

INTERIM RESULTS 2023

13 September 2023

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Introduction




Jann Brown

Chief Executive Officer

STEADY PROGRESS



PHAROS
ENERGY

- +**  Pharos has **robust cash flows**
- +**  **Substantial upside** in near term developments
- +**  Exploration **potential**



OPERATIONS



Vietnam

- CNV well successful

Egypt

- Discovery on first NBS exploration well
- Discovery on El Fayum exploration well

HSE

- No LTIs

CORPORATE



- Group revenue \$86.2m
- Carry continues in Egypt
- Buyback continues
- 2022 final dividend paid
- Net Zero roadmap on track

FUTURE VALUE



Block 125

- Licence extended for 2 years
- CPR published

TGT & CNV

- RFDPs progressing
- Licence extensions with government for approval

Egypt

- NBS, ARF, El Fayum deep prospects

Finance Review

Sue Rivett

Chief Financial Officer

HALF YEAR METRICS

Revenue ⁽¹⁾

1H 2023

Brent Price
= \$78.32/bbl

\$86.2m

Vietnam	\$77.6m
Egypt	\$8.6m

Revenue
down

33%

Brent price
down

27%

1H 2022

Brent Price
= \$107.19/bbl

\$129.6m

Vietnam	\$103.8m
Egypt	\$25.8m

Egyptian Receivables

Jun 2023

\$30.9m

Dec 2022: \$24.2m

Up
28%



Net Debt

Down
43%

Jun 2023

\$16.4m

Cash	\$35.9m
RBL	\$42.6m
NBE	\$9.7m

Dec 2022

\$28.9m

Cash	\$45.3m
RBL	\$65.0m
NBE	\$9.2m



Debt

RBL (Vietnam assets only)

- \$57.3m facility 30 Jun 2023
- \$42.6m drawn
- 6 monthly amortisation to July 2025

NBE

- \$18.0m facility
- \$9.7m drawn
- Renewed to 31 May 2024



Shareholder Returns

- \$3.0m share buyback programme ongoing, \$0.8m spent in 1H 2023
- Payment of final 2022 dividend of 1 pence per share in Jul 2023



NBV of PP&E & E&E Assets

June 2023

\$370.2m

December 2022 \$398.3m

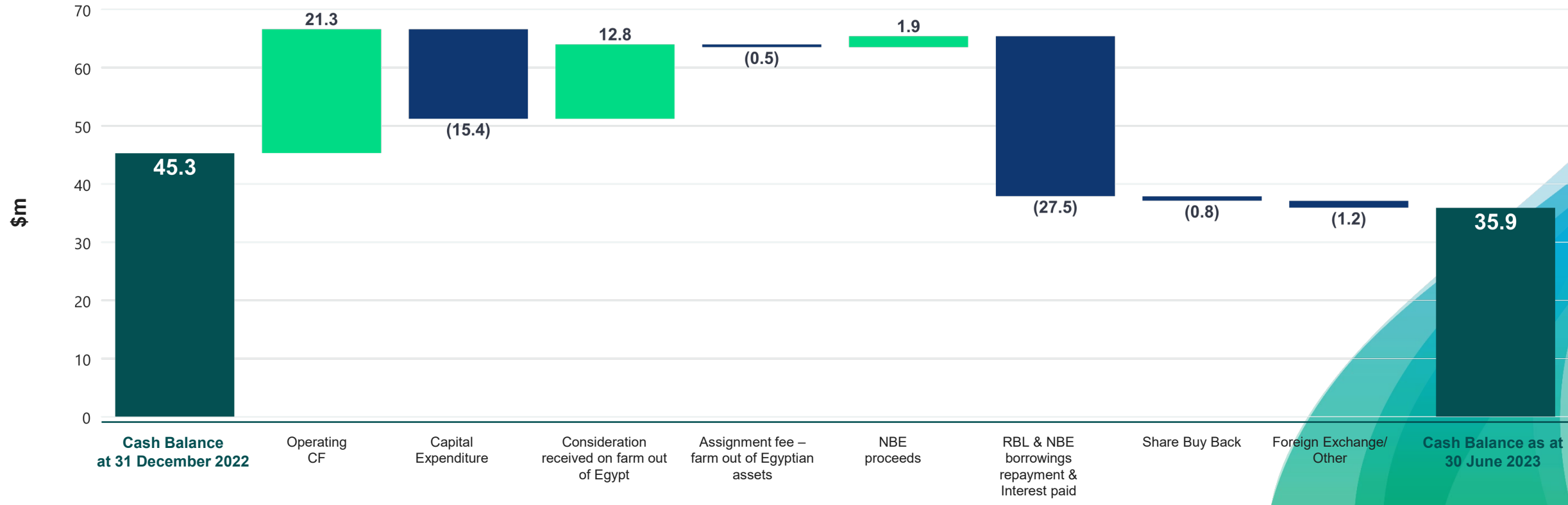
Vietnam: \$306.8m

(Dec 2022: \$332.5m)

Egypt: \$63.4m

(Dec 2022: \$65.8m)

CASH FLOW

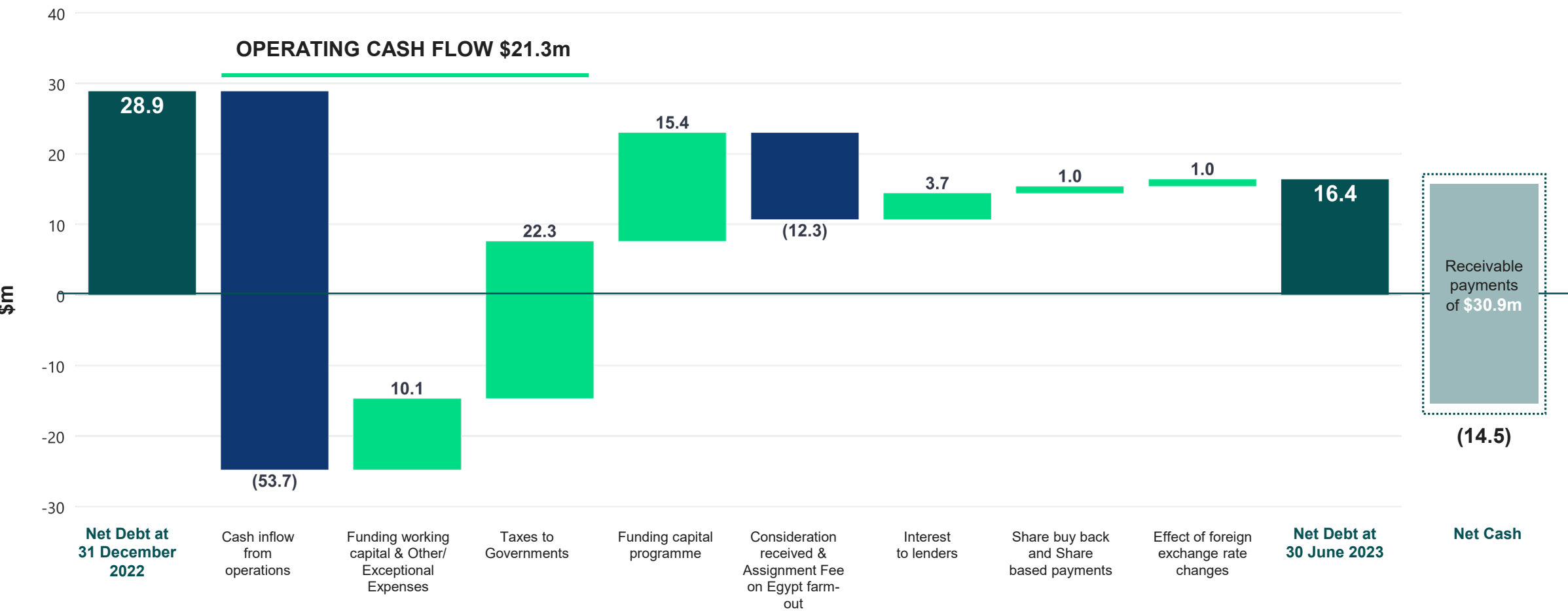


TOTAL CAPITAL EXPENDITURE \$15.4m

VIETNAM		\$8.3m
TGT	Rig demobilisation & work over costs + abandonment	\$3.2m
CNV	Completion of lateral well + abandonment	\$3.1m
Block 125	Seismic interpretation + operating office	\$2.0m

EGYPT		\$7.1m
El Fayum	waterflood and drilling programme	\$4.4m
Exploration		\$2.7m

NET DEBT IN FOCUS

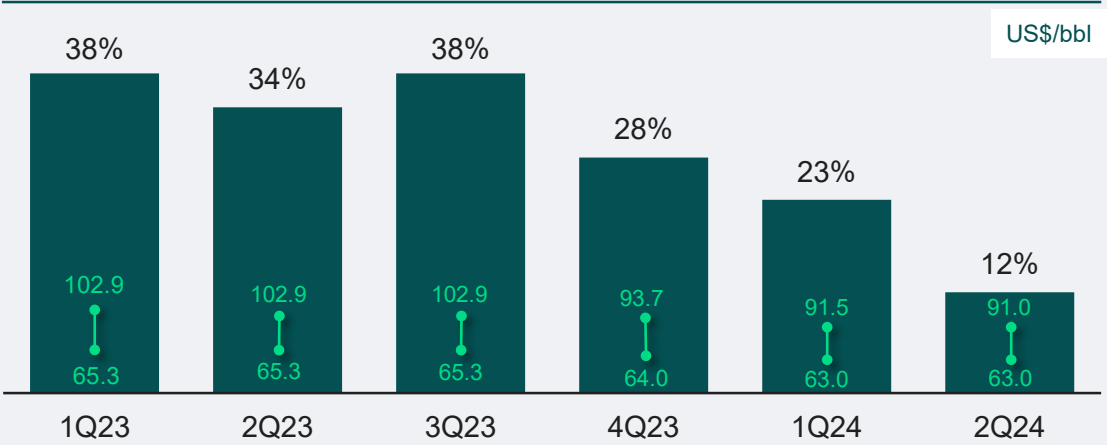


HEDGING STRATEGIC OBJECTIVES

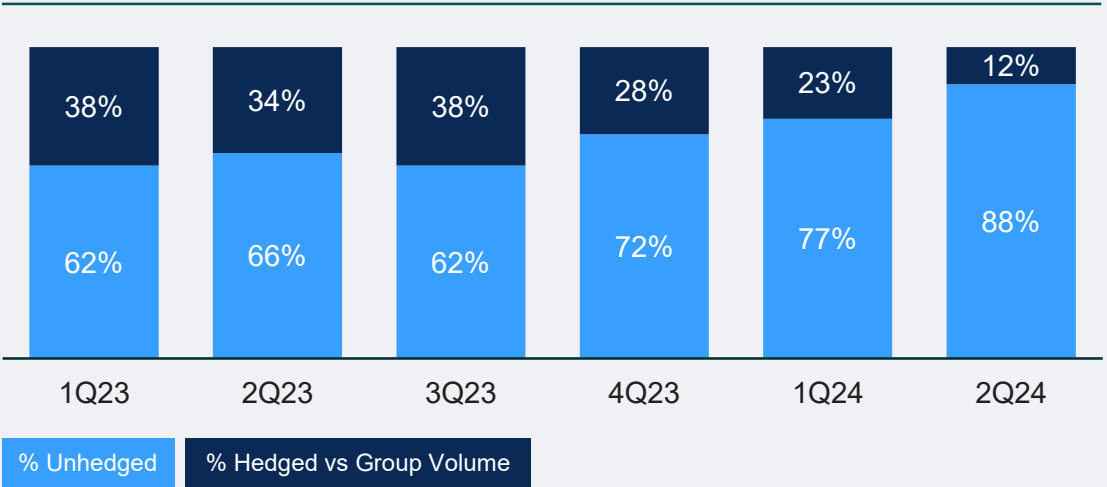
- 
- Protect RBL Covenants**
35% of Vietnam RBL production volumes
 - Protect revenues**
in low commodity price testing
 - Preserve upside exposure**
where possible
 - Layering in protection**
to down side

