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If you sell or transfer or have sold or otherwise transferred your entire holding of Ordinary Shares, please send this document (but not any personalised Form of Proxy) as soon as possible to the purchaser or transferee of those shares or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee. However, such documents should not be forwarded or transmitted in or into any jurisdiction in which such an act would constitute a violation of the relevant laws of such jurisdiction.

The distribution of this document and any accompanying documents in or into jurisdictions other than the United Kingdom may be restricted by local law and therefore persons into whose possession this document and any accompanying documents come should inform themselves about and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Applications will be made to the FCA and the London Stock Exchange for the New Ordinary Shares resulting from the proposed Share Consolidation to be admitted to the premium segment of the Official List and to trading on the main market for listed securities of the London Stock Exchange in place of the Existing Ordinary Shares. It is expected that dealings in the Existing Ordinary Shares will continue until 4.30 p.m. on 15 May 2023 and that Listing of the New Ordinary Shares will become effective and dealings in them for normal settlement will commence on the London Stock Exchange at 8.00 a.m. on 16 May 2023. Nothing in this document should be taken as constituting an offer of shares in Capricorn.



CAPRICORN ENERGY PLC

(incorporated in Scotland with Registered number SC226712)

**Special dividend of 115 pence per
Existing Ordinary Share, 33 for 70 Share
Consolidation and
Notice of General Meeting**

This document should be read as a whole and in conjunction with the accompanying Form of Proxy. Your attention is drawn to the letter from the Chair of Capricorn which is set out in Part I of this document recommending, on behalf of the Directors, that you vote in favour of the Resolutions to be proposed at the General Meeting referred to below.

Notice of the General Meeting, to be held at the Company's head office at 50 Lothian Road, Edinburgh EH3 9BY at 10.00 a.m. on 15 May 2023, is set out at the end of this document.

Enclosed with this document is a Form of Proxy for use in respect of the General Meeting. You are requested to complete, sign and return the Form of Proxy as soon as possible, and in any event, so as to arrive at the offices of the Company's registrars, Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, not later than 10.00 a.m. on 11 May 2023. Alternatively, you may register your proxy appointment or voting directions electronically via the www.sharevote.co.uk website (further information regarding the use of this facility is set out in the notes to the notice of General Meeting) not later than 10.00 a.m. on 11 May 2023. If you hold your Ordinary Shares in CREST, you may appoint a proxy by completing and transmitting a CREST Proxy Instruction so as to be received by the Company's registrars, Equiniti, not later than 10.00 a.m. on 11 May 2023.

None of the Existing Ordinary Shares or the New Ordinary Shares have been or will be registered under the US Securities Act or the securities laws of any other US jurisdiction, and none of them may be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to the registration requirements of, the US Securities Act or except pursuant to a transaction that has been registered under the US Securities Act and the securities laws of any other relevant US jurisdiction.

None of the Existing Ordinary Shares, the New Ordinary Shares, or this document have been approved, disapproved or otherwise recommended by the SEC or any US state securities commission or any non-US securities commission or regulatory authority nor have such authorities confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

Forward-looking statements

This document contains (or may contain) certain forward-looking statements with respect to certain of Capricorn's plans and its current goals and expectations relating to its future financial condition and performance and which involve a number of risks and uncertainties. Capricorn cautions readers that no forward-looking statement is a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as "aim", "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", or other words of similar meaning. Examples of forward-looking statements include statements regarding or which make assumptions in respect of future events. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, including, but not limited to, economic and business conditions, the effects of continued volatility in credit markets, market-related risks such as changes in the price of oil or changes in interest rates and foreign exchange rates, the policies and actions of governmental and regulatory authorities, changes in legislation, the success of future acquisitions and other strategic transactions and the impact of competition. A number of these factors are beyond Capricorn's control. As a result, Capricorn's actual future results may differ materially from the plans, goals and expectations set forth in Capricorn's forward-looking statements. Any forward-looking statements made in this document by or on behalf of Capricorn speak only as of the date they are made. Except as required by any applicable laws, the Listing Rules, the Disclosure and Transparency Rules or other regulations, Capricorn expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document to reflect any changes in Capricorn's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

Note regarding presentation of currencies

All references in this document to "pence", "pounds sterling" or "£" are to the lawful currency of the United Kingdom and all references to "US dollars", "US\$" and "\$" are to the lawful currency of the United States. For the purpose of this document and unless otherwise stated, a pound sterling to US dollar exchange rate of £1:US\$1.24475 has been applied. Such translation should not be considered as a representation that such currencies could have been or could be converted into pounds sterling or US dollars (as the case may be) at any particular rate, the rate stated above, or at all.

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SHAREHOLDER HELPLINE

Questions of a factual nature relating to the Resolutions to be proposed at the General Meeting may be directed to the Company's registrars, Equiniti, using the telephone helpline number +44 (0)371-384-2050. Lines are open from 8.30 a.m. to 5.30 p.m. (UK time) Monday to Friday (excluding English and Welsh public holidays). Calls to the helpline from outside the UK will be charged at the applicable international rate. Please note that calls to these numbers may be monitored or recorded for security and training purposes.

This helpline will not be able to provide advice on the merits of the Resolutions to be proposed at the General Meeting or the Return of Cash, or give personal, legal, financial or tax advice.

PART I
LETTER FROM THE CHAIR OF CAPRICORN ENERGY PLC
CAPRICORN ENERGY PLC

(Incorporated in Scotland with registered number SC226712)

Craig van der Laan (Non-Executive Chair)
Tom Pitts (Non-Executive Director)
Richard Herbert (Non-Executive Director)
Hesham Mekawi (Non-Executive Director)
Maria Gordon (Non-Executive Director)
Catherine Krajicek (Non-Executive Director)
Erik Daugbjerg (Non-Executive Director)
Christopher Cox (Interim Chief Executive)

Registered and Head Office
50 Lothian Road
Edinburgh
EH3 9BY

28 April 2023

To Shareholders and, for information only, to participants in the Capricorn Share Schemes

Dear Shareholder

Special dividend of 115 pence per Existing Ordinary Share, 33 for 70 Share Consolidation and Notice of General Meeting

1. Introduction

On 27 April 2023, the Company announced a further update with respect to the comprehensive strategic review being undertaken by the Board of the Group's business and cost base. As announced at that time, having reviewed the Group's expected cash requirements, the Board has determined that the Company is in a position to return approximately US\$450 million (approximately £362 million) to Shareholders by way of a Special Dividend, representing a return of 115 pence for each Existing Ordinary Share held by Shareholders at the Record Time (being 6.00 p.m. on 15 May 2023). In connection with this proposed Special Dividend, the Company also proposes to undertake a consolidation of its Existing Ordinary Shares, with the aim of making the market price of an Ordinary Share comparable before and after the Return of Cash, subject to normal market movements following the date of this document.

The purpose of this document is to provide Shareholders with information on the proposed Return of Cash. A general meeting of the Company is to be held at the Company's head office at 50 Lothian Road, Edinburgh EH3 9BY at 10.00 a.m. on 15 May 2023 to seek the approval of Shareholders to the proposed Return of Cash. The notice of that general meeting is set out at the end of this document.

Shareholders are advised to read the whole of this document and not just the summarised information set out in this letter.

