m (2023: \$53.7m).

Oil inventory was \$9.3m at 31 December 2024 (2023: \$3.3m), of which \$9.1m related to Vietnam and \$0.2m to Egypt. Trade and other receivables decreased to \$47.9m (2023: \$62.3m) of which \$14.5m (2023: \$19.0m) relates to Vietnam and \$32.7m (2023: \$42.7m) relates to Egypt. Egypt trade receivables include \$28.1m from EGPC, after expected credit loss provision of \$1.4m recognised under IFRS 9, where collection has been delayed by the devaluation of EGP and ongoing restrictions on outgoing USD transfers by the Central Bank of Egypt previously highlighted (2023: trade receivable from Egypt \$33.4m after expected credit loss provision of \$4.0m). For Egypt in 2023, the closing balance included \$4.9m of carry which reflected the remaining disproportionate funding contribution from IPR to compensate for net cash flows between the economic date of the farm down transaction, 1 July 2020, and the completion date of 21 March 2022. The carry decreased every month by the cash calls received from IPR and was utilised in full by April 2024.

Cash and cash equivalents at the end of the year were \$16.5m (2023: \$32.6m) and the decrease was mainly driven by \$39.2m net repayment of borrowings (2023: \$40.5m) and \$10.6m reduction in utilisation of the carry compared to prior year, offset by cash flows from operating activities of \$54.0m (2023: \$44.9m) due to working capital inflows.

Trade and other payables were higher at \$14.3m (2023: \$12.5m), of which \$5.3m (2023: \$7.9m) relates to Egypt, primarily net JV payables in relation to operations and Stratton royalty obligation. \$5.1m (2023: \$2.2m) relates to Vietnam payables and \$3.9m (2023: \$2.4m) Head Office payables. Tax payables decreased to \$3.2m (2023: \$5.8m) which relates to Vietnam taxes on oil and gas revenues.

Borrowings were \$nil (2023: \$40.5m) following voluntary repayment of the RBL loan facility (2023: \$31.3m RBL loan) and the NBE revolving credit facility was also repaid in full (2023: \$9.2m NBE credit facility).

Long-term provisions comprise the Group's decommissioning obligations for the Vietnam fields. The decommissioning provision decreased from \$53.8m at 2023 year end to \$51.1m at 31 December 2024, as \$2.2m unwind of the decommissioning provision and \$0.9m impact of two new infill wells on TGT, were offset by an increase in discount rate from 3.87% to 4.58% for both TGT and CNV (\$2.4m), finalisation of revised abandonment plans for both fields (\$0.8m) and also extension of the production licences for both TGT and CNV to December 2031 and December 2032 respectively (\$2.6m). The amounts set aside into the abandonment funds total \$56.0m (2023: \$53.7m). No decommissioning obligation exists under the El Fayum and NBS Concessions.

Own shares

The Pharos Employee Benefit Trust holds ordinary shares of the Company for the purposes of satisfying long-term incentive awards for senior management. At the end of 2024, the trust held 3,784,406 (2023: 2,126,857), representing 0.89% (2023: 0.49%) of the issued share capital.

In addition, as at 31 December 2024, the Company held 9,122,268 (2023: 9,122,268) treasury shares, representing 2.15% (2023: 2.11%) of the issued share capital. All shares purchased under the on-market buyback programme originally announced in July 2022 and extended in January 2023 and December 2023 have been cancelled rather than retained in treasury.

Share buyback and dividend framework

Following a period of relatively stable commodity prices and a strengthening of the Group's liquidity position, the Company committed to shareholder returns in the form of share buybacks and dividends. On 6 December 2023, the Company announced the continuation of a further \$3.0m share buyback programme in 2024 (the Second Programme Extension), of which \$2.9m had been incurred by the end of December 2024. The programme subsequently completed in full during January 2025.

Pharos has a clear sustainable policy for regular dividend payments and this has been set at returning no less than 10% of Operating Cash Flow (OCF) each year in two tranches:

- An interim dividend of 33% of the previous year's total dividend, payable in January of the following year; and
- A final dividend payable in July of the following year.

On 6 December 2023, an interim dividend of 0.33 pence per share, \$1.7m equivalent, was declared by the Board in respect of the year ended 31 December 2023 and paid on 24 January 2024 to shareholders on the register at the close of business on 22 December 2023. A final dividend of 0.77 pence per share in respect of the year ended 31 December 2023, \$4.2m equivalent, was approved by the shareholders at the Company's AGM in May 2024 and subsequently paid on 19 July 2024 to shareholders on the register at the close of business on 14 June 2024. This took the 2023 full year dividend to 1.10 pence per share, an increase of 10% on the prior year.

The Board resolved to pay an interim dividend of 0.363 pence per share, \$1.8m equivalent, in respect of the year ended 31 December 2024 and this was paid on 22 January 2025 to shareholders on the Company's register as at 20 December 2024.

26 March 2025
2024 Preliminary Results

The Board have recommended a final dividend in respect of the year ended 31 December 2024 of 0.847 pence per share subject to approval of the shareholders at the Company's 2025 AGM. Subject to this approval, the final dividend will be paid in full on 18 July 2025 in Pounds Sterling to ordinary shareholders on the register at the close of business on 13 June 2025, with an ex-dividend date of 12 June 2025. This would take the 2024 full year dividend to 1.210 pence per share, which is 10% higher than prior year.

Going concern

Pharos continuously monitors its business activities, financial position, cash flows and liquidity through detailed forecasts. Scenarios and sensitivities are also regularly presented to the Board, including changes in commodity prices and in production levels from the existing assets, plus other factors that could affect the Group's future performance and position.

A base case forecast has been considered that utilises oil prices of \$74.7/bbl in 2025 and \$72.9/bbl in 2026. The key assumptions and related sensitivities include a "Reasonable Worst Case" (RWC) scenario, where the Board has taken into account the risk of an oil price crash broadly similar to what occurred in 2020. It assumes the Brent oil price down by a third to \$49.5/bbl in April 2025 and gradually recovers to base price in next 12 months, concurrent with 5% reductions in Vietnam and Egypt production compared to our base case from April 2025. Both the base case and RWC take into account effect of hedging that has already been put in place at 31 December 2024 and subsequent hedges placed in 2025, now covering 20% of total group entitlement production for 2025. We have therefore secured an average floor price and ceiling price of c. \$63.5/bbl and c. \$87.6/bbl, respectively, for the entire hedged volumes in 2025. Under the RWC scenario, we have identified appropriate mitigating actions, which could look to defer uncommitted expenditure as required.

In addition, we have conducted a reverse stress test sensitivity analysis that indicates the magnitude of oil price decline required to breach our financial headroom, assuming all other variables remain unchanged.

Our business in Vietnam remains robust, with a low breakeven oil price. In Q4 2025 to 1Q 2026, we have three infill wells and one appraisal well on TGT, and one infill well on CNV planned to be drilled. The Group voluntarily repaid the RBL loan facility in full on 17 September 2024 and is currently debt-free.

In Egypt, we have also focused on economically efficient programmes, including development wells and recompletions on both El-Fayum and NBS in 2025. Pharos has an extended \$10m revolving credit facility until November 2025.

