

Notice of the 2022 Annual General Meeting of Pharos Energy plc

to be held at Argyll, 8-10 Hill Street, London, W1J 5NG on
19 May 2022 at 9.00 a.m.

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to what action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all your shares in Pharos Energy plc, please pass this document together with the accompanying documents as soon as possible to the purchaser or transferee, or to the agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

PHAROS

E N E R G Y

Registered Office
Eastcastle House
27/28 Eastcastle Street
London
W1W 8DH
United Kingdom

Incorporated in England and Wales. Registered No. 3300821

Directors:

John Martin (Non-Executive Chair)

Jann Brown (Chief Executive Officer)

Sue Rivett (Chief Financial Officer)

Rob Gray (Deputy Chair and Senior Independent Director)

Marianne Daryabegui (Non-Executive Director)

Geoffrey Green (Non-Executive Director)

Lisa Mitchell (Non-Executive Director)

22 April 2022

Dear Shareholder,

Annual General Meeting (“AGM”)

To be held at Argyll, 8-10 Hill Street, London, W1J 5NG 19 May 2022 at 9.00 a.m.

The Board has been considering how to deal with the ongoing impact of the COVID-19 pandemic on arrangements for the 2022 AGM. Our preference would have been to welcome shareholders in person to our 2022 AGM, particularly given the constraints we faced in 2020 and 2021, however due to the continued unpredictability and potential health risks from public gatherings because of the COVID-19 pandemic, the Board is planning to hold the AGM with minimal attendance at the venue for quorum purposes in order to conduct the business of the meeting. The health and wellbeing of our employees, shareholders and wider community is a priority for Pharos and our AGM arrangements must take this into account. Shareholders are therefore encouraged not to attend in person and instead to cast their votes by appointing the Chair of the Meeting as proxy to vote on their behalf. If, nonetheless, you wish to attend the AGM physically or appoint a person as your proxy other than the Chair of the Meeting, you are asked to register your intention to attend by email to info@pharos.energy on reasonable notice, to allow the Company, if practical, to make appropriate arrangements. If you do not register your intention to attend in this way, this could result in either you or your proxy (if a person other than the Chair of the Meeting) not being permitted entry to the AGM.

The Board will continue to closely monitor the ongoing impact of COVID-19, and if it becomes necessary or appropriate to change the arrangements for the AGM to permit shareholder attendance, the Company will notify shareholders before the AGM via its website at www.pharos.energy and, where appropriate, through the release of an announcement to a Regulatory Information Service. The arrangements expected to be required for any shareholder seeking to attend the AGM may include appropriate social distancing and other protective measures, including requiring shareholders to produce a negative COVID-19 test prior to being admitted.

The Board recognises that the AGM is an important event for shareholders in the corporate calendar and is committed to ensuring that shareholders can exercise their right to vote and ask questions in connection with this meeting.

In light of the above, the AGM arrangements will be as set out below:

- We are planning minimal attendance at the venue for quorum purposes to conduct the business of the meeting.
- As set out above, shareholders are encouraged not to attend the Company’s AGM in person and are instead encouraged to appoint the Chair of the Meeting as their proxy to vote on their behalf.
- We encourage shareholders to submit questions about the business of the meeting on reasonable notice in advance of the meeting by email to info@pharos.energy and in so far as relevant to the business of the meeting questions will be responded to by email, taken into account as appropriate at the meeting itself and made available on the Company’s website in advance of the meeting at www.pharos.energy/investors/shareholder-centre/agm-gm/.
- Voting at the AGM will be carried out by way of a poll so that the votes cast in advance and the votes of all shareholders appointing the Chair of the Meeting as their proxy to vote on their behalf can be taken into account.
- There will be no update on trading or other management statements given at the AGM although a trading and operations update will be published on the Company’s website before the AGM.
- The results of the AGM will be announced as soon as practical after it has taken place.

We trust shareholders will understand and co-operate with these arrangements. We intend to revert to our normal format of AGM in 2023.