Zero Cost Collars	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24
Average Floor Price (\$/bbl)	65.3	65.3	63.3	64.0	63.0	63.0
Average Ceiling Price (\$/bbl)	102.9	102.9	102.2	93.7	91.5	91.0

Quarterly Hedged Volume % as group entitlement volume & average strike prices (ceiling & floor)



Hedged & Unhedged % by HY 2023



EGYPT

Carry & Contingent

Contingent consideration up to (\$62-\$90.5/bbl)	➡	\$15m over 3 years (2023-25)
Received \$5m in June 2023		
Carry over G&A, Opex & Capex as of 1 Jan 2023		\$20.5m
Carry expected to be fully utilised		YE 2023



➡

Receivables

Jun 2023

\$30.9m

Dec 2022: \$24.2m

↑

Up 28%

- USD receivable
- \$1.9m received during 2023
- EGP continuing devaluation, though FX reserves are stable
- IMF loan of \$3bn announced at the end of 2022, further drawdown anticipated Q4 2024
- Government structural reforms, privatisation of state-owned entities, \$1.9bn to date

2023 KEY CONSIDERATIONS



Group

- Strengthened balance sheet
- Improved liquidity
- Strong cash flow generation
- Reduced overheads & Board costs – G&A c.\$9.5m



Capital Allocation

- Returns to shareholders
 - Share buyback - \$3m
 - 2022 Full year dividends - \$5.6m
- Debt repayments - \$35.1m
- Capital programme - \$13.2m post carry



Vietnam

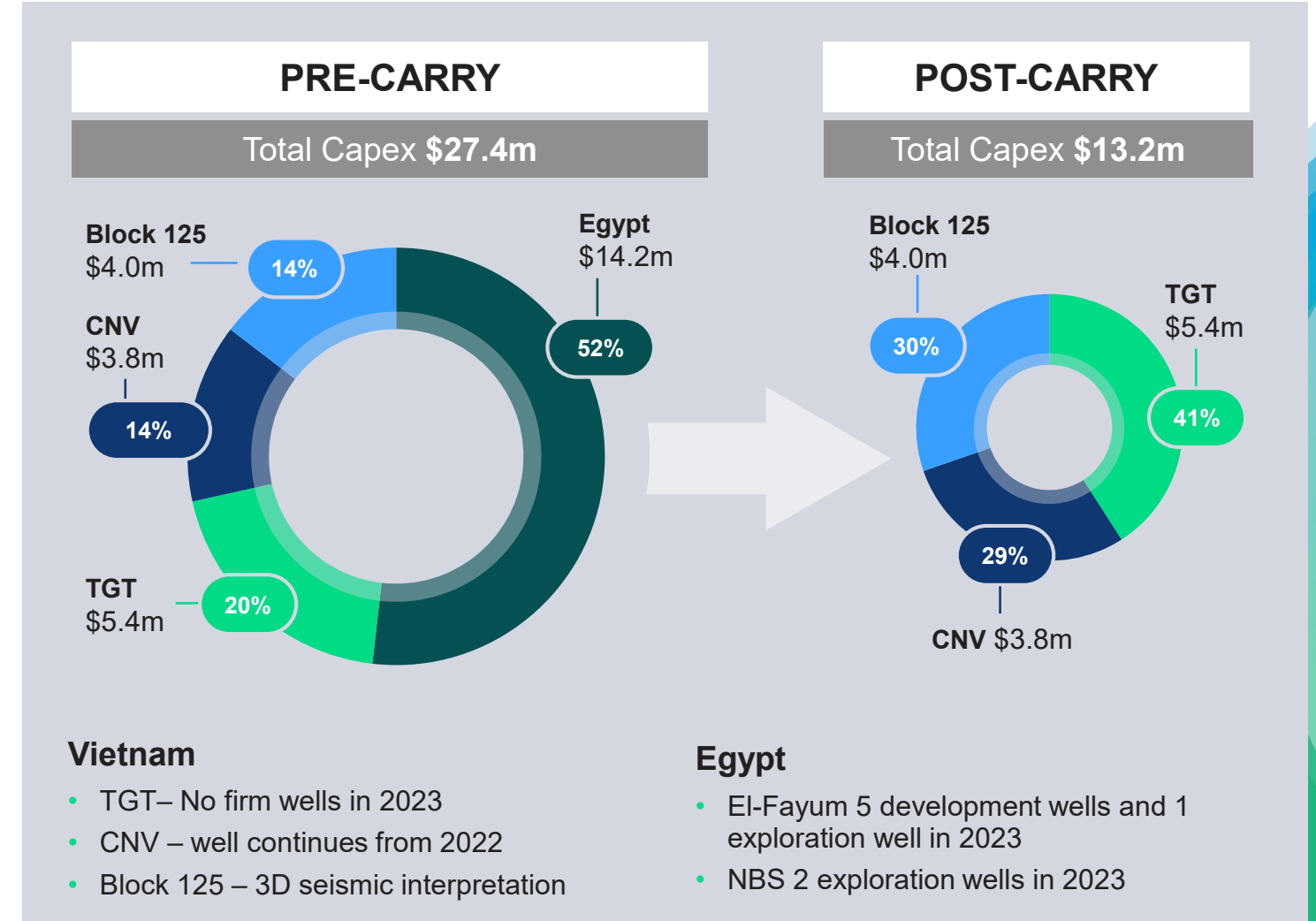
- Robust revenues with strong USD inflows
- Low break-even
- High premiums to Brent



Egypt

- Debtor & revenue inflow – timing uncertain
- Contingent receipt - \$5m in Jun 23 from IPR
- Full JV carry to YE 23

2023 Cash Capex



Operational Review

Mohamed Sayed

Group Head of Technical,
General Manager – Middle East

Egypt



Egypt

Egypt Production

1H 2023 Production net 1,349 bopd

Egypt 2023 net production guidance

- January 2023 1,350 - 1,800 bopd
- September 2023 1,350 - 1,450 bopd

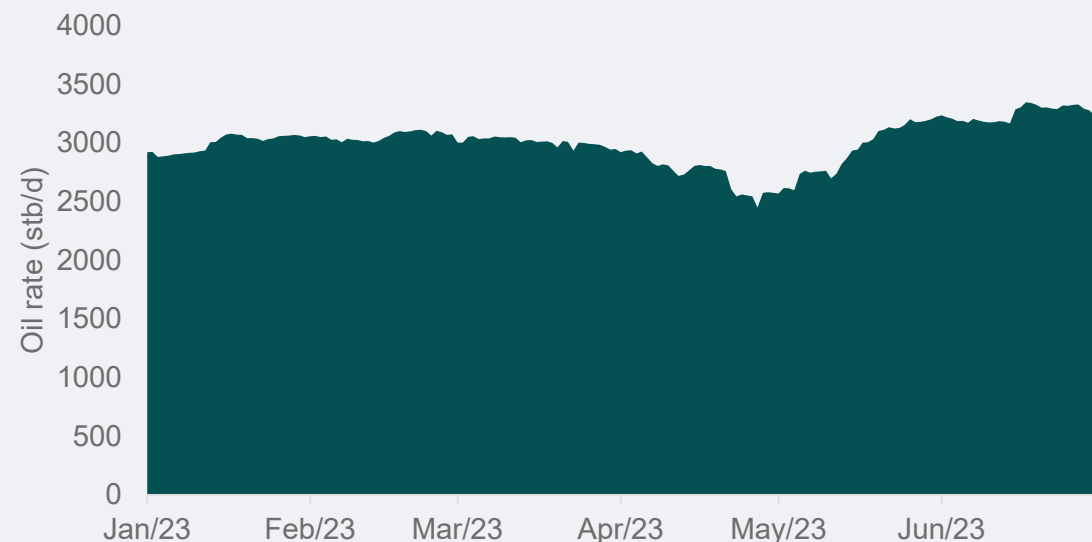
El Fayum Activities

- Measured approach for investment utilising the same rig between NBS and El Fayum
- Five wells drilled in 1H 2023, 2 producers, 1 injector, 1 T&A and one exploration well
- Three new water injection projects have been completed in 1H and focus on recompletions

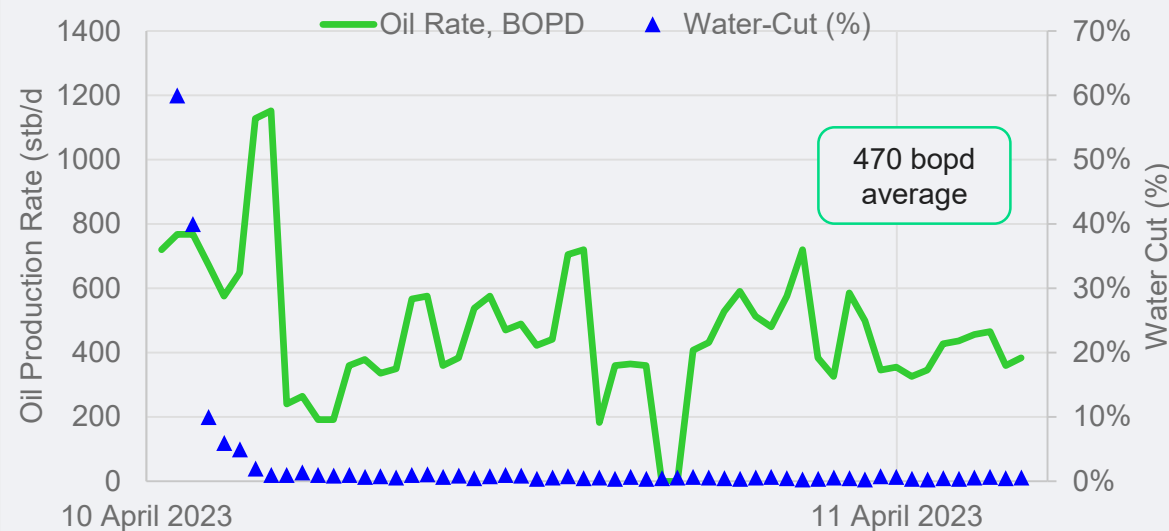
NBS Activities

- First exploration commitment well declared commercial discovery with avg. rate of 470 bopd. FDP submitted to EGPC
- 3D seismic acquisition is completed

