

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended immediately to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000. If you have sold or otherwise transferred all of your shares in Capricorn Energy PLC, you should pass this document, the accompanying Form of Proxy and the Annual Report and Accounts of Capricorn Energy PLC for the financial year ended 31 December 2023 without delay to the stockbroker, bank or other person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.**



# **CAPRICORN ENERGY PLC**

*(incorporated in Scotland with registered number SC226712)*

## **Notice of Annual General Meeting**

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**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 Energy PLC (the “Company” or “Capricorn”), which is set out on pages 4-11 of this document recommending, on behalf of the Directors, that you vote in favour of the resolutions to be proposed at the Annual General Meeting referred to below.**

Notice of the 2024 Annual General Meeting of Capricorn to be held at The Cellar Room, Kimpton Charlotte Square Hotel, 38 Charlotte Square, Edinburgh EH2 4HQ at 11.00 a.m. (BST) on Thursday, 23 May 2024, is set out at the end of this document.

Shareholders are encouraged to vote either in advance of the Annual General Meeting or at the meeting itself. Enclosed with this document is a Form of Proxy for use in respect of the Annual General Meeting. Shareholders wishing to vote in advance may appoint a proxy by submitting their completed Forms 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 11.00 a.m. (BST) on Tuesday, 21 May 2024. Alternatively, you may register your proxy appointment or voting directions electronically via Equiniti’s Shareview website, [www.shareview.co.uk](http://www.shareview.co.uk) not later than 11.00 a.m. (BST) on Tuesday, 21 May 2024 (further information regarding the use of this facility is set out in the notes to the Notice of Annual General Meeting). 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 11.00 a.m. (BST) on Tuesday, 21 May 2024.

A summary of the action to be taken by Shareholders in relation to the Annual General Meeting is set out in paragraph 4 of the Chair’s letter on page 10 of this document and in the accompanying Notice of Annual General Meeting.

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\$1.27052 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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### HELPLINE

Questions of a factual nature relating to the Resolutions to be proposed at the Annual General Meeting may be directed to the Company's registrars, Equiniti. 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.

This helpline will not be able to provide advice on the merits of the Resolutions to be proposed at the Annual General Meeting, 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)  
Randy Neely (Chief Executive Officer and Director)  
Hesham Mekawi (Deputy Chair and Non-Executive Director)  
Richard Herbert (Non-Executive Director)  
Maria Gordon (Non-Executive Director)  
Tom Pitts (Non-Executive Director)  
Patrice Merrin (Non-Executive Director)

*Registered and Head Office:*  
50 Lothian Road  
Edinburgh  
EH3 9BY

17 April 2024

Dear Shareholder

#### **Notice of Annual General Meeting**

##### **1. Introduction**

I am pleased to invite you to the Company's Annual General Meeting which will be held at The Cellar Room, Kimpton Charlotte Square Hotel, 38 Charlotte Square, Edinburgh EH2 4HQ at 11.00 a.m. (BST) on Thursday, 23 May 2024. Enclosed with this letter is a Form of Proxy for use at the Annual General Meeting.

The business to be conducted at the Annual General Meeting is set out in the Notice of Annual General Meeting at the end of this document (the "**Notice**"). You will be asked to consider and vote on the resolutions set out in the Notice. Shareholders should read the whole of this document and not just rely on the summarised information set out in this letter.

As announced today, I have decided not to stand for re-election and will cease to hold office as Chair and as a Director with effect from the conclusion of the Annual General Meeting. It is proposed that Maria Gordon take over as Chair of the Company, subject to her re-appointment as a director at the Annual General Meeting. I am immensely proud to have made huge strides with the Company in the past twelve months and leave it in the capable hands of Ms Gordon and Mr Neely.

##### **2. Summary explanation of the resolutions to be proposed at the Annual General Meeting**

There are 18 resolutions to be proposed at the Annual General Meeting. Resolutions 1 – 14, inclusive, are to be proposed as ordinary resolutions and accordingly will be passed if more than 50% of the votes cast are in favour. Resolutions 15 – 18, inclusive, are to be proposed as special resolutions and accordingly will be passed if at least 75% of the votes cast are in favour. The main terms of the resolutions are summarised below.

*Resolution(s) Explanation*

- |         |  |
|---------|--|
| 1       | Resolution 1 proposes the approval of the Company's accounts, the Directors' report and the auditor's report for the year ended 31 December 2023, which the Directors must lay before the Shareholders in a general meeting.   |
| 2 and 3 | As announced by the Company on 28 March 2024, the Board is recommending to shareholders that they declare and approve the payment of a US\$50 million dividend for the year ended 31 December 2023. The 2024 Return of Cash is proposed to be made by means of a Special Dividend, in terms of which each Shareholder will receive 43 pence per Existing Ordinary Share held at the Record Time (being 6.00 p.m. on 23 May 2024). The Company also proposes to undertake a consolidation and division of its Existing Ordinary Shares, with the aim of making the market price of an Ordinary Share comparable before and after the 2024 Return of Cash, subject to normal market movements following the date of this document. If payment of the Special Dividend, and |

the associated Share Consolidation, are approved, the Special Dividend is expected to be paid to Shareholders on 7 June 2024.