On the basis of the forecasts provided above, the Group is expected to have sufficient financial headroom for the period up to 31 March 2026. Based on this analysis, the Directors have a reasonable expectation that the Group has adequate resources to continue its operations in the foreseeable future. Therefore, the Financial Statements have been prepared using the going concern basis of accounting.

Financial outlook

We are in a strong position as we move into 2025 with a number of value catalysts:

- An extensive drilling campaign in Vietnam with the approval of the licence extensions on our producing assets TGT and CNV
- Look forward to approval of the consolidation of our concessions in Egypt with improved fiscal terms and increased longevity
- A strong and stable balance sheet with improved liquidity position.
- Continued improvement in the economic situation in Egypt unlocking more of our receivables position

Stable returns to shareholders are expected in 2025, with the dividend policy of no less than 10% of OCF.

Sue Rivett
Chief Financial Officer

26 March 2025
2024 Preliminary Results

CONDENSED CONSOLIDATED INCOME STATEMENT

for the year to 31 December 2024

	Notes	2024 \$ million	2023 \$ million
<i>Continuing operations</i>			
Revenue	3	136.0	167.9
Cost of sales	4	(89.8)	(109.0)
Impairment reversal/(charge) – Financial asset	4	2.5	(2.2)
Gross profit		48.7	56.7
Administrative expenses		(9.1)	(9.0)
Other operating costs	5	(0.8)	-
Pre-licence costs		(0.8)	(0.4)
Impairment charge – Intangibles assets	3, 9	(2.0)	(6.5)
Impairment reversal/(charge) – Property, plant and equipment	3, 10	28.3	(58.9)
Operating profit/(loss)		64.3	(18.1)
Other/restructuring expense	5	(0.4)	(0.6)
Gain/(loss) on fair value movement of financial asset		0.3	(0.3)
Investment revenue		0.4	0.2
Finance costs	6	(3.9)	(10.2)
Profit/(loss) before tax	3	60.7	(29.0)
Income tax charge	7	(37.1)	(19.8)
Profit/(loss) for the year		23.6	(48.8)
Profit/(loss) per share (cents)	8		
Basic		5.7	(11.4)
Diluted		5.4	(11.4)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year to 31 December 2024

		2024 \$ million	2023 \$ million
Profit/(loss) for the year		23.6	(48.8)
Items that may be subsequently reclassified to profit or loss:			
Fair value (loss)/gain arising on hedging instruments during the year	11	(0.1)	0.6
Less: Loss arising on hedging Instruments reclassified to profit or loss	11	0.1	0.2
Total comprehensive income/(loss) for the year		23.6	(48.0)

The above condensed consolidated income statement and condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

26 March 2025
2024 Preliminary Results

CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	Group		Company	
		2024	2023 Restated ¹	2024	2023 Restated ¹
		\$ million	\$ million	\$ million	\$ million
Non-current assets					
Intangible assets	9	21.8	18.2	–	–
Property, plant and equipment	10	273.5	279.3	–	–
Right of use asset	10	0.2	0.5	–	–
Investments		–	–	287.0	261.5
Loan to subsidiaries		–	–	18.4	16.8
Other assets		57.8	58.6	–	–
		353.3	356.6	305.4	278.3
Current assets					
Inventories		9.3	3.3	–	–
Trade and other receivables		47.9	62.3	0.5	0.4
Tax receivables		0.3	2.2	0.2	0.2
Cash and cash equivalents		16.5	32.6	0.8	1.7
		74.0	100.4	1.5	2.3
Total assets		427.3	457.0	306.9	280.6
Current liabilities					
Trade and other payables		(14.3)	(15.7)	(3.8)	(2.3)
Borrowings		–	(29.5)	–	–
Lease Liabilities		(0.2)	(0.3)	–	–
Tax payables		(3.2)	(2.6)	–	(0.9)
		(17.7)	(48.1)	(3.8)	(3.2)
Non-current liabilities					
Other payables		(0.2)	(0.5)	–	–
Deferred tax liabilities		(67.5)	(68.2)	–	–
Borrowings		–	(11.0)	–	–
Lease liabilities		–	(0.2)	–	–
Long term provisions		(51.1)	(53.8)	–	–
		(118.8)	(133.7)	–	–
Total liabilities		(136.5)	(181.8)	(3.8)	(3.2)
Net assets		290.8	275.2	303.1	277.4
Equity					
Share capital		33.1	33.7	33.1	33.7
Share premium		58.0	58.0	58.0	58.0
Other reserves		258.1	255.4	202.0	200.6
Retained (deficit) / earnings		(58.4)	(71.9)	10.0	(14.9)
Total equity		290.8	275.2	303.1	277.4

¹ See Notes 2(d) and 2(e)

The above condensed consolidated and company balance sheets should be read in conjunction with the accompanying notes.

26 March 2025
2024 Preliminary Results

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

					Group	
	Notes	Called up share capital \$ million	Share premium \$ million	Other reserves earnings \$ million	Retained earnings/(deficit) \$ million	Total \$ million
As at 1 January 2023		34.3	58.0	253.6	(15.3)	330.6
Loss for the year		–	–	–	(48.8)	(48.8)
Other comprehensive income		–	–	0.8	–	0.8
Share buy back		(0.6)	–	0.6	(2.8)	(2.8)
Share-based payments		–	–	1.0	–	1.0
Distributions to shareholders (Restated)		–	–	–	(5.6)	(5.6)
Transfer relating to share-based payments		–	–	(0.6)	0.6	–
As at 1 January 2024 (Restated¹)		33.7	58.0	255.4	(71.9)	275.2
Profit for the year		–	–	–	23.6	23.6
Share buy back		(0.6)	–	0.6	(2.9)	(2.9)
Share purchased		–	–	(0.9)	–	(0.9)
Share-based payments		–	–	1.7	–	1.7
Distributions to shareholders	12	–	–	–	(5.9)	(5.9)
Transfer relating to share-based payments		–	–	1.3	(1.3)	–
As at 31 December 2024		33.1	58.0	258.1	(58.4)	290.8

					Company	
		Called up share capital \$ million	Share premium \$ million	Other reserves earnings \$ million	Retained earnings/(deficit) \$ million	Total \$ million
As at 1 January 2023 (Restated¹)		34.3	58.0	199.7	42.9	334.9
Loss for the year (Restated)		–	–	–	(50.0)	(50.0)
Share buy back		(0.6)	–	0.6	(2.8)	(2.8)
Share-based payments		–	–	1.0	–	1.0
Distributions to shareholders (Restated)		–	–	–	(5.6)	(5.6)
Transfer relating to share-based payments		–	–	(0.7)	0.6	(0.1)
As at 1 January 2024 (Restated¹)		33.7	58.0	200.6	(14.9)	277.4
Profit for the year		–	–	–	35.0	35.0
Share buy back		(0.6)	–	0.6	(2.9)	(2.9)
Share-based payments		–	–	1.7	–	1.7
Distributions to shareholders	12	–	–	–	(5.9)	(5.9)
Transfer relating to share-based payments		–	–	(0.9)	(1.3)	(2.2)
As at 31 December 2024		33.1	58.0	202.0	10.0	303.1