2023 1H Production Performance – El Fayum



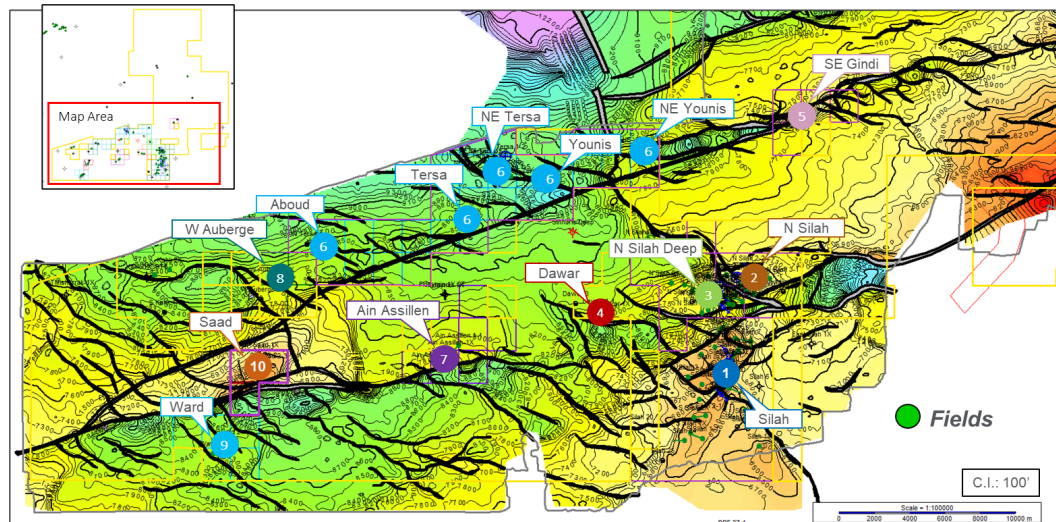
NBS 1st Exploration Well – Initial Test



Egypt – 2H Activities

El Fayum

- ✓ Preparing for 2024 drilling campaign, delineating the producing reservoirs
- ✓ Focus on water injection projects and recompletions
- ✓ Add value through exploration drilling

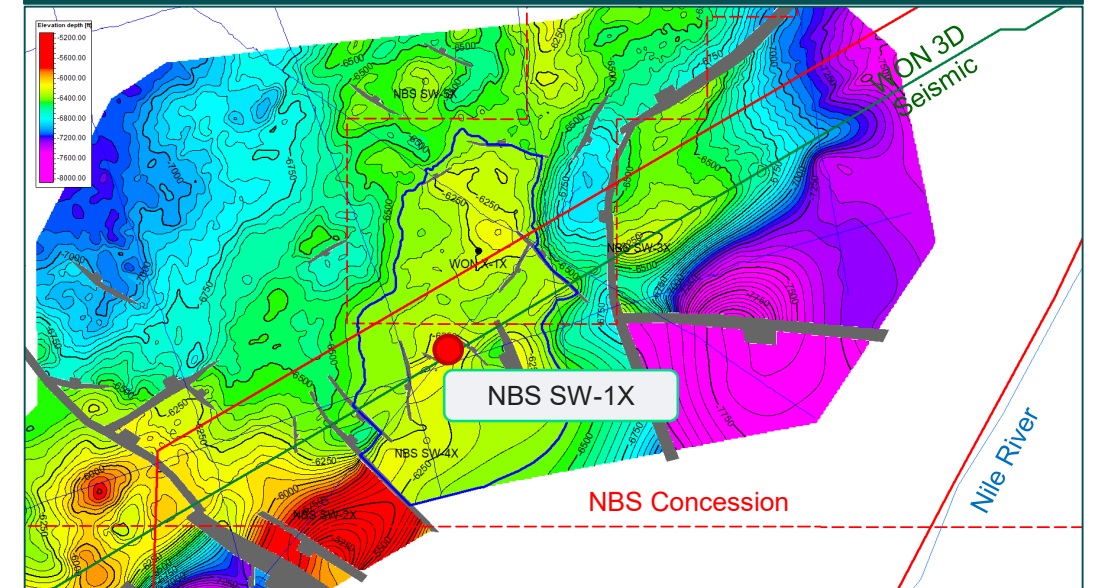


Note: Upper Bahariya Depth Map Represents Lower AR 'G' Structure.

North Beni Suef

- ✓ EGPC agreed NBS Development Plan with large development lease, focus on accelerating production to 4Q.
- ✓ 2nd commitment well is planned to start in 4Q
- ✓ 3D seismic processing and interpretation

North Beni Suef – First Exploration Well



Vietnam



Vietnam

TGT & CNV Production

1H 2023 Production net

5,566 boepd

2023 Vietnam Production guidance

- January 2023 4,700 – 5,700 boepd
- September 2023 5,000 – 5,300 boepd

TGT field

1H 2023 Production net

3,983 boepd

- Stable production with no new wells drilled
- Operations focused on well intervention programme and FPSO optimisation to maintain production

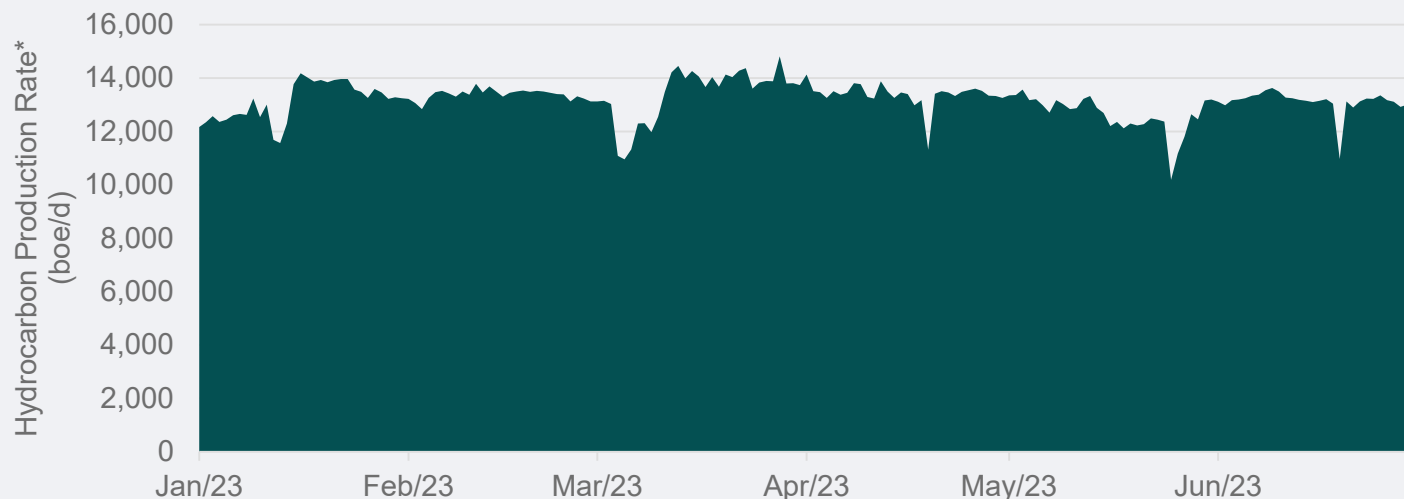
CNV field

1H 2023 Production net

1,583 boepd

- Strong performance from 2PST1 new lateral

2023 1H Production Performance – TGT



2023 1H Production Performance – CNV



*boe calculated using daily oil production and export gas

Vietnam – 2H Activities

TGT

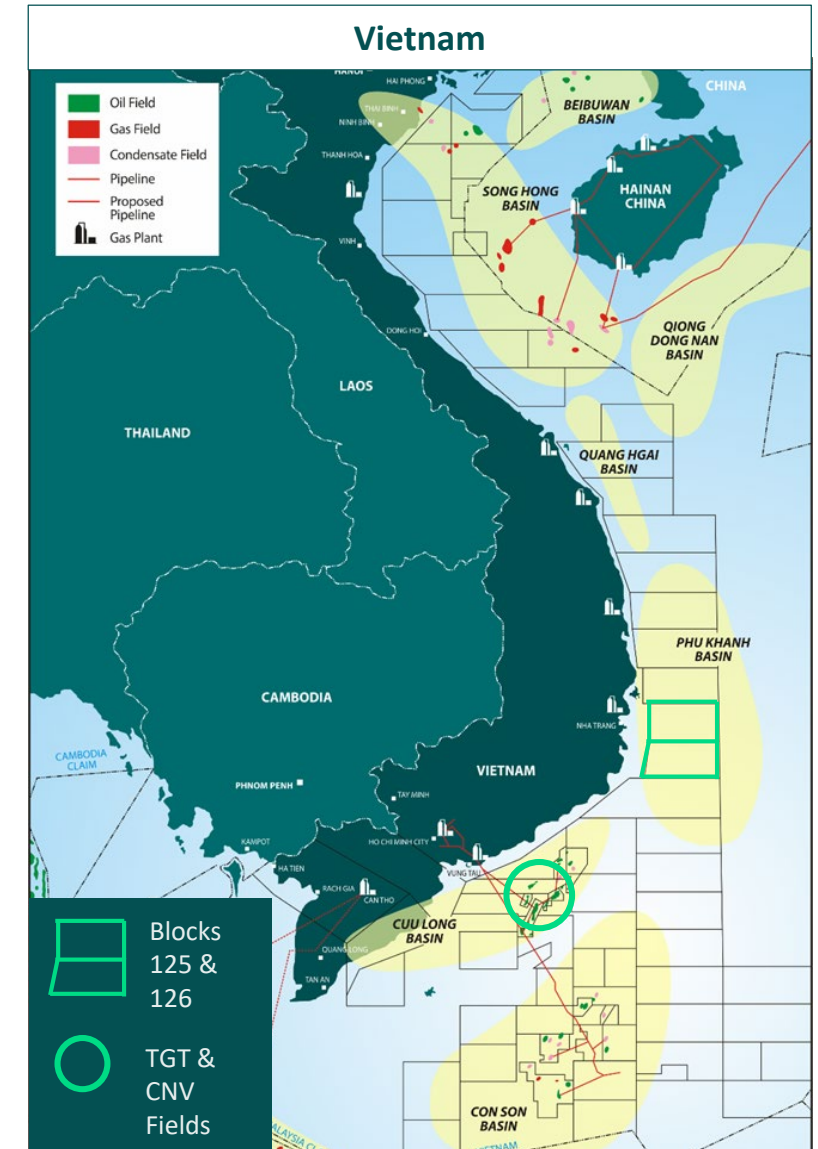
- ✓ Continue progressing well activities and well planning for 2024 drilling campaign
- ✓ Receive final approval for RFDP submitted to government
- ✓ Request for licence extension out to 2031 finalised between partners and submitted for government approval

