

25 May 2023

AGM Trading and Operations Update

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

2023 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:

"Our 2023 work programme has started well with strong operational delivery across our repositioned portfolio, including an encouraging drill result at the CNV field in Vietnam and a commercial discovery at the first of two exploration wells in the North Beni Suef concession in Egypt.

"The active drilling programme in Egypt continues targeting a total of nine wells on El Fayum in 2023 and a second well on North Beni Suef. In Vietnam, we remain focused on extending the life of our assets and maturing exploration prospects. The Revised Field Development Plan for TGT has been submitted to the regulator to support drilling two development wells in 2024, and good progress is being made with the application for an extension of our licences at both TGT and CNV. We remain excited by the basin opening potential of Blocks 125 & 126 and the delivery of a new partner remains a priority for management, with discussions ongoing with a number of interested parties.

"Our focus remains on operational delivery, sustainable cash generation and capital discipline to deliver regular shareholder returns, and we look forward to recommencing regular dividend payments this year alongside our ongoing share buyback programme."

Operational Highlights

- Group working interest production for the four months to end of April 2023 was 6,805 boepd net. Group working interest 2023 production guidance of 6,050 – 7,500 boepd net remains unchanged from the Preliminary Results announcement on 22 March 2023:
 - Vietnam production 5,477 boepd. Vietnam 2023 production guidance 4,700 – 5,700 boepd net
 - Egypt production 1,328 bopd. Egypt 2023 production guidance 1,350 – 1,800 bopd net
- In Vietnam:
 - On Block 9-2 – CNV Field, well CNV-2PST1 was completed and put on stream. Initial production results are highly encouraging at c. 3,000 bopd (gross) compared to pre-drill estimates of c. 1,000 bopd (gross); the well is under close monitoring and will continue to be evaluated. The new lateral was drilled from an existing well, which significantly reduced the well cost and established the potential for additional low-cost drilling in the field
 - TGT Revised Field Development Plan (RFDP) for two new wells has been submitted to the regulator for approval. Drilling expected to commence in Q2/Q3 2024
 - Application for extensions to TGT & CNV licences. Discussions ongoing between partners and PVN on licence terms and work programme commitments for the extension period
 - Application for an extension to the exploration phase of the Blocks 125 & 126 production sharing contract is with the Prime Minister's office for approval
 - Progressing work on rig availability and securing a farm-in partner with a number of interested parties, to drill the commitment well on Block 125
 - In addition, an independent assessment by ERCE for Block 125 has commenced, evaluating prospect sizes with encouraging initial results. We look forward to update the market at the July Trading & Operations Update

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- In Egypt:
 - The first commitment exploration well in North Beni Suef concession (NBS-1X) was declared a commercial discovery after encountering multiple pay zones in Abu Roash G Formation. The well stabilised production test rate pre-frac is 470 bopd (gross)
 - Acquisition of c.110 km² of additional 3D seismic at NBS is ongoing and the second commitment exploration well is expected to be drilled in Q3
 - Two development wells were drilled on the El Fayum Concession and completed in Q1 before the rig was dispatched to NBS to drill NBS-1X. The rig is now back in El Fayum and drilling the third of nine wells in a multi-well development programme
 - Two commitment exploration wells in the El Fayum Concession expected to be drilled in Q2/Q3

Financial Highlights

- Group revenue for January to April 2023 was \$49m and there were no realised hedging profits/losses
- Cash balances as at 30 April 2023 of c. \$44m, net debt of c. \$29m
- Egypt receivable position stands at \$29m (Dec 2022: \$24m). The continuing volatility of the macro-economic environment in Egypt and further devaluation of EGP against the US dollar since year end means that it remains preferable to hold USD denominated receivables
- Forecast cash capex for the Group for the full year remains unchanged at c. \$23m, with continuing benefit of IPR carry over Egyptian assets

Corporate Highlights

- Continuation of \$3m share buyback programme announced in January
- Final dividend for the 2022 financial year of 1p per share to be proposed to shareholders at the AGM and, subject to their approval, expected to be paid on 12 July 2023
- Net Zero roadmap to be published in H2 2023
- A Trading & Operations update will be published on 20 July 2023, ahead of the Company's Interim Results announcement in September

Enquiries

Pharos Energy plc

Jann Brown, Chief Executive Officer

Sue Rivett, Chief Financial Officer

Camarco

Billy Clegg | Georgia Edmonds | Rebecca Waterworth | Kirsty Duff

Tel: 020 7747 2000

Tel: 020 3757 4980

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 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. IPR Lake Qarun operates and holds the remaining 55% working interest in the NBS 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' unithised 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, Blocks 125 & 126, located in the moderate to deep water Phu Khanh Basin, north east of the Cuu Long Basin, offshore central Vietnam.