2. Special Dividend

The Return of Cash is proposed to be made by means of a Special Dividend, in terms of which each Shareholder will receive 115 pence per Existing Ordinary Share held at the Record Time (being 6.00 p.m. on 15 May 2023).

If payment of the Special Dividend, and the associated Share Consolidation, are approved, the Special Dividend is expected to be paid to Shareholders on 23 May 2023.

Further details of the Special Dividend are set out in Part III (Details of the Return of Cash) of this document.

3. Share Consolidation

The aggregate amount proposed to be returned to Shareholders by means of the Special Dividend is equivalent to approximately 52.85 per cent. of the market capitalisation of the Company at the close of business on 27 April 2023 (being the last practicable date prior to publication of this document).

As is common when an amount representing a significant proportion of the market capitalisation of a company is returned to shareholders, it is proposed that the Special Dividend be combined with an associated Share Consolidation. The effect of the Share Consolidation will be that every 70 Existing Ordinary Shares will be replaced by 33 New Ordinary Shares so as to reduce the number of shares in issue to reflect the amount of cash to be returned to Shareholders. The aim of this is to seek to make the market price of an Ordinary Share comparable before and after the Special Dividend, subject to normal market movements.

Fractional entitlements arising from the Share Consolidation will be aggregated and sold in the market on behalf of the relevant Shareholders. Given the proceeds of sale are expected to be less than £3.00 per individual Shareholder, and consistent with the Articles of Association, the Board intends to donate the aggregated sale proceeds of the fractional entitlements to charities chosen by the Board.

As all ordinary shareholdings in the Company will be consolidated, Shareholders' percentage holdings in the issued ordinary share capital of the Company will (save in respect of fractional entitlements) remain unchanged immediately following the Share Consolidation. Similarly, although the nominal value of each Ordinary Share will change as a result of the Share Consolidation, the New Ordinary Shares will be equivalent in all respects to the Existing Ordinary Shares, including their dividend, voting and other rights and will be admitted to trading in the same way as the Existing Ordinary Shares. The New Ordinary Shares will however trade "ex entitlement" in relation to the Special Dividend, as the Record Time will occur while the Existing Ordinary Shares are in issue.

Further information on the Share Consolidation is set out in Part III (Details of the Return of Cash) of this document and an illustrative example is set out in paragraph 12 of Part V (Frequently asked questions with answers) of this document.

4. Capricorn Share Schemes – impact of Return of Cash on outstanding awards and options

Separate letters are being sent to participants in the Capricorn Share Schemes to advise them of the effect (if any) that the Share Consolidation will have on their outstanding awards and options and as to whether they will be entitled to participate in the Return of Cash. In general terms, the position will be as follows:

4.1 The SIP

Participants in the SIP are the beneficial owners of a number of Existing Ordinary Shares which the trustee of the arrangement is holding on their behalf and accordingly they will be entitled to participate in the Return of Cash in respect of those shares.

In accordance with the rules of the SIP, participants will be given the opportunity to have the whole of their Special Dividend reinvested in New Ordinary Shares. Any such shares will be classed as "Dividend Shares" for the purposes of the SIP and will be subject to a mandatory three-year holding period during which they cannot normally be sold or otherwise withdrawn from the plan. Any participant who does not elect to reinvest in Dividend Shares will receive the Special Dividend in cash.

4.2 Other Capricorn Share Schemes

Participants in the remaining Capricorn Share Schemes (i.e. those arrangements other than the SIP) who hold options or awards entitling them to acquire Existing Ordinary Shares will not be eligible to participate in the Return of Cash in respect of those options or awards. For the avoidance of doubt, this includes any awards under the 2017 LTIP that are currently subject to a post-vesting holding period.

As a result of the Share Consolidation, no adjustment will be required to the terms of these entitlements. Options or awards over Existing Ordinary Shares will take effect as options or awards over the same number of New Ordinary Shares, which are expected to have approximately the same value per share following the Share Consolidation. Similarly, any "dividend equivalent" rights attaching to outstanding awards granted under the 2017 LTIP will be disappplied in relation to the whole of the Special Dividend.

The Company has established an employee benefit trust which, as at the close of business on 27 April 2023 (being the last practicable date prior to publication of this document), held 3,962,557 unallocated Existing Ordinary Shares in aggregate. These Existing Ordinary Shares may be used to satisfy awards and options granted under the Capricorn Share Schemes. The trustee of the trust has waived its entitlement to any dividends (including the Special Dividend) on its holding of unallocated Existing Ordinary Shares. Such Existing Ordinary Shares will be subject to the Share Consolidation.

5. 2017 LTIP – impact of Share Consolidation on dilution limits

At present, the 2017 LTIP is the only one of the Capricorn Share Schemes pursuant to which future options and awards can be granted over new Ordinary Shares. Under its rules, and consistent with guidance issued by the Investment Association, two limits are placed on the number of new issue shares that can be utilised in this manner.

The first limit provides that, on any day, the total number of Ordinary Shares which have been issued or which require to be issued in connection with options or awards that have been granted under the 2017 LTIP and any of the Company's other discretionary share schemes during the immediately preceding period of ten years cannot exceed 5 per cent. of the issued share capital of the Company immediately prior to that day (the "discretionary schemes limit").

The second limit provides that, on any day, the total number of Ordinary Shares which have been issued or which require to be issued in connection with options or awards that have been granted under the 2017 LTIP and all the Company's other employee share schemes during the immediately preceding period of ten years cannot exceed 10 per cent. of the issued share capital of the Company immediately prior to that day (the "all schemes limit").

However, the impact of the Share Consolidation will be to reduce the number of Ordinary Shares in issue. In the absence of any change to the terms of the 2017 LTIP, this would result in a disproportionate decrease in the currently available headroom under the discretionary schemes limit and the all schemes limit (i.e. on the basis that, for the purposes of those limits, the number of Ordinary Shares previously issued in satisfaction of options and awards would remain constant).

To address the above issue, the Remuneration Committee proposes to make an amendment to the terms of the 2017 LTIP. In particular, the rules of this scheme will be changed so that, for the purposes of assessing both the discretionary schemes limit and the all schemes limit, the number of Ordinary Shares issued in connection with options and awards prior to the Record Time will be adjusted in order to reflect the Share Consolidation. Where applicable, such adjustments will also reflect any earlier consolidations that have occurred since those Ordinary Shares were first issued (such as the one that took place on 11 January 2021). For the avoidance of doubt, any New Ordinary Shares that are issued in connection with options and awards after the Record Time will continue to be taken into account in full under these limits.

A copy of the 2017 LTIP, showing the amendments proposed to be made at the General Meeting, will be available for inspection:

- at the place of the General Meeting for at least 15 minutes before and during the General Meeting; and
- on the National Storage Mechanism from the date of this document.

Resolution 2 to be proposed at the General Meeting seeks Shareholder approval to implement the changes to the rules of the 2017 LTIP described above. Resolution 2 is conditional on Resolution 1, being the resolution seeking approval of the Special Dividend and the Share Consolidation, being passed and becoming effective.

6. General Meeting

A general meeting of the Company will be held at the Company's head office at 50 Lothian Road, Edinburgh EH3 9BY at 10.00 a.m. on 15 May 2023 to propose the Resolutions seeking Shareholder approval of the Return of Cash and the amendment to the rules of the 2017 LTIP described above. The notice of that meeting is set out at the end of this document. A summary explanation of the Resolutions to be proposed at the General Meeting is set out in paragraph 8 of Part III (Details of the Return of Cash) of this document.