CNV

- ✓ Fully assess the potential of 2PST1 new well and when to open the original wellbore
- ✓ Update RFDP incorporating the learnings from 2PST1 and submit for approval
- ✓ Request for licence extension out to 2032 finalised between partners and submitted for government approval

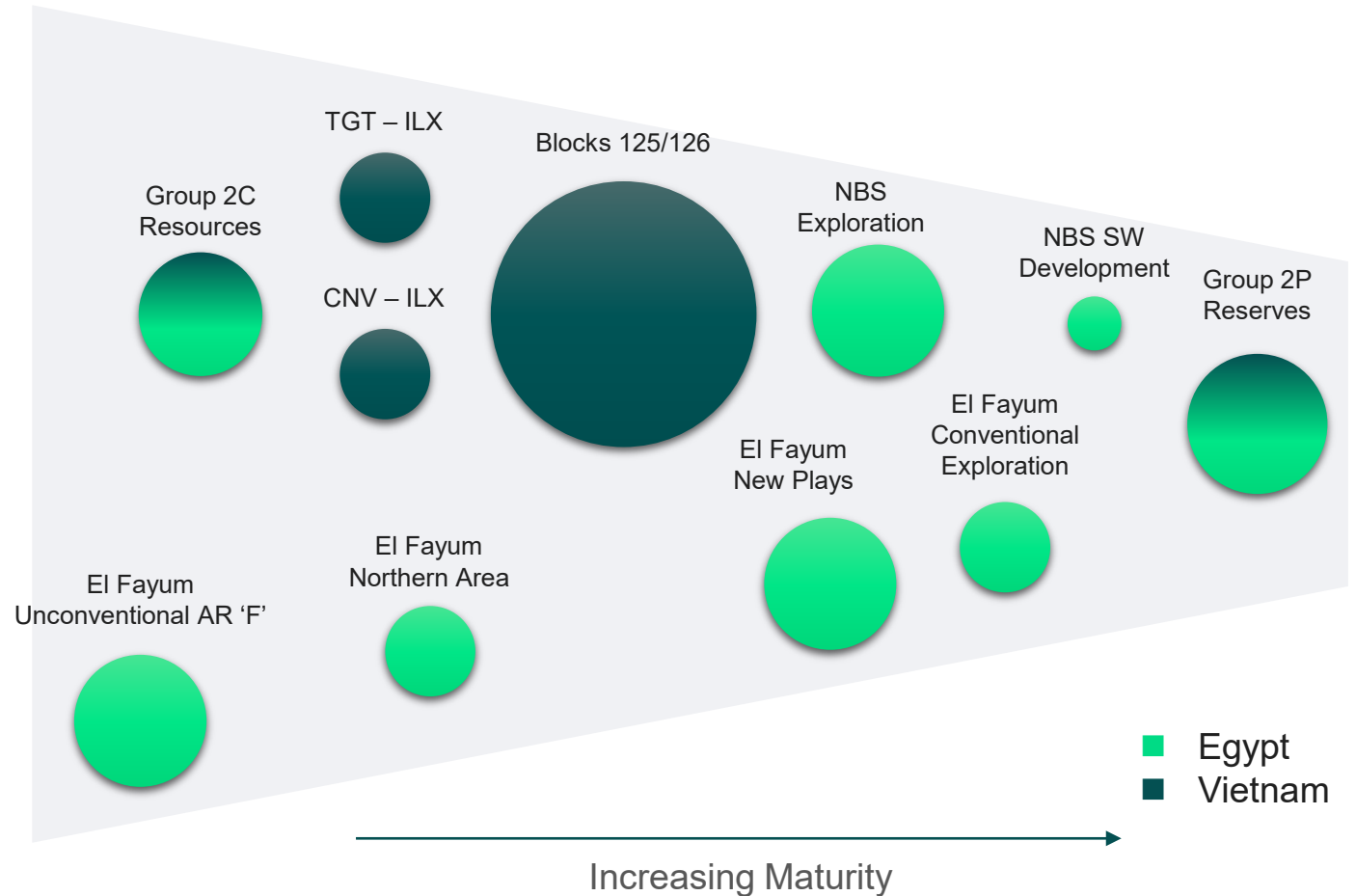
Blocks 125 and 126

- ✓ Progress well planning for first exploration well
- ✓ Continue engagement with potential farm-in partners
- ✓ Mature Leads to Prospects



Value Growth

- ✓ NBS Exploration Success
- ✓ El Fayum Exploration Success
- ✓ Stable Production across our assets
- ✓ Strong New Wells Performance
- ➔ New Vietnam RFDPs
- ➔ Vietnam Licences Extensions
- ➔ Transformational Upside in Blocks 125/126
- ➔ ILX Exploration Upside in all our assets
- ➔ Upside in Unconventional



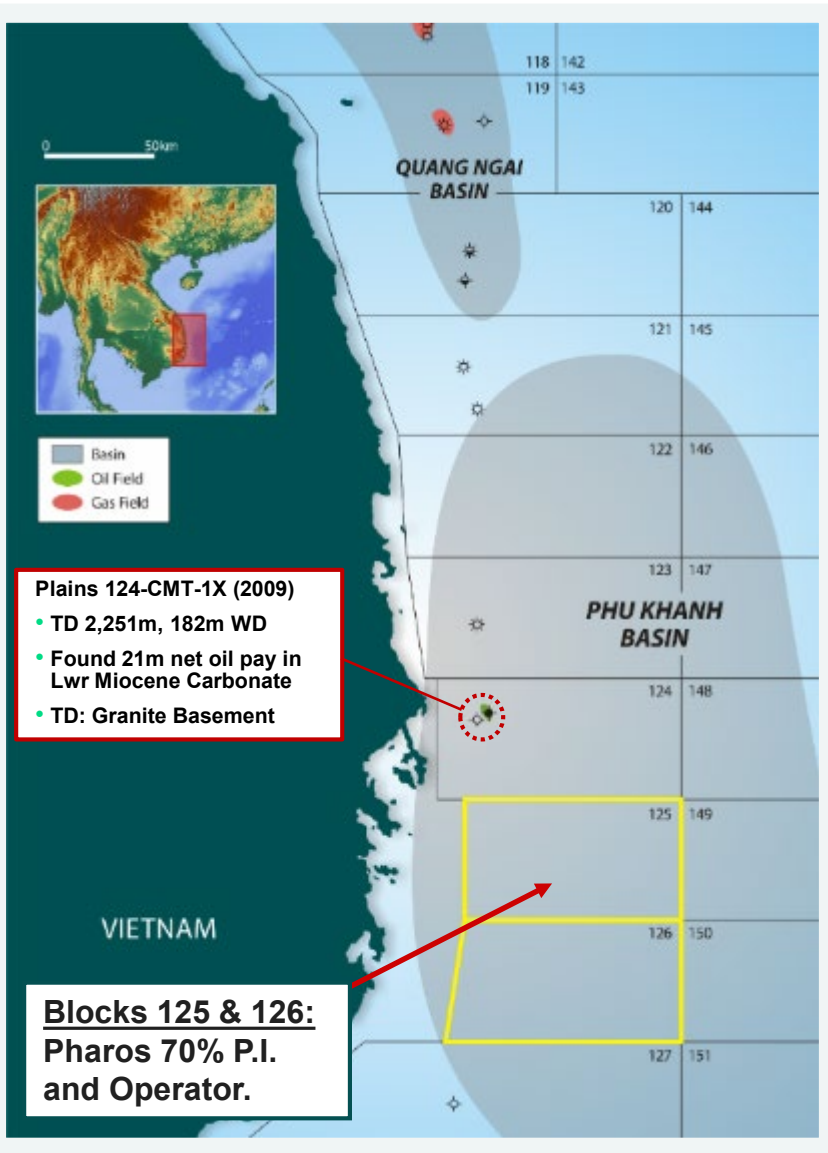
Note: Production, Reserves, Contingent and Prospective Resources figures are Pharos net working interest. | * ILX : infrastructure-led exploration