Action to be Taken

Shareholders wishing to vote on any of the matters of business at the AGM are therefore encouraged to:

1. Submit their votes (as soon as possible) in advance of the meeting through the proxy and electronic voting facilities and to appoint the Chair of the meeting as their proxy for this purpose.
2. Submit any questions in connection with the business of the meeting on reasonable notice in advance of the meeting to info@pharos.energy.
3. Look out for any updates in connection with the arrangements for the AGM via RNS and on the Company's website and for the announcement of the results of the AGM following the meeting.

Shareholder voting

A Form of Proxy for use by shareholders in connection with the AGM is enclosed. You are requested to complete and return the Form of Proxy in accordance with its instructions so that it arrives no later than 9.00 a.m. on 17 May 2022. Shareholders can also use the online voting and proxy appointment facility as detailed below.

Members may register their proxy appointments or vote electronically via the www.sharevote.co.uk website, where full details of the procedure are given. Members will need the Voting ID, Task ID and Shareholder Reference Number set out on the Form of Proxy. Alternatively, if members are registered with the Equiniti online portfolio service 'Shareview.co.uk', they can vote by logging on with their usual user ID and password.

Once logged in simply click "View" on the "My Investments" page, click on the link to vote then follow the on-screen instructions. Members are advised to read the terms and conditions of use carefully.

Electronic communication facilities are available to all shareholders and those who use them will not be disadvantaged. The Company will not accept any communication that is found to contain a computer virus.

The Notice of Meeting follows in Appendix II to this letter and sets out the business to be transacted. An explanation of each of the resolutions also follows in Appendix I to this letter. Accompanying this letter is a copy of the Company's Annual Report and Accounts for the year ended 31 December 2021.

Recommendation

Your Directors consider that the proposals outlined are in the best interests of the Company and its shareholders as a whole. Accordingly, your Directors recommend that you vote in favour of the resolutions to be proposed at the AGM, as they intend to do so in respect of their own beneficial holdings, which amount to 9,535,642 ordinary shares representing approximately 2.15% of the current issued ordinary share capital of the Company (excluding treasury shares) on the date of this letter. In making their recommendation, each Director being proposed for re-election abstains in relation to the resolution for their own re-election.

Yours sincerely,



John Martin

Chair

Explanation of the resolutions to be proposed at the Annual General Meeting ('AGM')

a. Resolution 1: To Receive the Annual Report and Accounts

This resolution is to receive the Annual Report and Accounts for the year ended 31 December 2021 including the Strategic, Directors' and Auditor's Reports and the Directors' Remuneration Report ('the Report and Accounts'), accompanying this circular to shareholders.

b. Resolution 2: Approval of the Directors' Remuneration Report

This resolution seeks, in accordance with section 439 of the Companies Act 2006 (the 'Act'), shareholder approval for the Directors' Remuneration Report (excluding the part containing the summary of the Directors' Remuneration Policy), which can be found on pages 102 to 116 (inclusive) of the Report and Accounts. The Directors' Remuneration Report gives details of the implementation of the Company's current Directors' Remuneration Policy in connection with the performance of the Directors and that of the Company during the year ended 31 December 2021. This vote is advisory and will not affect the way in which the pay policy has been implemented and the Directors' entitlements to remuneration are not conditional upon the resolution being passed.

The Directors' Remuneration Policy summarised on pages 115 to 116 (inclusive) of the Report and Accounts was approved at the AGM in 2020 and remains in effect for three years from this date before the Act requires a new Directors' Remuneration Policy to be proposed to shareholders for approval. Accordingly, the Company will be required to propose a resolution to approve a new Directors' Remuneration Policy at the AGM in 2023.

The Company's Auditor during the year, Deloitte LLP, have audited those parts of the Directors' Remuneration Report required to be audited and their report may be found on pages 123 to 131 of the Report and Accounts.

c. Resolutions 3, 4, 5, 6, 7 and 8: Reappointment of Directors

Resolutions 3-7 are for the reappointment as Directors of John Martin, Jann Brown, Marianne Daryabegui, Geoffrey Green and Lisa Mitchell who retire at this AGM as explained on page 96 of the Report and Accounts and are being proposed for reappointment.

