25 April 2024
Annual Report and Accounts and Notice of Annual General Meeting

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

2023 Annual Report and Accounts and 2024 Notice of Annual General Meeting ("AGM")

The Annual Report & Accounts of the Company for the year ended 31 December 2023 ("Report and Accounts") in pdf and ESEF compliant format, and a Shareholder Circular, which includes Notice of the 2024 AGM, are now available on the Company's website and can be accessed via www.pharos.energy.

Hard copies of the above two documents, together with a Form of Proxy, have been mailed to those shareholders having elected to receive paper copies.

In accordance with LR 9.6.1, copies of the Report and Accounts and Shareholder Circular have also been submitted to the FCA's National Storage Mechanism and will shortly be available for inspection on the National Storage Mechanism's website, https://data.fca.org.uk/#/nsm/nationalstoragemechanism.

This dissemination announcement is based upon the Company's announcement of Preliminary Results for the Year Ended 31 December 2023 made on 27 March 2024 with the addition of information required by Disclosure and Transparency Rule (DTR) 6.3.5R set out below in the Appendix.

Annual General Meeting

The 2024 AGM will be held at Storey Club, 100 Liverpool Street, London, EC2M 2AT on 23 May 2024 at 2.00 p.m.

The Board recognises that the AGM is an important event for shareholders in the corporate calendar, and we are committed to ensuring that shareholders can exercise their right to vote and ask questions in connection with this meeting. Accordingly, for those shareholders that do not wish to attend, or those that wish to attend and are unable to do so, questions in connection with the business of the AGM can be submitted on reasonable notice in advance of the meeting by email to info@pharos.energy. In so far as relevant to the business of the meeting questions will be responded to by email and taken into account as appropriate at the meeting itself.

Shareholders wishing to vote on any of the matters of business at the AGM are encouraged to submit their votes as soon as possible, and in any event no later than the relevant deadline, 2.00 p.m. on 21 May 2024, through the proxy and electronic voting facilities. Voting at the AGM will be carried out by way of a poll so that the votes cast in advance by all shareholders appointing the Chair of the Meeting as their proxy can be taken into account. As is usual, the results of the AGM will be announced as soon as practical after it has taken place.

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 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. IPR Lake Qarun operates and holds the remaining 55% working interest in the NBS Concession. In Vietnam, Pharos has a 30.5% working interest in Block 16-1 which contains 97% of the Te Giac Trang (TGT) field and is operated by the Hoang Long Joint Operating Company. Pharos' unitised interest in the TGT field is 29.7%. Pharos also has a 25% working interest in the Ca Ngu Vang (CNV) field located in Block 9-2, which is operated by the Hoan Vu Joint Operating Company. Blocks 16-1 and 9-2 are located in the shallow water Cuu Long Basin, offshore southern Vietnam. Pharos also holds a 70% interest in, and is designated operator of, Blocks 125 & 126, located in the moderate to deep water Phu Khanh Basin, north east of the Cuu Long Basin, offshore central Vietnam.

Appendix

PHAROS
ENERGY

25 April 2024
Annual Report and Accounts and Notice of Annual General Meeting

Following the release of the Company's Preliminary Results for the Year Ended 31 December 2023 made on 27 March 2024, additional information is set out below in accordance with DTR 6.3.5R.

1) The following is extracted from page 147 of the Company's Annual Report and Accounts 2023 at www.pharos.energy.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that, to the best of each person's knowledge:

(a) the Financial Statements set out on pages 158 to 189, which have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards as adopted by the UK and in accordance with International Financial Reporting Standards as issued by the IASB, give a true and fair view of the assets, liabilities, financial position and loss of the Company and the Group taken as a whole;

(b) this Directors' Report along with the Strategic Report, including each of the management reports forming part of these reports, includes a fair review of the development and performance of the business and the position of the Company and the Group taken as a whole, together with a description of the principal risks and uncertainties that they face and how these are being managed and mitigated as set out in the Risk Management Report on pages 48 to 61; and

(c) the Annual Report and the Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for the shareholders to assess the Group's position, performance, business model and strategy.

Approved by the Board and signed on its behalf.
Sue Rivett

Chief Financial Officer
27 March 2024

2) The following description of the principal risks and uncertainties is extracted from the Risk Management Report (pages 48 to 61) of the Annual Report and Accounts 2023 at www.pharos.energy.