¹ See Notes 2(d) and 2(e)

The above condensed consolidated and company statements of changes in equity should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

26 March 2025
2024 Preliminary Results

for the year to 31 December 2024

	Notes	Group		Company	
		2024 \$ million	2023 \$ million	2024 \$ million	2023 \$ million
Net cash from (used in) operating activities	13	54.0	44.9	(11.2)	(8.1)
Investing activities					
Purchase of intangible assets		(5.4)	(9.7)	–	–
Purchase of property, plant and equipment		(18.4)	(13.5)	–	–
Payment to abandonment fund		(2.3)	(3.5)	–	–
Consideration in relation to farm out of Egyptian assets ¹		5.0	15.6	–	–
Contingent consideration received in relation to farm out of Egyptian assets		3.6	5.0	–	–
Assignment fee in relation to farm out of Egyptian assets		(0.4)	(0.5)	–	–
Loans with subsidiaries		–	–	4.7	–
Dividends received from subsidiary undertakings		–	–	14.3	11.4
Net cash (used in) from investing activities		(17.9)	(6.6)	19.0	11.4
Financing activities					
Share purchase		(0.9)	–	–	–
Repayment of borrowings		(41.4)	(44.2)	–	–
Proceeds from borrowings		2.2	9.2	–	–
Interest paid on borrowings		(2.4)	(6.4)	–	–
Lease payments		(0.3)	(0.3)	–	–
Share buy back		(2.9)	(2.8)	(2.9)	(2.8)
Dividends paid to shareholders		(5.9)	(5.6)	(5.9)	(5.6)
Funding movements with subsidiaries		–	–	–	(2.1)
Net cash used in financing activities		(51.6)	(50.1)	(8.8)	(10.5)
Net decrease in cash and cash equivalents		(15.5)	(11.8)	(1.0)	(7.2)
Cash and cash equivalents at beginning of year		32.6	45.3	1.7	8.8
Effect of foreign exchange rate changes		(0.6)	(0.9)	0.1	0.1
Cash and cash equivalents at end of year		16.5	32.6	0.8	1.7

¹ During the year IPR, acting as operator and agent, was authorised to settle its operating liabilities of \$3.7m (2023: \$3.5m) and investing liabilities of \$1.3m (2023: \$12.1m) against the consideration due from the associated carry debtor amounting to \$5.0m (2023: \$15.6m). The Company has disclosed the underlying cash flows as operating, investing or financing according to their nature on the basis that, as a principal, the entity has the right to the cash inflows and/or the obligation to settle the liability and to ensure clarity of disclosure of the operating cash costs of the business.

The above condensed consolidated and company cash flow statements should be read in conjunction with the accompanying notes.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. General information

The financial information set out above does not constitute the Company's statutory accounts for the years ended 31 December 2024 or 2023, but is derived from those accounts. A copy of the statutory accounts for 2023 has been delivered to the Registrar of Companies and those for 2024 will be delivered following the Company's annual general meeting. The auditors have reported on those accounts; their reports were unqualified, did not draw attention to any matters by way of emphasis without qualifying their report and did not contain statements under section 498(2) or (3) of the Companies Act 2006. Whilst the financial information included in this preliminary announcement has been computed in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB), this announcement does not itself contain sufficient information to comply with IFRS. The financial statements are presented in US dollars which is the functional currency of each of the Company's subsidiary undertakings.

2. Material accounting policies

(a) Basis of preparation

The financial information has been prepared in accordance with the recognition and measurement criteria of international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards, as issued by the International Accounting Standard Board (IASB) and endorsed by the UK Endorsement Board (UKEB).

The financial information has also been prepared on a going concern basis of accounting.

(b) New and amended standards adopted by Pharos

A number of new or amended standards became applicable for the current reporting period.

Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback

The amendments in IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Group's financial statements.

Amendments to IAS 1 - Classification of Liabilities as Current or Non-current

The amendments to IAS 1 specify the requirements for classifying liabilities as current or non-current.

The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments have not had an impact on the classification of the Group's liabilities.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments had no impact on the Group's financial statements.

(c) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2024 year end and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods nor on foreseeable future transactions.

26 March 2025
2024 Preliminary Results

(d) Restatement of prior year results

As at 31 December 2023, a \$1.7m current liability was recognised in respect of the interim dividend announced in December 2023 and paid in January 2024. While preparing these financial statements the Group noted the guidance set out in the ICAEW Technical Release 02/17BL regarding “Guidance on Realised and Distributable Profits under the Companies Act 2006” (TR 02/17BL) which requires a legally binding liability to be established prior to the recognition of an interim dividend. Since this obligation was not legally binding as at 31 December 2023, the comparatives in the Consolidated Balance Sheet and the Consolidated Statements of Changes in Equity as at 31 December 2023 have been restated for the Group and the Company to remove the interim dividend liability. Going forward, the Group will recognise interim dividends only in the period in which they are paid unless applicable accounting practice, standards or guidance changes. This does not constitute any change in the Group’s previously announced dividend policy.

(e) Restatement of Fixed asset investments and joint arrangements in the Company

Comparative information in respect of impairment charge and remaining recoverable amount has been restated in relation to the recognition of an additional impairment of investments in subsidiaries due to an error in calculating the recoverable value of Pharos Energy plc’s investment in Pharos Exploration Limited. The investment balance as at 31 December 2023 was overstated and an impairment charge for the year ended 31 December 2023 was understated by \$32.8m, \$29.8m of which related to pre-2023 financial years. As a result of the correction, investment in subsidiaries as at 31 December 2023 decreased from \$294.3m to \$265.1m and loss for the year increased from \$47.0m to \$50.0m. The \$29.8m additional loss in relation to pre-2023 financial years has been corrected in opening retained earnings as of 1 January 2023 which has the impact of reducing the investment balance as at 1 January 2023 from \$335.5m to \$305.7m.

3. Segment information

The Group has one principal business activity being oil and gas exploration and production. The Group’s operations are located in South East Asia and Egypt (the Group’s operating segments). There are no inter-segment sales. South East Asia and Egypt form the basis on which the Group reports its segment information.

