NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF THAT JURISDICTION.

THIS LETTER IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

The contents of this letter are not to be construed as legal, financial or tax advice. If you are in any doubt as to the contents of this letter or the action which you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, solicitor, accountant, bank manager or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if you are not so resident, from another appropriately authorised independent financial adviser.

This letter should be read in conjunction with the scheme circular to shareholders of Pharos Energy PLC (**Pharos**) dated 21 July 2026 (the **Scheme Document**) which contains further details of the Acquisition and the Scheme (each as defined below) referred to in this letter. The Scheme Document is available to view and download on Pharos's website at www.pharos.energy/investors/offer-for-pharos-energy/. Words and expressions defined in the Scheme Document have the same meaning in this letter unless the context otherwise requires.

Pharos Energy PLC

(a public limited company limited by shares incorporated in England and Wales with registered number 03300821)

Registered Office:

27/28 Eastcastle Street, London, United Kingdom, W1W 8DH

To: Participants holding cash conditional awards under the Pharos Energy PLC Long Term Incentive Plan (**LTIP**).

21 July 2026

Dear Participant,

RECOMMENDED CASH ACQUISITION OF PHAROS BY RATIO PETROLEUM ENERGY LP (RATIO): EFFECT ON YOUR CASH LTIP AWARDS UNDER THE LTIP

1. INTRODUCTION

On 24 June 2026, the boards of Pharos and Ratio announced that they had reached agreement on the terms of a recommended cash offer by Ratio for the entire issued and to be issued share capital of Pharos (the **Acquisition**). The Acquisition is being implemented by way of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act 2006 (the **Scheme**) which requires the approval of Pharos Shareholders, the sanction of the Court (**Court Sanction**) and the satisfaction of certain Conditions. The Acquisition, the Scheme and the Conditions are described in more detail in the Scheme Document.

You currently hold cash conditional awards under the LTIP (your **Cash LTIP Awards**). You will find details of your Cash LTIP Awards in the award certificate(s) provided to you at the time your Cash LTIP Awards were granted.

We are writing to explain the effect of the Acquisition on your Cash LTIP Awards.

This letter does not apply to any options or awards over (or in relation to) Pharos Shares which have been granted to you by Pharos under any share incentive plans or arrangements other than the LTIP nor to any Pharos Shares you already own (either as a result of the receipt of Pharos Shares under Pharos employee share schemes or otherwise). You will receive a separate letter in relation to such other options or awards, and you should refer to the Scheme Document in relation to any other Pharos Shares that you own.

2. TERMS OF THE SCHEME OF ARRANGEMENT

If the Scheme becomes Effective, Pharos Shareholders whose shares are subject to the Scheme will receive:

- 23.0683 pence in cash per Pharos Share (the **Cash Consideration**); plus
- 4.0 pence in cash per Pharos Share by way of special dividend to be paid from Pharos' existing cash resources that the board of directors of Pharos intends to declare prior to completion of the Acquisition with the record and payment dates aligned with the corresponding dates for determining entitlements to, and payment of, the cash consideration due to Pharos Shareholders under the terms of the Acquisition (the **Special Dividend**).

To become Effective, the Scheme must be approved by the Scheme Shareholders (as set out in the Scheme Document) who will vote on the Scheme at the Court Meeting and the General Meeting, each scheduled to be held on 17 August 2026, and certain Conditions must be satisfied (or, if capable of waiver, waived).

The Scheme also requires the sanction of the Court which, subject to the requisite majorities of Scheme Shareholders and Pharos Shareholders approving the Acquisition at the Court Meeting and the General Meeting respectively, will be sought at a hearing which is currently expected to take place in H1 2027 following the satisfaction of the Conditions (or waiver of the Conditions, if applicable). The Scheme is expected to become Effective two Business Days after the date of Court Sanction. If the timetable changes, we will update you.

3. EFFECT OF THE SCHEME ON YOUR CASH LTIP AWARDS

If the Court sanctions the Scheme, your Cash LTIP Awards will vest early on the date of Court Sanction (unless they vest or lapse earlier in accordance with the rules of the LTIP).

The remuneration committee of the Pharos Board (the **Remuneration Committee**) has determined that all Cash LTIP Awards will vest in full on the date of Court Sanction with applicable performance conditions treated as fully satisfied and no time apportionment applied except in relation to Cash LTIP Awards that were granted in June 2026 (**2026 Awards**), as set out in the next paragraph.

The 2026 Awards will vest on the date of Court Sanction subject to time apportionment using the usual grant date (being in March 2026) as the commencement of the relevant period for time apportionment purposes. If vesting of the 2026 Awards occurs before the first anniversary of the usual grant date, the time apportionment basis for vesting will be rounded up as if the 2026 Awards had been held to the first anniversary of the usual grant date. If vesting occurs on or after the first anniversary of the usual grant date, vesting shall be calculated on a strict time apportionment basis by reference to the period elapsed from the usual grant date to the actual date of vesting of the 2026 Awards.