Resolutions 2 and 3 effect the 2024 Return of Cash. Paragraph (a) of Resolution 2 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 2024 Return of Cash. This paragraph also deals with fractional entitlements to New Ordinary Shares.

Resolution 3 is conditional on Resolution 2 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 2024 Return of Cash and, in particular, the Share Consolidation. Further details on this matter are set out in paragraph 3(d) of Part I of this document.

Please see paragraph 3 of this letter and Part III (Details of the 2024 Return of Cash) for further information on the 2024 Return of Cash.

- 4 Listed companies are required to prepare a directors' remuneration report and put a resolution to approve the report to the Shareholders at an annual general meeting. A copy of the Directors' Remuneration Report is set out on pages 80 - 109 (inclusive) of the 2023 Annual Report and Accounts and resolution 4 seeks approval of the report. In accordance with the Companies Act 2006, the vote on this resolution is advisory and no Director's remuneration is conditional upon the passing of this resolution. As part of the changes in board composition, the board will carry out an ongoing review of board size and compensation to ensure it remains appropriate.

The Directors' remuneration policy, which is set out in the Directors' Remuneration Report, was approved at the Company's 2023 Annual General Meeting and remains unchanged. Accordingly, the Company is not required to propose the approval of the Directors' remuneration policy to Shareholders by way of binding vote at the forthcoming Annual General Meeting. In the absence of any changes to the Directors' remuneration policy in the meantime, the Company next expects to put the policy to a binding vote of Shareholders at the 2026 Annual General Meeting.

- 5 The Company is required to appoint an auditor at each general meeting at which accounts are laid before Shareholders, to hold office until the end of the next such meeting. PricewaterhouseCoopers LLP have expressed their willingness to continue as auditor and this resolution proposes their re-appointment as the Company's auditor.

- 6 Resolution 6 seeks authority for the Directors to determine the auditor's remuneration.

- 7 to 13 In accordance with the UK Corporate Governance Code 2018, which provides for all directors of companies with a premium listing to be subject to annual re-election, Randy Neely, Maria Gordon, Richard Herbert, Hesham Mekawi, Tom Pitts and Patrice Merrin will, being eligible, offer themselves for re-election as directors at the Annual General Meeting. Resolutions 7 to 12 seek such re-elections. As noted in the introduction above, I will not be standing for re-election and will cease to hold office as Chair and as a Director with effect from the conclusion of the Annual General Meeting.

As announced on 13 March 2024, following a consultation with a broad range of shareholders, the Company entered into a Relationship Agreement with Palliser Capital and Mr Sachin Mistry, pursuant to which Mr Mistry will stand for election as a director at the Annual General Meeting. Resolution 13 proposes that Sachin Mistry be elected as a director with effect from the conclusion of the meeting.

Mr Mistry is a Portfolio Manager at Palliser Capital, a multi-strategy hedge fund and one of the largest investors in Capricorn. He brings more than 20 years of investment, advisory, and financial strategy experience to the Board. Prior to joining Palliser Capital, he served as Portfolio Manager at LIM Advisors and before that he was an Executive Director at Elliott Advisors for more than eight years. He is not a director of any other listed companies. If appointed, Mr Mistry will add to the Board's oversight of the Company as it advances its long-term strategic priorities to drive the most value for shareholders.

The biographies of the existing Directors are set out on pages 56 and 57 of the 2023 Annual Report and Accounts and information regarding Mr Mistry is noted in the paragraph above.

The Articles of Association provide that directors can be appointed by the Company, by ordinary resolution or by the Board. The Nomination Committee makes recommendations to the Board on the appointment and replacement of directors. Further details of the rules governing the appointment and replacement of directors are set out in the Corporate Governance Statement on pages 63-69 (inclusive) of the 2023 Annual Report and Accounts and in the Articles of Association. An explanation of the performance evaluation procedure carried out by the Company is also contained in the Corporate Governance Statement, on page 65 of the 2023 Annual Report and Accounts.

14 Resolution 14 seeks to renew the Directors' power to allot shares. Section 551 of the Companies Act 2006 provides that the Directors may not allot new shares (other than pursuant to employee share schemes) without Shareholder approval. It proposes that authority be granted in substitution for the existing authority to allot securities up to a maximum amount of £1,575,001.18, representing approximately 33.33% of the Company's total issued ordinary share capital (excluding treasury shares) as at 15 April 2024, being the latest practicable date prior to publication of this document.

Following share capital management guidelines issued by the Investment Association in February 2023, the Company is seeking an additional authority to allot securities in connection with a pre-emptive rights issue up to a maximum amount of £1,575,001.18, representing approximately 33.33% of the Company's total issued ordinary share capital (excluding treasury shares) as at 15 April 2024, being the latest practicable date prior to publication of this document. The benefit to the Company of obtaining such authority on an annual basis is that it would allow the Company to implement a rights issue of up to approximately 66.66% of the issued ordinary share capital without the need to call an additional general meeting. This would shorten the implementation timetable of such a rights issue.

The Directors consider that the authorities sought pursuant to resolution 14 are desirable to allow the Company to retain flexibility, although they have no present intention of exercising these authorities. The authorities will expire on 30 June 2025 or, if earlier, at the end of the next annual general meeting of the Company to be held in 2025.

As at 15 April 2024, being the latest practicable date prior to publication of this document, the Company did not hold any shares in treasury.