PRINCIPAL RISKS AND UNCERTAINTIES

A summary of the key risks affecting Pharos and how these risks are mitigated to enable the Company to achieve its strategic objectives is as follows.
Key to change in likelihood: ↑ Increase ←→ No Change ↓ Decrease **N** New Risk

STRATEGIC			
Principal risks	Change in likelihood	Causes	Risk Mitigation
1. Insufficient funds to meet commitments • Inability to invest in line with growth strategy	←→	• Reallocation of capital away from oil and gas • Huge swings in oil and other commodity prices • Assets bubble bursts • Global debt crises emerging • Inadequate cost control • Poor technical data to support allocations • High inflation	• Regular review of funding options • Stress testing forecast • Proactive dialogue with banks and other providers of capital • Opportunity screening • Effective project management and resourcing • Thorough capital allocation process
2. Production levels below expectation • Sub-Optimal well performance • Reduced drilling	←→	• Inadequate waterflood responses • Incorrect well placements • Development wells uncommercial • Poor reservoir models	• Develop a clear wells strategy, focusing on performance improvement, regulatory compliance and increased activity • Increase drilling activity / plan-drill additional injection wells / frac injection zone

		• Lack of financing for drilling programme	• Reduce cost of well construction • Increase surveillance and intervention rates • Perform Target workovers on producer / injection wells • De-risk best prospects / drill best prospects • Improve Reservoir models • Implement planned drilling programmes • Active participation in dialogue with JVs / JOCs
3. **Health, Safety, Environmental and Social Risk** • Reputational • Operational outages leading to lower production	←→	• Health and safety and environmental risks of major explosions, leaks or spills • High risk operating conditions and HSES risks • Climate change impacts on the sector, such as extreme weather, sea level rise and water availability affecting production • Gas venting and flaring hazards and risks - well blow outs, land / water contamination • Non-alignment of HSES practices with Pharos Corporate standards with JVs and JOCs • Increased disparities and societal risks in health, technology or workforce opportunities	• Improve structural and Asset Integrity through strong operational and maintenance processes which are critical to preserving a safer environment • Comply with all legislative / regulatory frameworks and transitioning to a goal-based approach focused on improving safety • Promote a positive health and safety culture where workers are given proper training and incentives to work "safe" with a zero tolerance for non-compliance • Environmental and Social Impact Assessments relating to, for example: - climate impacts and need to adapt to changing climate conditions over the life of the asset - regulatory developments • Enhance emergency preparedness and spill prevention plan - Controlled venting - Control and management of pressurised oil and gas from boreholes - Use of low impact extraction chemicals where alternatives exist - Water management - securing of a sustainable water supply, recycling and reuse wastewater - Marine management plan - especially for offshore drilling - Carry out scenario exercises to improve preparedness - Active participation in dialogue with JOC to

			influence them on best work practices • Maintaining adequate energy insurance for our assets and operations
4. Climate Change – transition and physical risks • Commodity price volatility • Restrictions of use of carbon intensive assets • Lack of portfolio diversification • Accelerating electrification • Carbon pricing • Reduced water availability • Increased temperature and heat stress • Storm frequency	↑	• Pressure on investors to divest/ avoid fossil fuel companies / projects • Inability to find economically viable CO2 reduction solutions • Lack of alignment between our key stakeholders' priorities and climate change concerns • Global transition to a lower carbon intensity economy • Increased climate regulation and disclosure • Increase in carbon taxes / decarbonisation charges • Transformational shifts leading to reduced demand for fossil fuels • Climate activists pressing prominent institutions and investors to abandon fossil investments - "greening" the financial system • Increased frequency of extreme weather events • Supply chain disruptions causing delay / shutdowns to operations • Lack of partner alignment on decarbonisation initiatives • Reduced access to insurance market	• Net Zero commitment on all assets by 2050, detailed roadmap published in December 2023 • Emission Management Fund, under which we set aside $0.25 for each barrel sold at an oil price above $75/bbl to support emissions management projects • Transparent reporting and participation in Carbon Disclosure Project (CDP) • Continue alignment with TCFD recommendations • Further integrate climate risk management within Pharos Risk Management Framework • Stress test our going concerns under a Net Zero Emissions price scenario and carbon tax scenario • Embed climate change scenarios and evaluate decisions on key business operations / directions • Continuous improvement of GHG emissions management and get JOCs to support CO2 emissions reduction initiatives • Annually review, update and renew Group Climate Change Policy to keep it fit for purpose and in line with evolving decarbonisation developments • Comprehensive insurance cover for Physical Damage to oil and gas assets and infrastructure • Close monitoring of regional extreme weather developments so that evacuation or shut-down are activated in good time • Regular and timely control of inventories to ensure essential spares are sourced in advance • Prepare business cases or studies to support decarbonisation initiatives