At the General Meeting, approval by Shareholders will also be sought to amend the annual authority to enable the Company to make market purchases of its own shares, to cover the period between the date of the General Meeting and the 2023 AGM. Further details and a summary explanation of the proposed Resolution are set out in paragraph 3 of Part III (Details of the Return of Cash) of this document.

7. Timetable

A detailed timetable is set out in Part II (Expected timetable of events) of this document.

8. Action to be taken

Enclosed with this document is a Form of Proxy for use in respect of the General Meeting. You are requested to complete, sign and return the Form of Proxy as soon as possible, and in any event, so as to arrive at the offices of the Company's registrars, Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, not later than 10.00 a.m. on 11 May 2023. Alternatively, you may register your proxy appointment or voting directions electronically via the www.sharevote.co.uk website (further information regarding the use of this facility is set out in the notes to the notice of General Meeting) not later than 10.00 a.m. on 11 May 2023. If you hold your Existing Ordinary Shares in CREST, you may appoint a proxy by completing and transmitting a CREST Proxy Instruction so as to be received by the Company's registrars, Equiniti, not later than 10.00 a.m. on 11 May 2023.

9. Further information

Your attention is drawn to the further information set out in Part III (Details of the Return of Cash) of this document. **Shareholders are advised to read the whole of this document and not just the summarised information set out in this letter.**

10. Recommendation

The Board is of the opinion that the Special Dividend, the Share Consolidation and the Resolutions to be proposed at the General Meeting are in the best interests of Shareholders as a whole. Accordingly, the Board unanimously recommends that you vote in favour of the Resolutions.

Yours faithfully

Craig van der Laan

Chair

PART II

EXPECTED TIMETABLE OF EVENTS

Latest time and date for receipt of Electronic Proxy Instructions, Form of Proxy or CREST Proxy Instruction in respect of General Meeting	10.00 a.m. on 11 May 2023
General Meeting	10.00 a.m. on 15 May 2023
Latest time and date for dealings in Existing Ordinary Shares	4.30 p.m. on 15 May 2023
Record Time for entitlement to the Special Dividend and to determine the Existing Ordinary Shares subject to the Share Consolidation (Existing Ordinary Share register closed and Existing Ordinary Shares disabled in CREST)	6.00 p.m. on 15 May 2023
Ordinary Shares marked ex-Special Dividend	8.00 a.m. on 16 May 2023
Listing of the New Ordinary Shares	8.00 a.m. on 16 May 2023
Dealings in the New Ordinary Shares commence and enablement in CREST in respect of uncertificated New Ordinary Shares	8.00 a.m. on 16 May 2023
Despatch of share certificates in respect of certificated New Ordinary Shares	23 May 2023
Payment of Special Dividend to Shareholders	23 May 2023

Notes:

1. All dates are subject to change. If any of the above times or dates change, the revised times and / or dates will be notified to Shareholders by an announcement on an RIS.
2. References to time in this document are to London time.
3. The Record Time for entitlement to the Special Dividend and to determine the holdings of Existing Ordinary Shares subject to the Share Consolidation may be such other time as the Directors determine.

PART III

DETAILS OF THE RETURN OF CASH

1. Special Dividend

The Return of Cash is being implemented by way of a Special Dividend, which is expected to be paid to Shareholders on 23 May 2023, combined with the Share Consolidation.

The Return of Cash is conditional on:

- (i) the approval by Shareholders of Resolution 1 to be proposed at the General Meeting; and
- (ii) Listing of the New Ordinary Shares.

Those Shareholders on the register at the Record Time (being 6.00 p.m. on 15 May 2023) will receive the Special Dividend. If you sell or have sold or otherwise transferred all of your Existing Ordinary Shares at any time prior to the Record Time, please forward this document, together with the accompanying documents (but not any personalised Form of Proxy), at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. However, such documents should not be forwarded to or sent into or within any jurisdiction in which to do so would constitute a breach of the relevant laws of such jurisdiction. If you sell or have sold or otherwise transferred part only of your holding of Existing Ordinary Shares, please consult the bank, stockbroker or other agent through whom the sale or transfer was effected.

2. Share Consolidation

The effect of the Share Consolidation will be that Shareholders on the register of members of the Company at 6.00 p.m. on 15 May 2023 (or such later time and / or date as the Directors may in their absolute discretion determine) will, on completion of the Share Consolidation, receive:

33 New Ordinary Shares for 70 Existing Ordinary Shares

and in that proportion for any other number of Existing Ordinary Shares then held.

The effect of the Share Consolidation will be to reduce the number of Ordinary Shares in issue to reflect the return of 115 pence per Existing Ordinary Share to Shareholders, but Shareholders will, immediately following the Share Consolidation, own the same proportion of the ordinary share capital of Capricorn as they did previously, less any fractional entitlements (on which please see paragraph 3 below).

To effect the Share Consolidation, it will be necessary to issue up to 69 additional Existing Ordinary Shares so that the number of Existing Ordinary Shares in issue as at the Record Time is exactly divisible by 70.

Application will be made for the New Ordinary Shares to be admitted to the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities, with dealings expected to commence at 8.00 a.m. on 16 May 2023. The Share Consolidation is conditional on such Listing of the New Ordinary Shares. New Ordinary Shares will be traded on the London Stock Exchange in the same way as Existing Ordinary Shares and will be equivalent in all respects to the Existing Ordinary Shares including their dividend, voting and other rights. The New Ordinary Shares will however trade "ex entitlement" in relation to the Special Dividend, as the Record Time will occur while the Existing Ordinary Shares are in issue.

Following the Share Consolidation, all mandates and other instructions, including communication preferences given to the Company by Shareholders and in force at the Record Time shall, unless and until revoked, be deemed to be valid and effective mandates or instructions in relation to the New Ordinary Shares.

The Company will also apply for the New Ordinary Shares to be admitted to CREST with effect from Listing on 8.00 a.m. 16 May 2023 so that general market transactions in the New Ordinary Shares may be settled within the CREST system. Holders of Existing Ordinary Shares whose holdings are registered in CREST will automatically have any New Ordinary Shares credited to their respective CREST accounts.

Certificates in respect of certificated New Ordinary Shares will be issued following the Share Consolidation. It is expected that such certificates will be despatched on 23 May 2023.

3. Share buyback authority

Resolution 3 is proposed to amend the existing authority for the Company to make market purchases of up to 14.99 per cent. of the Company's total issued Ordinary Share capital immediately after the Share Consolidation, and specifies the minimum and maximum prices at which the Ordinary Shares may be bought. Pursuant to the Companies Act, any Ordinary Shares purchased would be effected by a purchase in the market and may either be cancelled or held as treasury shares, depending on which course of action is considered by the Directors to be in the best interests of Shareholders at that time. The Company will consider holding any of the Ordinary Shares that it purchases pursuant to the authority conferred in Resolution 3 as treasury shares. This may give the Company

the ability to re-issue treasury shares quickly and cost effectively and may provide the Company with additional flexibility in the management of its capital base. No dividends will be paid on Ordinary Shares whilst held in treasury, and no voting rights will attach to them.