15 and 16 Resolutions 15 and 16 are to approve the disapplication of pre-emption rights. Section 561(1) of the Companies Act 2006 provides that if the Directors wish to allot any equity securities, or sell any treasury shares (if it holds any), for cash, they must first offer them to existing Shareholders in proportion to their existing shareholdings. Section 561 does not apply to allotments of equity securities made in connection with an employee share scheme.

In accordance with the guidance issued by the Pre-Emption Group, two separate resolutions are being proposed in connection with the disapplication of pre-emption rights.

The first, resolution 15, seeks to give the Directors power to allot equity securities or sell treasury shares for cash as if section 561(1) of the Companies Act 2006 did not apply, in connection with rights issues, open offers and other pre-emptive offers pursuant to the authority granted by resolution 14, and otherwise up to a total amount of £472,547.61, representing approximately 10% of the Company's total issued ordinary share capital as at 15 April 2024, being the latest practicable date prior to publication of this document.

The second, resolution 16, is being proposed to give the Directors further power to allot equity securities or sell treasury shares for cash as if section 561(1) of the Companies Act 2006 did not apply, for transactions which the board determines to be an acquisition or specified capital investment defined by the Pre-Emption Group's Statement of Principles (the Pre-Emption Principles), up to a further total amount of £472,547.61



representing approximately 10% of the company's total issued ordinary share capital (excluding treasury shares) as at 15 April 2024, being the latest practicable date prior to publication of this document.

These two disapplication authorities are in line with institutional shareholder guidance. The Pre-Emption Principles were revised in 2022 to allow the authority for an issue of shares otherwise than in connection with a pre-emptive offer to be increased from 10% to 20% of the company's issued ordinary share capital, provided that the company confirms that it intends to use the additional 10% authority only in connection with an acquisition or specified capital investment. For each limb, companies are also able to seek further authority to disapply pre-emption rights for up to an additional 2%, to be used only for a 'follow-on offer' to retail investors and existing shareholders after a placing. Authority for such a 'follow-on offer' is not conferred by Resolutions 15 and 16. The Directors have no present intention of exercising the increased authorities but are requesting them in order to provide the flexibility to use shares, if so required, in connection with the proper development of the business.

The power conferred by resolutions 15 and 16 will expire at the same time as the authority conferred by resolution 14, unless previously revoked, varied or extended by the Company in a general meeting.

- 17 If passed, resolution 17 will authorise the Company to make market purchases of its own Ordinary Shares. Ordinary Shares repurchased by the Company pursuant to such authority may be cancelled or held in treasury and then either sold (in whole or in part) for cash or cancelled (in whole or in part). No dividends will be paid on treasury shares and no voting rights attach to them.

The maximum aggregate number of Ordinary Shares that may be purchased pursuant to the authority conferred by resolution 17 shall be a number equal to 14.99% of the issued ordinary share capital of the Company (excluding treasury shares). As at 15 April 2024 (being the latest practicable date prior to the publishing of this document), this number equalled 13,781,481 Existing Ordinary Shares. If resolution 2 concerning the 2024 Return of Cash is passed and Admission occurs, the Company will however only exercise this authority over such lower number of New Ordinary Shares as represents 14.99% of the post-consolidation issued ordinary share capital of the Company (excluding treasury shares).

The maximum price which may be paid for an Ordinary Share pursuant to this resolution (exclusive of expenses) shall be the higher of (i) an amount equal to 105% of the average of the middle market quotations for the Company's Ordinary Shares for the five Business Days immediately preceding the date of purchase and (ii) the higher of the price of the last independent trade of an Ordinary Share and the highest current independent bid for an Ordinary Share on the trading venues where the purchase is carried out. The minimum price that may be paid for an Ordinary Share pursuant to this resolution (exclusive of expenses) shall be the nominal value of an Ordinary Share.

This authority, if conferred, will only be exercised if the Directors consider that any purchase would be in the best interests of Shareholders generally, and normally only if it would result in an increase in earnings per share of the ordinary share capital in issue after the purchase.

This authority will expire on the earlier of 30 June 2025 or the conclusion of the annual general meeting of the Company to be held in 2025, unless previously revoked, varied or renewed by the Company in a general meeting. The Directors intend to seek renewal of this authority at subsequent annual general meetings.

The Company's existing policy is to satisfy all currently outstanding options and awards granted under its employee share schemes by the transfer of existing Ordinary Shares. Consequently, as at 15 April 2024 (being the latest practicable date prior to the publishing of this document), there were no outstanding options or awards to subscribe for Ordinary Shares.

- 18 Under the Companies Act 2006, the notice period required for general meetings of the Company is 21 clear days unless Shareholders approve a shorter notice period, which cannot however be less than 14 clear days. Annual general meetings must be held on at least 21 clear days' notice.

At the Company's annual general meeting in 2023, Shareholders authorised the calling of general meetings other than annual general meetings on not less than 14 clear days' notice. The Directors believe that it is appropriate for the Company to retain the flexibility of being able to call a general meeting on 14 clear days' notice and in order to preserve this ability, resolution 18 seeks such approval. The flexibility offered by this resolution will be used where, taking into account all the circumstances, the Directors consider this appropriate in relation to the business to be considered at the meeting. The approval will be effective until the Company's next annual general meeting in 2025, when it is intended that a similar resolution will be proposed.

