

4 August 2020

TGT field licence extension and RBL Update

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

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Pharos Energy plc, an independent oil and gas exploration and production company, is pleased to announce that the Joint Operating Company's (JOC) request for an extension for the TGT field licence of two years, has been formally granted by the Ministry of Industry and Trade in Vietnam. The licence now runs to 7 December 2026, as the first stage of the full five-year licence extension, and the Company remains confident in securing a licence extension of a further three years to 2029, which will be pursued in due course in accordance with the licence terms.

This accelerated two-year extension enables the JOC to make investments under the proposed TGT Full Field Development Plan (FFDP), and provides financial flexibility to potentially increase the tenor of the RBL, which currently has a term until 2023, by a further two years. The extension has no impact on the TGT reserves, as these continue to be reported in accordance with the full term of the licence including the full five-year extension to 2029. The FFDP, due to commence drilling in Q4 2021, includes drilling six producer wells, has been approved by all Partners and is awaiting final approval from the Ministry of Industry and Trade, any further updates will be provided at the interim results.

The Company is also pleased to confirm that the scheduled half-yearly redetermination of the Reserve Based Lending Facility (RBL) over the Group's producing assets in Vietnam is now complete. As set out in the most recent Trading and Operational Update on 9 July 2020, repayments totalling \$31.7m have now been made in accordance with the redetermination and, the Borrowing Base amount currently stands at \$64.3m against a Facility Agreement of \$125m plus a further \$125m on an uncommitted "accordion" basis. As at 31 July 2020 net debt stands at c.\$32m.

Ed Story, President and Chief Executive Officer, commented

"We are pleased to have received the formal grant of our two-year extension at TGT, which is very welcome news and allows us to embark on our FFDP with confidence as we look to increase production in Vietnam. With the two-year extension we will look to increase the tenor of the RBL and have confidence that the remaining period of a full five-year extension will be granted as our plans for future TGT drilling and enhanced oil recovery unfold over time. Moreover, the support and encouragement of the Government of Vietnam at this time of industry distress and uncertainty speaks volumes regarding our future in Vietnam."

The information contained herein has not been audited and may be subject to further review and amendment.

Enquiries

Pharos Energy plc

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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, headquartered in London and listed on the London Stock Exchange.

Pharos has production, development and exploration interests in Egypt, Israel and Vietnam.

In Egypt, Pharos holds a 100% working interest in the El Fayum oil Concession in the low-cost and highly prolific Western Desert, one of Egypt's most established and prolific hydrocarbon basins. The Concession produces from 10 fields and is located 80 km south west 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 Israel, Pharos together with Cairn Energy plc and Israel's Ratio Oil Exploration, were successful in their bid for eight blocks in the second offshore bid round in Israel. Each party has an equal working interest and Cairn is the operator.

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, north east of the Cuu Long Basin, offshore central Vietnam.