The Company's existing policy is to satisfy all currently outstanding options and awards granted under the Capricorn Share Schemes by the transfer of existing Ordinary Shares. Consequently, as at the close of business on 27 April 2023 (being the last practicable date prior to publication of this document), there were no outstanding options or awards to subscribe for Ordinary Shares.

As the intention of Resolution 3 is to amend the existing authority granted at the 2022 AGM and preserve the position that would have applied had the Share Consolidation not taken place, if such resolution is passed, the authority will expire at the conclusion of the 2023 AGM or at the close of business on 30 June 2023 (whichever is earlier). Resolution 3 will be proposed as a special resolution and requires the approval of three-quarters of the votes cast at the meeting. It is conditional upon (i) the approval by Shareholders of the Special Dividend and the Share Consolidation; and (ii) Listing of the New Ordinary Shares taking place by or as soon as practicable after 8.00 a.m. on 16 May 2023. Shareholders will be asked to renew these authorities at the 2023 AGM. A separate notice for the 2023 AGM will be published and distributed in due course as usual.

4. Fractional entitlements to New Ordinary Shares

Unless a holding of Existing Ordinary Shares is exactly divisible by 70, a Shareholder will have a fractional entitlement to a New Ordinary Share following the Share Consolidation. So, by way of illustration only, if a Shareholder held 100 Existing Ordinary Shares, they would (as a result of the Share Consolidation) be entitled to 47 New Ordinary Shares and to a fractional entitlement to 0.14 of a New Ordinary Share. Further examples of how this will work in practice are set out in paragraph 12 of Part V (Frequently asked questions with answers) of this document.

These Shareholders' fractional entitlements will be aggregated and sold in the market on their behalf. Given the proceeds of sale are expected to be less than £3.00 per individual Shareholder, the Board intends, in accordance with the Articles of Association, to donate the aggregated sale proceeds to charities chosen by the Board.

5. Tax

A summary of certain UK tax consequences under current UK laws and HM Revenue & Customs' published practice, of the Return of Cash are set out in Part IV (United Kingdom taxation in relation to the Return of Cash) of this document.

Shareholders who are subject to tax in a jurisdiction other than the United Kingdom, or who are in any doubt as to the potential tax consequences of the Return of Cash, are strongly recommended to consult their own appropriate professional adviser.

6. General Meeting

A general meeting of Capricorn will be held at the Company's head office at 50 Lothian Road, Edinburgh EH3 9BY at 10.00 a.m. on 15 May 2023. The notice of the General Meeting is set out at the end of this document. You will find enclosed with this document a Form of Proxy for use in respect of the General Meeting.

You are requested to complete and sign the enclosed Form of Proxy and return it in accordance with the instructions printed on it. You may also submit your proxy electronically at www.sharevote.co.uk using the Voting ID, Task ID and Shareholder Reference Number on your Form of Proxy.

7. Dealings and despatch of documents

Subject to Resolution 1 being passed at the General Meeting, the Share Consolidation and the Special Dividend will be made by reference to holdings of Existing Ordinary Shares on the register of members of the Company as at the Record Time (or, in the case of the Share Consolidation, such later time and / or date as the Directors may in their absolute discretion determine).

It is expected that dealings and settlement within the CREST system of the Existing Ordinary Shares will continue until the Record Time when, in the case of Existing Ordinary Shares held in certificated form, the register of members will be closed for transfers and no further transfers of Existing Ordinary Shares will be able to be made. The registration of uncertificated holdings in respect of the Existing Ordinary Shares will be "disabled" in CREST at 6.00 p.m. on 15 May 2023.

On 23 May 2023 the Company expects to despatch definitive share certificates in respect of the appropriate number of New Ordinary Shares held in certificated form following the Share Consolidation. Immediately on Listing of the New Ordinary Shares, certificates in respect of the Existing Ordinary Shares will no longer be valid. Share certificates for New Ordinary Shares will be despatched to Shareholders at their own risk.

It is expected that Shareholders who hold their Existing Ordinary Shares through the CREST system will, on Listing of the New Ordinary Shares, have their CREST accounts credited with the appropriate number of New Ordinary Shares following the Share Consolidation. Shareholders holding New Ordinary Shares through the CREST system will not receive any share certificates.

Temporary documents of title will not be issued pending despatch of definitive share certificates in respect of New Ordinary Shares to be held in certificated form. Transfers of New Ordinary Shares held in certificated form will, prior to the receipt of definitive share certificates, be certified against the Company's register of members held by Equiniti.

It is expected that cheques in respect of the Special Dividend will be despatched to the relevant Shareholders or, if mandate instructions are held, Shareholders will have their bank accounts credited, as appropriate, on 23 May 2023 (or such other date as the Directors may determine). Cheques and remittances will be despatched to Shareholders at their own risk.

8. Summary explanation of the Resolutions to be proposed at the General Meeting

There are 3 resolutions to be proposed at the General Meeting. Resolutions 1 and 2 will be proposed as ordinary resolutions and accordingly will be passed if more than 50 per cent. of the votes cast are in favour. Resolution 3 will be proposed as a special resolution and requires the approval of three-quarters of the votes cast at the meeting.

If passed, the Resolutions will only become effective on Listing of the New Ordinary Shares. The main terms of the Resolutions are summarised below.

Resolution	Explanation
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- | | |
|---|---|
| 1 | Paragraph (a) seeks Shareholder approval for the payment of the Special Dividend.

Paragraph (b) proposes the consolidation of Existing Ordinary Shares held by Shareholders into New Ordinary Shares, so as to seek to ensure that the Ordinary Share price stays about the same immediately before and after the Return of Cash. This paragraph also deals with fractional entitlements to New Ordinary Shares. Please see paragraph 3 of Part I of this document for further details on the Share Consolidation. |
| 2 | This Resolution is conditional on Resolution 1 being passed and becoming effective. It proposes the amendment of the 2017 LTIP to ensure that the dilution limits set out in the rules of the plan appropriately reflect the impact of the Return of Cash and, in particular, the Share Consolidation. Further details on this matter are set out in paragraph 5 of Part I of this document. |
| 3 | This Resolution is conditional on Resolution 1 being passed and becoming effective. It proposes amendments to the annual authorities to enable the Company to make market purchases of its own shares following the Share Consolidation to cover the period between the date of the General Meeting and the 2023 AGM. Further details on this matter are set out in paragraph 3 of Part III of this document. |

PART IV

UNITED KINGDOM TAXATION IN RELATION TO THE RETURN OF CASH

The comments below are intended as a general guide only and are based on current United Kingdom tax law and the published practice of HM Revenue and Customs, both of which are subject to change and possibly with retrospective effect. Any change may affect the taxation liabilities of Shareholders in relation to the Return of Cash. The comments below apply only to Shareholders who are resident and ordinarily resident in the United Kingdom for tax purposes and who hold their Existing Ordinary Shares, and who will hold their New Ordinary Shares, beneficially as investments and not on trading account.

Furthermore, the comments below may not apply to Shareholders in special circumstances, such as those who do not hold their Existing Ordinary Shares and New Ordinary Shares beneficially as investments, insurance companies, collective investment schemes, dealers in securities and Shareholders who acquired (or are deemed to have acquired) their Existing Ordinary Shares by virtue of an office or employment. The position may be different for any future transactions and may alter between the date of this document and the implementation of the Return of Cash.

