

19 November 2020

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

Update statement on 2020 AGM results

At the AGM in May 2020, the resolution on the remuneration report was passed by 79.21% of votes cast. This is not felt to relate to any underlying issue with the policy which was passed at the same meeting by 92.62%.

We believe the principal issue related to a decision to equalise salaries across the three Executive Directors. This was done through the CEO voluntarily reducing his salary to finance the increases to the other two Managing Directors so it was essentially implemented at zero cost to the Company. Nonetheless, some shareholders were opposed to this equalisation on the basis that it may limit the Company's ability to reduce long-term costs as and when succession occurs.

Given the fall in share prices earlier this year, the normal 2x salary LTIP grant level was significantly reduced to make the grant over shares worth c. 50% of salary which, in the Board's view, demonstrates the conservative approach taken to overall remuneration. In addition, all three Executive Directors have waived 25% of their salaries from 1 May 2020 to 31 March 2021 at the earliest. In addition, the Executive Directors and the Company have agreed that they will not receive any annual bonus in relation to 2020. It also has been agreed that Non-Executive Director fees be waived as to 25% from 1 May 2020 to 31 March 2021 at the earliest.

For further information, please contact:

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