	2024			
	SE Asia \$ million	Egypt \$ million	Unallocated \$ million	Group \$ million
Oil and gas sales	115.4	20.7	–	136.1
Realised loss on commodity hedges	–	–	(0.1)	(0.1)
Total revenue	115.4	20.7	(0.1)	136.0
Cost of sales	(75.6)	(14.2)	–	(89.8)
Impairment reversal – Financial asset	–	2.5	–	2.5
Administrative expenses	–	–	(9.1)	(9.1)
Depreciation, depletion and amortisation - Oil and gas	(42.1)	(5.0)	–	(47.1)
Depreciation, depletion and amortisation - Other	–	(0.2)	–	(0.2)
Other operating costs	–	–	(0.8)	(0.8)
Pre-licence costs	–	–	(0.8)	(0.8)
Impairment charge – Intangible assets	–	(2.0)	–	(2.0)
Impairment reversal - PP&E	23.4	4.9	–	28.3
Gain on fair value movement of financial asset	–	0.3	–	0.3
Profit/(loss) before tax ¹	60.9	11.3	(11.5)	60.7
Tax charge on operations	(26.8)	(1.9)	–	(28.7)
Tax charge on impairment reversal	(8.4)	–	–	(8.4)

26 March 2025
2024 Preliminary Results

	2023			
	SE Asia \$ million	Egypt \$ million	Unallocated \$ million	Group \$ million
Oil and gas sales	149.2	18.9	–	168.1
Realised loss on commodity hedges	–	–	(0.2)	(0.2)
Total revenue	149.2	18.9	(0.2)	167.9
Cost of sales	(95.6)	(13.4)	–	(109.0)
Impairment charge – Financial asset	–	(2.2)	–	(2.2)
Administrative expenses	–	–	(9.0)	(9.0)
Depreciation, depletion and amortisation - Oil and gas	(51.0)	(4.4)	–	(55.4)
Depreciation, depletion and amortisation - Other	–	(0.2)	–	(0.2)
Pre-licence costs	–	(0.4)	–	(0.4)
Impairment charge – Intangible assets	–	(6.5)	–	(6.5)
Impairment charge- PP&E	(46.0)	(12.9)	–	(58.9)
Loss on fair value movement of financial asset	–	(0.3)	–	(0.3)
Profit/(loss) before tax¹	5.6	(18.4)	(16.2)	(29.0)
Tax charge on operations	(36.0)	–	–	(36.0)
Tax credit on impairment charge	16.2	–	–	16.2

¹ Unallocated amounts included in profit/(loss) before tax comprise corporate costs not attributable to an operating segment, investment revenue, other gains and losses and finance costs.

The accounting policies of the reportable segments are the same as the Group's accounting policies.

Included in revenues arising from South East Asia and Egypt are revenues of \$115.4m and \$20.7m which arose from the Group's two largest customers, who contributed more than 10% to the Group's oil and gas revenue (2023: \$149.2m and \$18.9m in South East Asia and Egypt from the Group's two largest customers).

Geographical information

The Group's oil and gas revenue and non-current assets (excluding other assets) by geographical location are separately detailed below where they exceed 10% of total revenue or non-current assets, respectively:

Revenue

All of the Group's oil and gas revenue is derived from foreign countries. The Group's oil and gas revenue by geographical location is determined by reference to the final destination of oil or gas sold.

	2024 \$ million	2023 \$ million
Vietnam	115.4	149.2
Egypt	20.7	18.9
	136.1	168.1

26 March 2025
2024 Preliminary Results

Non-current assets	2024	2023
	\$ million	\$ million
Vietnam	233.5	240.4
Egypt	62.0	57.6
	295.5	298.0

Excludes other assets.

4. Cost of sales

	2024	2023
	\$ million	\$ million
Depreciation, depletion and amortisation (see Note 10)	47.1	55.4
Production based taxes	9.2	10.5
Production operating costs	39.5	39.1
Change in inventories	(6.0)	4.0
	89.8	109.0
Impairment (reversal)/charge – financial asset	(2.5)	2.2
	87.3	111.2

5. Other operating costs and Other/restructuring expense

Other operating costs	2024	2023
	\$ million	\$ million
Share based payments	0.6	–
Other	0.2	–
	0.8	–

Share based payments of \$0.6m relate to the posthumous vesting of share scheme awards to the former CEO of the Company, settled in cash and paid to his estate with the agreement of the executor. This cash settlement was provided for in the relevant share scheme rules and formally approved by the Remuneration Committee.

Other costs of \$0.2m were incurred in relation to the closure of the Group's US office.

Other/restructuring expense	2024	2023
	\$ million	\$ million
Redundancy costs	0.4	–
Other	–	0.6
	0.4	0.6

In 2024, Other/restructuring expenses included \$0.4m of redundancy costs relating to the Egypt office in Cairo. In 2023, other expenses of \$0.6m were due to changes in the best estimate of the adjustment relating to the interim period between the economic date of 1 July 2020 and the completion date of the disposal of 55% interest in the Egypt concessions

26 March 2025
2024 Preliminary Results

6. Finance costs

	2024 \$ million	2023 \$ million
Unwinding of discount on provisions	2.2	2.0
Interest expense and similar fees	1.1	7.7
Net foreign exchange losses	0.6	0.5
	3.9	10.2

In 2024, \$2.2m relates to the unwinding of discount on the provisions for decommissioning (2023: \$2.0m). The provisions are based on the net present value of the Group's share of the expenditure which will be incurred at the end of the producing life of TGT and CNV (currently estimated to be 7-8 years) in the removal and decommissioning of the facilities currently in place.

Following the June 2024 redetermination and the \$20.0m repayment of principal in relation to the Group's reserve based lending facility, there was a change in estimated future cash flows. The RBL loan facility was voluntarily repaid early and in full on 17 September 2024, and a credit of \$1.3m was recognised in the income statement.

In 2023, following the June and December 2023 redeterminations and the \$35.0m repayment of principal in relation to the Group's reserve based lending facility, there was a change in estimated future cash flows. As a result, a charge of \$2.7m was recognised in profit and loss, offset by an amortisation adjustment of \$(1.4)m.

7. Tax

	2024 \$ million	2023 \$ million
Current tax		
Corporation income tax	36.0	44.7
Adjustments in respect of prior years	1.8	(0.2)
	37.8	44.5
Deferred tax		
Deferred tax credit on operations	(9.1)	8.5
Deferred tax charge/(credit) on impairment	8.4	(16.2)
	(0.7)	(24.7)
Total tax charge	37.1	19.8

The Group's corporation tax is calculated at 50% (2023: 50%) of the estimated assessable profit for the year in Vietnam. In Egypt, under the terms of the concession, any local taxes arising are settled by EGPC. During 2024 and 2023, both current and deferred taxation have arisen in overseas jurisdictions only.

26 March 2025
2024 Preliminary Results

The charge for the year can be reconciled to the profit/(loss) per the income statement as follows:

	2024 \$ million	2023 \$ million
Profit/(loss) before tax	60.7	(29.0)
Tax at 50% (2023: 50%)	30.4	(14.5)
Effects of:		
Non-taxable income	(5.8)	–
Non-deductible expenses	8.1	18.0
Egypt taxation at different rate to Vietnam effective tax rate	(2.0)	–
Tax losses not recognised	4.9	16.5
Utilisation of tax losses	(0.3)	–
Adjustments to tax charge in respect of previous periods	1.8	(0.2)
Tax charge for the year	37.1	19.8

The prevailing tax rate in Vietnam, where the Group produces oil and gas, is 50%. The tax charge in future periods may also be affected by the factors in the reconciliation above.

In 2024, non-taxable income relates to the tax impact of Vietnam impairment reversals of \$(3.3)m in relation to the non-cost recovery pool and Egypt impairment reversal of \$(2.5)m. Non-deductible expenses primarily relate to Vietnam DD&A charges for costs previously capitalised, which are non-deductible for Vietnamese tax purposes of \$6.2m (2023: Vietnam impairment charges of \$6.8m in respect of the non-cost recovery pool and DD&A charges for costs previously capitalised of \$10.4m). A further \$0.9m (2023: \$0.8m) relates to non-deductible corporate costs including share scheme incentives and \$1.0m (2023: \$nil) in relation to impairment of Egypt intangible assets.

