

20 July 2022

Initiation of Share Buyback Programme

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

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Pharos Energy plc, an independent oil and gas exploration and production company, is pleased to announce the initiation of a share buyback programme (the "**Programme**") to purchase up to approximately US\$3 million (excluding stamp duty and expenses) of the Company's ordinary shares of 5p each ("**Ordinary Shares**"). The Programme will commence today and is expected to take three to six months to complete, depending on trading volumes.

The Board believes that at the current share price the Company's shares are trading at a material discount to its underlying net asset value. The Board has therefore taken the decision to implement a share buyback programme. The Programme forms part of the Company's broader strategy to deliver value to its shareholders.

Purchases of Ordinary Shares under the Programme will be made under the existing authority of the Company to purchase its own shares and in accordance with the parameters approved by shareholders at the annual general meeting held on 19 May 2022 (the "**Existing Authority**"). The Existing Authority permits the purchase of a maximum of 44,260,510 Ordinary Shares.

The Programme will be conducted in compliance with European Union (EU) Regulation No 596/2014 ("**MAR**") and the MAR buyback technical standards (Commission Delegated Regulation (EU) 2016/1052) (the "**Technical Standards**"), both of which form part of Retained EU Law as defined in the European Union (Withdrawal) Act 2018. The Company will not seek to rely on the safe harbour conditions for trading set out in Article 3(2) and Article 3(3) of the Technical Standards, given the limited liquidity in the Ordinary Shares and limitations that the conditions would impose on the number of Ordinary Shares that can be purchased

The purpose of the Programme is to reduce the Company's issued ordinary share capital by returning capital to shareholders. Ordinary Shares purchased under the Programme will be cancelled. Purchases will be carried out in compliance with the relevant conditions for trading, restrictions regarding time and volume, disclosure and reporting obligations, and price conditions.

Pharos has entered into an agreement with its joint broker, Peel Hunt LLP ("**Peel Hunt**"), to manage the Programme and carry out on-market purchases of Ordinary Shares as principal. The agreement grants Peel Hunt the authority to enact purchases and make trading decisions concerning the timing of the purchases under the Programme independently of the Company. Purchases may therefore continue during any closed periods of the Company.

Details of any and all purchases made under the Programme will be provided via RNS announcements and published in the regulatory news section of the Company's website.

Enquiries

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Notes to editors

Pharos Energy plc is an independent oil and gas exploration and production 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, Vietnam and Israel. 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. IPR Lake Qarun operates and holds the remaining 55% working interest in the NBS Concession. In Vietnam, Pharos has a 30.5% working interest in Block 16-1 which contains 97% of the Te Giac Trang (TGT) field and is operated by the Hoang Long Joint Operating Company. Pharos' unutilised interest in the TGT field is 29.7%. Pharos also has a 25% working interest in the Ca Ngu Vang (CVN) field located in Block 9-2, which is operated by the Hoan Vu Joint Operating Company. Blocks 16-1 and 9-2 are located in the shallow water Cuu Long Basin, offshore southern Vietnam. Pharos also holds a 70% interest in, and is designated operator of, Blocks 125 & 126, located in the moderate to deep water Phu Khanh Basin, north east of the Cuu Long Basin, offshore central Vietnam. In Israel, Pharos, together with Capricorn Energy PLC (formerly known as Cairn Energy PLC) and Israel's Ratio Oil Exploration, has eight licences offshore Israel. Each party has an equal working interest and Capricorn Energy is the operator.