Resolution 8 is for the reappointment of Sue Rivett who was appointed to the Board since the last AGM in 2021. Accordingly, she submits herself for reappointment by shareholders for the first time, in accordance with the Articles of Association.

Rob Gray is not standing for reappointment and will retire from the Board at the conclusion of this AGM.

The reappointment of each Director who served during 2021 is recommended by the Board in consideration of the results of their individual performance evaluation and demonstration of their continued commitment and effectiveness as confirmed by the Chair in respect of the Non-Executive Directors and by the Senior Independent Director in respect of the Chair. The Board also recommends the reappointment of Sue Rivett taking into account her proven track record with the Company for over 6 years, most recently as Group Head of Finance and UK General Manager. We believe Sue's expertise and experience in the energy sector, complements and enhances the skills and experience of the current Board. Biographical details of all Directors are set out on pages 83 to 85 of the Report and Accounts.

d. Resolution 9: Reappointment of Auditor

The Act requires that auditors be appointed at each general meeting at which accounts are laid to hold office until the next such meeting. The appointment of Deloitte LLP as Auditor of the Company terminates at the conclusion of the AGM. This is a resolution to reappoint Deloitte LLP as Auditor of the Company to hold office from the conclusion of this AGM until the conclusion of the next AGM at which accounts are laid before the Company. The Audit and Risk Committee keeps under review the independence and objectivity of the external auditors and further information can be found in the Report and Accounts on page 97. After considering the relevant information, the Audit and Risk Committee has recommended to the Board that Deloitte LLP be reappointed as Auditor.

e. Resolution 10: Auditor's Remuneration

It is normal practice for shareholders to resolve at the AGM to authorise the Directors to determine the level of remuneration of the Auditor for the audit work to be carried out by them in the next financial year. The amount of the remuneration paid to the Auditor for the next financial year will be disclosed in the next audited accounts of the Company and this resolution proposes that such remuneration will be agreed by the Audit and Risk Committee on behalf of the Directors.

f. Resolution 11: Directors' Authority to Allot Securities

Your Directors may allot new shares, or grant rights to subscribe for or convert any security into shares in the Company, only if authorised to do so by shareholders. The Directors were so authorised at the Company's AGM in 2021, with such authorisation to expire at the conclusion of this AGM.

Resolution 11 will be proposed as an ordinary resolution to grant new authorities (in substitution for all existing authorities) to allot:

- a. shares, or grant rights to subscribe for or convert any security into shares, up to an aggregate nominal amount of £7,376,751 (representing 147,535,020 ordinary shares of £0.05 each), and (b) equity securities up to an aggregate nominal amount of £7,376,751 (representing 147,535,020 ordinary shares of £0.05 each), where the allotment is in connection with a rights issue.

In accordance with guidance issued by the Investment Association, these amounts in aggregate represent approximately two thirds of the issued ordinary share capital of the Company (excluding 9,122,268 treasury shares of £0.05 each which represent 1.65% of the issued ordinary share capital) as at 22 April 2022, the latest practicable date prior to the publication of this Notice of Meeting. Of this amount, £7,376,751 (representing approximately one third of the Company's issued ordinary share capital excluding treasury shares) can only be allotted pursuant to a rights issue. If granted, these authorities will expire at the AGM in 2023 (or, if earlier, at the close of business on 30 June 2023). The Directors have no present intention of issuing shares pursuant to this authority, except under Resolution 11(a) to satisfy the exercise of options under the Company's employee share option schemes, but the Directors wish to ensure that the Company has maximum flexibility in managing the Company's capital resources.

g. Resolutions 12 and 13: Disapplication of Pre-Emption Rights

Resolutions 12 and 13 seek to renew the existing authority from shareholders to allot equity securities and/or sell treasury shares where they propose to do so for cash and otherwise than to existing shareholders pro rata to their holdings. The Directors have no present intention to exercise this authority. However, the Directors consider it desirable to have the maximum flexibility permitted by corporate governance guidelines to respond to market developments and to enable allotments to take place to finance business opportunities without making a pre-emptive offer to existing shareholders.