Shareholders are urged to consult an appropriate professional adviser without delay in respect of their tax position. Shareholders who are not tax resident in the United Kingdom or who are otherwise taxable outside of the United Kingdom should consult their own professional advisers on the possible application of taxation laws in their individual countries of residence.

1. Share Consolidation

The receipt of the New Ordinary Shares arising from the Share Consolidation should be treated as a reorganisation of the share capital of the Company for the purposes of United Kingdom taxation of chargeable gains (“CGT”). Accordingly, the receipt of the New Ordinary Shares will not itself give rise to any liability to CGT in a Shareholder’s hands. Instead, the Shareholder’s resultant holding of New Ordinary Shares will be treated as the same asset as the Shareholder’s holding of Existing Ordinary Shares and as having been acquired at the same time, and for the same consideration, as that holding of Existing Ordinary Shares.

The sale, on behalf of the relevant Shareholders, of fractional entitlements to New Ordinary Shares resulting from the Share Consolidation will not constitute a part disposal for CGT purposes and no payment is expected to be received by Shareholders as a result of the sale of fractional entitlements therefore there will be no adjustment to the cost base of the New Ordinary Shares received.

The issue of the New Ordinary Shares will not itself give rise to any liability to UK income tax (or corporation tax on income) in a Shareholder’s hands.

On a subsequent disposal of the whole or part of the New Ordinary Shares comprised in the new holding, a shareholder may, depending upon his or her circumstances, be subject to tax on the amount of any chargeable gain realised.

2. Special Dividend

The UK tax treatment of the Special Dividend will be as income and will be as summarised below.

The UK tax treatment of the Shareholders who receive the Special Dividend will be the same as the UK tax treatment of such Shareholders receiving any other dividend paid by the Company.

No tax credit attaches to the payment by a UK company of any dividend. The Company is not required to withhold any tax when paying a dividend. Liability to tax on the Special Dividend will depend upon the individual circumstances of a Shareholder.

UK resident individual Shareholders

Individual Shareholders who are resident for tax purposes in the UK and receive the Special Dividend will not be liable to UK tax to the extent that (taking account of any other dividends received in the same tax year) that dividend falls within their first £1,000 of dividend income (the ‘nil rate band’) or their personal allowance. To the extent that (taking account of any other dividends received by the Shareholder in the same tax year) the dividend does not fall within the nil rate band or personal allowance, it will be subject to income tax at 8.75 per cent (to the extent it is within the basic rate band), 33.75 per cent (to the extent it is within the higher rate band) or 39.35 per cent (to the extent it is within the additional rate band), in each case, when treated as the top slice of that Shareholder’s income.

UK resident corporate Shareholders

For UK resident corporate Shareholders, it is likely that the Special Dividend will fall within one or more of the classes of dividend qualifying for exemption from corporation tax. However, it should be noted that the exemptions are not comprehensive and are also subject to anti-avoidance rules. Shareholders within the charge to corporation tax should consult their own independent tax advisers.

Non-UK resident Shareholders

Shareholders who are resident outside the UK for tax purposes generally will not be subject to UK tax on dividends. A Shareholder resident outside the UK may be subject to non-UK taxation on dividend income under local law. **A Shareholder who is resident outside the UK for tax purposes should consult his or her own independent tax advisers concerning his or her tax position in respect of the Special Dividend.**

3. Taxation of chargeable gains

Under the provisions of part 15, CTA 2010 (for companies) and part 13, chapter 1 ITA 2007 (for individuals), HM Revenue & Customs can in certain circumstances counteract tax advantages arising in relation to a transaction or transactions in securities. No clearance has been or will be sought by the Company in relation to applicability of those provisions in respect of the Return of Cash. However, it is not expected that they will, as a general matter, affect the taxation treatment of Shareholders receiving the Special Dividend.

4. Stamp Duty and Stamp Duty Reserve Tax

Shareholders will not be liable to pay or bear any UK stamp duty or stamp duty reserve tax as a result of the Special Dividend, the Share Consolidation or on the issue of the New Ordinary Shares.

PART V

FREQUENTLY ASKED QUESTIONS WITH ANSWERS

This document explains the Return of Cash of approximately US\$450 million (approximately £362 million) which Capricorn proposes to make to its Shareholders. To help you understand what is proposed we have prepared the summary below in the form of frequently asked questions with answers, which are aimed particularly at Shareholders who are individuals. **You should read the whole of this document carefully and not rely solely on the summary information below.**

If you still have any questions, you may call the Shareholder helpline on +44 (0)371-384-2050 between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (excluding English and Welsh public holidays). Calls from outside the United Kingdom are charged at applicable international rates. Please note that calls to this number may be monitored or recorded for security and training purposes.

The helpline is not able to provide advice on the merits of the Resolutions to be proposed at the General Meeting or the Return of Cash, or give personal, legal, financial or tax advice.

All dates are subject to change. The questions with answers below assume you do not hold your shares through CREST unless CREST is specifically mentioned. If you hold your shares through CREST and would like some further information on the Return of Cash, please contact the Shareholder helpline.

1. **What is being proposed?**

Capricorn intends to return 115 pence in cash to Shareholders for each Existing Ordinary Share that they hold at 6.00 p.m. on 15 May 2023. This amounts to a total aggregate return of approximately US\$450 million (approximately £362 million) to Shareholders.

2. **Why is Capricorn returning this cash?**

The Board believes it is appropriate to return approximately US\$450 million (approximately £362 million) of cash to Shareholders. The Board, which has received financial advice from BofA Securities, has taken full account of the Group's plans and access to funding in reaching its decision that this is an appropriate amount to return to Shareholders.

3. **How is this being done?**

We have chosen a dividend as the method of returning the cash, which is simple to put in place and treats all Shareholders in the same manner. We refer to the dividend in this document as a "**Special Dividend**" because it is not intended to be part of a regular dividend programme or policy. The Board is recommending now a return to Shareholders of approximately US\$450 million (approximately £362 million). For every Existing Ordinary Share that you hold at the "**Record Time**" (being 6.00 p.m. on 15 May 2023), you will receive 115 pence in cash.

4. **What happens to my Ordinary Shares?**

In addition to the Special Dividend, there will also be a share capital consolidation that will reduce the number of Ordinary Shares that you and all other Shareholders hold. If we were to do nothing more than return the cash to Shareholders through the Special Dividend, Capricorn's share price would probably fall by about 115 pence per Ordinary Share, reflecting the value being returned to Shareholders. Therefore, to help ensure that the share price stays about the same immediately before and after the Special Dividend (subject to normal market movements), we intend to reduce the total number of shares owned by all Shareholders. This is referred to in this document as the "**Share Consolidation**".

The ratio to be used for the Share Consolidation will be 33 New Ordinary Shares for every 70 Existing Ordinary Shares held. This ratio is intended to reduce the number of Ordinary Shares in issue by an amount that reflects the value of the Special Dividend relative to the market capitalisation of Capricorn prior to the Return of Cash. If the number of Existing Ordinary Shares you hold does not divide exactly by 70, you will be left with a fractional entitlement to a New Ordinary Share. Please see question 6 below for guidance on how this fractional entitlement will be treated.

