THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT CONTAINS RESOLUTIONS TO BE VOTED ON AT THE GENERAL MEETING OF THE COMPANY TO BE HELD AT 2.00 p.m. (LONDON TIME) ON 1 FEBRUARY 2023 AT THE SHERATON GRAND HOTEL, 1 FESTIVAL SQUARE, EDINBURGH EH3 9SR.

If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant, fund manager or other appropriate independent financial adviser, who is authorised under the Financial Services and Markets Act 2000, as amended ("FSMA") if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you sell or otherwise transfer or have sold or otherwise transferred all of your holding of Ordinary Shares, please forward this document, together with the accompanying BLUE Form of Proxy, as soon as possible, to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. If you sell or otherwise transfer or have sold or otherwise transferred only part of your holding of Ordinary Shares, you should retain these documents and consult the bank, stockbroker or other agent through whom the sale or transfer was effected. However, the distribution of this document and the accompanying BLUE Form of Proxy into jurisdictions other than the United Kingdom may be restricted by law. Therefore, persons outside the United Kingdom into whose possession this document comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

CAPRICORN ENERGY PLC

(incorporated and registered in Scotland with registered number SC226712)

NOTICE OF GENERAL MEETING REQUESTED BY A SHAREHOLDER

AND

UNANIMOUS RECOMMENDATION OF YOUR BOARD TO VOTE AGAINST ALL THE PROPOSED RESOLUTIONS PROPOSED BY PALLISER CAPITAL MASTER FUND

To be held at 2.00 p.m. (London time) on 1 February 2023

Your vote is important – please use it and please read the Letter from the Board in Part I. Shareholders will find enclosed a BLUE Form of Proxy for use in connection with the resolutions to be proposed at the General Meeting. Whether or not you propose to attend the General Meeting, please complete and return the BLUE Form of Proxy in accordance with the instructions printed on it as soon as possible, and in any event, so as to be received by Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA , no later than 2.00 p.m. (London time) on 30 January 2023.

CREST Members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting to be held on 1 February 2023 and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST Members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

Part I: Letter from the Board of Capricorn Energy PLC (the "Company" or "Capricorn")

Directors:
Nicoletta Giadrossi (*Non-Executive Chair*)
Simon Thomson (*Chief Executive*)
James Smith (*Chief Financial Officer*)
Keith Lough (*Non-Executive Director*)
Peter Kallos (*Non-Executive Director*)
Alison Wood (*Non-Executive Director*)
Catherine Krajicek (*Non-Executive Director*)
Erik Daugbjerg (*Non-Executive Director*)
Luis Araujo (*Non-Executive Director*)

Registered office:
50 Lothian Road
Edinburgh EH3 9BY

(each a "**Director**" and together the "**Directors**")

9 January 2023

Dear Shareholder,

Why you have received this notice

On 19 December 2022, the board of directors of the Company (the "**Board**") received a request from Palliser Capital Master Fund Ltd ("**Palliser**") to call a general meeting of the Company (the "**Requested GM**") to consider resolutions to remove seven of the current Directors from the Board and to appoint six new directors, selected by Palliser, to the Board (the "**Proposed Resolutions**").

The Board is required by statute and the Company's articles of association to call the Requested GM to be held at 2.00 p.m. (London time) on 1 February 2023 at The Sheraton Grand Hotel, 1 Festival Square, Edinburgh EH3 9SR to allow shareholders to consider and vote on the Proposed Resolutions. Notice of the Requested GM is set out in Part II.

Our view of the Proposed Resolutions

The Board does not believe that the Proposed Resolutions are in the best interests of shareholders and unanimously reaffirms its support for each of its Directors identified in Proposed Resolutions 1 - 7.

The Directors also unanimously recommend that shareholders VOTE AGAINST all of the Proposed Resolutions at the Requested GM.

The Board encourages shareholders to read carefully the '*Observations Regarding Palliser's Perspectives on Capricorn Energy*' presentation which was published by the Company on 5 January 2023 and is appended to this document (the "**Presentation**").

In summary, the Board believes that:

The Board Has Delivered A Combination That Will Maximise Value For Shareholders:

The Board believes that the proposed combination with NewMed Energy Limited Partnership ("**NewMed**") (the "**Combination**"), which we announced on 29 September 2022, represents the best opportunity to maximise the value of your shares. Specifically, the Combination with NewMed will:

- enable a cash return of approximately US$620 million[1] (US$120 million more than could be returned to ordinary shareholders on a standalone basis[2] in the near-term). This substantial capital return facilitated by the Combination is in addition to the more than US$780 million[3] in cash returned to shareholders over the past two years and US$5.5 billion[4],[5] over the past 15 years;

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[1] Proposed pre-completion special dividend of US$620m paid to Capricorn's existing shareholders which includes ~US$15m, which is subject to finalisation of an independent 3rd party report into the fair valuation, which is to be payable to more than 200 participants under the Capricorn share plans, comprising current employees (including the executive directors) and a number of former employees

[2] Board estimate based on an ongoing independent 3rd party working capital exercise considering the capital requirements of the business, its ongoing financial guarantee obligations and assessing reasonable downside scenarios over an 18-month projection period

[3] H1 2022A

[4] Includes return of US$620m associated with the Combination

[5] Proposed pre-completion special dividend of US$620m paid to Capricorn's existing shareholders which includes ~US$15m, which is subject to finalisation of an independent 3rd party report into the fair valuation, which is to be payable to more than 200 participants under the Capricorn share plans, comprising current employees (including the executive directors) and a number of former employees

