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Terms used in this announcement have the same meaning given to them as defined in the Placing Announcement.

For immediate release

22 January 2021

Pharos Energy plc

("Pharos", or the "Company")

Results of Placing

Pharos Energy plc (LSE: PHAR.L), the Asia-MENA focussed independent oil and gas exploration and production company, is pleased to announce the successful completion of the Placing of new Ordinary Shares announced yesterday (the "**Placing Announcement**") as well as the concurrent Subscription and Retail Offer as defined below (together the "**Fundraise**").

A total of 44,661,490 new Ordinary Shares, representing 11.2 per cent. of the existing issued Ordinary Shares of the Company prior to the Fundraise, will be issued in the Fundraise at the Placing Price to raise gross proceeds of approximately US\$11.7 million (£8.6 million).

Pursuant to the Placing, which was significantly oversubscribed, a total of 30,733,682 Placing Shares have been placed with new and existing investors at the Placing Price raising gross proceeds of approximately US\$8.1 million (£5.9 million). Concurrently with the Placing, certain directors and existing shareholders have entered into subscription agreements with the Company to subscribe for 9,017,886 Subscription Shares at the Placing Price raising gross proceeds of approximately US\$2.4 million (£1.7 million). In addition, retail investors have subscribed in the Retail Offer via PrimaryBid for 4,909,922 Retail Shares at the Placing Price raising gross proceeds of approximately US\$1.3 million (£0.9 million).

The Placing Price of 19.25 pence represents a discount of approximately 9.8 per cent. and a 1.2 per cent. premium to the 30-day VWAP to the closing price on 21 January 2021, the last trading day prior to the announcement of the Fundraise.

Peel Hunt and Auctus acted as Joint Bookrunners in respect of the Placing. The New Ordinary Shares will, when issued, be credited as fully paid and will rank pari passu in all respects with the existing Ordinary Shares at that time.

Applications will be made by the Company to the FCA for admission of the New Ordinary Shares to the Official List (Premium Segment) and to the LSE for admission of the New Ordinary Shares to trading

on the LSE Main Market. It is expected that Admission will occur at 8:00 am on or around 27 January 2021.

In accordance with the provision of the Disclosure Guidance and Transparency Rules of the FCA (“DTRs”), the Company confirms that, following Admission, its issued share capital will comprise 442,177,174 Ordinary Shares, each of which carries the right to vote. In addition, the Company holds 9,122,268 Ordinary Shares in treasury. Therefore, the total voting rights in the Company will be 442,177,174. This figure may be used by Shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company under the DTRs.

Director participation in the Fundraise

Pursuant to the Subscription and the Retail Offer, certain directors of the Company have subscribed for in aggregate 1,958,452 New Ordinary Shares, at the Placing Price, as follows:

Director	Current Shareholding	% of current issued share capital	Shareholding on Admission	% of issued share capital on Admission
Edward T Story	14,320,188	3.60%	15,844,930	3.58%
Mike Watts	708,157	0.18%	851,533	0.19%
Jann Brown	573,236	0.14%	716,612	0.16%
Geoffrey Green	-	-	95,000	0.02%
Lisa Mitchell	-	-	51,958	0.01%

Related Party Transaction

Edward Story, a director of the Company and Ettore Contini, a former director of the Company, who was a director within the last 12 months, have subscribed for Subscription Shares at the Placing Price. These subscriptions totalling £293,513 and £695,614 respectively are classified as Smaller Related Party Transactions pursuant to LR 11.1.10(1)R of the Listing Rules of the FCA. Peel Hunt has provided confirmation pursuant to LR 11.1.10R(2)(b) in its capacity as the Company’s sponsor that the terms of the subscription by Ettore Contini and Edward T Story are fair and reasonable as far as the shareholders of the Company are concerned.

Related Party	Current Shareholding	% of current issued share capital	Number of Subscription Shares to be issued	Shareholding on Admission	% of issued share capital on Admission
Ettore Contini	29,000,000	7.30%	3,613,577	32,613,577	7.38%
Edward T Story	14,320,188	3.60%	1,524,742	15,844,930	3.58%

Ed Story, Chief Executive of Pharos Energy plc, commented:

"We are delighted to have such strong support in this equity raising from the market, underpinned by our existing shareholders, management team and board.

"These funds will allow us to restart our investment in the water flood programme in the El Fayum oil fields in Egypt imminently as we progress our farm out process. We expect this to bring in the funding for the first phase of the full-scale development drilling programme (oil producers and water injectors), targeting material increases in production."

For further information, please contact:

Pharos Energy plc: Ed Story, President & Chief Executive Officer Jann Brown, Managing Director & Chief Financial Officer Mike Watts, Managing Director	+44 (0)20 7747 2000
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Auctus Advisors (Joint Bookrunner): Jonathan Wright / Rupert Holdsworth Hunt / Harry Baker	+44 (0)7711 627449
Camarco: Billy Clegg / Owen Roberts / Monique Perks	+44 (0)20 3757 4983

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Certain statements in this Announcement are forward-looking statements with respect to the Company's expectations, intentions and projections regarding its future performance, strategic initiatives, anticipated events or trends and other matters that are not historical facts and which are, by their nature, inherently predictive, speculative and involve risks and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. All statements that address expectations or projections about the future, including statements about operating performance, strategic initiatives, objectives, market position, industry trends, general economic conditions, expected expenditures, expected cost savings and financial results, are forward - looking statements. Any statements contained in this Announcement that are not statements of historical fact are, or may be deemed to be, forward - looking statements. These forward-looking statements, which may use words such as "aim", "anticipate", "believe", "could", "intend", "estimate", "expect", "may", "plan", "project" or words or terms of similar meaning or the negative thereof, are not guarantees of future performance and are subject to known and unknown risks and uncertainties. There are a number of factors including, but not limited to, commercial, operational, economic and financial factors, that could cause actual results, financial condition, performance or achievements to differ materially from those expressed or implied by these forward - looking statements. Many of these risks and uncertainties relate to factors that are beyond the Company's ability to control or estimate precisely, such as changes in taxation or fiscal policy, future market conditions, currency fluctuations, the behaviour of other market participants, the actions of governments or governmental regulators, or other risk factors, such as changes in the political, social and regulatory framework in which the Company operates or in economic or technological trends or conditions, including inflation, recession and consumer confidence, on a global, regional or national basis. Given those risks and uncertainties, readers are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements speak only as of the date of this Announcement. Each of the Company, Peel Hunt and/or Auctus expressly disclaims any obligation or undertaking to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise unless required to do so by applicable law or regulation.

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