The Egypt concessions are subject to corporate income tax at the standard rate of 40.55%, however responsibility for payment of corporate income taxes falls upon EGPC on behalf of Pharos El Fayum (PEF). The Group records a tax charge, with a corresponding increase in revenue, for the tax paid by EGPC on its behalf. As PEF became profitable in 2024, reversing the historic tax loss position since first production, this led to a \$1.9m tax charge being recorded.

The effect from tax losses not recognised in 2024 relates to costs, primarily of the Company, deductible for tax in the UK but not expected to be utilised in the foreseeable future.

8. Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

	2024 \$ million	Group 2023 \$ million
Gain/(loss) for the purposes of basic earnings per share	23.6	(48.8)
Effect of dilutive potential ordinary shares – Cash settled share awards and options	(0.9)	–
Gain/(loss) for the purposes of diluted earnings per share	22.7	(48.8)

26 March 2025
2024 Preliminary Results

	Number of shares (million)	
	2024	2023
Weighted average number of ordinary shares	417.0	427.2
Effect of dilutive potential ordinary shares – Share awards and options	2.7	–
Weighted average number of ordinary shares for the purpose of diluted profit/(loss) per share	419.7	427.2

In accordance with IAS 33 “Earnings per Share”, the effects of 2.9m antidilutive potential shares have not been included when calculating dilutive earnings per share for the year ended 31 December 2023, as the Group was loss making.

9. Intangible assets

Intangible assets at 2024 year-end comprise the Group’s exploration and evaluation projects which are pending determination. Included in the additions is Blocks 125 & 126 in Vietnam \$2.8m (2023: \$3.1m) and Egypt \$2.8m (2023: \$8.0m), of which \$0.6m (2023: \$6.7m) relates to North Beni Suef.

In 2020, an IFRS 6 impairment indicator was triggered following the Group’s decision to defer all non-essential investment in Vietnam and Egypt at this point. No substantive expenditure for its exploration areas in Vietnam and Egypt was either budgeted or planned in the near future. Exploration costs including costs associated with Blocks 125 & 126 in Vietnam of \$17.9m and costs associated with Egypt projects in the amount of \$5.3m (\$2.4m share post-farm out) were written off in the income statement in accordance with the Group’s accounting policy on oil and gas exploration and evaluation expenditure.

During 2023, approval was received from the Vietnamese Government in June for the two-year extension to Phase One of the Exploration Period under Blocks 125 & 126 PSC to 8 November 2025. In July 2023, the Company published an independent report prepared by ERCE on Blocks 125 & 126 in Vietnam which makes estimates of prospective oil resources with an aggregated gross unrisked Mean of 13,328 MMstb, covering those Prospects and Leads already identified. The report supports the Company’s internal assessments and paves the way for further work to develop new Leads and mature Leads to Prospects. Detailed drilling engineering studies for the proposed well on Prospect A commenced in 3Q 2024, with long lead items ordered to progress the opportunity on Blocks 125 & 126. The Company is continuing its discussions with potential farm-in partners and rig contractors to complete all necessary work to drill the first exploration well on this basin-opening play. Whilst ongoing costs for exploration are therefore forecasted and funds are available for future exploration, there is insufficient certainty of full recovery to justify the reversal of the previous impairment charges in 2020. The accumulated impairment charges against Vietnam exploration and evaluation expenditure at 31 December 2024 therefore remains at \$17.9m (2023: \$17.9m).

In Egypt, as part of the planned work programme for 2024, an exploration well was drilled on El Fayum in August 2024. Testing of the well was carried out at the beginning of February 2025. IPR, the operator of the El Fayum Concession, applied to EGPC for commercial discovery declaration and early production permission in February 2025. There were total Exploration and evaluation expenditure impairment charges of \$2.0m in the year (2023: \$6.5m), which included \$1.4m write-off of an El Fayum exploration well in the Abu Roash G and Upper Bahariya formations drilled during 2023 following expiration of the licence, and \$0.6m relating to NBS, \$0.3m of which was seismic processing carried out during 2024 and \$0.3m related to a dry hole well, NBS-SW5X.

On NBS, the first exploration commitment well (NBS-SW1X) was declared a commercial discovery in September 2023 and put on production in December 2023. As a result, exploration costs of \$2.9m relating to the development lease were reclassified to property, plant and equipment during the prior year.

26 March 2025
2024 Preliminary Results

10. Property, plant and equipment

2024	Oil and gas properties \$ million	Other \$ million	Total \$ million
Property, plant and equipment	273.2	0.3	273.5
Right of use asset	0.2	–	0.2
As at 31 December 2024	273.4	0.3	273.7

2023	Oil and gas properties \$ million	Other \$ million	Total \$ million
Property, plant and equipment	278.8	0.5	279.3
Right of use asset	0.5	–	0.5
As at 31 December 2023	279.3	0.5	279.8

As a result of previously recognised impairment losses, combined with the licence extensions, and movements in 2P reserves, we have tested each of our oil and gas producing properties for impairment. The results of these impairment tests are summarised below. For each producing property, the recoverable amount has been determined using the value in use method. The recoverable amount is calculated using a discounted cash flow valuation of the 2P production profile.

Summary of Impairments – Oil and Gas Properties

	2024				
2024	TGT \$ million	CNV \$ million	El Fayum \$ million	NBS \$ million	Total \$ million
Pre-tax impairment reversal	19.8	3.6	4.9	–	28.3
Deferred tax charge	(7.1)	(1.3)	–	–	(8.4)
Post-tax impairment reversal	12.7	2.3	4.9	–	19.9
Reconciliation of carrying amount:					
As at 1 January 2024	158.6	65.0	54.7	1.0	279.3
Additions	12.8	1.0	3.5	0.5	17.8
Changes in decommissioning asset ¹	(4.9)	–	–	–	(4.9)
DD&A	(32.7)	(9.4)	(4.6)	(0.4)	(47.1)
Impairment reversal	19.8	3.6	4.9	–	28.3
As at 31 December 2024	153.6	60.2	58.5	1.1	273.4

26 March 2025
2024 Preliminary Results

	2023				
	TGT \$ million	CNV \$ million	El Fayum \$ million	NBS \$ million	Total \$ million
2023					
Pre-tax impairment (charge)/reversal	(46.3)	0.3	(11.0)	(1.9)	(58.9)
Deferred tax charge	16.5	(0.3)	–	–	16.2
Post-tax impairment charge	(29.8)	–	(11.0)	(1.9)	(42.7)
Reconciliation of carrying amount:					
As at 1 January 2023	242.4	76.4	62.5	–	381.3
Additions	1.3	3.0	7.6	–	11.9
Transfer from intangible assets	–	–	–	2.9	2.9
Changes in decommissioning asset ¹	–	(2.5)	–	–	(2.5)
DD&A	(38.8)	(12.2)	(4.4)	–	(55.4)
Impairment (charge)/reversal	(46.3)	0.3	(11.0)	(1.9)	(58.9)
As at 31 December 2023	158.6	65.0	54.7	1.0	279.3