- realise approximately a 46% premium[6] for our remaining assets and provide exposure to the largest gas-focused, UK-listed energy company on LSE's premium segment (by 2P reserves); and
- create a world-class gas and energy champion that will:
  - provide enhanced scale, liquidity and a superior investment case;
  - benefit strategically from both energy security and energy transition trends;
  - generate approximately US$3 billion in unlevered free cash flow[7] between 2023-2027 from existing assets, with a shareholder distribution policy of at least 30% of free cash flow pre growth capex after financing costs;
  - have resilient downside commodity price protection, whilst retaining upside exposure, together with low operating costs and minimum maintenance capex;
  - target a doubling of production from development projects within the existing portfolio by 2030; and
  - offer an enhanced ESG profile with the scale and resources necessary to accelerate our commitment to achieving net zero Scope 1 and 2 carbon emissions by 2040 across the combined portfolio.

The Board believes that, as a result of the Combination, the combined entity (the "**Combined Group**") will have a very high-quality asset portfolio and a resilient revenue base generating regular returns to Capricorn shareholders. This includes the largest interest in the world-class Leviathan Field, enabling the Combined Group to provide gas to growing regional energy markets and potentially LNG to European and international markets. The Combined Group will be competitively positioned to facilitate and further accelerate gas trade and decarbonisation in the MENA region and will invest in the transition to a low carbon energy system in line with its commitment to achieve net zero Scope 1 and Scope 2 carbon emissions by 2040.

The Combination Is The Result Of A Comprehensive Review Of Alternatives: The Board, together with its independent financial and legal advisers, has had more than 20 meetings over the last 12 months to review a broad range of strategic alternatives, including a sale, liquidation, business combinations, asset acquisitions and other transactions, as well continuing as a standalone business. The Board recommended the Combination after a robust and thorough process, having engaged in discussions with multiple counterparties regarding potential transactions and thoroughly reviewing all proposals received.

The Board Is Well-Qualified To Evaluate Alternatives And Has A Strong Track Record Of Delivering for Shareholders: The Board is deeply familiar with Capricorn's business, as well as its challenges and opportunities and is well-positioned to oversee the strategic direction of the Company. The Board, as executives and directors, collectively has 200+ years of oil & gas experience and has executed and overseen more than US$100 billion in M&A transaction volume. The Board has returned >US$780 million[8] over the past two years and US$5.5 billion[9,10] to shareholders over the last 15 years and proactively repositioned the Company and secured proceeds from the Indian arbitration process.

The Combination Will Deliver More Value Than Palliser's Plan: Palliser's stated purpose in replacing a majority of the Board is to assess "all go-forward strategic options" for Capricorn, including implementing Palliser's Value Optimisation Plan (the "**Plan**") and terminating the Combination. The Board has reviewed this Plan in detail, along with our independent financial advisors. The Board believes that implementing the Plan and terminating the Combination are not in the interests of Capricorn shareholders. As noted in our recent Presentation, Palliser's Plan is based on an overinflated value of Capricorn which is driven by outdated facts and assumptions (including regarding available cash, the value of potential contingent value rights and the time, costs and challenges associated with executing their Plan). The Plan also underestimates the value creation potential of the Combination and additionally makes a number of incorrect assertions about Capricorn's historical performance and misleading characterisations of the Company's track record in an attempt to gain support for their effort.

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6 Premium based on £0.99 exchange value per share and theoretical Capricorn GBP share price ex-dividend of £0.68, announcement date (28 September 2022)

7 Unlevered free cash flow for existing producing assets, according to Leviathan NSAI report as of December 2021 and Capricorn estimate

8 H1 2022A

9 Includes return of US$620m associated with the Combination

10 Proposed pre-completion special dividend of US$620m paid to Capricorn's existing shareholders which includes ~US$15m, which is subject to finalisation of an independent 3rd party report into the fair valuation, which is to be payable to more than 200 participants under the Capricorn share plans, comprising current employees (including the executive directors) and a number of former employees

Additional detail regarding the Board's analysis of the Plan is included in the Presentation appended to this document. We urge Capricorn shareholders to carefully review these materials to ensure they fully understand the risk of potential value destruction. We have real concerns that shareholders who rely on the Plan will likely be voting for value destruction.

Palliser has made its Board nominations in connection with its public opposition to the Combination and after consistent and constructive engagement by management and the Board to address concerns and questions on the Combination and alternative options. Accordingly, in the event that the Proposed Resolutions are passed, the current Board believes there is a material risk that the proposed reconstituted Board may seek to terminate the Combination or otherwise take actions that materially reduce the chances of the Combination successfully completing, which the Board believes would not be in the best interests of all shareholders and could result in value destruction.

Whilst the Board believes the timing of Palliser's requisition notice and nature of the resolutions of the Requested GM are not in the interests of shareholders, the Board is committed to transparency and the highest corporate governance standards, including Board composition. The Board has notified Palliser that, mindful of its fiduciary duties and consistent with UK corporate governance requirements, it requests the opportunity to meet with its nominees in order to share information about the Company's ongoing operations and also wishes to assess the basis on which their experience and skill sets might be complementary and additive to the Board. The Board has also invited each of Palliser's nominees to sign non-disclosure agreements to give them the opportunity to review Capricorn's business plan and additional details about the Combination and the Board's process. This will enable them to better assess for themselves the strategic alternatives that have previously been explored by the Board and to evaluate the body of information underpinning the Board's recommendation of the Combination.

