

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

Approval from EGPC's Executive Board for a new consolidated Concession Agreement

Pharos Energy plc, an independent energy company with assets in Vietnam and Egypt, is pleased to announce that it has received approval from the Executive Board of the Egyptian General Petroleum Corporation ("EGPC") for the consolidation of the El Fayum ("EF") and North Beni Suef ("NBS") Concession Agreements into a new consolidated concession agreement (the "Consolidated Concession"). Pharos will retain a 45% working interest in the Consolidated Concession, with IPR Lake Qarun Company ("IPR") continuing as operator with a 55% working interest. In addition to the 12 development leases of the EF and NBS concessions, the Consolidated Concession will include three new exploration areas.

Katherine Roe, Chief Executive Officer, commented:

"The approval by EGPC's Executive Board of the new Consolidated Concession is a significant milestone for our Egyptian business. The improved fiscal terms have the potential to unlock long-term value for all stakeholders and drive organic growth opportunities across the concession areas. I would like to thank IPR's and Pharos's in-country teams for their tenacity and diligence in concluding negotiations, and the Egyptian authorities for their positive engagement throughout the process. We look forward to planning the start of our drilling campaign to increase production."

The Consolidated Concession will unlock significant value in the Western Desert by improving certain fiscal terms, extending the duration of the licenses, and committing the Contractor parties (Pharos Group and IPR) to additional work programmes to deliver production growth. Based on Pharos' Competent Person's Reports ("CPR") as at 31 December 2024, the Consolidated Concession could result in moving 3.1 MMstb from contingent resources to 2P reserves, or a 25% increase from year-end 2024, net to Pharos working interest.

The Consolidated Concession is subject to customary approvals and to Egyptian Parliamentary ratification, which is expected to take place in late 2025 or early 2026, but the new set of terms will start imminently.

The improved terms of the Consolidated Concession reset our investment into the assets in order to unlock further value.

Highlights of the new Consolidated Concession:

- The 12 development leases currently under the EF and NBS concessions have an extended term of up to 20 years, comprising an initial 15-year term, plus one five-year extension subject to Minister's approval
- A commitment to an 11-well work programme (8 development wells, 2 exploration wells, and 1 water injector) to be drilled during the four-year period that commences imminently
- The award of three exploration areas under the Consolidated Concession, namely, West Silah, Beba, and South Wadi El Rayan
- New development leases awarded from the three exploration areas will have up to a 30-year term through an initial 20-year period, plus two five-year extensions each subject to Minister's approval
- Improved fiscal terms to promote increased production through investment, including an increase in Cost Oil to 40%, a Profit Oil share of 27-29% (in the key production and oil price tiers) (as opposed to 18-22.5% currently) and an Excess Cost Recovery share of 15%
- In addition to committing to the 11-well investment programme, the Company has agreed to waive 30% of the carry forward cost pool
- Post-ratification, the Company and IPR will pay EGPC a signature bonus of 3.5m (with the Company's share of the bonus expected to be offset against its receivables balance), with other customary bonuses also applying (including at agreed production rate levels and extension milestones)

Pharos Energy plc

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Notes to editors

Pharos Energy plc is an independent energy company focused on delivering sustainable growth and returns to stakeholders, with a portfolio of stable production, development and exploration assets in Vietnam and Egypt. Led by an experienced team, Pharos is a cash generative business with a robust balance sheet and an established platform to deliver both organic growth and inorganic opportunities. Pharos is listed on the Main Market of the London Stock Exchange. For further information please visit www.pharos.energy.

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