¹ Changes in decommissioning asset for TGT are due to a change in discount rate and field abandonment plan, including two new infill wells completed in October 2024. CNV reflects a change in discount rate, offset by a revision to the field abandonment plan (2023: immaterial change in discount rate only for TGT; change in field abandonment plan and discount rate for CNV)

Vietnam

The key assumptions to which the recoverable amount is most sensitive are oil price, discount rate and 2P reserves. In 2024, for both TGT and CNV, there was an upwards technical revision of 2P reserves following the granting of 5-year extensions to the Petroleum contracts and a decrease in discount rate, which has led to impairment reversals for both fields. As at 31 December 2024, the recoverable value of the assets are estimated based on a post-tax nominal discount rate of 10.7% (2023: 12.6%) and a Brent oil price of \$74.2/bbl in 2025, \$72.9/bbl in 2026, \$74.0/bbl in 2027, \$75.8/bbl in 2028 plus inflation of 2.0% thereafter (2023: Brent oil price of \$81.5/bbl in 2024, \$79.0/bbl in 2025, \$79.2/bbl in 2026, \$76.3/bbl in 2027 plus inflation of 2.0% thereafter).

Testing of sensitivity cases indicated that a \$5/bbl reduction in long-term oil price used when determining the value in use method would result in post-tax impairment charges (compared to new NBV, post-impairment reversal) of \$13.7m on TGT and \$3.1m on CNV. A 1% increase in discount rate would result in post-tax impairments of \$2.5m on TGT and \$0.9m on CNV (compared to new NBV, post-impairment reversal).

We have also run sensitivities utilising the IEA (International Energy Agency) scenarios described as being consistent with achieving the COP26 agreement goal to reach net zero by 2050 (the “Net Zero price scenario”). The nominal Brent prices used in this scenario were as follows; \$74.2/bbl in 2025, \$72.9/bbl in 2026, \$74.0/bbl in 2027, \$65.8/bbl in 2028, \$57.2/bbl in 2029, \$48.2/bbl in 2030, \$48.2/bbl in 2031, \$48.2/bbl in 2032 and \$48.1/bbl in 2033. Using these prices and a 10.7% discount rate would result in additional post-tax impairment charges (compared to new NBV, post-impairment reversal) of \$20.5m on TGT and \$5.2m on CNV.

Egypt

The key assumptions to which the recoverable amount is most sensitive are oil price, discount rate, capital spend and 2P reserves. In 2024, there was a decrease in the discount factor which has led to an impairment reversal for El Fayum, partially offset by a downwards technical revision of El Fayum 2P reserves due to change in the development plan. As at 31 December 2024, the recoverable value of El Fayum is estimated based on a post-tax nominal discount rate of 14.9% (2023: 18.0%) and a Brent oil price of \$74.2/bbl in 2025, \$72.9/bbl in 2026, \$74.0/bbl in 2027, \$75.8/bbl in 2028 plus inflation of 2.0% thereafter (2023: an oil price of \$81.5/bbl in 2024, \$79.0/bbl in 2025, \$79.2/bbl in 2026, \$76.3/bbl in 2027 plus inflation of 2.0% thereafter). For NBS, no material impairment arose as a result of the above impairment considerations.

Testing of sensitivity cases indicated that a \$5/bbl reduction in long term oil price used when determining the value in use method would result in an impairment charge (compared to new NBV, post-impairment reversal) of \$6.6m for El Fayum. A 1% increase in discount rate would result in impairment charges of \$2.2m on El Fayum (compared to new NBV, post-impairment reversal). We have also run a sensitivity using 14.9% discount rate and the Net Zero price scenario which would result in an additional impairment of \$30.2m on El Fayum (compared to new NBV, post-impairment reversal).

26 March 2025
2024 Preliminary Results

Other considerations

It is not considered possible to provide meaningful sensitivities in relation to 2P reserves for any of the Group's oil and gas producing properties, as the impact of any changes in 2P reserves on recoverable amount would depend on a variety of factors, including the timing of changes in production profile and the consequential effect on the expenditure required to both develop and extract the reserves.

Other fixed assets comprise office fixtures and fittings and computer equipment.

11. Hedge transactions

During 2024, Pharos entered into zero cost collar hedges to protect the Brent component of forecast oil sales and to ensure future compliance with its obligations under the RBL over the producing assets in Vietnam and to provide downside protection to cash flows in the event of commodity prices falling.

At 31 December 2024, the commodity hedges run until June 2025 and are settled monthly. For full year 2024, 31% of the Group's total production was hedged, securing average floor and ceiling prices for the hedged volumes at \$63.4/bbl and \$89.2/bbl, respectively. The Group's RBL requires the Company to hedge at least 35% of Vietnam RBL production volumes and the current hedging programme meets this requirement through to June 2025, leaving 72% of 1H 2025 Group production unhedged as at 31 December 2024 (2023: 36% of the Group's total production was hedged, securing average floor and ceiling prices for the hedged volumes at \$64.5/bbl and \$100.8/bbl). Following the termination of the RBL agreement effective July 2025, the Group has decided to continue hedging to mitigate the risk of a sharp decline in Brent price. As a result, the company placed two further hedges in January 2025 through which the company has hedged 20% of total forecast group entitlement production for 2025.

A summary of hedges outstanding as at 31 December 2024 is presented below, which are all zero cost collar.

	1Q25	2Q25
Production hedge per quarter - 000/bbls	150	90
Min. Average value of hedge - \$/bbl	63.60	64.00
Max. Average value of hedge - \$/bbl	88.94	90.17

Pharos has designated the zero cost collars as cash flow hedges. This means that the effective portion of unrealised gains or losses on open positions will be reflected in other comprehensive income. Every month, the realised gain or loss will be reflected in the revenue line of the income statement. For the year end 31 December 2024, a loss of \$0.1m was realised (2023: loss of \$0.2m). The outstanding unrealised gain on open positions as at 31 December 2024 amounts to \$0.1m (2023: \$0.1m).

The carrying amount of the zero cost collars is based on the fair value determined by a financial institution. As all material inputs are observable, they are categorised within Level 2 in the fair value hierarchy. It is presented in "Trade and other receivables" or "Trade and other payables" in the consolidated statement of financial position. The receivable position as of December 2024 was \$0.1m (2023: \$0.1m).

12. Distribution to Shareholders

	2024 \$ million	2024 Pence per ordinary share	2023 Restated ¹ \$ million	2023 Pence per ordinary share
Amounts recognised as distributions to equity holders in the year:				
Prior year interim dividend, paid in the year	1.7	0.330	–	–
Prior year final dividend, paid in the year	4.2	0.770	5.6	1.000
Total dividend, paid in year	5.9	1.100	5.6	1.000
Interim dividend for the year ended 31 December 2024	1.8	0.363		
Proposed final dividend for the year ended 31 December 2024	4.4	0.847		

¹ See Note 2(d)

26 March 2025
2024 Preliminary Results

The proposed final dividend for the year ended 31 December 2024 of 0.847 pence per share takes the 2024 full-year dividend to 1.21 pence per share, in excess of the minimum 10% of Operating Cash Flow (OCF) per the Company's dividend policy and 10% higher than prior year.