Blocks 125/126

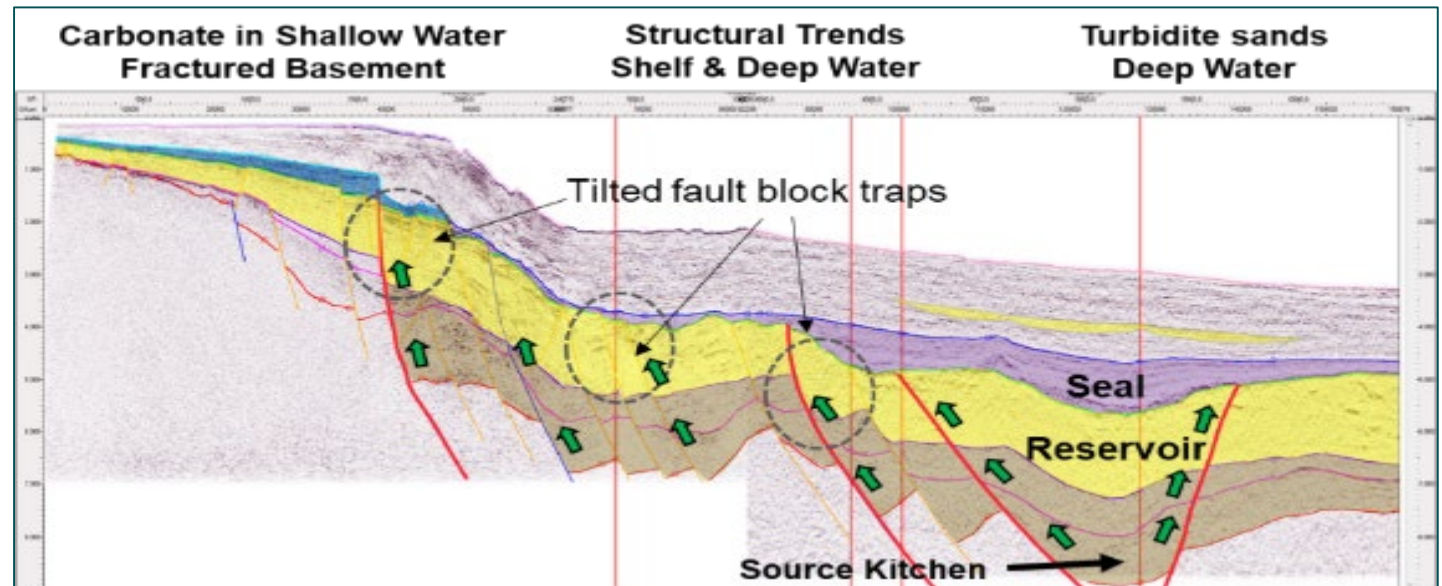
Vincent Duignan

Group Exploration Manager &
General Manager - South East Asia

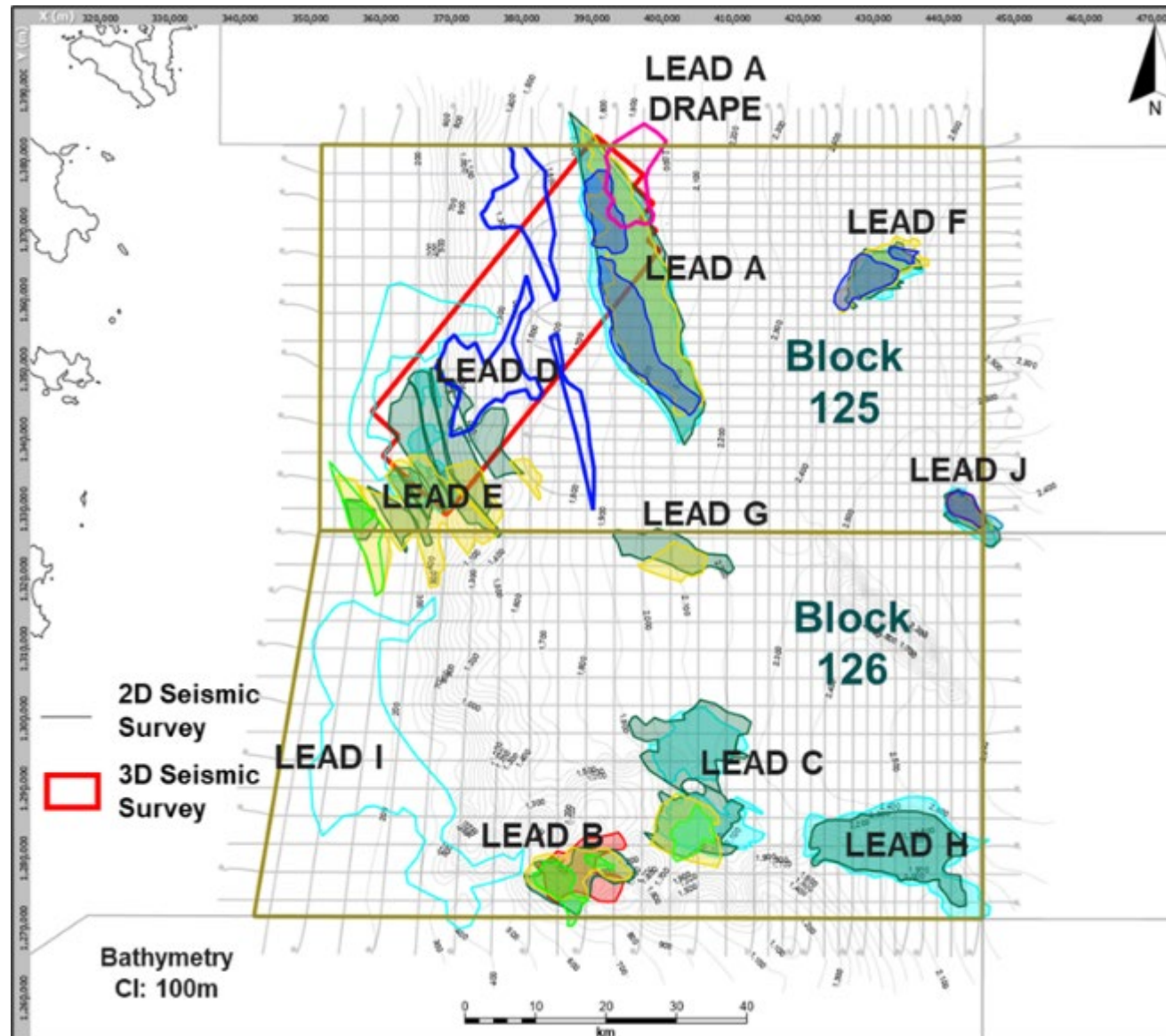
PHU KHANH BASIN – THE LAST REMAINING FRONTIER IN VIETNAM



- Geological observations indicate:
 - demonstrated source, generation and migration of oil in this basin;
Tertiary & Basement reservoirs
- Oil discovery in Block 124:
 - confirms oil system in the basin
- Multiple structural and stratigraphic Prospects and Leads observed on the 2D and 3D seismic data



BLOCKS 125/126 DETAILED LEADS MAPPING BASED ON 2D SEISMIC DATA



Structural Closures:

- Magenta Hz. (~Top Pliocene) **S1**
- Dk. Cyan (~Top Upper Miocene) **S2**
- Blue Hz. (Middle Miocene Unconformity) **S3**
- Green Hz. (~Lower Miocene) **S4**
- Yellow (L. Miocene-Oligocene (?)) **S5**
- Dk. Green Hz. (Intra Oligo. #2) **S6**
- Cyan Hz. (Intra Oligocene #3) **S7**

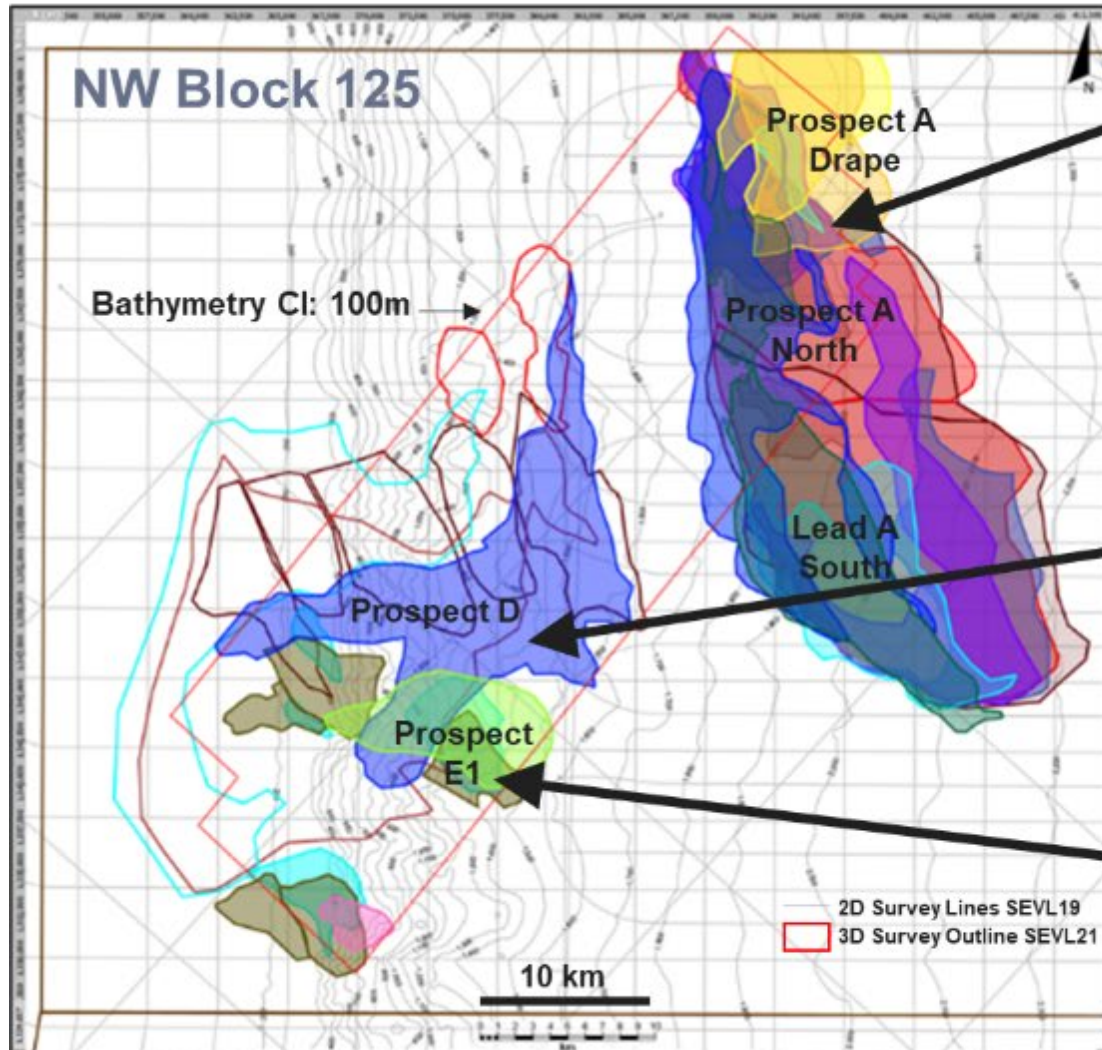
Stratigraphic Closures:

- Blue Hz. (MMU-Top Carbonate)
- Cyan Hz. (Intra Oligocene #3)

Positive Bright Amplitude Anomaly Outlines:

- Upper Miocene Clastic
- Middle Miocene Clastic

BLOCK 125 POTENTIAL WELL CANDIDATES BASED ON 3D SEISMIC DATA



NW Block 125 Prospects Map with Bathymetry

Well on Prospect A North and Prospect A Drape:

Water Depth 1,900 m; Well Total Depth 6,500 m TVDSS. This Well would test Middle Miocene, Lower Miocene and Oligocene clastics in a structural play at 5 separate reservoir levels. This well would also test an Upper Miocene amplitude anomaly.

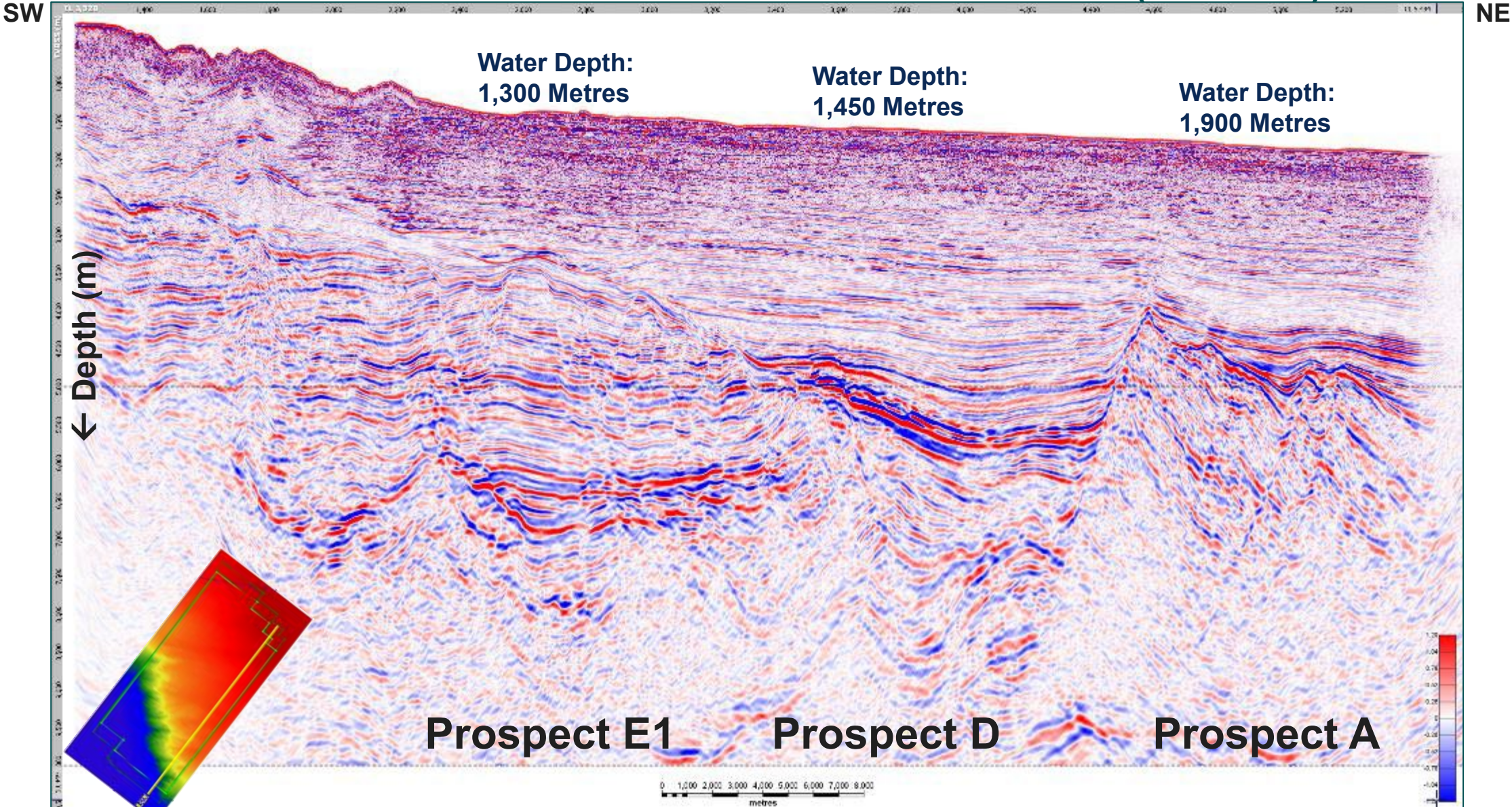
Well on Prospect D:

Water Depth 1,450 m; Well Total Depth 5,000 m TVDSS. This Well would test Lower Miocene and Oligocene clastics in a pinch-out play at 3 separate reservoir levels.

Well on Prospect E1:

Water Depth 1,300 m; Well Total Depth 4,500 m TVDSS. This Well would test Lower Miocene and Oligocene clastics in a Fault Trap play at 3 separate reservoir levels.

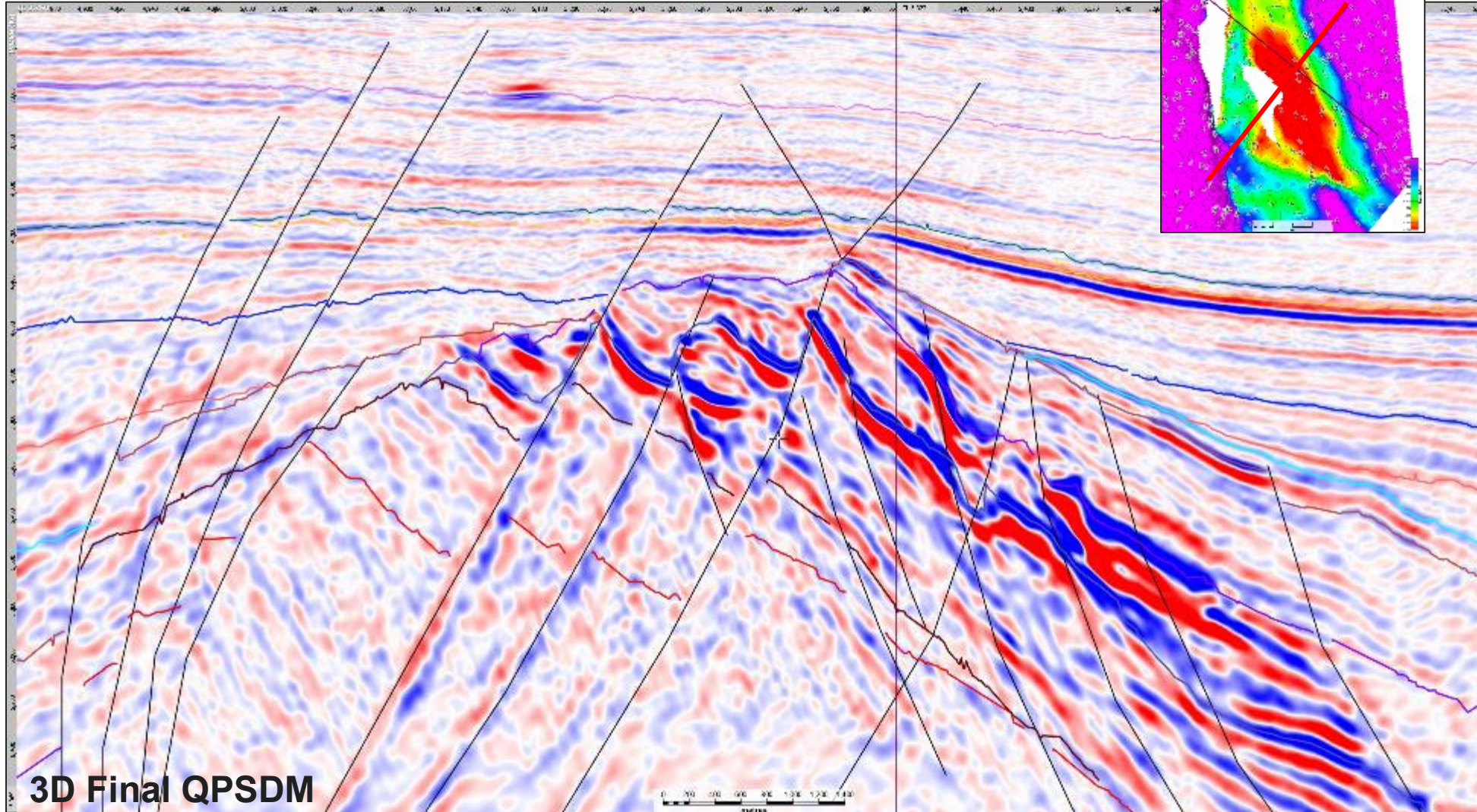
BLOCK 125 3D FWI-QPSDM SEISMIC LINE (L3320)



SUMMARY OF PROSPECT A NORTH – DIP LINE

SW

NE



Pink = UM 8.5ma?

Emerald = UM 06

Blonde = UM 05b

Gold = UM 05a

Blue = Middle Miocene Unconf.

Salmon = Middle Miocene

Aqua = Top Seq. C?

Brown = Top Seq. D?

Magenta = Top Seq. E?

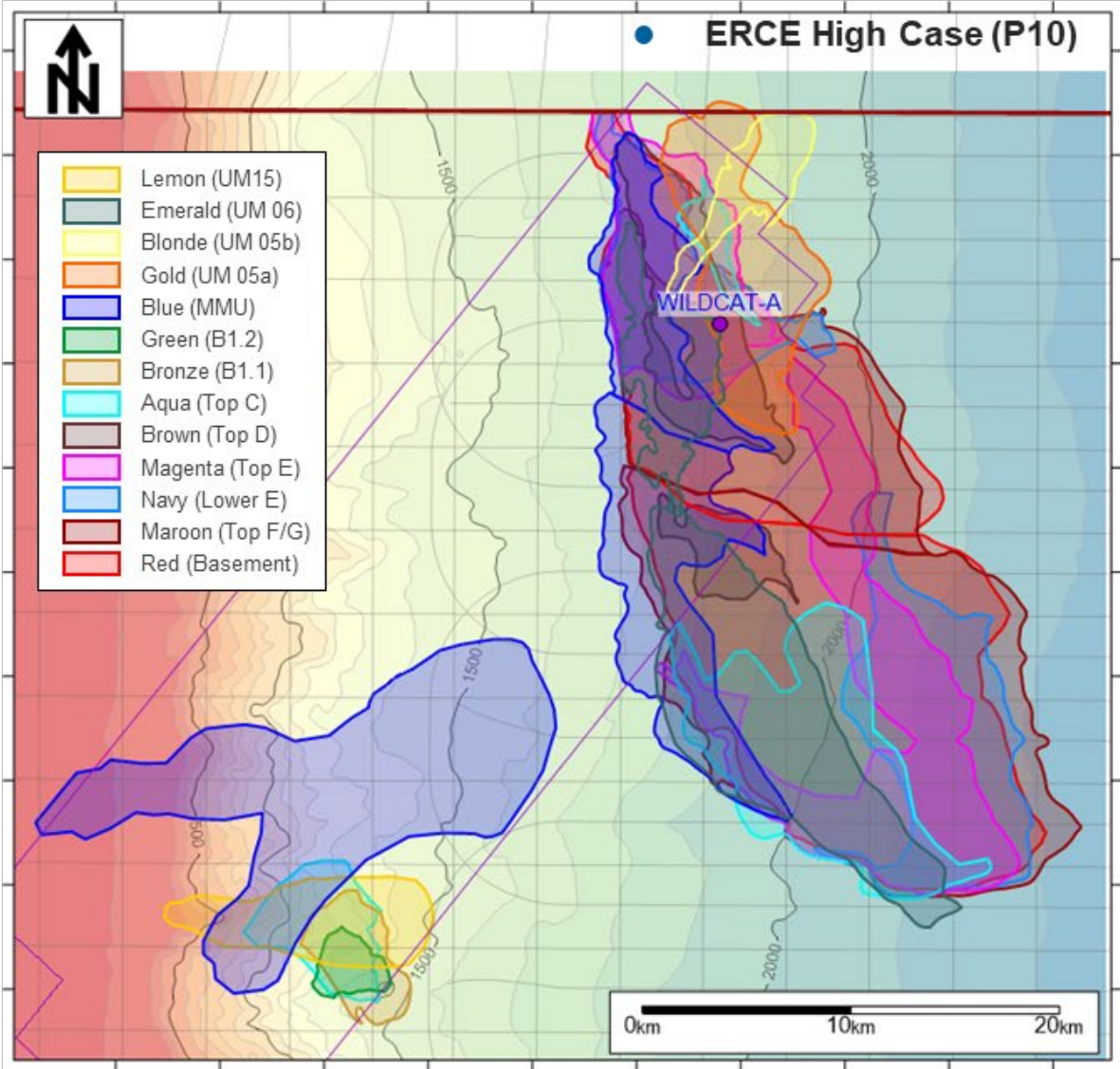
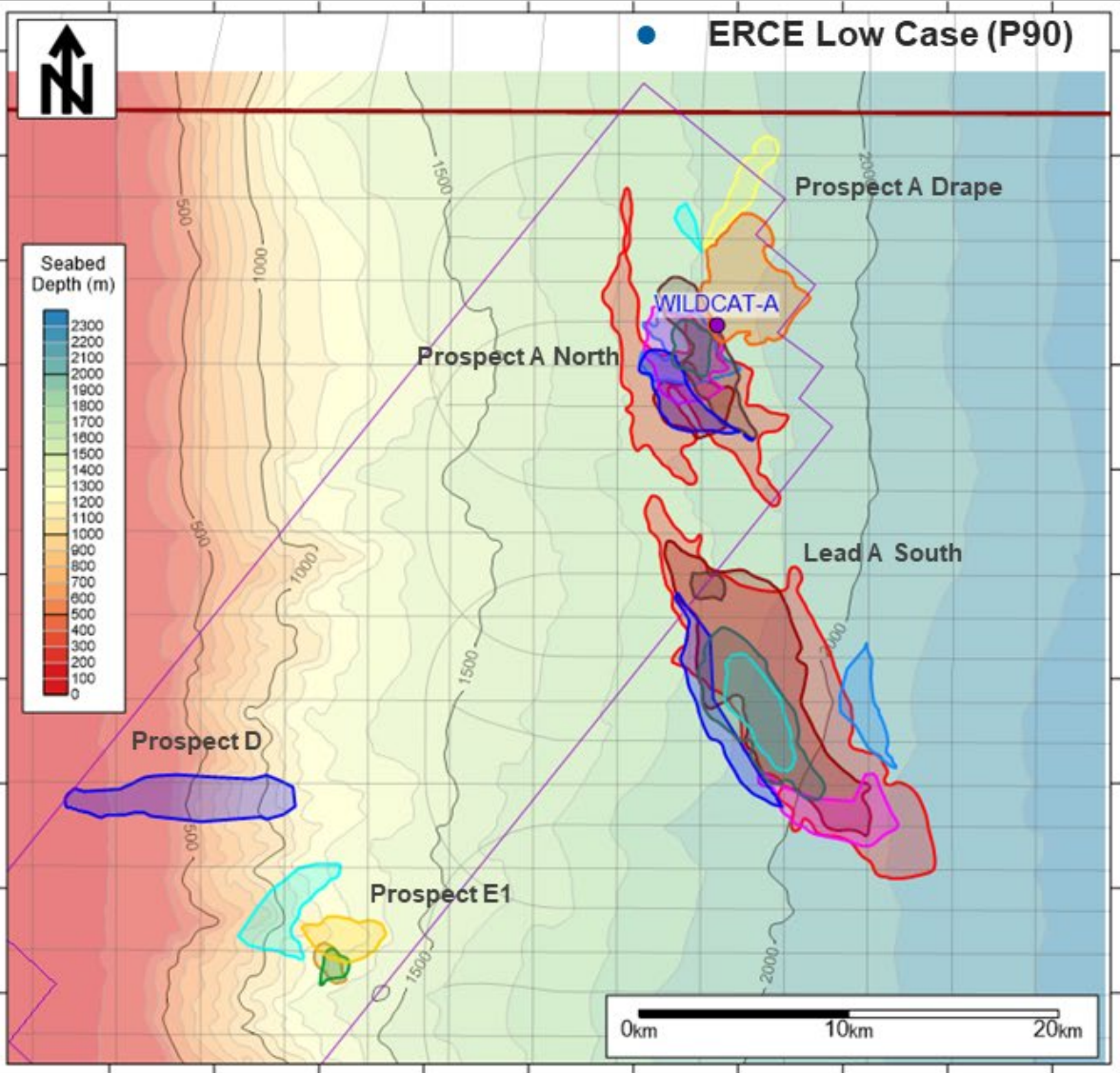
Navy = Top Lower E?