### **3. 2024 Return of Cash**

#### **(a) Special Dividend**

The 2024 Return of Cash is proposed to be made by means of a Special Dividend, in terms of which each Shareholder will receive 43 pence per Existing Ordinary Share held at the Record Time (being 6.00 p.m. on 23 May 2024). If payment of the Special Dividend, and the associated Share Consolidation, are approved, the Special Dividend is expected to be paid to Shareholders on 7 June 2024.

Further details of the Special Dividend are set out in Part III (Details of the 2024 Return of Cash) of this document.

#### **(b) Share Consolidation**

The aggregate amount proposed to be returned to Shareholders by means of the Special Dividend is equivalent to approximately 26 per cent. of the market capitalisation of the Company at the close of business on 15 April 2024 (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 the Existing Ordinary Shares will be replaced by 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.

The ratio used for the Share Consolidation will be determined by the Board (or a duly appointed committee thereof) to reduce the number of Ordinary Shares to reflect the value of the Special Dividend relative to the market capitalisation of Capricorn prior to the 2024 Return of Cash. So for example, if the market price of an Existing Ordinary Share is £1.65 and the implied market price of an Existing Ordinary Share, after the Special Dividend of 43 pence per Existing Ordinary Share is paid, is £1.22, a consolidation ratio of 3 New Ordinary Shares for every 4 Existing Ordinary Shares would be used to ensure the price of an Ordinary Share remains approximately the same, subject to normal market movements, before and after the Return of Cash.

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 2024 Return of Cash) of this document and an illustrative example is set out in paragraph 12 of Part V (Frequently asked questions regarding the 2024 Return of Cash with answers) of this document.

**(c) Capricorn Share Schemes – impact of 2024 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 2024 Return of Cash. In general terms, the position will be as follows:

- *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 2024 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.

- *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 2024 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 and DBP will be disapplied 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 15 April 2024 (being the last practicable date prior to publication of this document), held 724,000 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.

**(d) 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 those that took place on 16 May 2023 and 6 October 2023). 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 Annual General Meeting, will be available for inspection:

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

Resolution 3 to be proposed at the Annual General Meeting seeks Shareholder approval to implement the changes to the rules of the 2017 LTIP described above. Resolution 3 is conditional on Resolution 2, being the resolution seeking approval of the Special Dividend and the Share Consolidation, being passed and becoming effective.

#### **4. Action to be taken**

Shareholders are encouraged to vote either in advance of the Annual General Meeting or at the meeting itself. Enclosed with this document is a Form of Proxy for use in respect of the Annual General Meeting. If you wish to vote in advance, 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 11.00 a.m. (BST) on Tuesday, 21 May 2024, being 48 hours before the time appointed for the meeting (excluding any part of any day that is not a working day). Alternatively, you may register your proxy appointment or voting directions electronically via Equiniti's Shareview website, [www.shareview.co.uk](http://www.shareview.co.uk) not later than 11.00 a.m. (BST) on Tuesday, 21 May 2024. Further information regarding the use of this facility is set out in the notes to the Notice. 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, by no later than 11.00 a.m. (BST) on Tuesday, 21 May 2024. If you do require a copy of the Form of Proxy, this can be downloaded on the Company website at [www.capricornenergy.com/investors/shareholder-information/agm/](http://www.capricornenergy.com/investors/shareholder-information/agm/), where you will also find instructions for completion of that Form.

If you have any queries in relation to the Form of Proxy 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.

Please note that the Shareholder helpline will not provide advice on the merits of the resolutions to be proposed at the Annual General Meeting, or give any personal, legal, financial or tax advice.

If Shareholders have any questions for the Board in advance of the Annual General Meeting, these can be sent by e-mail to [IR.Mailbox@capricornenergy.com](mailto:IR.Mailbox@capricornenergy.com). The Board will endeavour to answer key themes of these questions on the Company's website as soon as practical.

As was the case last year, the presentation will be made available on the Company's website at [www.capricornenergy.com/investors/shareholder-information/agm/](http://www.capricornenergy.com/investors/shareholder-information/agm/) following the closure of the

meeting. The voting results on the resolutions put to the Annual General Meeting shall be announced to the market and uploaded onto the Company's website following the closure of the Annual General Meeting.

## **5. Recommendation**

The Board is of the opinion that the resolutions to be proposed at the Annual 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

### 2024 RETURN OF CASH - EXPECTED TIMETABLE OF EVENTS

Time and date Share Consolidation ratio will be announced	7.00 a.m. on 21 May 2024
Latest time and date for receipt of Electronic Proxy Instructions, Form of Proxy or CREST Proxy Instruction in respect of Annual General Meeting	11.00 a.m. on 21 May 2024
Annual General Meeting	11.00 a.m. on 23 May 2024
Latest time and date for dealings in Existing Ordinary Shares	4.30 p.m. on 23 May 2024
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 23 May 2024
Ordinary Shares marked ex-Special Dividend	8.00 a.m. on 24 May 2024
Listing of the New Ordinary Shares	8.00 a.m. on 24 May 2024
Dealings in the New Ordinary Shares commence and enablement in CREST in respect of uncertificated New Ordinary Shares	8.00 a.m. on 24 May 2024
Despatch of share certificates in respect of certificated New Ordinary Shares	7 June 2024
Payment of Special Dividend to Shareholders	7 June 2024

#### 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.
4. Unless the counterparties specifically agree otherwise, a buyer of the Company's Ordinary Shares ahead of the ex-date (24 May 2024) will assume the benefit to the Special Dividend and the seller would need to pass the benefit to the buyer, even if the seller is the recorded owner at the Record Date.