The interim dividend for the year ended 31 December 2023 of 0.330 pence per share (\$1.7m) was paid on 24 January 2024. The final dividend for the year ended 31 December 2023 of 0.770 pence per share (\$4.2m) was approved by the shareholders at the Company's AGM in May 2024 and subsequently paid on 19 July 2024.

The interim dividend for the year ended 31 December 2024 of 0.363 pence per share (\$1.8m) was paid on 22 January 2025 to shareholders on the register as at 20 December 2024. The proposed final dividend of 0.847 pence per share (\$4.4m) in respect of the year ended 31 December 2024 is payable on 18 July 2025 to all shareholders on the register at the close of business on 13 June 2025, subject to approval at the Company's AGM in May 2025.

13. Reconciliation of operating profit/(loss) to operating cash flows

	Group		Company	
	2024	2023	2024	2023 Restated ¹
	\$ million	\$ million	\$ million	\$ million
Operating profit/(loss)	64.3	(18.1)	20.6	(61.6)
Share-based payments	0.9	0.9	0.9	0.9
Depletion, depreciation and amortisation	47.3	55.6	–	–
Impairment (reversal)/charge	(26.3)	65.4	(31.2)	52.4
Taxes paid-in-kind	(1.9)	–	–	–
Operating cash flows before movements in working capital	84.3	103.8	(9.7)	(8.3)
(Increase)/decrease in inventories	(6.0)	3.9	–	–
Decrease/(increase) in receivables ²	11.3	(19.1)	(1.7)	(0.2)
(Decrease)/increase in payables	(0.3)	0.2	(0.1)	0.1
Cash generated by (used in) operations	89.3	88.8	(11.5)	(8.4)
Interest received	0.4	0.4	0.3	0.3
Other/restructuring expense outflow	(0.4)	–	–	–
Income taxes paid	(35.3)	(44.3)	–	–
Net cash from (used in) operating activities	54.0	44.9	(11.2)	(8.1)

¹ See Notes 2(d) and 2(e)

² Includes \$2.5m decrease (2023: \$2.2m increase) in expected credit losses in respect of Egypt trade receivables.

During the year, a total of \$0.5m of trade receivables due from EGPC in Egypt were settled by way of non-cash offset, of which \$0.4m relates to the assignment bonus settled upon receipt of contingent consideration in relation to IPR Farm out and \$0.1m to the training bonuses settled with EGPC.

During 2023, a total of \$3.2m of trade receivables due from EGPC in Egypt were settled by way of non-cash offset, out of which \$2.2m relates to a second instalment of assignment bonus due to EGPC in relation to the IPR Farm out, \$0.5m relates to a bonus due to EGPC for the NBS development lease and \$0.5m relates to training bonuses and fees paid to EGPC for participation in a bid round process.

26 March 2025
2024 Preliminary Results

14. Preliminary results announced

Copies of the announcement will be available to download from www.pharos.energy. The Annual Report and Accounts, together with notice of the 2025 AGM, will be posted to shareholders in due course.

26 March 2025
2024 Preliminary Results

Non-IFRS measures

The Group uses certain measures of performance that are not specifically defined under IFRS or other generally accepted accounting principles. These non-IFRS measures include cash operating costs per barrel, DD&A per barrel, gearing, free cash flow, operating cash per share and return on capital employed.

For the RBL covenant compliance, three Non-IFRS measures are included: Net debt, EBITDAX and Net debt/EBITDAX.

Cash operating costs per barrel

Cash operating costs are defined as cost of sales less DD&A, production based taxes, movement in inventories and certain other immaterial cost of sales.

Cash operating costs for the period are then divided by barrels of oil equivalent produced. This is a useful indicator of cash operating costs incurred to produce oil and gas from the Group's producing assets.

	2024 \$ million	2023 \$ million
Cost of sales	87.3	111.2
(Less)/add:		
Depreciation, depletion and amortisation	(47.1)	(55.4)
Production based taxes	(9.2)	(10.5)
Change in inventories	6.0	(4.0)
Trade receivables expected credit loss	2.5	(2.2)
Other cost of sales	(1.7)	(1.8)
Cash operating costs	37.8	37.3
Production (BOEPD)	5,801	6,508
Cash operating cost per BOE (\$)	17.80	15.70

Cash-operating costs per barrel by Segment (2024)

	Vietnam \$ million	Egypt \$ million	Total \$ million
Cost of sales	75.6	11.7	87.3
Less:			
Depreciation, depletion and amortisation	(42.1)	(5.0)	(47.1)
Production based taxes	(9.1)	(0.1)	(9.2)
Change in inventories	6.0	–	6.0
Trade receivables expected credit loss	–	2.5	2.5
Other cost of sales	(1.3)	(0.4)	(1.7)
Cash operating costs	29.1	8.7	37.8
Production (BOEPD)	4,361	1,440	5,801
Cash operating cost per BOE (\$)	18.23	16.51	17.80

26 March 2025
2024 Preliminary Results

Depreciation, depletion and amortisation costs per barrel

DD&A per barrel is calculated as net book value of oil and gas assets in production, together with estimated future development costs over the remaining 2P reserves. This is a useful indicator of ongoing rates of depreciation and amortisation of the Group's producing assets.

	2024 \$ million	2023 \$ million
Depreciation, depletion and amortisation	47.1	55.4
Production (BOEPD)	5,801	6,508
DD&A per BOE (\$)	22.18	23.32

DD&A per barrel by segment (2024)

	Vietnam \$ million	Egypt \$ million	Total \$ million
Depreciation, depletion and amortisation	42.1	5.0	47.1
Production (BOEPD)	4,361	1,440	5,801
DD&A per BOE (\$)	26.38	9.49	22.18

Net cash/(debt)

Net cash/(debt) comprises interest-bearing bank loans, less cash and cash equivalents.

	2024 \$ million	2023 \$ million
Cash and cash equivalents	16.5	32.6
Borrowings ¹	–	(39.2)
Net cash/(debt)	16.5	(6.6)

¹ Excludes unamortised capitalised set up costs

EBITDAX

EBITDAX is earnings from continuing activities before interest, tax, DD&A, impairment (reversal)/charge of PP&E and intangibles, exploration expenditure, pre-licence costs and Other/restructuring expense items in the current year.

	2024 \$ million	2023 \$ million
Operating profit/(loss)	64.3	(18.1)
Depreciation, depletion and amortisation	47.3	55.6
Pre-licence costs	0.8	0.4
Impairment (reversal)/ charge	(26.3)	65.4
EBITDAX	86.1	103.3

26 March 2025
2024 Preliminary Results

Net debt/EBITDAX

Net Debt/EBITDAX ratio expresses how many years it would take to repay the debt, if net debt and EBITDAX stay constant. For 2024, the Group is in a net cash position overall and no data has therefore been presented.