Maroon = Top Seq. F/G?

Red = Base Tertiary (Basement)

Red is Soft kick, Blue is hard

BLOCK 125 – INDEPENDENT PROSPECT MAPPING BY ERCE



Contour Interval (C.I.): 100 m

BLOCK 125 – ERCE STOIP ASSESSMENT OF PROSPECTS

Prospect A (Drape and North)

Prospect Name	STOIP (MMstb)			
	P90	P50	P10	Mean
Prospect A Drape UM 06	5	19	73	33
Prospect A Drape UM 05b	39	108	307	150
Prospect A Drape UM 05a	178	403	911	492
Prospect A North MMU	17	89	450	201
Prospect A North Top C	5	17	59	27
Prospect A North Top D	84	321	1,193	543
Prospect A North Top E	221	962	4,414	1,914
Prospect A North Lower E	196	818	3,363	1,488
Prospect A North Top F/G	147	1,504	15,684	6,983
Prospect A North Basement	279	1,226	5,404	2,359
Total	1,171	5,467	31,858	14,190

Lead A South

Prospect Name	STOIP (MMstb)			
	P90	P50	P10	Mean
Lead A South UM06	119	489	1,961	874
Lead A South MMU	26	169	962	418
Lead A South Top C	87	398	1,746	757
Lead A South Top D	11	59	290	126
Lead A South Top E	144	635	2,760	1,198
Lead A South Lower E	76	381	1,947	837
Lead A South Top F/G	2,146	9,759	42,811	18,863
Lead A South Basement	726	2,687	9,945	4,436
Total	3,335	14,577	62,422	27,509

Probabilistic Volumetrics Assessment

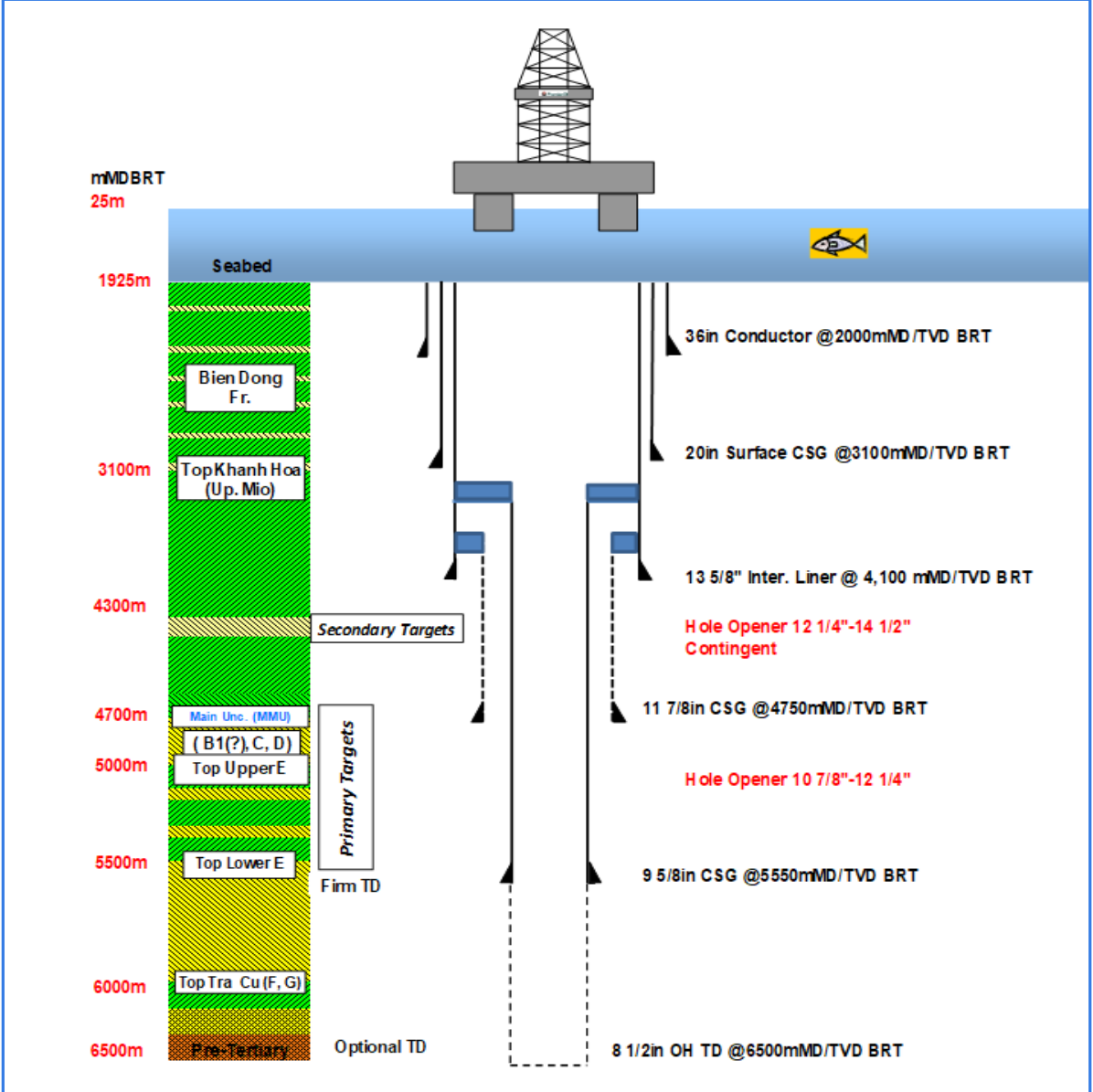
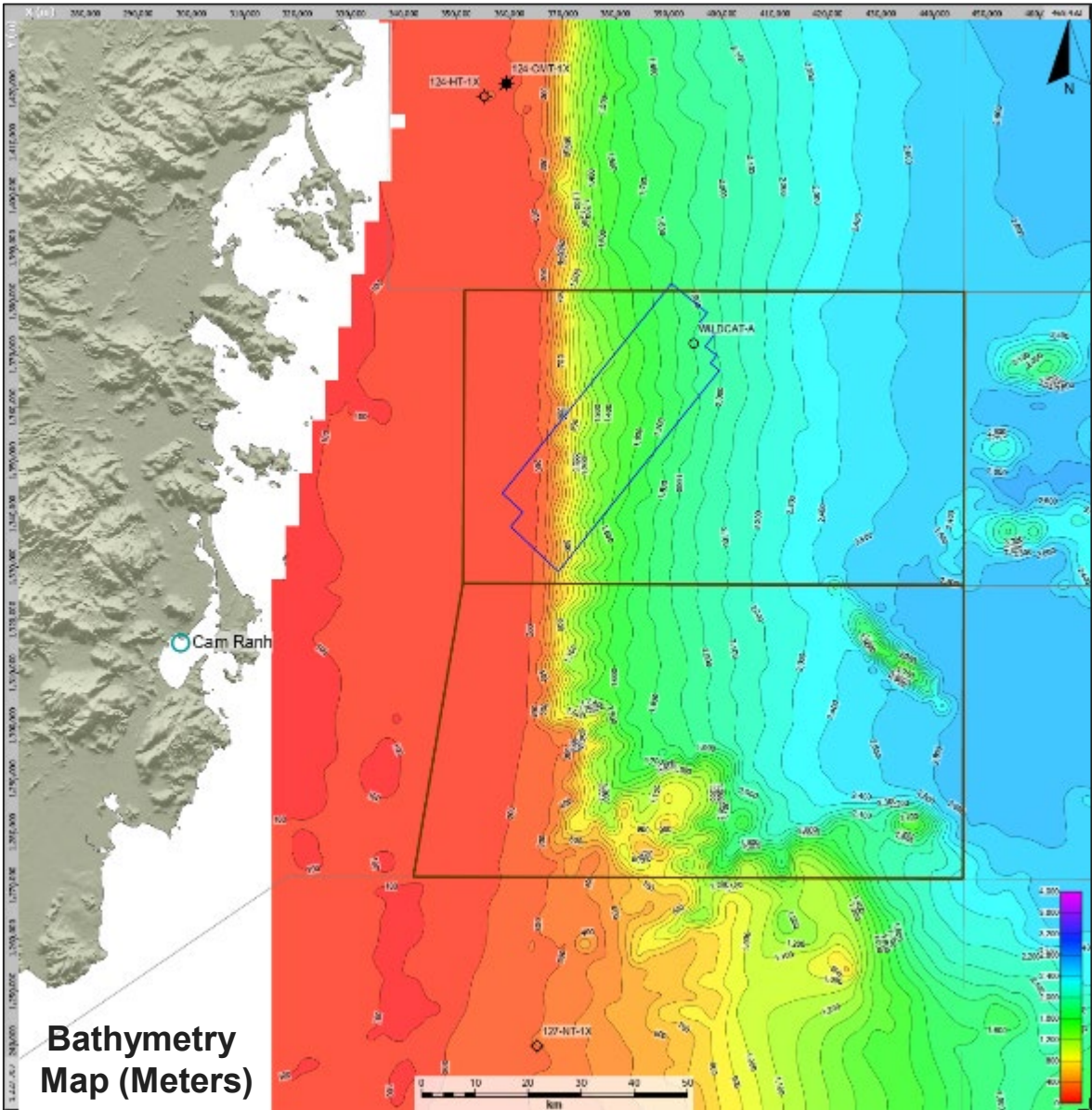
Prospect D

