

29 July 2021

Vietnam Operational and RBL Update

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

Vietnam Operational and RBL Update

Pharos Energy plc, an independent oil and gas exploration and production company, is pleased to announce the completion of its 3D seismic programme on the western part of Block 125 in the Phu Khanh Basin, offshore Vietnam; and the completion of the refinancing of its Reserve Based Lending Facility ("RBL") secured against the Group's producing assets in Vietnam.

Ed Story, President and Chief Executive Officer, commented:

"The 909 km² 3D seismic programme in Block 125 was acquired over the past several weeks, and in combination with our 7,107 line km of 2D seismic acquired in 2019 across Blocks 125 & 126, this fulfils our geophysical commitment over both blocks. The Phu Khanh Basin is geologically analogous to most of the prolific hydrocarbon producing basins of Southeast Asia and it represents the last unexplored frontier in Vietnam. The 3D seismic, once processed and interpreted, will give us, and our local partner SOVICO, an unrivalled data set to identify prospectivity anywhere between the source kitchen in the basin deep all along the predicted oil migration pathway to the shallow basin margin. We will use this data to attract an investment partner for any subsequent drilling phase. Exposure to acreage with such material potential can be truly transformational for many companies but particularly for one the size of Pharos.

I am also pleased to announce the completion of the refinancing of our RBL, which is secured solely against our Vietnam assets. This rephases the repayment schedule and extends the tenor of the facility by 22 months, providing immediate additional liquidity of circa US\$20m."

Block 125 3D seismic survey

The 909 km² 3D seismic programme was acquired on behalf of Pharos by Shearwater GeoServices Singapore Pte Ltd, using the SW Vespucci seismic vessel (a photograph of which is available on our corporate website at www.pharos.energy). The total survey sail line of 2,273 km was shot across water depths between 100m to 2,300m.

The capital spend for the acquisition of the 3D survey is circa US\$7.5m net to Pharos. Seismic processing tenders have been issued and, following review, a contract will be awarded shortly. The final seismic processed results are expected in H1 2022.

Blocks 125 & 126 Phu Khanh Basin background

Blocks 125 & 126 comprise 10,691 km² of acreage in the southern part of the Phu Khanh Basin.

The Production Sharing Contract for Blocks 125 & 126 was signed on 27 October 2017 and the Investment Registration Certificate defining the contractual Effective Date was issued on 9 November 2017. The blocks are operated by SEVL (a 100% subsidiary of Pharos) with a 70% working interest, and a local partner, SOVICO, holds the remaining 30% working interest.

The virtually unexplored Phu Khanh Basin is geologically analogous to many of the prolific hydrocarbon basins in Southeast Asia. A well drilled in 2009 in 182m of water in the extreme west of Block 124 (currently held by ENI 100%), to the immediate north of Block 125, encountered 21m of net oil pay in Miocene carbonates, thus confirming the presence of a working petroleum system in the Phu Khanh Basin.

RBL

The Group has also completed the refinancing of its Reserve Based Lending Facility ("RBL") secured against the Group's producing assets in Vietnam. The new RBL will provide access to up to a committed US\$100m with a further US\$50m available on an uncommitted "accordion" basis and has a four-year term that matures in July 2025. In connection with the refinancing, Pharos is delighted to welcome Société Générale to the banking group alongside BNP Paribas, Crédit Agricole Corporate and Investment Bank and DBS. Société Générale replaces Standard Chartered Bank in the lender group.

The original RBL, which was signed in September 2018 and was due to mature in September 2023, had an outstanding loan balance of US\$56.3m at expiry. The new RBL extends the tenor of the facility by 22 months, allowing for a rephasing of the repayment schedule and the provision of additional funds available for general corporate purposes.

Shepherd & Wedderburn LLP acted as the Company's legal adviser. Herbert Smith Freehills LLP advised the banks.

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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 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). 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, northeast of the Cuu Long Basin, offshore central Vietnam. In Israel, Pharos together with Cairn Energy plc and Israel's Ratio Oil Exploration, have eight licences offshore Israel. Each party has an equal working interest and Cairn is the operator.