	2024 \$ million	2023 \$ million
Net Debt	–	(6.6)
EBITDAX	86.1	103.3
Net Debt/EBITDAX	–	(0.06)

Gearing

Debt to equity ratio is calculated by dividing interest-bearing bank loans by stockholder equity. The debt to equity ratio expresses the relationship between external equity (liabilities) and internal equity (stockholder equity).

	2024 \$ million	2023 \$ million
Total Debt ¹	–	39.2
Total Equity	290.8	273.5
Debt to Equity	–	0.14

¹ Excludes unamortised capitalised set up costs

Free cash flow

Free cash flow is calculated by subtracting capital cash expenditure from net cash from operating activities.

	2024 \$ million	2023 \$ million
Net cash from operating activities	54.0	44.9
Capital cash expenditure	(26.1)	(26.7)
Free cash flow	27.9	18.2

Operating cash per share

Operating cash per share is calculated by dividing net cash from (used in) continuing operations by number of shares in the year.

	2024 \$ million	2023 \$ million
Net cash from operating activities	54.0	44.9
Weighted number of shares in the year	417,019,506	427,170,044
Operating cash per share	0.13	0.11

26 March 2025
2024 Preliminary Results

Return on capital employed (ROCE)

ROCE is calculated by dividing operating profit/(loss) by total assets less current liabilities. ROCE measures a company's profitability and the efficiency with which its capital is employed.

	2024	2023
	\$ million	\$ million
Operating profit/(loss)	64.3	(18.1)
Total assets less current liabilities	409.6	408.9
ROCE	15.7%	(4.4)%

26 March 2025
2024 Preliminary Results

GLOSSARY OF TERMS

AGM

Annual general meeting

bbf

Barrel

boe or BOE

Barrels of oil equivalent

boepd or BOEPD

Barrels of oil equivalent per day

bopd

Barrels of oil per day

BSR

Binh Son Refining and Petrochemical JSC, the operator of the Dung Quat refinery, Quảng Ngãi Province, Vietnam

cash

Cash, cash equivalent and liquid investments

capex

Capital expenditure

CEO

Chief Executive Officer

CPR

Competent person's report or equivalent (e.g. mineral expert's report)

CNV

Ca Ngu Vang field located in Block 9-2, Vietnam

Company or Pharos

Pharos Energy plc

Contingent Resources, contingent resources or CR

Those quantities of petroleum to be potentially recoverable from known accumulations by application of development projects but which are not currently considered to be commercially recoverable due to one or more contingencies

Contractor

The party or parties identified as being, or forming part of, the "CONTRACTOR" as defined in the El Fayum Concession or, as the case may be, the North Beni Suef Concession

DD&A

Depreciation, depletion and amortisation

EBITDAX

Earnings before interest, tax, DD&A, impairment of PP&E and intangibles, exploration expenditure and other/restructuring items in the current year

EGP

Egyptian Pounds, the lawful currency of the Arab Republic of Egypt

EGPC

Egyptian General Petroleum Corporation, an Egyptian state oil and gas company and the industry regulator

El Fayum or the El Fayum Concession

The concession agreement for petroleum exploration and exploitation entered into on 15 July 2004 between the Arab Republic of Egypt, EGPC and Pharos El Fayum in respect of the El Fayum area, Western Desert, as amended from time to time

ERCE

ERC Equipoise Limited, an independent energy consulting group

Financial Statements

The preliminary financial statements of the Company and the Group for the year ended 31 December 2023

FPSO

Floating, production, storage and offloading Vessel

G&A

General and administration

26 March 2025
2024 Preliminary Results

GHG

Greenhouse gas

Group

Pharos and its direct and indirect subsidiary undertakings

1H

The first half of a calendar year

2H

The second half of a calendar year

HLJOC

Hoang Long Joint Operating Company, the operator of the TGT field on Block 16-1, Vietnam

HVJOC

Hoan Vu Joint Operating Company, the operator of the CNV field on Block 9-2, Vietnam

IFRS

International Financial Reporting Standards

IMF

The International Monetary Fund

IPR or IPR Energy Group

The IPR Energy group of companies, including IPR Lake Qarun and IPR Energy AG, or such of them as the context may require

IPR Lake Qarun

IPR Lake Qarun Petroleum Co, an exempted company with limited liability organised and existing under the laws of the Cayman Islands (registration number 379306), a wholly owned subsidiary of IPR Energy AG

JOC

Joint operating company

JV

Joint venture

km

Kilometre

km²

Square kilometre

LTI

Lost Time Injury

LTIP

Long Term Incentive Plan

m

Million (where used to describe a monetary amount)

McDaniel

McDaniel & Associates Consultants Ltd

mmbbl

Million barrels of oil equivalent

MMstb

Millions of stock tank barrels

MOIT

The Vietnamese Ministry of Industry and Trade

NAV

Net asset value

NBE

The National Bank of Egypt, the largest Egyptian commercial bank and owned by the state of Egypt

NBS, North Beni Suef or the North Beni Suef Concession

The concession agreement for petroleum exploration and exploitation entered into on 24 December 2019 between the Arab Republic of Egypt, EGPC and Pharos El Fayum in respect of the North Beni Suef area, Nile Valley

Net Zero Roadmap

The Group's detailed net zero roadmap to achieve net zero GHG emissions by 2050, published in December 2023

26 March 2025
2024 Preliminary Results

OCF

Operating cash flow

opex

Operational expenditure

PEF

Pharos El Fayum, a wholly owned subsidiary of the Company holding the Group's participating interest in El Fayum and North Beni Suef **Petrosilah**

An Egyptian joint stock company held 50/50 between EGPC and the Contractor parties under the El Fayum Concession (being IPR Lake Qarun and PEF)

Petrovietnam

Vietnam Oil and Gas Group, the Vietnamese state-owned integrated oil and gas company

PP&E

Property, plant and equipment

Prospect

An identified trap that may contain hydrocarbons. A potential hydrocarbon accumulation may be described as a lead or prospect depending on the degree of certainty in that accumulation. A prospect generally is mature enough to be considered for drilling

PSC

Production sharing contract or production sharing agreement

Reserves or reserves

Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must further satisfy four criteria: they must be discovered, recoverable, commercial and remaining based on the development projects applied

RBL

Reserve-based lending facility

RFDP

Revised field development plan

TGT

Te Giac Trang field located in Block 16-1, Vietnam

TLJOC

Thang Long Joint Operating Company, the operator of Block 15-2/01, Vietnam, with which the HLJOC shares access to the FPSO used for TGT production

UK

United Kingdom

USD, US dollars or \$

United States dollars, the lawful currency of the United States of America

£

UK Pound Sterling

1C

Low estimate scenario of Contingent Resources

1P

Equivalent to proved Reserves; denotes low estimate scenario of Reserves

2C or 2C Contingent Resources

Best estimate scenario of Contingent Resources

2P Reserves or 2P Commercial Reserves

Equivalent to the sum of proved plus probable Reserves; denotes best estimate scenario of Reserves

3C

High estimate scenario of Contingent Resources

3P

Equivalent to the sum of proved, probable and possible Reserves; denotes high estimate scenario of Reserves