Prospect Name	STOIP (MMstb)			
	P90	P50	P10	Mean
Prospect D Middle Miocene	528	2,568	12,761	5,505

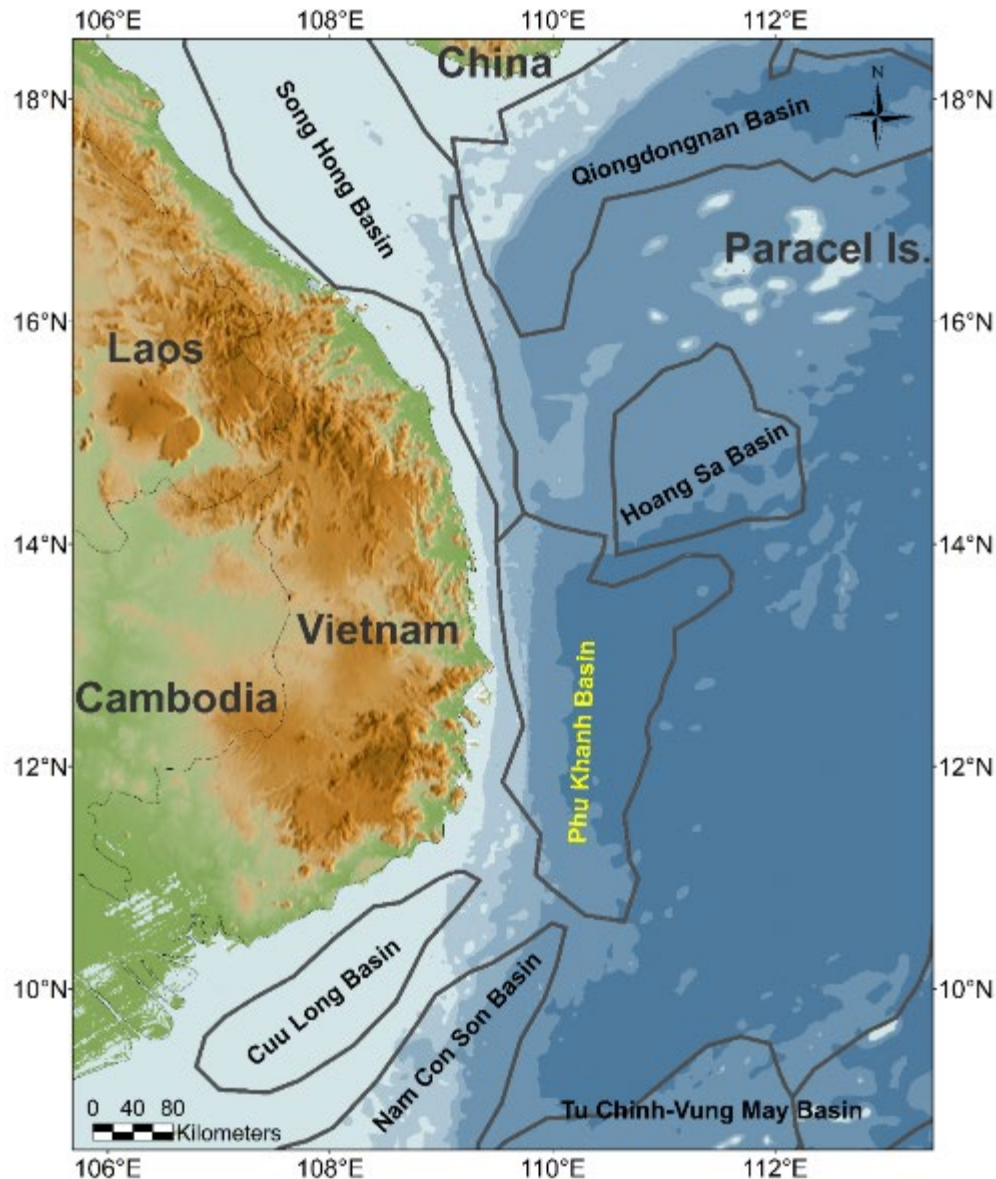
Prospect E1

Prospect Name	STOIP (MMstb)			
	P90	P50	P10	Mean
Prospect E1 UM15	22	73	253	118
Prospect E1 B1.2	3	16	74	33
Prospect E1 B1.1	51	277	1,457	662
Prospect E1 Top C	30	98	299	143
Total	106	464	2,083	956

BLOCK 125 EXPLORATION WELL PLANNING



PHU KHANH BASIN SUMMARY AND CONCLUSIONS



- A New Frontier Area.
- Shallow to Deep Water Basin (water depth 50m-2,500m).
- Undrilled in the main basin area, but a few wells on the shelf area show promising results.
- Sediment thickness up to 8km in the main basin depocenter with similar source rock package as Cuu Long Basin.
- Multiple Structural and Stratigraphic Play Types.
- By analogy with the Cuu Long Basin and other Sunda basins, the Phu Khanh Basin has the potential for Billion Barrel Hydrocarbon Fields.
- Independent assessment by ERCE confirms a range of gross unrisked prospective oil resources of between 1,178 MMstb (1U) and 29,785 MMstb (3U) with a Mean value of 13,328 MMstb.

ESG

Minh-Anh Nguyen

Senior IR & ESG Associate



RESPONSIBILITY FRAMEWORK

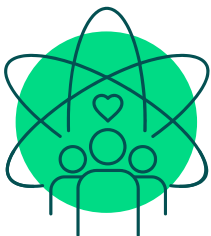
Operating a sustainable business



Environment

36 kg CO₂e /bbl of oil equivalent of hydrocarbon produced by equity share in 1H 2023

276 tonnes CO₂e/1000 tonnes of hydrocarbon produced by equity share in 1H 2023



Society

c.\$200,000 community and charitable investments supporting 14 projects in Vietnam in 2022 ⁽¹⁾

\$500,000 invested in training levies to develop industry talent in Vietnam & Egypt



Business

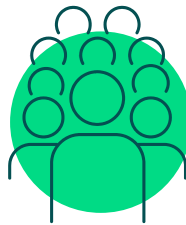
100% El Fayum oil sold domestically in Egypt

\$245.3m tax & royalty payments to government in 2022 ⁽²⁾



Ethics

100% employees and relevant contractors undertaken annual anti-bribery and corruption (ABC) training



People

0 Lost Time Injury in Egypt & Vietnam ⁽³⁾

11 nationalities across all assets

4/6 Board members are women

Carbon Disclosure Project



Carbon Disclosure Project (CDP)
Climate Change & Water Security questionnaire

Continued participation in the CDP Climate Change questionnaire and Water Security questionnaire in 2023.

TCFD

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Task Force on Climate-related Financial Disclosures

Continued work to align with TCFD's recommendations on Financial Disclosure

(1) via HLHVJOC, estimated funding for all approved projects in 2023 | (2) Data as at YE 2022, of which \$140.7m was for indirect taxes based on production entitlement in Vietnam and \$28.8m indirect taxes based on production entitlement in Egypt..

(3) Pharos' Vietnam assets have maintained a zero Lost Time Injury record since inception

Update on Net Zero commitment



Business-as-usual projections

- GHG emission data review
- Engagement with asset teams to understand current context, restrictions and development plans
- Analysis of existing and planned GHG mitigation actions for assets
- Business-as-usual GHG emission scenarios and future projections developed

✓ **COMPLETED**



High-level GHG mitigation options

- Identification of GHG emissions reduction options
- Interactive workshops with technical teams to prioritise and rank GHG reduction technologies
- GHG reduction options assessments
- Indicative GHG mitigation trajectory

✓ **COMPLETED**



Net Zero roadmap

- Abatement options costed and accounted
- Interim Net Zero targets
- Feasibility studies for shortlisted emission reduction options

IN PROGRESS

On track to deliver Net Zero roadmap by end of 2023

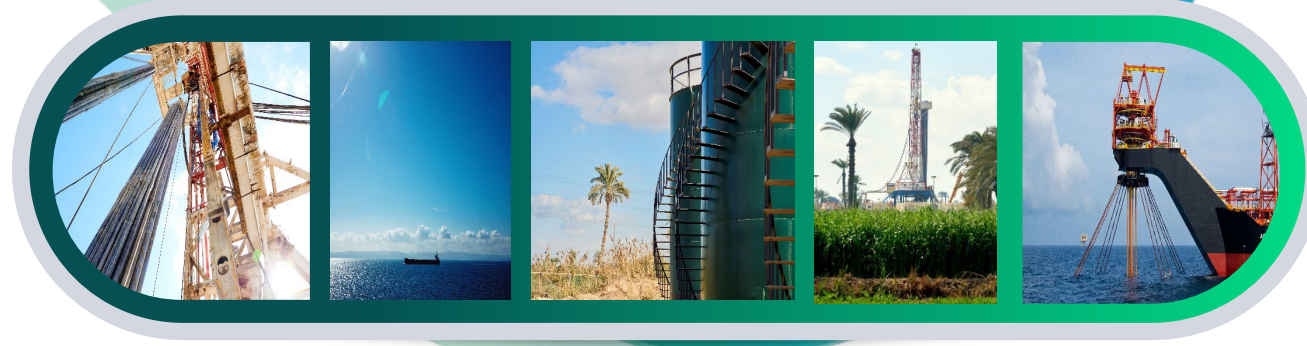
Outlook

Jann Brown

Chief Executive Officer



OUTLOOK



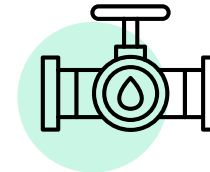
Steady progress
across value
chain



Robust
sustainable cash
flows in Vietnam



Exploration
successes
funded by
Carry in Egypt



Block 125
offers
transformational
potential



Commitment
to regular cash
returns to
shareholders

Solid cash flow | Near term developments | Substantial upside

Q&A





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