FINANCIAL*

Principal risks	Change in likelihood	Causes	Risk Mitigation
5. **Commodity Price risk** • Uncertainty on planning • Inability to fund work programme / dividend	←→	• Geo-political factors and international conflicts • Pressure on investors to divest/ avoid fossil fuel companies / projects • Lower long-term prices tighten the margin of error for investments • Forecasting volatility swings are more complex as it is challenging to gauge what that means for the industry as market dynamics are influenced by the speed of recovery from COVID-19 and growing ESG pressures • Negative cash flows and earnings degradation • Market speculation and trading in oil futures • Repercussions of the Russian invasion of Ukraine and Middle East conflict	• Oil commodity Hedging - Comply with RBL requirements - Maintain robust processes around treasury, governance, forecasting, credit and risk • Close monitoring of business activities, financial position cash flows • Control over procurement costs / effective management of supply chains derived from third parties - suppliers, joint venture partners, investors, and contractors • Stress test scenarios and sensitivities via principal compound risk analysis to ensure a level of robustness to downside price scenarios • Capital discipline with focus on controlling and managing costs • Discretionary spend actively managed • Maintain and cultivate good relationships with lenders
6. **Rising Operational Costs** • Reduced profits • Strain on cash flows • Shortages in skilled labour	←→	• Global inflation • Turmoil in the energy markets causing sharp price hikes • Sudden unplanned rate increases for oil and gas services	• Regular updates to yearly budgets and forecasts • Focus in discretionary spend • Secure long-term contracts where appropriate without lock-ins • Explore applying new technological advances, focus on prevention and early detection
7. **Egyptian economy** • The impact of the war in Ukraine on Egypt's economy is especially significant	←→	• Inability to repatriate cash earned from Egypt • Further devaluation of the Egyptian pound	• Pharos have opted not to accept the payment of our receivables balance in EGP unless required for operations • Revolving credit facility with the National Bank of Egypt (UK) (NBE), which allows us to draw down 60% of the value of each oil sales invoice in USD ($18m facility until 30 May 2025, with further renewals by agreement) • Accepting payments in EGP, to be reinvested in field operations as soon as the IPR carry comes to an end

OPERATIONAL

Principal risks	Change in likelihood	Causes	Risk Mitigation
8. Reserves Risk • Future cash flows and value depend on producing our reserves	←→	• Inaccurate reserves estimate • Earlier impairment triggers due to low commodity price • Capital constraints jeopardise planned exploration / development initiatives • Inherent uncertainties in the evaluation techniques to estimate the 2P reserves • Increased DD&A costs • Lower than expected well performances and drilling results • Slower drilling programmes	• Monitor and maintain standards of reserves reporting by adhering to three key considerations: consistency, transparency and utility, including disclosure of movements in reserves on a country-by-country basis, disclosure of material projects and moderation of subjective judgements • On-going evaluation of projects in existing and potential new areas of interest and pursue development opportunities • Regular reviews of reserves estimates by independent consultants • Ensure continuing adherence to industry best practice regarding technical estimates and judgements • Ensuring peer and independent verification of future production profiles and reserve recovery • RBL facility compliance - Vietnam Reserves are audited independently by reserves consultants approved by lenders
9. Partner Alignment Risk **Vietnam** • Technical misalignment at JV/ JOC level can delay investment • Adverse impact on Production and Cash flow **Egypt** • Technical misalignment at JV/ JOC level can delay investment • Adverse impact on Production and Cash flow	↑	• FPSO Tie-in Agreement from other Operator • Delay in the Field Development Plans • Technical disagreement caused by quality of JV staff, work ethic, low productivity, competency issues • Geological Modelling differences resulting in sub-optimal well locations • JOC partner (IPR and EGPC) divergent views on investments, and difference in value-drivers	• Active Participation in JOC management • Direct secondment • Build Senior Management level relationship with local partners • Continue good relationship with other Foreign Partner • Close collaboration with JOCs partners • Support JV training initiatives • Engage with JV Exploration Manager • Achieve technical buy-in to ERCE model • Waterflood analogue success education
10. Cyber risk • Major cyber security breach may result	←→	• Sophistication and frequency of cyber-attacks increasing	• Update Service level agreement with IT providers, including regular meetings and other

in loss of key confidential data • Unavailability of key systems		• Heavy reliance on and disruption to critical business systems • Infiltration of spam emails corrupting our systems • Critical reliance on remote working in light of demand for longer-term hybrid and flexible working practices, originally • in response to the COVID-19 • pandemic • IT provider acquired during 2023 – changing provider / individuals	interfaces to raise any issues and review performance • Offsite Installation of back-up system and Business Recovery / Continuity Plan in place • Enhance our Cloud back-up data and solutions • Prevention and detection of cyber threats via a programme of effective continuous monitoring • Plan for upgrade of IT systems
11. Human Resource Risk • Good skilled people are essential to ensure success	←→	• Failure to recruit and retain high calibre personnel to deliver on and implement growth strategy • Challenges in the recruitment and integration of additional technical expertise for any new acquisition • Negative view of the oil and gas industry amongst younger professionals, particularly in light of climate change impacts, resulting in fewer entrants to the industry to replace retiring professionals • High costs of recruiting experienced workforce • Weakened corporate culture and collegiate responsibility due to remote working • Restructuring workforce • Board re-composition and retirements	• Remuneration Committee retains independent advisors to test the competitiveness of compensation packages for key employees • On-going succession planning • Maintain a competitive remuneration mix re bonus, long-term incentive and share option plans • Build and use people networks in each country and advertise vacancies in these networks • Maintain a programme for staff wellbeing • Facilitate and encourage workforce communication via Group-wide offsite events and quarterly video conferences, employee surveys and shared feedback