**PART III**  
**DETAILS OF THE 2024 RETURN OF CASH**

**1. Special Dividend**

The 2024 Return of Cash is being implemented by way of a Special Dividend, which is expected to be paid to Shareholders on 7 June 2024, combined with the Share Consolidation.

The 2024 Return of Cash is conditional on:

- (i) the approval by Shareholders of Resolution 2 to be proposed at the Annual 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 23 May 2024) 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**

Under the Share Consolidation, holdings of Existing Ordinary Shares will be consolidated by the Share Consolidation ratio, reducing the number of Ordinary Shares by an amount, that in the judgement of the Board (or a duly appointed committee thereof) is most appropriate to ensure, so far as possible and subject to normal market movements, that the market share price of one New Ordinary Share immediately after the 2024 Return of Cash is approximately equal to the market share price of an Existing Ordinary Share immediately before the 2024 Return of Cash. The ratio used for the Share Consolidation will 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 2024 Return of Cash. The Share Consolidation will help to maintain comparability of historical and future 'per share data'. The aim of the Share Consolidation is to seek to make the market price of an Ordinary Share comparable before and after the Return of Cash, subject to normal market movements.

As stated above, the effect of the Share Consolidation will be to reduce the number of Ordinary Shares in issue to reflect the return of 43 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).

The Share Consolidation ratio will be determined by the Board not later than two Business Days prior to the commencement of dealings in the New Ordinary Shares on 24 May 2024. An announcement giving details of the Share Consolidation ratio will be made by RIS once a determination has been made. The announcement will also be made available on Capricorn's website at [www.capricornenergy.com](http://www.capricornenergy.com).

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

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 24 May 2024. 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. 24 May 2024 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 7 June 2024.

### **3. Fractional entitlements to New Ordinary Shares**

Unless a holding of Existing Ordinary Shares is exactly divisible by the consolidation denominator set by the Board (or a duly appointed committee thereof), a Shareholder will have a fractional entitlement to a New Ordinary Share following the Share Consolidation. So, by way of illustration only, if the Board determines a Share Consolidation of 3 New Ordinary Shares for every 4 Existing Ordinary Shares is most appropriate, a Shareholder having 10 Existing Ordinary Shares would, after the Share Consolidation, be entitled to 7 New Ordinary Shares and to a fractional entitlement to 0.5 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.

### **4. Tax**

A summary of certain UK tax consequences under current UK laws and HM Revenue & Customs’ published practice, of the 2024 Return of Cash are set out in Part IV (United Kingdom taxation in relation to the 2024 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 2024 Return of Cash, are strongly recommended to consult their own appropriate professional adviser.

### **5. Dealings and despatch of documents**

Subject to Resolution 2 being passed at the Annual 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 23 May 2024.

On 7 June 2024 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 uncertificated Shareholders (namely those who hold through CREST) will be paid in respect of the Special Dividend in CREST. For certificated Shareholders, it is expected that cheques in respect of the Special Dividend will be despatched to the relevant Shareholders or, if mandate instructions are held, certificated Shareholders will have their bank accounts credited, as appropriate. It is anticipated that these payments will be made on 7 June 2024 (or such other date as the Directors may determine). Cheques and remittances will be despatched to Shareholders at their own risk.

## PART IV

### UNITED KINGDOM TAXATION IN RELATION TO THE 2024 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 2024 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 2024 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 £500 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 2024 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 REGARDING THE 2024 RETURN OF CASH WITH ANSWERS

This document explains the 2024 Return of Cash of approximately US\$50 million (approximately £39.35 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 2024 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 2024 Return of Cash, please contact the Shareholder helpline.

#### 1. What is being proposed?

Capricorn intends to return 43 pence in cash to Shareholders for each Existing Ordinary Share that they hold at 6.00 p.m. on 23 May 2024. This amounts to a total aggregate return of approximately US\$50 million (approximately £39.35 million) to Shareholders.

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

The Board believes it is appropriate to return approximately US\$50 million (approximately £39.35 million) of cash to Shareholders. The Board 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\$50 million (approximately £39.35 million). For every Existing Ordinary Share that you hold at the "**Record Time**" (being 6.00 p.m. on 23 May 2024), you will receive 43 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 43 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 determined by the Board (or a duly appointed committee thereof) to be the most appropriate to ensure, so far as possible and subject to normal market movements, that the market share price of one New Ordinary Share immediately before and after the 2024 Return of Cash is approximately the same. The ratio used for the Share Consolidation will 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 2024 Return of Cash. If the number of Existing Ordinary Shares you hold does not divide exactly by the consolidation

denominator, 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.

The Share Consolidation ratio will be determined by the Board not later than two Business Days prior to the commencement of dealings in the New Ordinary Shares on 24 May 2024. An announcement giving details of the Share Consolidation ratio will be made by RIS once a determination has been made. The announcement will also be made available on Capricorn's website ([www.capricornenergy.com](http://www.capricornenergy.com)).