5. **What does all this mean to me?**

You will continue to own the same proportion of Capricorn immediately after the Share Consolidation as you did before, subject to fractional entitlements arising on the Share Consolidation, which will be sold in the market as described in more detail in response to question 6 below. The value of any one Shareholder's fractional entitlement will not exceed the value of one New Ordinary Share.

The total value of your new ordinary shareholding in Capricorn, immediately following the Share Consolidation, plus 115 pence for every Existing Ordinary Share you hold, plus the value of any fractional entitlements donated to charity, should be equal to the value of your original holding immediately before the Share Consolidation (subject to normal market movements).

6. What if the number of Ordinary Shares I hold at 6.00 p.m. on 15 May 2023 does not divide exactly by the consolidation denominator?

If, immediately before the Share Consolidation, your holding of Existing Ordinary Shares does not divide exactly by 70, you will be left with a fractional entitlement to a New Ordinary Share. So, by way of illustration only, a Shareholder with 100 Existing Ordinary Shares would, after the Share Consolidation, be entitled to 47 New Ordinary Shares and a fractional entitlement to 0.14 of a New Ordinary Share. Capricorn will combine all the fractions and arrange to have them sold in the market. The value of any one Shareholder's fractional entitlement will not exceed the value of one New Ordinary Share. Given the proceeds of sale are expected to be less than £3.00 per individual Shareholder, the Board intends, in accordance with the Articles of Association, to donate the aggregated sale proceeds to charities chosen by the Board.

7. What if I sell or have sold or transferred all or some of my Existing Ordinary Shares?

If you sell or have sold or otherwise transferred all of your Existing Ordinary Shares at any time prior to the Record Time (being 6.00 p.m. on 15 May 2023), please forward this document, together with the accompanying documents (but not any personalised Form of Proxy), at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. However, such documents should not be forwarded to or sent into or within any jurisdiction in which to do so would constitute a breach of the relevant laws of such jurisdiction. If you sell or have sold or otherwise transferred part only of your holding of Existing Ordinary Shares, please consult the bank, stockbroker or other agent through whom the sale or transfer was effected.

8. What happens to my CREST Account?

If you hold your Existing Ordinary Shares in uncertificated form, your CREST account will be automatically credited with New Ordinary Shares as soon as practicable after 8.00 a.m. on 16 May 2023 under ISIN GB00BQ98V038.

9. What happens to my current share certificate?

If you hold your Existing Ordinary Shares in certificated form, the share certificate that you currently hold will not be valid after the Listing of the New Ordinary Shares (expected to happen at 8.00 a.m. on 16 May 2023). Accordingly, when you receive your New Ordinary Share certificate you should destroy the one that you currently hold as it will be worthless.

10. When will I get my New Ordinary Share certificate?

If you hold your Existing Ordinary Shares in certificated form, it is expected that your New Ordinary Share certificate will be sent to you on 23 May 2023. If you hold your Existing Ordinary Shares in uncertificated form through CREST, you will not receive a share certificate in respect of your New Ordinary Shares.

11. What if I want to sell my New Ordinary Shares before I have received my New Ordinary Share certificate?

If you hold your Existing Ordinary Shares in certificated form, even though you will not receive your new share certificate until after 23 May 2023, you will be able to sell your New Ordinary Shares from 16 May 2023.

Capricorn will not be issuing temporary documents of title. The New Ordinary Shares will be certified against the register held by the Company's registrars, Equiniti. You should call the Shareholder helpline on +44 (0)371-384-2050 between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (excluding English and Welsh public holidays) for further information on how to do this. Calls to the helpline from outside the UK will be charged at the applicable international rate. Please note that calls may be recorded and randomly monitored for security and training purposes.

12. Illustrative example of how this works in practice

The examples below illustrate the number of New Ordinary Shares and the amount of the Special Dividend cash payment you would receive as a result of the Return of Cash. Please note that the value of the fractional entitlement has been calculated using the Company's closing share price at the latest practicable date and any fraction entitlements will not be distributed to shareholders and instead will be donated to charities chosen by the directors of the Company:

<u>Number of Existing Ordinary shares held</u>	<u>Number of New Ordinary Shares you will receive</u>	<u>Fractional entitlement (£)</u>	<u>Special Dividend (£)</u>
5	2	£0.78	£5.75
10	4	£1.55	£11.50
50	23	£1.24	£57.50
100	47	£0.31	£115.00
200	94	£0.62	£230.00

13. What is my tax position?

We have set out a general guide to United Kingdom taxation in Part IV (United Kingdom taxation in relation to the Return of Cash) of this document and you should read it carefully. You are urged to consult an appropriate professional adviser in respect of your tax position.

Shareholders who are not tax resident in the United Kingdom or who are otherwise taxable outside of the United Kingdom should consult their own professional advisers on the possible application of taxation laws in their individual countries of residence.

14. Will the proceeds from the Special Dividend be paid directly into my bank account?

It is expected that a cheque for the Special Dividend will be sent to you, or, if a mandate instruction is held, that your bank account will be credited, as appropriate, with the proceeds on 23 May 2023 (or such other date as the Directors may determine).

15. What if I hold my Ordinary Shares in an ISA?

If you hold your Existing Ordinary Shares in an ISA, you should be able to hold the New Ordinary Shares which you receive in place of your Existing Ordinary Shares in an ISA (subject to the terms and conditions of your ISA). You should contact your plan manager who will be able to advise you of the procedure for voting on the Resolutions to be proposed at the General Meeting.

16. Do I need to vote at the General Meeting?

You are not obliged to vote, but if you fail to do so the Return of Cash may not take place, as it requires the approval of Shareholders. In order for the Return of Cash to happen, you should vote at the General Meeting by completing and signing your Form of Proxy (sent to you with this document) and returning it to Capricorn's registrars to arrive as soon as possible. For your convenience, a pre-paid business reply envelope is enclosed for you to return the proxy card in. You may also submit your proxy electronically at www.sharevote.co.uk using the Voting ID, Task ID and Shareholder Reference Number on your Form of Proxy. To be valid, the completed Form of Proxy or proxies submitted electronically must be sent as soon as possible and in any event so as to be received by Equiniti by no later than 10.00 a.m. on 11 May 2023.

17. Why have I been sent so much paperwork?

Capricorn is required by law and the Listing Rules to provide all Shareholders with full details of the Return of Cash. This document contains important information and we recommend that you read it carefully as you have a right to vote on the Return of Cash.

18. What if I have any more questions?

If you have read this document and have any further questions, you may telephone the Shareholder helpline, which is available between the hours of 8.30 a.m. and 5.30 p.m. Monday to Friday (excluding English and Welsh public holidays). The Shareholder helpline number is +44 (0)371-384-2050. Calls to the Shareholder helpline from outside the United Kingdom will be charged at the applicable international rates. Please note that calls may be recorded and monitored for security and training purposes.

For legal reasons the Shareholder helpline will be unable to give advice on the merits of the Resolutions to be proposed at the General Meeting or the Return of Cash, or give personal, legal, financial or tax advice to Shareholders. Shareholders are recommended to consult their own independent professional adviser.

