

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

Memorandum of Understanding with EGPC for the merger of the Egyptian concessions

Pharos Energy plc, an independent energy company with assets in Vietnam and Egypt, is pleased to announce that, together with IPR Lake Qarun Company ("IPR"), it has entered into a non-binding Memorandum of Understanding ("MOU") with the Egyptian General Petroleum Corporation ("EGPC") in relation to the merger of the El Fayum and North Beni Suef Concession Agreements.

As previously announced, IPR and Pharos, in their capacity as the Contractor parties under the Concession Agreements, submitted a request to EGPC to merge the two assets and replace them with a new consolidated Concession Agreement. The consolidated Concession Agreement is expected to unlock significant value in the Western Desert by improving certain fiscal terms, extending the term of the concessions and committing the Contractor parties to additional work programmes aimed at increasing production from the areas.

Under the MOU, EGPC and the Contractor parties agree to use their best efforts to conclude negotiations on the new consolidated Concession Agreement as soon as possible, with a view to the agreement receiving government and parliament approval and then being signed by all parties at the earliest opportunity. Further updates will be provided to the market in due course.

Katherine Roe, Chief Executive Officer, commented:

"The signing of the MOU is a key milestone in the PSC consolidation process, and one that the team have been working towards for many months. Thank you to EGPC and our partner IPR for their continued support and close cooperation in helping achieve this mutually beneficial agreement."

"A new consolidated Concession Agreement and improved fiscal terms are key to further organic growth in our existing Egyptian portfolio and in turn generating significant value for shareholders. We will continue to work closely with all parties with the aim of completing negotiations as soon as possible."

GLOSSARY OF TERMS

Company

Pharos Energy plc

El Fayum or the El Fayum Concession

The concession agreement for petroleum exploration and exploitation entered into on 15 July 2004 between the Arab Republic of Egypt, EGPC and Pharos El Fayum in respect of the El Fayum area, Western Desert, as amended from time to time

EGPC

Egyptian General Petroleum Corporation

Group

Pharos and its direct and indirect subsidiary undertakings

IPR or IPR Lake Qarun

IPR Lake Qarun Petroleum Co, an exempted company with limited liability organised and existing under the laws of the Cayman Islands (registration number 379306), a wholly owned subsidiary of IPR Energy AG

MOU

Memorandum of Understanding

NBS, North Beni Suef or the North Beni Suef Concession

The concession agreement for petroleum exploration and exploitation entered into on 24 December 2019 between the Arab Republic of Egypt, EGPC and Pharos El Fayum in respect of the North Beni Suef area, Nile Valley

PSC

Production sharing contract or production sharing agreement

Enquiries

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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. The first development lease on the NBS Concession was awarded in September 2023 and production started in December 2023. IPR Lake Qarun operates and holds the remaining 55% working interest in the NBS Concession. In Vietnam, Pharos currently 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 currently 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. Following the announcement by Pharos in December 2024 of approval a five year extension to the terms of the petroleum contracts for Blocks 16-1 and 9-2, together with associated changes to fiscal terms and participating interests, Pharos will hold a revised working interest in Block 16-1 (TGT) of 25.33% with effect from 8 December 2026 and a revised working interest in Block 9-2 (CNV) of 20% with effect from 16 December 2027. 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.

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