How will the Requested GM impact the proposed Combination with NewMed?

The Board is aiming to publish a combined prospectus and circular, which will contain more information about the Combination with NewMed and convene a general meeting at which shareholders will consider whether to approve the Combination (the "**Combination GM**"), as soon as possible. The Board is seeking to hold the Combination GM on or around the same date as the Requested GM, so that shareholders can make a fully informed decision about how to vote on the Proposed Resolutions and the Combination resolutions.

The Board urges you not to cast a vote in respect of the Proposed Resolutions in this document until you have received all the documentation for the Combination GM and made up your mind about whether to support the Combination.

The Board is focused on delivering the maximum value to Capricorn shareholders. It believes that the Combination with NewMed will deliver significantly more value than Palliser's Plan and urges Capricorn shareholders to **VOTE AGAINST** all of the Proposed Resolutions at the Requested GM.

If you vote in favour of one or more of the Proposed Resolutions, this may result in the Combination either being materially delayed or not occurring at all.

On behalf of the Board, thank you for your continued dialogue and investment. We look forward to providing more information on the Combination through the prospectus and circular to be published as soon as possible and to engaging with you further over the coming days and weeks.

Yours faithfully,

Nicoletta Giadrossi
Chair

PART II: NOTICE OF GENERAL MEETING
CAPRICORN ENERGY PLC

(incorporated and registered in Scotland with registered number SC226712)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a general meeting of Capricorn Energy PLC (the "Company") will be held at 2.00 p.m. (London time) on 1 February 2023 at The Sheraton Grand Hotel, 1 Festival Square, Edinburgh EH3 9SR (the "General Meeting") for the purposes of considering and, if thought fit, passing the following resolutions, which will be proposed as ordinary resolutions, of the Company at the General Meeting or any adjournment thereof:

ORDINARY RESOLUTIONS

1. **THAT** Simon Thomson be removed from office as a director of the Company with immediate effect.
2. **THAT** James Smith be removed from office as a director of the Company with immediate effect.
3. **THAT** Nicoletta Giadrossi be removed from office as a director of the Company with immediate effect.
4. **THAT** Keith Lough be removed from office as a director of the Company with immediate effect.
5. **THAT** Peter Kallos be removed from office as a director of the Company with immediate effect.
6. **THAT** Alison Wood be removed from office as a director of the Company with immediate effect.
7. **THAT** Luis Araujo be removed from office as a director of the Company with immediate effect.
8. **THAT** Hesham Mekawi be appointed as a director of the Company with immediate effect.
9. **THAT** Christopher Cox be appointed as a director of the Company with immediate effect.
10. **THAT** Maria Gordon be appointed as a director of the Company with immediate effect.
11. **THAT** Craig van de Laan be appointed as a director of the Company with immediate effect.
12. **THAT** Richard Herbert be appointed as a director of the Company with immediate effect.
13. **THAT** Tom Pitts be appointed as a director of the Company with immediate effect.

By order of the Board

Anne McSherry
Company Secretary
Date: 9 January 2023

Registered Office:
50 Lothian Road
Edinburgh
EH3 9BY
United Kingdom

Explanatory notes to shareholders:

1. A member of the Company entitled to attend and vote at the General Meeting is entitled to appoint a proxy or proxies to attend, speak and vote instead of him or her. A proxy need not be a member of the Company, but must attend the General Meeting to represent you. A BLUE Form of Proxy accompanies this Notice of General Meeting and must be lodged with the Company at the office of its Registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA or received via the Sharevote service (see Note 2 below) or lodged using the CREST proxy voting service (see Note 3 below) not less than 48 hours before the time appointed for the General Meeting or any adjournment(s) thereof (excluding any part of any day that is not a working day). You can only appoint a proxy using the procedures set out in these notes and the notes to the BLUE Form of Proxy. If you wish to change or revoke your proxy appointment, please contact the Registrars on +44 (0)371 384 2660. Lines are open from 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales). Calls to the helpline from outside the United Kingdom will be charged at the applicable international rate. Please note that calls to these numbers may be monitored or recorded for security and training purposes.

2. Members may register their proxy appointments or voting directions electronically via the www.sharevote.co.uk website, where full details of the procedure are given. Members will need the Voting ID, Task ID and Shareholder Reference Number set out on the BLUE Form of Proxy which accompanies this Notice of General Meeting. Members are advised to read the terms and conditions of use carefully. Electronic communication facilities are available to all Capricorn shareholders and those who use them will not be disadvantaged. The Company will not accept any communication that is found to contain a computer virus.

3. CREST Members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting 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.

   In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST Proxy Instruction must be properly authenticated in accordance with Euroclear'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 2.00 p.m. (London time) on 30 January 2023, or, in the event that the General Meeting is adjourned, not less than 48 hours before the time appointed for the adjourned General Meeting (excluding any part of any day that is not a working day). No such message received through the CREST network after this time will be accepted. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST core processor) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

   CREST Members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST Member concerned to take (or, if the CREST Member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST Members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings, which can be viewed at www.euroclear.com. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in regulation 35(5)(a) of the Uncertificated Securities Regulations 2001. 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 2660 between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales). Please note that calls to these numbers may be monitored and recorded for security and training purposes.