DEFINITIONS

The following definitions apply throughout this document and in the accompanying Form of Proxy and (if one is enclosed) Election Form, unless the context requires otherwise:

“2017 LTIP”	the Capricorn Energy PLC Long Term Incentive Plan (2017);
“Articles of Association”	the articles of association of the Company from time to time;
“Business Day”	a day (other than a Saturday, Sunday or public holiday) on which pound sterling deposits may be dealt in on the London inter-bank market and commercial banks are open for general business in London;
“Capricorn Share Schemes”	the Capricorn Energy PLC Approved Share Option Plan (2009), the Capricorn Energy PLC Unapproved Share Option Plan (2009), the SIP, the Capricorn Energy PLC Employee Share Award Scheme (2015) and the 2017 LTIP;
“Companies Act”	the Companies Act 2006 (as amended);
“Company” or “Capricorn”	Capricorn Energy PLC, a company incorporated in Scotland with registered number SC226712;
“CREST”	the relevant system for the paperless settlement of trades in securities and the holding of uncertificated securities (as defined in the Uncertificated Securities Regulations 2001 (SI. 2001 No. 3775)) operated by Euroclear;
“CREST Manual”	the current version of the CREST manual from time to time which at the date of this document is available on www.euroclear.com ;
“CREST Proxy Instruction”	a properly authenticated CREST message appointing and instructing a proxy to attend and vote in the place of the Shareholder at the General Meeting and containing the information required to be contained therein by the CREST Manual;
“CTA 2010”	Corporation Tax Act 2010;
“Directors” or “Board”	the board of directors of Capricorn, from time to time, or, where appropriate, any duly appointed committees of it;
“Disclosure and Transparency Rules”	the Disclosure Guidance and Transparency Rules of the FCA;
“Electronic Proxy Instruction”	a proxy instruction submitted electronically at www.sharevote.co.uk using the numbers included in the Form of Proxy;
“Equiniti”	Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA;
“Euroclear”	Euroclear UK & International Limited;
“Existing Ordinary Shares”	issued ordinary shares of $2\frac{1}{13}$ pence each in the capital of Capricorn existing before the Share Consolidation;
“FCA”	the Financial Conduct Authority;
“Form of Proxy”	the form of proxy enclosed with this document, for use by Shareholders in connection with the General Meeting;
“FSMA”	Financial Services and Markets Act 2000 (as amended);
“General Meeting”	the general meeting of Capricorn to be held at the Company’s head office at 50 Lothian Road, Edinburgh EH3 9BY at 10.00 a.m. on 15 May 2023, notice of which is set out at the end of this document;
“Group”	the Company, its subsidiary undertakings and any other body corporate, legal entity, partnership or unincorporated joint venture in which the Company or any of its subsidiary undertakings holds a participating interest (as such term is defined by section 1162 of the Companies Act) from time to time;
“ISA”	UK individual savings account;
“ISIN”	International Security Identification Number;
“ITA 2007”	Income Tax Act 2007;

“Listing”	the admission of the New Ordinary Shares to the premium segment of the Official List becoming effective in accordance with the Listing Rules and the admission to trading on the of the London Stock Exchange’s main market for listed securities becoming effective in accordance with the rules of the London Stock Exchange;
“Listing Rules”	the listing rules made by the FCA for the purposes of Part VI of FSMA;
“London Stock Exchange”	London Stock Exchange plc;
“New Ordinary Shares”	the new ordinary shares of ⁴⁹⁰ / ₁₄₃ pence each in the capital of the Company admitted to the Official List under the ISIN GB00BQ98V038 and which will replace the Existing Ordinary Shares following the Share Consolidation;
“Official List”	the official list maintained by the FCA for the purposes of Part VI of FSMA;
“Ordinary Shares”	Existing Ordinary Shares or New Ordinary Shares, as the context may require;
“Record Time”	the record time for the Special Dividend and the Share Consolidation, being 6.00 p.m. on 15 May 2023 (or, in the case of the Share Consolidation, such later time and / or date as the Directors may determine);
“Remuneration Committee”	the remuneration committee of the Board;
“Resolutions”	the resolutions to be proposed at the General Meeting;
“Return of Cash”	the transaction comprising the Special Dividend and the Share Consolidation;
“RIS” or “Regulatory Information Service”	a regulatory information service as defined by the Listing Rules;
“SEC”	the Securities Exchange Commission;
“Share Consolidation”	the consolidation of the share capital of the Company to be undertaken, or expected to be undertaken, at the discretion of the Board (or a duly appointed committee thereof), as set out in sub-paragraph (b) of Resolution 1 to be proposed at the General Meeting;
“Shareholders”	holders of Existing Ordinary Shares or New Ordinary Shares, as the context may require;
“Special Dividend”	the dividend of 115 pence per Existing Ordinary Share to be paid as an interim dividend for the financial year ended 31 December 2023, subject to the passing of Resolution 1 to be proposed at the General Meeting;
“SIP”	the Capricorn Energy PLC 2010 Share Incentive Plan;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“US” or “United States”	the United States of America, its territories, possessions, any State of the United States of America and the District of Columbia; and
“US Securities Act”	US Securities Act of 1933 (as amended).

CAPRICORN ENERGY PLC

(Incorporated in Scotland with registered number SC226712)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a general meeting of Capricorn Energy PLC (the “**Company**”) will be held at the Company’s head office at 50 Lothian Road, Edinburgh EH3 9BY at 10.00 a.m. on 15 May 2023 for the purposes of considering and, if thought fit, passing the following resolutions, of which resolutions 1 and 2 will be proposed as ordinary resolutions and resolution 3 will be proposed as a special resolution:

Ordinary resolutions

1. THAT, subject to and conditional on the admission of the New Ordinary Shares (as defined in sub-paragraph (b) of this Resolution) to the premium segment of the Official List of the Financial Conduct Authority and to trading on the main market for listed securities of the London Stock Exchange plc becoming effective at 8.00 a.m. on 16 May 2023 (or such later time and / or date as the Directors may in their absolute discretion determine) (“**Admission**”):
 - (a) a dividend of 115 pence per Existing Ordinary Share (as defined in sub-paragraph (b) of this Resolution) be, and is hereby declared to be, paid to each holder of Existing Ordinary Shares on the register of members of the Company at 6.00 p.m. on 15 May 2023 (the “**Record Time**”); and
 - (b) each of the ordinary shares of $\frac{2}{13}$ pence each in the capital of the Company (the “**Existing Ordinary Shares**” and each an “**Existing Ordinary Share**”) in issue as at the Record Time (or such later time and / or date as the Directors may in their absolute discretion determine) be subdivided into 33 ordinary shares of $\frac{7}{143}$ pence each in the capital of the Company (the “**Intermediate Ordinary Shares**”) and immediately thereafter every 70 Intermediate Ordinary Shares be consolidated into one ordinary share of $\frac{490}{143}$ pence each in the capital of the Company (the “**New Ordinary Shares**” and each a “**New Ordinary Share**”), such New Ordinary Shares having the same rights and being subject to the same restrictions (save as to nominal value) as the Existing Ordinary Shares, as set out in the articles of association of the Company, provided that:
 - (i) where such consolidation results in a member being otherwise entitled to a fraction of a New Ordinary Share, such fraction shall be aggregated with the fractions of a New Ordinary Share to which other members of the Company may be entitled into New Ordinary Shares; and
 - (ii) the Directors be authorised to sell (or appoint any other person to sell), on behalf of the relevant members, all the New Ordinary Shares representing such fractions at the best price reasonably obtainable, and to distribute the proceeds of sale (net of expenses) to charities chosen by the Directors, and that any Director (or any person appointed by the Directors) be authorised to execute an instrument of transfer in respect of such shares on behalf of the relevant members and to do all acts and things the Directors consider necessary or desirable to effect the transfer of such shares.
2. THAT, subject to Resolution 1 set out above being passed and becoming effective, the amendments to the rules of the Capricorn Energy PLC Long Term Incentive Plan (2017) (the “**2017 LTIP**”) that are (i) summarised in paragraph 5 of Part I of the circular dated 28 April 2023 and sent by the Company to its shareholders; and (ii) contained in the amended rules of the 2017 LTIP produced in draft to the meeting and initialled by the Chair for the purpose of identification, be approved and the directors of the Company be authorised to do all such acts and things as they consider necessary or appropriate to carry the same into effect.