REPUTATION			
Principal risks	Change in likelihood	Causes	Risk Mitigation
12. Sub-optimal capital allocation	←→	• Scarcity of capital for investment projects • A volatile macroeconomic environment resulting in significant differences to	• Carry out robust economic analyses based on opportunities high-grading to support capital allocation

• Adverse reaction from current / future stakeholders • Investment decisions based on realistic / achievable economic assumptions		key assumptions underpinning investment decisions • Pressure to invest and produce growth and returns in the short term to maintain dividend payments • Shareholder focus on increasing returns in conflict with wider strategic considerations • Inability to "switch-off" drilling/ investment commitments if economic assumptions change rapidly • Lack of partner / stakeholder alignment on decarbonisation initiatives	• Key KPIs such as NPV, IRR and payback used to compare across many project scenarios • Rig count investment scenarios are stress-tested against a range of Brent oil prices • Seeking to maximise influence to promote best practice in non-operated ventures • Seek the views of stakeholders through direct and indirect engagement • Maintain a balanced investment portfolio which allows a degree of resilience in adjusting short-term investment commitments • Prepare business case or back pay study to support decarbonisation initiatives
13. Political and Regional risk • Energy sector exposed to a wide range of political developments which may impact adversely on operating costs, compliance and taxation	↑	• Operations in challenging regulatory and political environments • Changes to fiscal regimes without robust stabilisation protections • Protracted approval processes causing delays • Government reform, political instability and/or civil unrest • Impact of financial sanctions, export controls and other trading restrictions on industry counterparties and sectors (in particular, sanctions on entities or individuals arising from the continuing conflict in Ukraine and other international conflicts)	• Canvass support in risk management by using both international and in-country professional advisors • Engage directly with the relevant authorities on a regular basis • Assess country risk profiles, trend analyses and on-the-ground reports by journalists / academics • Thoroughly evaluate the risks of operating in specific areas and assess commercial acceptability • Maintain political risk insurance at appropriate levels of cover • Maintain USD as the main currency of our business • Active working group monitoring sanctions arising from conflict in Ukraine and assessing / managing associated risk to Group • Annual renewal of a standalone Group Sanctions Policy, to supplement existing Group Code of Business Conduct and Ethics • Develop and maintain mitigation planning in relation to certain counterparties with

			potential to come within the future scope of sanctions
14. **Business Conduct and Bribery** ▪ Reputational damage and exposure to criminal charges	↔	• Present in countries with below average score on the Transparency International Corruption Index • Lack of transparent procurement and investment policies • Non-compliance with Criminal Crime Offences (CCO) and/or UK Bribery Act • Corruption and human rights issues	• Ensure adequate due diligence prior to on-boarding with a risk based approach, including independent "Red flags" checks • Annual training, testing and compliance certifications by all associated persons • Increase awareness of, and ensure regular training in, the Group's Code of Business Conduct and Ethics and associated guidance and other corporate policies for all employees and associated persons • Mandatory Gifts and Hospitality declaration and register • Group Whistleblowing Policy and confidential ethics 24 hour hotline supported by EthicsPoint with numbers displayed in all offices • CCO risk assessment and on-going implementation of adequate procedures to prevent facilitation of tax evasion across all operations • Comply with the principles of the Extractive Industries Transparency Initiative

3) *The following is extracted from Note 35 to the Financial Statements (page 187) of the Annual Report and Accounts 2023 at www.pharos.energy.*

RELATED PARTY TRANSACTIONS

During 2022, the Company recorded a net cost of $0.01m in respect of services rendered between Group companies.

Remuneration of key management personnel

The remuneration of the Directors of the Company, who are considered to be its key management personnel, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures. Further information about the remuneration of individual Directors is provided in the audited part of the Directors' Remuneration Committee Report on pages 128 to 134.

	2023 $ million	2022 $ million
Short-term employee benefits	**2.7**	3.0
Post-employment benefits	**0.1**	0.1
Share-based payments	**1.8**	1.0
	4.6	4.1