4. 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.

5. Any corporation which is a Capricorn 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.

6. To be entitled to attend and vote at the General Meeting (and for the purpose of the determination by the Company of the votes they may cast), Capricorn shareholders must be registered in the register of members of the Company at 6.30 p.m. (London time) on 30 January 2023 (or, in the event of any adjournment, on the date which is two days (excluding any part of a day that is not a working day) before the time of the adjourned meeting). Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

7. As at close of trading on 6 January 2023 (being the latest practicable date prior to publication of this document), the Company's issued share capital comprised 315,072,439 ordinary shares of 21/13 pence each. Each such Ordinary Share carries the right to one vote at a general meeting of the Company. Therefore, the total number of voting rights in the Company was 315,072,439 as at close of trading on 6 January 2023 (being the latest practicable date prior to publication of this document). It is proposed that all votes on the resolutions at the General Meeting will be taken by way of a poll rather than on a show of hands. The Company considers that a poll is more representative of Capricorn 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 as soon as reasonably practicable thereafter.

8. In accordance with section 311A of the Companies Act 2006, the contents of this Notice of General Meeting, details of the total number of shares in respect of which members are entitled to exercise voting rights at the General Meeting and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this Notice of General Meeting will be available on the Company's website at www.capricornenergy.com.

9. Pursuant to section 319A of the Companies Act 2006, the Company must cause to be answered at the General Meeting any question relating to the business being dealt with at the General Meeting which is put by a member attending the General Meeting, except in certain circumstances, including if it is undesirable in the interests of the Company or the good order of the General Meeting that the question be answered or if to do so would involve the disclosure of confidential information.

11. 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 General Meeting:

    (a) the current Articles of Association of the Company; and

    (b) copies of the Executive Directors' service contracts and Non-Executive Directors' letters of appointment.

12. A member may not use any electronic address provided either in this Notice of General Meeting or any related documents (including the BLUE Form of Proxy), to communicate with the Company for any purpose other than those expressly stated.

Definitions:

"CREST"	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in the CREST Regulations)
"CREST Manual"	the rules governing the operation of CREST as published by Euroclear
"CREST Member"	a person who has been admitted by Euroclear as a system member (as defined in the CREST Regulations)
"CREST Proxy Instruction"	a CREST message properly authenticated in accordance with Euroclear's specifications and containing the information required for such instructions, as described in the CREST Manual
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (S.I. 2001 No. 3755), as amended
"Euroclear"	Euroclear UK & International Limited
"Ordinary Shares"	ordinary shares of 21/13 pence each in the capital of the Company
"Registrars"	Equiniti Limited

PART III: SHAREHOLDER STATEMENT

In accordance with section 314 of the Companies Act 2006, the below statement is being circulated to shareholders on behalf of Palliser Capital Master Fund Ltd.

A copy of that statement is attached below.

Enquiries

Corporate Affairs
Capricorn Energy PLC
50 Lothian Road
Edinburgh
EH3 9BY
United Kingdom

Tel: + 441314753000

Palliser

STATEMENT TO THE SHAREHOLDERS OF CAPRICORN ENERGY PLC WITH RESPECT TO THE MATTERS TO BE DEALT WITH AT THE FORTHCOMING GENERAL MEETING

Dear Shareholder,

Palliser is a global investment fund and one of Capricorn's largest shareholders, holding 6.96% of the company's issued share capital. Our investment team has closely monitored Capricorn for over a decade.

Urgent Need for Board Changes

We seek to safeguard shareholder value by giving shareholders an opportunity to vote on resolutions (the **"Resolutions"**) which, if passed in their entirety, will immediately:

(i) remove seven directors from the Capricorn board (the **"Board"**), namely Simon Thomson, James Smith, Nicoletta Giadrossi, Peter Kallos, Keith Lough, Luis Araujo and Alison Wood; and

(ii) appoint as directors six highly qualified, independent candidates who are described below (**"Director Candidates"**).

Two of the existing independent non-executive directors, Catherine Krajicek and Erik Daugbjerg, are more appropriately positioned to remain on the Board to ensure a degree of continuity.

The Resolutions reflect our loss of confidence in the judgment and priorities of the current Board and its sustained inability to execute a value accretive corporate strategy for shareholders. In particular, the Board:

– is accountable for chronic underperformance in total shareholder return relative to sector peers and benchmarks;

– has overseen a sustained period of woeful capital allocation, bearing responsibility for enormous value destruction through failed exploration initiatives and a total lack of cost discipline;

– has sub-optimal expertise and experience in key areas, such as portfolio management and oil & gas operations (especially in Egypt);

– has lost credibility by recommending the ill-conceived merger with Tullow Oil which triggered a severe investor backlash; and

– is now pressing ahead, at shareholders' expense and despite widespread investor opposition, with the proposed NewMed deal which, in our view, materially undervalues Capricorn and involves an alarming misalignment of incentives.

We shared our concerns with the broader market on 9 August and 27 October, together with our Value Optimisation Plan underpinned by detailed analysis from market-leading independent advisers and industry experts. Regrettably, the Board has refused either to engage in meaningful dialogue with us on the Value Optimisation Plan or to provide any clarity as to strategic alternatives if the NewMed deal is not approved.