#### **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 43 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 23 May 2024 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 the consolidation denominator, you will be left with a fractional entitlement to a New Ordinary Share. So, by way of illustration only, if the Board (or a duly appointed committee thereof) determines a Share Consolidation of 3 New Ordinary Shares for every 4 Existing Ordinary Shares is most appropriate, a Shareholder with 10 Existing Ordinary Shares would, after the Share Consolidation, be entitled to 7 New Ordinary Shares and a fractional entitlement to 0.5 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 23 May 2024), 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 24 May 2024 under ISIN GB00BNKT5L33.

#### **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 24 May 2024). 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 7 June 2024. 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 7 June 2024, you will be able to sell your New Ordinary Shares from 24 May 2024.

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 assuming the Board (or a duly appointed committee thereof) determines a Share Consolidation of 3 New Ordinary Shares for every 4 Existing Ordinary Shares is the most appropriate. 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:

Number of Existing Ordinary shares held	Number of New Ordinary Shares you will receive	Fractional entitlement (£)	Special Dividend (£)
1	0	£1.24	£0.43
5	3	£1.24	£2.15
10	7	£0.83	£4.30
50	37	£0.83	£21.50
100	75	£0.00	£43.00
200	150	£0.00	£86.00

*Please note this table and the Share Consolidation is included by way of illustration only. The Share Consolidation ratio will be determined by the Board (or a duly appointed committee thereof) prior to the 2024 Return of Cash.*

#### 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 2024 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. How will the proceeds from the Special Dividend be paid?

It is expected that uncertificated Shareholders (namely those who hold through CREST) will be paid in respect of the Special Dividend in CREST. For certificated Shareholders, it is expected that cheques



in respect of the Special Dividend will be despatched to the relevant Shareholders or, if mandate instructions are held, certificated Shareholders will have their bank accounts credited, as appropriate. It is anticipated that these payments will be made on 7 June 2024 (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 2024 Return of Cash may not take place, as it requires the approval of Shareholders. In order for the 2024 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.shareview.co.uk](http://www.shareview.co.uk) using the 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 11.00 a.m. on 21 May 2024.

**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 2024 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 2024 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 2024 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, unless the context requires otherwise:

“2017 LTIP”	the Capricorn Energy PLC Long Term Incentive Plan (2017);
“2024 Return of Cash”	the transaction comprising the Special Dividend and the Share Consolidation;
“Admission”	the admission of the New Ordinary Shares 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 at 8.00 a.m. on 24 May 2024 (or such later time and / or date as the Directors may in their absolute discretion determine);
“Annual General Meeting”	the annual general meeting of Capricorn to be held at The Cellar Room, Kimpton Charlotte Square Hotel, 38 Charlotte Square, Edinburgh EH2 4HQ, at 11.00 a.m. on 23 May 2024, notice of which is set out at the end of this document;
“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 Unapproved Share Option Plan (2009), the SIP, the Capricorn Energy PLC Employee Share Award Scheme (2015), the DBP 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 <a href="http://www.euroclear.com">www.euroclear.com</a> ;
“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;
“DBP”	the Capricorn Energy PLC Deferred Bonus Plan;

“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 <a href="http://www.shareview.co.uk">www.shareview.co.uk</a> using the Shareholder Reference Number 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 $735/_{143}$ 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);
“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 in the capital of the Company admitted to the Official List under the ISIN GB00BNKT5L33 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 23 May 2024 (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;
“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 2 to be proposed at the Annual General Meeting;
“Shareholders”	holders of Existing Ordinary Shares or New Ordinary Shares, as the context may require;
“Special Dividend”	the dividend of 43 pence per Existing Ordinary Share to be paid as a final dividend for the financial year ended 31 December 2023, subject to the passing of Resolution 2 to be proposed at the Annual 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 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the “**Meeting**”) of Capricorn Energy PLC (the “**Company**”) will be at The Cellar Room, Kimpton Charlotte Square Hotel, 38 Charlotte Square, Edinburgh EH2 4HQ at 11.00 a.m. (BST) on Thursday, 23 May 2024 for the following purposes of considering and, if thought fit, passing the following resolutions, of which resolutions 1 to 14 (inclusive) will be proposed as ordinary resolutions and resolutions 15 to 18 (inclusive) will be proposed as special resolutions:

- 1) That the Company’s annual report and accounts for the year ended 31 December 2023, including the directors’ report and the auditor’s report on the accounts, be received.
- 2) 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 24 May 2024 (or such later time and / or date as the Directors may in their absolute discretion determine) (“**Admission**”):
  - (a) a dividend of 43 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 23 May 2024 (or such later time and / or date as the Directors may in their absolute discretion determine) (the “**Record Time**”); and
  - (b) each holding of ordinary shares of  $\frac{735}{143}$  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 be, at the discretion of the Board (or a duly appointed committee thereof), consolidated and divided into such number of ordinary shares in the capital of the Company of such nominal value as is determined by the Board (or a duly appointed committee thereof) prior to the date of the 2024 Return of Cash (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 and division 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.
- 3) That subject to Resolution 2 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 3(d) of Part I of the circular dated 17 April 2024 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.
- 4) That the directors’ remuneration report contained within the Company’s annual report and accounts for the year ended 31 December 2023 be approved.