In line with institutional shareholder guidance, in particular with the Pre-Emption Group's Statement of Principles, as updated in March 2015 (the 'Statement of Principles') and the publication of the Pre-Emption Group's monitoring report in May 2016, Resolutions 12 and 13 will be proposed as two separate special resolutions to grant such authority.

Resolution 12(b) allows the Directors to issue up to 22,130,240 ordinary shares of £0.05 each for cash without having first to offer the shares to existing shareholders. This number represents approximately 5% of the issued ordinary share capital of the Company (excluding treasury shares) as at 22 April 2022 (the latest practicable date prior to publication of this Notice of Meeting) and is in line with the Statement of Principles.

In exercising this power, the Directors intend to adhere to the provisions in the Statement of Principles and not to allot shares for cash on a non-pre-emptive basis pursuant to the authority in Resolution 12(b):

- In excess of an amount equal to 5% of the issued ordinary share capital of the Company (excluding treasury shares); or
- In excess of an amount equal to 7.5% of the issued ordinary share capital of the Company (excluding treasury shares) within a rolling three-year period, without prior consultation with shareholders.

Adherence to the Pre-Emption Group's Statement of Principles would not preclude issuances under the authority sought under Resolution 13.

Resolution 13 will give the Company authority to allot up to an additional 22,130,240 ordinary shares of £0.05 each for cash without having first to offer the shares to existing shareholders. This number represents approximately 5% of the issued ordinary share capital of the Company (excluding treasury shares) as at 22 April 2022 (the latest practicable date prior to publication of this Notice of Meeting).

The Directors confirm that, in accordance with the Statement of Principles, that to the extent that the authority in Resolution 13 is used for an issue of ordinary shares in excess of an amount equal to 5% of the issued ordinary share capital of the Company (excluding treasury shares), it is intended that it will only be used in connection with an acquisition or specified capital investment which is announced contemporaneously with the allotment, or which has taken place in the preceding six-month period and is disclosed in the announcement of the allotment.

Furthermore, if this authority is exercised, the Company will publish in the next Annual Report and Accounts:

- The actual level of discount achieved;
- The net proceeds raised;
- How those net proceeds were used; and
- The percentage increase in issued ordinary share capital due to non-pre-emptive issuance for cash over the three-year period preceding the issue.

If granted, the authorities contained in Resolutions 12 and 13 will expire at the conclusion of the AGM in 2023, (or, if earlier, at the close of business on 30 June 2023) unless previously renewed, varied or revoked by the Company in general meeting.

h. Resolution 14: Authority for the Company to Buy Back Shares

This resolution will give the Company authority to purchase its own shares in the market up to a limit of 10% of its issued ordinary share capital (excluding treasury shares) at 22 April 2022, the latest practicable date prior to the publication of this Notice of Meeting. The maximum and minimum prices, exclusive of expenses, are stated in the resolution.

Your Directors believe that it is advantageous for the Company to have this flexibility to make market purchases of its own shares. Your Directors have no present intention for the Company to exercise the authority granted by this resolution, and will exercise this authority only if they are satisfied that a purchase would result in an increase in expected earnings per share and would be in the interests of shareholders generally.

Shares purchased by the Company pursuant to this authority may be held in treasury or may be cancelled. The Company will consider holding repurchased shares pursuant to the authority as treasury shares. This would give the Company the ability to re-issue treasury shares quickly and cost effectively and would provide the Company with additional flexibility in the management of its capital base. Any issues of treasury shares for the purposes of the Company's employee share schemes will be made within the 10% anti-dilution limit set by the Investment Association.