Special resolution

3. That, subject to and conditional upon the passing of Resolution 1 and Admission (as defined in Resolution 1), and in substitution for any existing authority, the Company be generally and unconditionally authorised for the purposes of section 701 of the Companies Act 2006 (as amended) (the “**Act**”), to make market purchases (within the meaning of section 693 of the Act) of fully-paid ordinary shares of $\frac{490}{143}$ pence each (the “**New Ordinary Shares**”) on such terms and in such manner as the directors of the Company may decide provided that:
 - (a) the maximum number of New Ordinary Shares that may be purchased by the Company pursuant to this authority is 22,265,269 (representing 14.99% of the Company’s issued ordinary share capital as it is expected to be immediately following Admission);
 - (b) the minimum price (exclusive of expenses) which may be paid for any such New Ordinary Share shall not be less than the nominal value of that share at the time of purchase;

- (c) the maximum price (exclusive of expenses) which may be paid for any New Ordinary Share purchased pursuant to this authority is an amount equal to the higher of (a) an amount equal to 105% of the average of the middle market prices shown in the quotations for the Company's New Ordinary Shares in the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which that New Ordinary Share is contracted to be purchased; and (b) an amount equal to the higher of the price of the last independent trade of a New Ordinary Share and the highest current independent bid for a New Ordinary Share on the trading venues where the purchase is carried out; and
- (d) unless previously varied, revoked or renewed, the authority conferred by this resolution shall expire on the earlier of 30 June 2023 or at the end of the next annual general meeting of the Company to be held in 2023, but the Company may make a contract to purchase New Ordinary Shares under this authority before its expiry which will or may be completed wholly or partly after the expiry of this authority, and may complete such a purchase as if this authority had not expired.

By Order of the Board

Anne McSherry

Company Secretary

Registered office:

50 Lothian Road, Edinburgh EH3 9BY, United Kingdom

28 April 2023

Shareholder Notes:

1. A member of the Company entitled to attend and vote at the General Meeting is entitled to appoint a proxy or proxies to attend, speak and vote instead of him or her. A proxy need not be a member of the Company, but must attend the General Meeting to represent you. A form of proxy (the "Form of Proxy") accompanies this notice of General Meeting and must be lodged with the Company at the office of its registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA (the "Registrars") or received via the Sharevote service (see Note 2 below) or lodged using the CREST proxy voting service (see Note 3 below) not less than 48 hours before the time appointed for the General Meeting or any adjournment(s) thereof (excluding any part of any day that is not a working day). The appointment of a proxy or submission of an electronic voting direction will not preclude a member entitled to attend and vote at the General Meeting from doing so if he or she wishes. You can only appoint a proxy using the procedures set out in these notes and the notes to the Form of Proxy. If you wish to change or revoke your proxy appointment, please contact the Registrars on +44 (0)371-384-2050 between 8.30 a.m. and 5.30 p.m. Monday to Friday (excluding English and Welsh public holidays). Calls from outside the United Kingdom are charged at applicable international rates.
2. Members may register their proxy appointments or voting directions 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 which accompanies this notice of General Meeting. 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 members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting to be held on 15 May 2023 and any adjournment(s) thereof by using the procedures described in the CREST Manual. 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.
4. 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 & International Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. 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 Registrars (ID RA19) by no later than 10.00 a.m. on 11 May 2023, or, in the event that the General Meeting is adjourned, not less than 48 hours before the time appointed for the adjourned General Meeting (excluding any part of any day that is not a working day). No such message received through the CREST network after this time will be accepted. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST core processor) 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.
5. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & International Limited 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 or her 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, which can be viewed at www.euroclear.com. 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.

6. You may appoint more than one proxy provided that each proxy is appointed to exercise rights attached to different Shares. You may not appoint more than one proxy to exercise rights attached to any one Share. To appoint more than one proxy, please contact the Registrars on +44 (0)371-384-2050 between 8.30 a.m. and 5.30 p.m. Monday to Friday (excluding English and Welsh public holidays). Please note that calls to these numbers may be monitored and recorded for security and training purposes. Calls from outside the United Kingdom are charged at applicable international rates.
7. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with section 146 of the Companies Act 2006 ("Nominated Persons"). Nominated Persons may have a right under an agreement with the registered shareholder who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if Nominated Persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.
8. Any corporation which is a shareholder can appoint one or more corporate representative(s) who may exercise on its behalf all of its powers as a shareholder provided that they do not do so in relation to the same shares.
9. To be entitled to vote at the General Meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the register of members of the Company at 6.30 p.m. on 11 May 2023 (or, in the event of any adjournment, on the date which is two days (excluding any part of a day that is not a working day) before the time of the adjourned meeting). Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to vote at the meeting.
10. On 27 April 2023 (being the last practicable date before printing this notice of General Meeting), the Company's issued share capital comprised 315,072,439 ordinary shares of $\frac{2}{13}$ pence each. Each such ordinary share carries the right to one vote at a general meeting of the Company. Therefore, the total number of voting rights in the Company as at the last practicable date was 315,072,439. It is proposed that all votes on the Resolutions to be proposed at the General Meeting will be taken by way of a poll rather than on a show of hands. The Company considers that a poll is more representative of Shareholders' voting intentions because (a) votes are counted according to the number of shares held and all votes tendered are taken into account. The results of the voting will be announced through a Regulatory Information Service and will be published on our website www.capricornenergy.com as soon as reasonably practicable thereafter.
11. In accordance with section 311A of the Companies Act 2006, the contents of this notice of General Meeting, details of the total number of shares in respect of which members are entitled to exercise voting rights at the General Meeting and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice of General Meeting will be available on the Company's website at www.capricornenergy.com.
12. Pursuant to section 319A of the Companies Act 2006, the Company must cause to be answered at the General Meeting any question relating to the business being dealt with at the General Meeting which is put by a member attending the General Meeting, except in certain circumstances, including if it is undesirable in the interests of the Company or the good order of the General Meeting that the question be answered or if to do so would involve the disclosure of confidential information.
13. A copy of the 2017 LTIP, showing the amendments proposed to be made under Resolution 2 to be proposed at the General Meeting will be available for inspection (a) at the place of the General Meeting for at least 15 minutes before and during the General Meeting; and (b) on the National Storage Mechanism from the date of this document.
14. A member may not use any electronic address provided either in this notice of General Meeting or any related documents (including the Chair's letter and the Form of Proxy), to communicate with the Company for any purpose other than those expressly stated.