- 5) That PricewaterhouseCoopers LLP be re-appointed as auditor of the Company.
- 6) That the directors be authorised to determine the auditor's remuneration.
- 7) That Randy Neely be re-elected as a director.
- 8) That Maria Gordon be re-elected as a director.
- 9) That Richard Herbert be re-elected as a director.
- 10) That Hesham Mekawi be re-elected as a director.
- 11) That Tom Pitts be re-elected as a director.
- 12) That Patrice Merrin be re-elected as a director.
- 13) That Sachin Mistry be elected as a director with effect from the conclusion of the meeting.
- 14) That:
  - (a) the directors of the Company (the "**Directors**") be generally and unconditionally authorised to allot shares in the Company, or to grant rights to subscribe for or to convert any security into shares in the Company, up to a maximum nominal amount of £1,575,001.18;
  - (b) in addition to the authority contained in sub-paragraph (a) of this Resolution, the Directors be authorised to allot shares in the Company, or to grant rights to subscribe for or to convert any security into shares in the Company, comprising equity securities (within the meaning of section 560(1) of the Companies Act 2006 (as amended) (the "**Act**")) up to a maximum nominal amount of £1,575,001.18 in connection with a Pre-Emptive Offer undertaken by means of a rights issue;
  - (c) the authorities given by this Resolution:
    - (i) are given pursuant to section 551 of the Act and shall be in substitution for all pre-existing authorities under that section; and
    - (ii) unless renewed, revoked or varied in accordance with the Act, shall expire on 30 June 2025 or, if earlier, at the end of the next annual general meeting of the Company to be held in 2025, save that the Company may before such expiry make an offer or agreement which would or might require the allotment of shares in the Company, or the grant of rights to subscribe for or to convert any security into shares in the Company, after such expiry; and
  - (d) for the purpose of this Resolution, "**Pre-Emptive Offer**" means an offer of equity securities to:
    - (i) holders of ordinary shares (other than the Company) on a fixed record date in proportion to their respective holdings of such shares; and
    - (ii) other persons entitled to participate in such offer by virtue of, and in accordance with, the rights attaching to any other equity securities held by them,

in each case, subject to such exclusions or other arrangements as the Directors may deem necessary or appropriate in relation to fractional entitlements, legal, regulatory or practical problems under the laws or the requirements of any regulatory body or stock exchange of any territory or otherwise.
- 15) That:
  - (a) subject to the passing of Resolution 14 set out in the notice of Annual General Meeting dated 17 April 2024 (the "**Allotment Authority**"), the directors of the Company be given power pursuant to section 570 of the Companies Act 2006 (as amended) (the "**Act**") to allot equity securities (within the meaning of section 560(1) of the Act) for cash pursuant to the Allotment Authority, and to sell treasury shares wholly for cash, as if section 561(1) of the Act did not apply to any such allotment or sale, provided that such power shall be limited to the allotment of equity securities or the sale of treasury shares:
    - (i) in the case of paragraph (a) of the Allotment Authority:
      - (a) in connection with a Pre-Emptive Offer (as defined in the Allotment Authority); or



- (b) otherwise than in connection with a Pre-Emptive Offer, up to a maximum nominal amount of £472,547.61;
    - (ii) in the case of paragraph (b) of the Allotment Authority, in connection with a Pre-Emptive Offer undertaken by means of a rights issue; and
  - (b) the power given by this Resolution:
    - (i) shall be in substitution for all pre-existing powers under section 570 of the Act; and
    - (ii) unless renewed in accordance with the Act, shall expire at the same time as the Allotment Authority, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted, or treasury shares to be sold, after such expiry.
- 16) That:
- (a) subject to the passing of Resolution 14 set out in the notice of Annual General Meeting dated 17 April 2024 (the “**Allotment Authority**”), the directors of the Company be given power pursuant to section 570 of the Companies Act 2006 (as amended) (the “**Act**”), in addition to any authority granted or power given under Resolution 15 of the notice of Annual General Meeting dated 17 April 2024, to allot equity securities (within the meaning of section 560(1) of the Act) for cash pursuant to the Allotment Authority, and to sell treasury shares wholly for cash, as if section 561(1) of the Act did not apply to any such allotment or sale, provided that such power shall be:
    - (i) limited to the allotment of equity securities or the sale of treasury shares up to a maximum nominal amount of £472,547.61; and
    - (ii) used only for the purposes of financing (or refinancing, if the authority is to be used within six months of the original transaction) a transaction which the directors of the Company determine to be an acquisition of other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-emption Rights most recently published by the Pre-emption Group prior to the date of this notice; and
  - (b) the power given by this Resolution shall expire at the same time as the Allotment Authority, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted or treasury shares to be sold after such expiry and the Directors may allot equity securities and sell treasury shares under any such offer or agreement as if the power conferred by this Resolution had not expired.
- 17) That, 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 either (i) if either Resolution 2 set out in the notice of Annual General Meeting dated 17 April 2024 (“**Resolution 2**”) is not passed or Admission (as defined in Resolution 2) does not occur, fully paid ordinary shares of  $\frac{735}{143}$  pence each (“**Existing Ordinary Shares**”), or (ii) subject to the passing of Resolution 2 and Admission occurring, fully paid ordinary shares of such nominal value as is determined by the Board (or a duly appointed committee thereof) pursuant to Resolution 2 (“**New Ordinary Shares**”, and hereinafter references to “**Ordinary Shares**” shall refer to Existing Ordinary Shares or New Ordinary Shares as the context requires), in each case on such terms and in such manner as the directors of the Company may decide provided that:
- (i) the maximum number of Ordinary Shares that may be purchased by the Company pursuant to this authority is 13,781,481 Ordinary Shares (representing 14.99% of the Company’s issued ordinary share capital (excluding treasury shares) at 15 April 2024);
  - (ii) the minimum price (exclusive of expenses) which may be paid for any such Ordinary Share shall not be less than the nominal value of that share at the time of purchase;
  - (iii) the maximum price (exclusive of expenses) which may be paid for any 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 Ordinary Shares in the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which that Ordinary Share is contracted to be purchased; and (b) an amount equal to the higher of the price of the last independent trade of an Ordinary Share and the highest current independent bid for an Ordinary Share on the trading venues where the purchase is carried out; and