As at 22 April 2022 (the last practicable date prior to publication of this Notice of Meeting), the total number of options over ordinary shares of £0.05 each that were outstanding under all of the Company's share option plans was 20,566,000, which if exercised would represent 4.65% of the Company's issued ordinary share capital at that date (excluding treasury shares). In practice 2,126,857 options would be satisfied by shares currently held, or purchased by, the employee benefit trust). If the Company were to purchase its own shares to the fullest possible extent of its authorities (both existing and being sought) from shareholders, this number of outstanding options could potentially represent 5.81% of the issued ordinary share capital of the Company (excluding treasury shares) as at that date.

i. Resolution 15: Notice Period for General Meetings

Under the Act all listed company general meetings must be held on at least 21 clear days' notice, but companies may reduce this period to 14 days (other than for AGMs) if shareholders agree to a shorter notice period and the company has met certain requirements for electronic voting. Resolution 15 is therefore being proposed as a special resolution to renew the authority granted by shareholders at last year's AGM which permitted the Company to call general meetings, other than AGMs, on 14 clear days' notice. If the resolution is passed, the authority conferred would be effective until the Company's next AGM, when it is intended that the approval be renewed. The shorter period would not be used as a matter of routine for general meetings, but only where flexibility is merited by the business of the meeting or is considered by the Directors to be in the interests of shareholders taken as a whole. In order to call a general meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all shareholders for that meeting.

APPENDIX II

Notice of Meeting

PHAROS ENERGY PLC

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Pharos Energy plc will be held at Argyll, 8-10 Hill Street, London, W1J 5NG on 19 May 2022 at 9.00 a.m.

Resolutions 1 to 11 (inclusive) will be proposed as Ordinary Resolutions and Resolutions 12 to 15 (inclusive) will be proposed as Special Resolutions.

Agenda

1. To receive the Annual Report and Accounts for the financial year ended 31 December 2021, together with the reports of the Directors and Auditor.
2. To receive and approve the Directors' Remuneration Report (excluding the part containing the summary of the Remuneration Policy) as set out on pages 102 to 116 (inclusive) of the Report and Accounts for the financial year ended 31 December 2021.
3. To reappoint John Martin, who is Chair of the Nominations and ESG Committees, as a Director.
4. To reappoint Jann Brown, who is a member of the ESG and Nominations Committees, as a Director.
5. To reappoint Marianne Daryabegui, who is a member of the Audit and Risk, ESG, Nominations and Remuneration Committees, as a Director.
6. To reappoint Geoffrey Green, who is Chair of the Remuneration Committee and a member of the Audit and Risk, ESG and Nominations Committees, as a Director.
7. To reappoint Lisa Mitchell, who is Chair of the Audit and Risk Committee and a member of the ESG, Nominations and Remuneration Committees, as a Director.
8. To reappoint Sue Rivett, who is a member of the ESG Committee, as a Director.
9. To reappoint Deloitte LLP as Auditor to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at which the accounts are laid before the Company.
10. To authorise the Audit and Risk Committee, for and on behalf of the Directors, to agree the Auditor's remuneration.
11. That, in substitution for all existing and previously unexercised authorities, the Directors be generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 ('the Act') to exercise all the powers of the Company to allot shares in the Company and grant rights to subscribe for, or convert any security into, shares in the Company:
 - a. Up to an aggregate nominal amount of £7,376,751; and
 - b. Comprising equity securities (as defined in section 560(1) of the Act) up to a further aggregate nominal amount of £7,376,751 in connection with an offer by way of a rights issue,

such authorities to expire at the conclusion of the next AGM of the Company (or, if earlier, at the close of business on 30 June 2023), unless previously renewed, varied or revoked by the Company in general meeting, save that the Company may before such expiry make any offer or agreement which would or might require shares to be allotted or rights to subscribe for or convert any security in shares to be granted, after such expiry, and the Directors may allot shares, or grant such rights to subscribe for or to convert any security into shares, in pursuance of any such offer or agreement as if the authorisations conferred hereby had not expired.