Proposed Board Nominees

Following a rigorous search process, we have identified six outstanding Director Candidates who are independent of Palliser and possess the necessary mix and depth of skills and experience, including extensive Egypt-focused oil & gas expertise, that Capricorn urgently needs. These appointments would bring fresh perspectives to the Board to facilitate a comprehensive re-evaluation of the optimal corporate strategy and the executive leadership required to ensure that Capricorn's full value potential is realised.

We are pleased to introduce the Director Candidates to you:

Hesham Mekawi

Hesham has over 32 years' experience in senior management roles in the global energy industry, including most recently as BP's Regional President for North Africa. He transformed BP's Egypt business by identifying and translating complex growth opportunities into tangible outcomes, including successfully leading negotiations for the modernization of the fiscal and commercial terms of BP's Egyptian concessions. Given his wealth of industry knowledge and unique region-specific experience, Hesham is an ideal candidate to ensure Capricorn maximises the potential of its Egyptian assets.

Christopher Cox

Chris has over 40 years' experience in the global oil & gas sector; most recently as CEO of Spirit Energy and MD of Centric a's E&P business after senior roles at BG Group, Amerada Hess, and Chevron. He has extensive experience navigating complex M&A transactions worldwide. Chris possesses deep knowledge of a broad range of disciplines relevant to Capricorn's portfolio including subsurface, drilling, projects, operations, M&A and *N* management.

Maria Gordon

Maria is a seasoned independent non -executive director with over 20 years' experience, including as chair, senior director, and committee member of various public companies. She also has decades of direct investment experience in senior roles at premier international asset management firms, including as Head of Emerging Markets Equity Strategy at Goldman Sachs and PIMCO.

Craig Van der Laan

Craig has nearly three decades of senior international executive experience across a wide range of industries in operational and strategic, legal/M&A and project leadership roles in over 50 countries. His executive career spans senior levels of private and public companies (including FTSE 100 and ASX 20), such as Brambles, Transurban, CIMIC, Lend Lease and Fosters. Most recently, Craig was CEO and director of an Australian Government Authority where he led multibillion dollar urban development projects.

Richard Herbert

Richard is a veteran in the oil & gas sector with over 40 years' experience across the world's major petroleum provinces, including as CEO and director of Frontera Energy Corporation, COO of Exploration at BP (where he had operational responsibility for hydrocarbon discoveries in multiple countries, including Egypt), and Executive VP of Talisman Energy Inc.

Tom Pitts

Tom has over 25 years' global investment banking and private equity experience, serving in senior leadership positions at Credit Suisse, Morgan Stanley and D.E. Shaw. He is currently a partner at LionRock Capital, a private equity firm investing primarily in Europe and Asia. Tom also has extensive emerging markets and capital markets experience, having covered equity, credit and derivative investments whilst managing relationships with an array of institutional and retail investors.

Recommendation to Fellow Shareholders

We strongly believe that the proposed change in board composition and appointment of the Director Candidates is firmly in the best interests of all Capricorn shareholders. We are confident that, if appointed, the Director Candidates would carefully and transparently, assess all strategic options available to Capricorn, including the Value Optimisation Plan.

We urge our fellow shareholders to **VOTE FOR** each of the Resolutions to strengthen the Board. restore confidence and set Capricorn in the right direction.

We look forward to sharing more information about the Director Candidates over the coming weeks prior to the General Meeting.

Please refer to www.ReformCapricorn.com for further information on the Value Optimisation Plan and to keep up to date with Palliser's ongoing engagement with Capricorn.

Appendix


Capricorn
+
NEWMEDENERGY
Observations Regarding Palliser’s Perspectives on Capricorn Energy
Investor Update
5 January 2023

Executive Summary

Given certain public assertions made by Palliser relating to Capricorn, the value of Capricorn standalone and Capricorn's proposed Combination with NewMed, this presentation is being made available to Capricorn shareholders to address specifically those assertions, to correct a number of clear factual errors in Palliser's calculations and assumptions, and to provide more granular information ahead of the forthcoming Circular to allow shareholders to make fully-informed decisions

The analysis in the following pages shows, based on information available today, that:

- Palliser's analysis of the Fair Market Value of Capricorn is **overstated by US$265m based on corrections of simple factual errors**. Taking into account a typical trading discount based on peer groups companies and other prudent adjustments, it is overstated by $486m
- The NewMed Combination offers shareholders the opportunity to realise ~US$920m in clear, up-front value[1] with considerable upside potential
- Palliser's Plan is not deliverable as described – **it would deliver less cash and less value, over a longer timeframe with more risk than the Combination**

The Board and management of Capricorn remain open to any option for Capricorn to further enhance the value delivered to all shareholders, but equally wish to emphasise in the strongest possible terms to Capricorn shareholders that, **<u>having continually explored all options (including that proposed by Palliser), the Board continues to recommend the Combination with NewMed on the terms proposed</u>**

The information provided in this presentation forms a key part of this decision and recommendation and is available to assist Capricorn shareholders in their assessment of the proposed transaction

Source: ERCE Fair Market Valuation Report, Bloomberg as of 25 October 2022.
Note: Palliser Valuation as of 1 July 2022; 12% discount rate applied; GBP/USD FX rate: 1.14; Capricorn share count of c.315 million shares as per latest RNS disclosure;
[1] Proposed pre-completion special dividend of US$620m paid to Capricorn's existing shareholders which includes ~US$15m, which is subject to finalisation of an independent 3rd party report into the fair valuation, which is to be payable to more than 200 participants under the Capricorn Share Plans, comprising current employees (including the executive directors) and a number of former employees.