The cash value of your vested Cash LTIP Awards is based on the market value of a notional number of Pharos Shares to which your Cash LTIP Award is linked. If your Cash LTIP Award vests in connection with the Acquisition, each linked Pharos Share under your Cash LTIP Award will have a market value which is equal to the sum of the Cash Consideration and the Special Dividend.

If you hold 2026 Awards which vest, you will also receive a cash payment of 0.9317 pence in respect of each notional Pharos Share to which your vested 2026 Award is linked (the **Additional Payment**). The Additional Payment is the cash equivalent entitlement linked to the dividend paid to Pharos Shareholders who were on the register as at close of business on 12 June 2026 which you would otherwise have been entitled to receive in the form of a cash dividend equivalent had the 2026 Awards been granted on the usual grant date in March 2026.

The total cash value of your Cash LTIP Awards on vesting including any Additional Payment (your **Cash Entitlement**) will be communicated to you on, or shortly before, the date of Court Sanction.

4. SETTLEMENT OF CASH LTIP AWARDS

Vesting means that you become entitled to receive your Cash Entitlement in settlement of your Cash LTIP Awards. Your Cash Entitlement will be paid through the next practicable payroll after the Acquisition completes, subject to any necessary withholdings to meet tax and other liabilities as set out in section 5 (*Tax treatment*) below.

If the Court does not sanction the Scheme, your Cash LTIP Awards will not vest but will continue in force subject to the rules of the LTIP and the terms of the Cash LTIP Awards.

You should also note that your Cash LTIP Awards will continue to be subject to the rules of the LTIP and the applicable award terms. In particular, you should note that if you leave the employment of the Pharos Group other than in prescribed 'good leaver' circumstances (e.g. ill health, injury, disability, retirement, death), your Cash LTIP Awards may lapse and be of no value, in which case this letter would stop being relevant to you.

5. TAX TREATMENT

Under the rules of the LTIP, you are obliged to settle any income tax and social security contribution liabilities that arise on vesting of your Cash LTIP Awards for which a member of the Pharos Group is liable to make payment to the relevant authorities.

The tax consequences of vesting of your Cash LTIP Awards and receipt of any Additional Payment will depend on where you are resident for tax purposes and will vary from jurisdiction to jurisdiction. For many jurisdictions, when your Cash LTIP Awards vest and any Additional Payment becomes due to you, Pharos (or your employing company in the Pharos Group) will be liable to account to the tax authority for any tax and social security contribution liabilities that are due. In these circumstances, a sufficient portion of your Cash Entitlement will be retained and paid to the relevant tax authorities on your behalf to satisfy those tax liabilities.

In some jurisdictions, you may need to settle your tax liabilities with the relevant tax authorities yourself and submit the required form of tax return.

If you are in any doubt as to your tax position, you are strongly advised to seek independent professional advice.

6. WHAT ACTION DO I NEED TO TAKE?

You do not need to take any action with respect to your Cash LTIP Awards. If the Court sanctions the Scheme and the Scheme becomes Effective, your Cash Entitlement will be paid to you automatically.

7. FURTHER ASSISTANCE

If you have any questions about this letter (not involving the giving of financial, legal or tax advice), please contact the Company Secretary, Tony Hunter, by email at CoSec@pharos.energy.

Yours sincerely

Katherine Roe

CEO

Pharos Energy PLC

Notes:

(i) If there is any conflict between this letter and the terms of the Cash LTIP Awards or any applicable legislation, the terms of the Cash LTIP Awards and/or any applicable legislation will take precedence.

(ii) The Pharos Directors, whose names are set out in paragraph 2.1 of Part 7 of the Scheme Document, accept responsibility for the information contained in this letter, including expressions of opinion. To the best of the knowledge and belief of the Pharos Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

(iii) Nothing in this letter will be construed as investment advice or any investment recommendation given by Pharos or Ratio.

(iv) Accidental omission to despatch this letter to, or any failure to receive the same by, any person to whom it is applicable, will not invalidate its contents in any way.

(v) Receipt of documents will not be acknowledged. All documents sent by or to a participant in the LTIP will be sent at the individual's own risk. If a participant in the LTIP has received this letter in electronic form, they may request that copies of those documents be sent to them in hard copy form and that all future documents be sent to them in hard copy form. Requests should be submitted to Pharos's registrar, Equiniti, at Highdown House, Yeoman Way, Worthing, West Sussex, United Kingdom, BN99 6DA or by calling them on +44 (0)371 384 2050 during business hours (lines are open from 8.30 a.m. to 5.30 p.m., Monday to Friday (excluding public holidays in England and Wales). Calls are charged at the standard geographical rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Please note that Equiniti cannot provide any financial, legal or tax advice. Calls may be recorded and monitored for security and training purposes.

(vi) This letter will be governed by and construed in accordance with English law.

(vii) A copy of this letter will be available to view on Pharos's website at www.pharos.energy/investors/offer-for-pharos-energy/.

(viii) The release, publication or distribution of this letter and any accompanying documents (in whole or in part) in or into jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable legal or regulatory requirements. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person.

(ix) Neither this letter nor any of the accompanying documents do or are intended to constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval pursuant to the Scheme or otherwise, in any jurisdiction in which such offer, invitation or solicitation is unlawful.