For the purposes of this Resolution 11 "rights issue" means an offer to:

- i. ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
- ii. holders of other equity securities, as required by the rights of those securities or, subject to such rights, as the Directors otherwise consider necessary,

to subscribe for further securities by means of the issue of a renounceable letter (or other negotiable document) which may be traded for a period before payment for the securities is due, including an offer to which the Directors may impose any limits or restrictions or make any other arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or the requirements of any regulatory body or stock exchange, or any other matter whatsoever.

12. That, in substitution for all existing and previously unexercised authorities and if Resolution 11 is passed, the Directors be authorised to allot equity securities (as defined in section 560(1) of the Act) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Act did not apply to any such allotment or sale, such authority to be limited to:
 - a. The allotment of equity securities and/or sale of treasury shares for cash in connection with or pursuant to an offer of, or invitation to acquire, equity securities (but in the case of the authorisation granted under Resolution 11(b) by way of a rights issue only):
 - i. To holders of ordinary shares in proportion (as nearly as may be practicable) to the respective number of ordinary shares held by them on the record date for such allotment or sale; and
 - ii. To holders of other equity securities as required by the rights of those securities or, subject to such rights, as the Directors otherwise consider necessary,

and so that the Directors may impose such exclusions or other arrangements as they consider necessary or appropriate to deal with fractional entitlements, treasury shares, record dates or legal, regulatory or practical difficulties which may arise under the laws of, or the requirements of any regulatory body or stock exchange in, any territory, or any other matter whatsoever; and

- b. To the allotment of equity securities in pursuant to the authority granted by Resolution 11(a) and/or sale of treasury shares (otherwise than under paragraph 12(a) above up to an aggregate nominal amount of £1,106,512 representing not more than 5% of the Company's issued ordinary share capital (excluding treasury shares) as at 22 April 2022;

such authority to expire at the end of the next AGM of the Company (or, if earlier, at the close of business on 30 June 2023) unless previously renewed, varied or revoked by the Company in general meeting, but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Company may allot

equity securities (and/or sell treasury shares) under any such offer or agreement as if the authority had not expired. For the purpose of this Resolution 12, "rights issue" has the same meaning as in Resolution 11 above.

13. That, if Resolution 11 is passed, the Directors be authorised, in addition to any authority granted under Resolution 12, to allot equity securities (as defined in section 560(1) of the Act) for cash under the authority given by Resolution 11 and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Act did not apply to any such allotment or sale, such authority to be:

- a. Limited to the allotment of equity securities and/or sale of treasury shares up to an aggregate nominal amount of £1,106,512 representing not more than 5% of the Company's issued ordinary share capital (excluding treasury shares) as at 22 April 2022; and
- b. Used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice,

such authority to expire at the end of the next AGM of the Company (or, if earlier, at the close of business on 30 June 2023) unless previously renewed, varied or revoked by the Company in general meeting, but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and/or treasury shares to be sold) after the authority expires and the Directors may allot equity securities (and/or sell treasury shares) under any such offer or agreement as if the authority had not expired.

14. That, in substitution for all existing and previously unexercised authorities, the Company is generally and unconditionally authorised for the purposes of section 701 of the Act to make market purchases (within the meaning of section 693(4) of the Act) of its ordinary shares on such terms and in such manner as the Directors may from time to time determine, and where such shares are held as treasury shares the Company may use them for the purposes of its employee share schemes, provided that:

- a. The maximum number of ordinary shares which may be purchased is 44,260,510 ordinary shares of £0.05 each (representing 10% of the Company's issued ordinary share capital (excluding treasury shares));
- b. The minimum price that may be paid for each ordinary share, exclusive of expenses, is the nominal amount of such share, and the maximum price that may be paid for each ordinary share, exclusive of expenses, is the highest of:
 - i. An amount equal to 105% of the average of the middle market quotations for an ordinary share of the Company as derived from the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which such share is contracted to be purchased; and
 - ii. The higher of the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out; and
- c. This authority shall expire at the conclusion of the next AGM of the Company (or, if earlier, at the close of business on 30 June 2023) unless previously renewed, varied or revoked by the Company in general meeting, and the Company may, before this authority expires, make a contract to purchase ordinary shares that will or may be executed or completed wholly or partly after the expiry of this authority, and may make purchases of ordinary shares pursuant to it as if this authority had not expired.