Palliser's Observations vs the Facts

Palliser's "Value Optimisation Plan" purports to deliver more value than the proposed Capricorn/NewMed Combination. Their Plan relies on several outdated and incorrect facts and assumptions – we are providing additional information to allow shareholders to assess the key issues

Palliser's Observations:	The Facts
1 Palliser's Plan and Value Creation	▪ Palliser's valuation is based on incorrect facts and observations, which overinflate the implied value of their Plan – we have provided details correcting and updating these assumptions in the following pages ▪ Palliser's analysis is missing required capex investments, financial commitments and other working capital requirements ▪ The Plan fails to include a market-based P/NAV discount to its valuation ranges, further inflating their implied value
2 Dividend Can be Paid Without the Combination	▪ Capricorn can deliver a ~US$120m larger cash return as a result of the Combination[1] ▪ A smaller, standalone business would be less capital efficient, and able to return less near-term and in ongoing dividends
3 The Combination and Value Creation	▪ The Combination will deliver significant upfront cash and market premium (~46% premium to Capricorn share price, ex proposed dividend, at the time of announcement[2]), in addition to sustainable outsized shareholder returns over time ▪ The Combined Group will have a gas-weighted growth portfolio, targeting production >200k boe/d by 2030[3], supplying energy to high-growth markets
4 Capital Allocation	▪ Track record of disciplined capital stewardship and proactive portfolio management, repositioning the portfolio and enabling returns ▪ Capricorn has delivered cash returns of >US$780m[4] during the past 2 years and US$5.5bn[5,6] during the past 15 years
5 Share Price Performance	▪ Capricorn's TSR has outperformed the peer average over 1- and 3-year periods
6 G&A	▪ Capricorn has one of the lowest G&A to market cap ratios of its London-listed peer group ▪ Capricorn has implemented a significant headcount reduction in 2022

Source: Company disclosure

[1] Capricorn Board estimate based on an ongoing independent 3[rd] party working capital exercise considering the capital requirements of the business, its ongoing financial guarantee obligations and assessing reasonable downside scenarios over an 18-month projection period. [2] Based on £0.99 exchange value per share and theoretical Capricorn GBP share price ex-dividend of £0.68, announcement date (28th September 2022). [3] Subject to project approvals. [4] H1 2022A. [5] Includes return of US$620m associated with the Combination. [6] Proposed pre-completion special dividend of US$620m paid to Capricorn's existing shareholders which includes ~US$15m, which is subject to finalisation of an independent 3rd party report into the fair valuation, which is to be payable to more than 200 participants under the Capricorn Share Plans, comprising current employees (including the executive directors) and a number of former employees.

1 NewMed Combination Offers Superior Value to Palliser's Undeliverable Plan

	Palliser Plan Based on Incorrect Facts	Palliser Plan Based on Correct Facts	NewMed Combination
Capital Return	Return excess cash of "at least" US$620m in the near-term	✗ ~US$500m available in the near-term	✓ US$620m[1] pre-completion dividend to shareholders in Q1 2023
Contingent Payments	>US$300m value of contingent payments returned to shareholders	✗ ~US$140m hypothetically distributed, subject to significant market and execution risk	✓ Retained in Company
Egypt	"Total focus on maximising value" accelerating PSC optimisation to support increased investment	✗ Undercapitalised, subscale, non-operated E&P without capital strength needed for fiscal reform	✓ Scale & relevance to support relationships with stakeholders and commercial discussions
Value Potential	Distribute excess cash and contingent rights, deliver Egypt portfolio and cut costs	✗ Relies on flawed assumptions with greater risk to downside than upside	✓ Material organic upside, premium liquid equity
Adjusted Value	Fair Market Value: US$1,131m	✗ Fair Market Value: US$866m (US$645m with trading discount)	✓ Transaction Value: US$920 million[2,3]

The Combination is the best path to maximise Capricorn shareholder value

Source: Company information
[1] Proposed pre-completion special dividend of US$620m paid to Capricorn's existing shareholders which includes ~US$15m, which is subject to finalisation of an independent 3rd party report into the fair valuation, which is to be payable to more than 200 participants under the Capricorn Share Plans, comprising current employees (including the executive directors) and a number of former employees. [2] Note includes ~US$15m of payout of cash sums to participants in certain of Capricorn's share plans, which are referable to the effect of the proposed transaction. [3] Value of residual equity value as of 30th December 2022.

