

23 May 2024
AGM Trading and Operations Update

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

2024 AGM Trading and Operations Update

Pharos Energy plc, an independent energy company, issues the following Trading and Operations update in advance of the Company's annual general meeting (AGM) today at 14.00 BST. The information contained herein has not been audited and may be subject to further review and amendment.

Jann Brown, Chief Executive Officer, commented:

"The Company has entered 2024 in a strong operational and financial position. Production for the first four months of the year is in line with guidance, with both Vietnam and Egypt contributing as expected. A significant milestone for Pharos was the receipt of \$13.8m from EGPC, over \$10m of which was paid in USD, 37% of our year-end receivables balance. These payments are a testament to the strength of our relationships with key stakeholders and our persistence in lobbying. Together with the strong cash generation from operations, this has enabled us to pay down \$21m of our outstanding debt, leaving our total Group debt as at 23 May at \$13m and net cash position at \$8.7m.

"We remain committed to the on-going share buyback programme and, subject to shareholder approval at today's AGM, expect to pay the final dividend for 2023 of 0.77p per share on 19 July, having paid the interim dividend of 0.33p per share on 24 January.

"In Egypt, we are preparing to drill in both El Fayum and NBS later this year, while in Vietnam, preparations are well advanced for our 2H two-well drilling programme on TGT. I am pleased with the recent progress made on the licence extension discussions on both TGT and CNV, while in Egypt we are pursuing a consolidation of our two concessions into one to deliver a number of benefits. On Blocks 125 & 126 in Vietnam, we are progressing options to secure a drilling slot for Prospect A, the key catalyst for parties interested in farming in to these licences.

"Finally, I announced my intention to retire as CEO of Pharos at the Preliminary Results in March and will remain in the post until my successor has been appointed to ensure a smooth transition. The Company will inform the market once that appointment has been made."

Operational Highlights

- Group working interest production for the four months to end of April 2024 was 5,755 boepd net. Group working interest 2024 production guidance of 5,200 – 6,500 boepd net remains unchanged from the Preliminary Results announcement on 27 March 2024:
 - Vietnam production 4,347 boepd. Vietnam 2024 production guidance 3,900 – 5,000 boepd net
 - Egypt production 1,408 bopd. Egypt 2024 production guidance 1,300 – 1,500 bopd net
- In Vietnam:
 - TGT RFDP approved by the Ministry of Industry and Trade (MOIT) on 9 January 2024. CNV RFDP submitted to partners for approval
 - Significant progress on TGT and CNV licence extensions discussions with regulators
 - Planning underway for a two-well TGT drilling programme, expected to commence 2H 2024
 - On Blocks 125 & 126, several interested farm-in parties awaiting confirmation of timing of rig slot and clarity on well cost
- In Egypt:
 - On El Fayum, preparation underway to drill a further commitment exploration well in 2024 following success of the well in July 2023
 - Processing and interpretation of c.130km² of 3D seismic data on NBS underway and expected to be completed in 2H 2024
 - Multi-well development drilling programme in the NBS SW field planned to commence in 2H 2024
 - Evaluation of conventional deep exploration and unconventional AR-F potential
 - Egypt consolidation project initiated and proposal sent to EGPC

23 May 2024

AGM Trading and Operations Update

Financial Highlights

- Group revenue for January to April 2024 was c.\$39m
- Cash balances as at 30 April 2024 of c.\$49m (Dec 2023: \$32.6m)
- Net cash as at 30 April 2024 of \$15m (Dec 2023: net debt \$6.6m)
- Egypt balance sheet receivable position at \$31.0m (Dec 2023: \$37.4m), having received \$12.4m in the four months to 30 April 2024
- Forecast cash capex for the Group for full year of \$32m (\$27m after Egyptian carry by IPR), with costs in Egypt mainly settled in EGP

Corporate Highlights

- Continuation of share buyback programme, with a further \$3m committed in December 2023
- Interim dividend in relation to the financial year ending 31 December 2023 of 0.33 pence per share, amounting to \$1.7m, paid out on 24 January 2024. Final dividend of 0.77 pence per share for the year to be paid on 19 July 2024, subject to shareholder approval at the 2024 AGM today
- Recent changes in Board composition and governance:
 - Appointment of Dr Bill Higgs as a new independent Non-Executive Director in January 2024 and his appointment, effective today, as the initial Chair of a newly created Reserves Committee of the Board
 - Retirement of Marianne Daryabegui as an independent Non-Executive Director at the conclusion of the 2024 AGM
 - Retirement of Jann Brown as Director on 30 April 2024, following which she remained in office as full-time CEO and will continue to do so until a successor is in place; search process underway
- Appointment of Ernst & Young to succeed Deloitte as external auditor, subject to shareholder approval at the 2024 AGM today
- Publication of a Trading and Operations Update scheduled for 18 July 2024, ahead of the Company's Interim Results announcement in September

Enquiries

Pharos Energy plc
Jann Brown, Chief Executive Officer
Sue Rivett, Chief Financial Officer

Tel: 020 7747 2000

Camarco
Billy Clegg | Andrew Turner | Rebecca Waterworth | Kirsty Duff

Tel: 020 3757 4980

23 May 2024

AGM Trading and Operations Update

Notes to editors

Pharos Energy plc is an independent energy company with a focus on sustainable growth and returns to stakeholders, which is listed on the premium segment of 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. The first development lease on the NBS Concession was awarded in September 2023 and production started in December 2023. IPR Lake Qarun holds the remaining 55% working interest in the NBS Concession, with development operations on the Concession currently undertaken by Petrosilah on behalf of the newly formed joint operating company, Petro Beni Suef. The first exploration phase under the NBS Concession expired in March 2024 with all work programme commitments completed. 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, exploration Blocks 125 & 126, located in moderate to deep water in the Phu Khanh Basin, north east of the Cuu Long Basin, offshore central Vietnam.