15. That a general meeting of the Company (other than an annual general meeting) may be called on not less than 14 clear days' notice.

By order of the Board

Tony Hunter
Company Secretary
22 April 2022

Registered Office:

Eastcastle House, 27/28 Eastcastle Street, London W1W 8DH
United Kingdom
Registered in England No. 3300821

NOTES

The following notes explain your general rights as a member and your rights to attend and vote at the Annual General Meeting ('AGM') or to appoint someone else to vote on your behalf. Due to the continued unpredictability and potential health risks from public gatherings because of the COVID-19 pandemic, shareholders are encouraged not to attend in person and instead to cast their votes by appointing the Chair of the Meeting as proxy to vote on their behalf as soon as possible and in any event, no later than 9.00 a.m. on 17 May 2022. If, nonetheless, you wish to attend the AGM physically or appoint a person as your proxy other than the Chair of the Meeting, you are asked to register your intention to attend by email to info@pharos.energy on reasonable notice, to allow the Company, if practical, to make appropriate arrangements. If you do not register your intention to attend in this way, this could result in either you or your proxy (if a person other than the Chair of the Meeting) not being permitted entry to the AGM. Accordingly, in order to ensure your vote is counted, you are encouraged to return your proxy appointing the Chair of the Meeting not later than 9.00 a.m. on 17 May 2022.

1. Proxies

Only holders of shares and their proxies or duly appointed corporate representatives are entitled to attend and vote at the AGM.

A member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, to speak and to vote at the meeting. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. A proxy need not be a member of the Company. Note that at this year's AGM, due to the continued unpredictability and potential health risks from public gatherings because of the COVID-19 pandemic, shareholders and others are encouraged not to attend the meeting in person. Accordingly, members should appoint the Chair of the meeting as their proxy. This will ensure that their votes are cast in accordance with their wishes and avoids the need for another person to attend as a proxy in their place.

A Form of Proxy is enclosed with this notice and instructions for completion are shown on the form. To be valid, Forms of Proxy appointing the Chair of the meeting as a proxy need to be deposited at the office of the Company's registrar, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA not later than 9.00 a.m. on 17 May 2022. We encourage you, where possible, to submit your Form of Proxy appointing the Chair of the meeting as proxy electronically in the event that: (i) there are delays in or suspension of the postal service; or (ii) Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA is closed as a result of COVID-19.

If you wish to register your proxy appointments or vote electronically via the www.sharevote.co.uk website, see Note 2 below. If you are a CREST member and wish to register the appointment of a proxy by using the CREST electronic proxy appointment service, see Note 3 below.

2. Online voting

Members may register their proxy appointments or vote electronically via the www.sharevote.co.uk website, where full details of the procedure are given. Members will need the Voting ID, Task ID and Shareholder Reference Number set out on the Form of Proxy.

A Form of Proxy lodged electronically will be invalid unless it is lodged at the electronic address specified in this Note 2 no later than 9.00 a.m. on 17 May 2022.

Alternatively, if members are registered with the Equiniti online portfolio service 'Shareview.co.uk', they can vote by logging on with their usual user ID and password. Once logged in simply click "View" on the "My Investments" page, click on the link to vote then follow the on-screen instructions. Members are advised to read the terms and conditions of use carefully.

Electronic communication facilities are available to all shareholders and those who use them will not be disadvantaged. The Company will not accept any communication that is found to contain a computer virus.

3. CREST Proxy instructions

If you are a member of CREST, you may register the appointment of a proxy by using the CREST electronic proxy appointment service.