1 Correcting the Facts Underlying Palliser's Valuation

Palliser's view of Capricorn's US$1,131m Fair Market Value relies on several incorrect facts and outdated assumptions

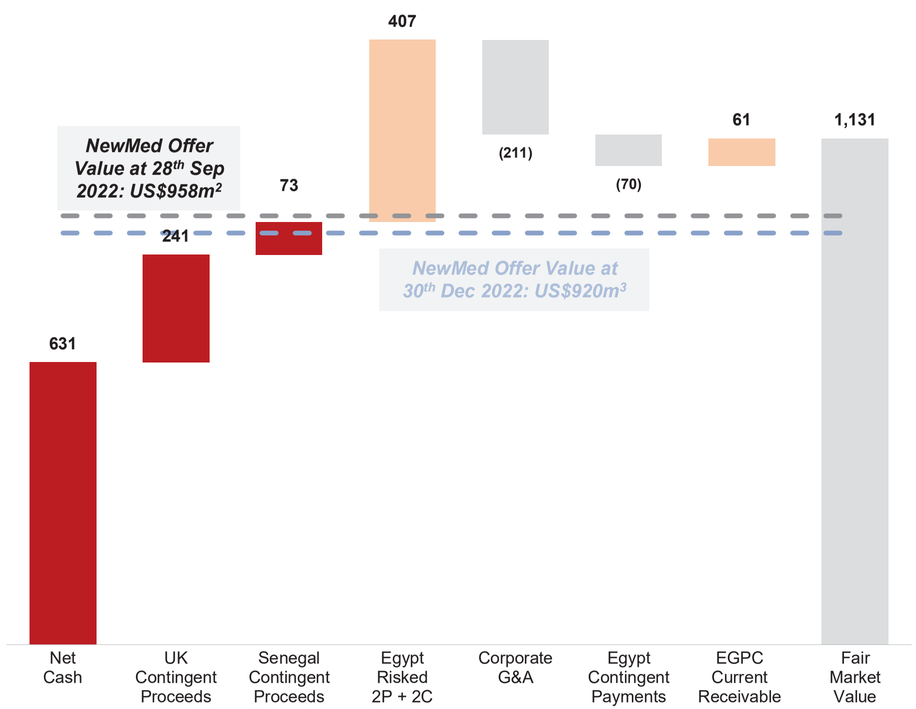
Net Cash	■ Capricorn's current **cash balance is US$597m, US$34m**[1] **lower than Palliser's assumption** due to ongoing investment in Egypt ■ Of this, US$9m is restricted cash and US$44m is in Egypt to support near term capital commitments, debt liquidity tests and also pay Shell US$25m due in January (amounts not available for capital return)
Egyptian Assets	■ **Capex Requirement:** Palliser's assumed value with no further investment is just US$71m. They fail to state that their full 2P value of US$335m requires multi-year capital investment. Capricorn has guided the market **to capex of ~US$75m per year from 2023 to 2026** ■ **2C Valuation:** Palliser's **valuation of 2C resources is based on a 2P NPV/boe multiple** – this **approach fails to incorporate the additional capital required to deliver 2C resources.** Many of these resources have not been defined as economically viable or recoverable within current lease periods ■ **Exploration Value:** Palliser has **ascribed US$47m of value to exploration**, which **should not be included in core NAV** or Fair Market Value ■ **Oil Price Assumption:** Palliser's price deck **materially exceeds lending bank, peer assumptions and futures curve**[2]
UK Contingent Proceeds	■ The fair value of the UK receivable is a future estimate, subject to external factors ■ The fair value of the UK receivable has **reduced from US$241m at 30 June 2022, to US$205m**[2,3] as a result of falling oil prices (for further details see Supporting Materials) ■ ~US$120m of the expected receivable is already factored into Capricorn's working capital projections (and could not be distributed)
Senegal Contingent Proceeds	■ Palliser values the Senegal contingent payment at US$73m, its **risked value is US$57m as a result of an increased risk of delay** linked to Woodside's revised start-up guidance to "late 2023" and no contribution to its 2023 production guidance from Sangomar

Source: Company Disclosure, ERCE Fair Market Valuation Report, Bloomberg as of 25 October 2022
Note: Palliser Valuation as of 1 July 2022; 12% discount rate applied; GBP/USD FX rate: 1.14; Capricorn share count of c.315 million shares as per latest RNS disclosure;
[1] Unaudited FY2022 net cash including restricted cash [2] See Supporting Materials. [3] As of 30th December 2022

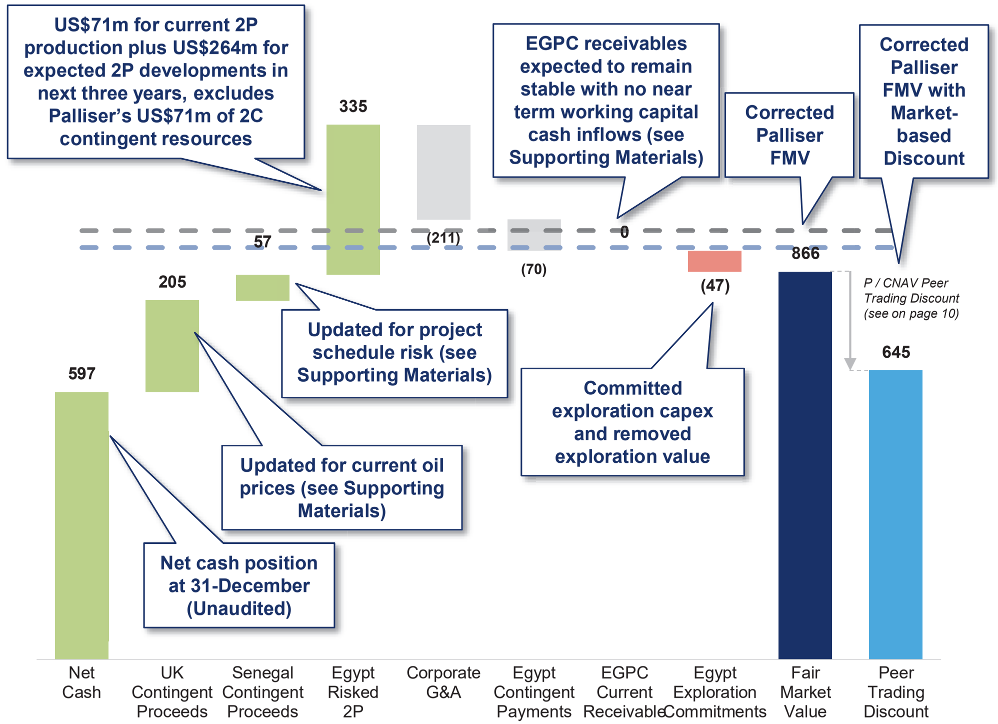
1 Corrections to Palliser's Standalone Valuation Analysis – Summary