- (iv) unless previously varied, revoked or renewed, the authority conferred by this Resolution shall expire on the earlier of 30 June 2025 or at the end of the next annual general meeting of the Company to be held in 2025, but the Company may make a contract to purchase 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.
- 18) That a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice, provided that this authority shall expire at the end of the next annual general meeting of the Company to be held in 2025.

### **By Order of the Board**

Paul Ervine  
Company Secretary  
50 Lothian Road  
Edinburgh EH3 9BY

17 April 2024

### **Shareholder Notes:**

1. A member of the Company entitled to attend and vote at the 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 Meeting to represent you. A form of proxy accompanies this Notice of Annual 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 Shareview 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 Meeting or any adjournment(s) thereof (excluding any part of any day that is not a working day). 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. (BST) on any Business Day.
2. Members may submit their proxy votes online by going to Equiniti's Shareview website, [www.shareview.co.uk](http://www.shareview.co.uk), and logging in to your Shareview Portfolio. Once you have logged in, simply click 'View' on the 'My Investments' page and then click on the link to vote and follow the on-screen instructions. If you have not yet registered for a Shareview Portfolio, go to [www.shareview.co.uk](http://www.shareview.co.uk) and enter the requested information. It is important that you register for a Shareview Portfolio with enough time to complete the registration and authentication processes. 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 Annual General Meeting to be held on 23 May 2024 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 11.00 a.m. (BST) on Tuesday, 21 May 2024, or, in the event that the Meeting is adjourned, not less than 48 hours before the time appointed for the adjourned 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](http://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. If you are an institutional investor, you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to [www.proxymity.io](http://www.proxymity.io). Your proxy must be lodged by 11.00 a.m. (BST) on 21 May 2024 in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them, and they will govern the electronic appointment of your proxy.
7. You may appoint more than one proxy provided that each proxy is appointed to exercise rights attached to different Ordinary Shares. You may not appoint more than one proxy to exercise rights attached to any one Ordinary 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. (BST) on any Business Day. Please note that calls to these numbers may be monitored and recorded. Calls from outside the United Kingdom are charged at applicable international rates.
8. 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.
9. 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 Ordinary Shares.
10. To be entitled to attend and vote at the 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 6.30pm (BST) on Tuesday, 21 May 2024 (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 attend and vote at the meeting.
11. As at 5.00pm on 15 April 2024 (being the latest practicable time before printing this Notice of Annual General Meeting), the Company's issued share capital comprised 91,937,834 ordinary shares of 735/143 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 5.00pm on 15 April 2024 was 91,937,834. It is proposed that all votes on the Resolutions at the AGM 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 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](http://www.capricornenergy.com) as soon as reasonably practicable thereafter.

12. In accordance with section 311A of the Companies Act 2006, the contents of this Notice of Annual General Meeting, details of the total number of shares in respect of which members are entitled to exercise voting rights at the 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 Annual General Meeting will be available on the Company's website at [www.capricornenergy.com](http://www.capricornenergy.com).
13. Pursuant to section 319A of the Companies Act 2006, the Company must cause to be answered at the Meeting any question relating to the business being dealt with at the Meeting which is put by a member attending the Meeting, except in certain circumstances, including if it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered or if to do so would involve the disclosure of confidential information.
14. Under section 527 of the Companies Act 2006, Shareholders meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the Shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.
15. Copies of the following documents may be inspected at the registered office of the Company during normal business hours, Monday to Friday (public holidays excepted) up to and including the day of the Annual General Meeting:
  - the current Articles of Association of the Company; and
  - copies of the Executive Director's service contract and Non-Executive Directors' letters of appointment.
16. A copy of the 2017 LTIP, showing the amendments proposed to be made under Resolution 3 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.
17. A member may not use any electronic address provided either in this Notice of Annual General Meeting or any related documents (including the Chair's letter and proxy form), to communicate with the Company for any purpose other than those expressly stated.
18. This Notice of Annual General Meeting should be read in conjunction with the sections of the Annual Report and Accounts of the Company for 2023 entitled 'Board of Directors', 'Directors' Report', 'Strategic Report', 'Corporate Governance Statement', and 'Directors' Remuneration Report'.