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM and any adjournment(s) thereof by using the procedures described in the CREST Manual, subject to the provisions of the Company's articles of association. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK and Ireland specifications and must contain the information required for such instructions, as described in the CREST Manual (available via www.euroclear.com). The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA19) by 9.00 a.m. on 17 May 2022.

For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK and Ireland (formerly CRESTCo) does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

4. Documents on display

Copies of Executive Directors' service agreements and the terms and conditions of appointment of Non-Executive Directors are available for inspection by prior appointment. Please contact the Company Secretary at info@pharos.energy to arrange.

5. Right to attend and vote

Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that in order to have the right to attend and vote at the meeting (and also for the purpose of determining how many votes a person entitled to attend and vote may cast), a person must be entered on the register of members of the Company at 6.30 p.m. on 17 May 2022 or, in the event of any adjournment, at 6.30 p.m. on the date which is two days (excluding non-working days) before the day of the adjourned meeting. Note that due to the continued unpredictability and potential health risks from public gatherings because of the COVID-19 pandemic, shareholders and others are encouraged not to attend the meeting in person.

Changes to entries on the register of members after this time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

6. Corporate members

Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

7. Nominated persons

Any person to whom this Notice of Meeting is sent who is a person nominated under section 146 of the Companies Act 2006 ('the Act') to enjoy information rights (a 'Nominated Person') may have a right, under an agreement between him/her and the member by whom he/she was nominated, to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right, under such an agreement, to give instructions to the member as to the exercise of voting rights. However, due to the continued unpredictability and potential health risks from public gatherings because of the COVID-19 pandemic, Nominated Persons and any person appointed as a proxy (other than the Chair of the meeting) are encouraged not to attend the meeting in person.

The statements in these notes of the rights of members in relation to the appointment of proxies do not apply to Nominated Persons. Those rights can only be exercised by members of the Company.

8. Questions

Any member attending the AGM has the right to ask questions relating to the business being dealt with at the meeting. As members are strongly discouraged from attending the meeting in person due to the continued unpredictability and potential health risks from public gatherings because of the COVID-19 pandemic, if shareholders do wish to ask questions, they may do so by submitting questions about the business of the meeting on reasonable notice in advance of the meeting by email to info@pharos.energy. Provided sufficient notice of any question is given and in so far as relevant to the business of the meeting, members will be responded to by email and questions will be taken into account as appropriate at the meeting itself but no such answer will be given if:

- a. To do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
- b. The answer or an answer to a similar question or on a similar theme has already been given on a website in the form of an answer to a question; or
- c. It is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

9. Website

A copy of this notice, and other information required by section 311A of the Act, can be found at <http://www.pharos.energy>.

10. Website publication of audit concerns

Under section 527 of the Act, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to:

- a. The audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the AGM; or
- b. Any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Act (in each case) that the members propose to raise at the AGM.

The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's auditors not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the Act to publish on a website.

11. Total number of shares and voting rights

As at 22 April 2022 (being the last practicable date prior to the publication of this Notice of Meeting) the Company's issued ordinary share capital comprises 451,684,869 ordinary shares of £0.05, including 9,122,268 shares in treasury, each such share carrying one vote (other than the ordinary shares held in treasury).

Therefore, the total voting rights in the Company as at that date are 442,605,101.

12. Communication

You may not use any electronic address (within the meaning of section 333(4) of the Act) provided in this Notice of Meeting (or in any related documents including the proxy form) to communicate with the Company for any purposes other than those expressly stated.

13. Contact through Investment Manager

If you have been nominated to receive general shareholder communications directly from the Company, it is important to remember that your main contact in terms of your investment remains as it was (i.e. the registered shareholder, or perhaps custodian or broker, who administers the investment on your behalf). Therefore, any changes or queries relating to your personal details and holding (including any administration thereof) must continue to be directed to your existing contact at your investment manager or custodian. The Company cannot guarantee dealing with matters that are directed to it in error. The only exception to this is where the Company, in exercising one of its powers under the Act, writes to you directly for a response.

