

29 December 2021

Parliamentary approval of the Third Amendment to the El Fayum Concession Agreement

Pharos Energy
("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 that, on Sunday 26 December 2021, the Egyptian Parliament approved the Third Amendment to its El Fayum Concession Agreement (the "Third Amendment") which encourages investment into this Concession to increase production rates for the mutual benefits of Egypt and Pharos and our partners.

The Third Amendment will now go to the desk of the Egyptian President Abdel Fattah El-Sisi for ratification. Signature of the Third Amendment by the Minister of Petroleum and Mineral Resources, the Egyptian General Petroleum Corporation (EGPC) and Pharos is expected shortly thereafter.

The approved terms, which includes an increase of the cost recovery petroleum percentage and a three-and-a-half-year extension to the exploration licence term, was approved by the EGPC Main Board in March 2021 and by the Egyptian Cabinet in October 2021.

The improved fiscal terms are backdated to November 2020, increasing the contractor share of revenue from c.42% to c.50% and lowering the development project break-even while in full cost recovery mode.

Signature of the El Fayum Third Amendment is one of the conditions precedent to the farm-out of a 55% share of Pharos' interest in the El Fayum Concession and the North Beni Suef Concession to IPR, as announced on 15 September 2021.

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, until completion of the farm-out to IPR Energy announced on 15 September 2021 (the "Farm-out Transaction"), Pharos holds a 100% working interest in the El Fayum oil Concession in the Western Desert. The Concession produces from 10 fields and is located 80 km southwest of Cairo. It is operated by Petrosilah, a 50/50 JV between Pharos and the Egyptian General Petroleum Corporation (EGPC). Similarly, until completion of the Farm-Out Transaction occurs, Pharos is also an operator with a 100% working interest in the North Beni Suef (NBS) Concession, which is located immediately south of the El Fayum Concession. In Vietnam, Pharos has a 30.5% working interest in Block 16-1 which contains 97% of the Te Giac Trang (TGT) field and is operated by the Hoang Long Joint Operating Company. Pharos' unitised interest in the TGT field is 29.7%. Pharos also has a 25% working interest in the Ca Ngu Vang (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, have eight licences offshore Israel. Each party has an equal working interest and Capricorn Energy is the operator.