After correcting the facts and assumptions, the Plan would deliver significantly less value than the Combination

Palliser's Fair Market Value Analysis (US$m)[1]



Fair Market Value Analysis with the Correct Facts (US$m)

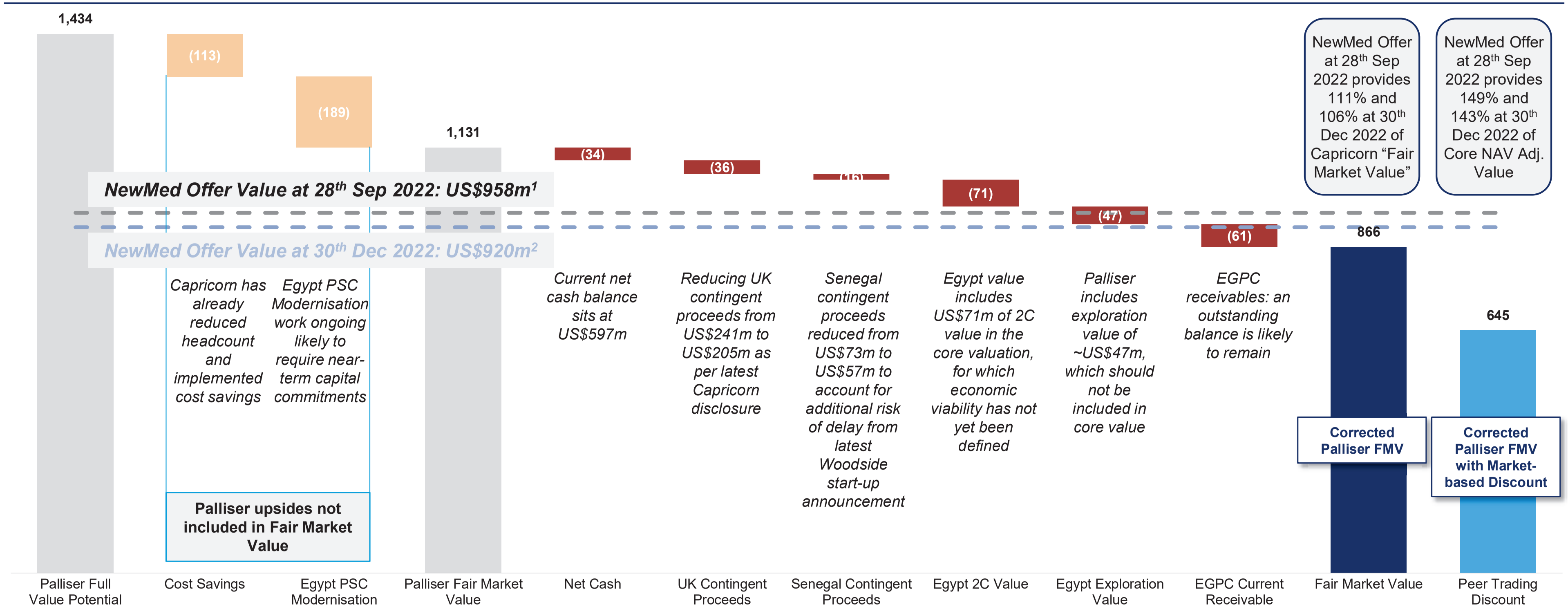


Source: ERCE Fair Market Valuation Report, Bloomberg as of 25 October 2022. Note: Palliser Valuation as of 1 July 2022; 12% discount rate applied; GBP/USD FX rate: 1.14; Capricorn share count of c.315 million shares as per latest RNS disclosure;
[1] ERCE Fair Market Valuation Report published 27th October 2022. [2] Assuming an issued share capital of 315.1 million shares and taking into account the proposed related payment to participants in certain of Capricorn's share plans of a cash sum referable to the effect of the Transaction; Based on NewMed share price and foreign exchanges rates on 28 September 2022 and assuming a Capricorn issued share capital of 315.1 million shares. [3] Assuming an issued share capital of 315.1 million shares and taking into account the proposed related payment to participants in certain of Capricorn's share plans of a cash sum referable to the effect of the Transaction; Based on NewMed share price and foreign exchanges rates on 30 December 2022 and assuming a Capricorn issued share capital of 315.1 million shares.

1 Combination Delivers More Value than the Corrected Palliser Plan

After correcting Palliser's Plan, the NewMed Combination delivers more value than the Palliser Plan. The value of Palliser's Plan looks even worse when adjusted for an average market P/NAV discount

Palliser's Corrected Value of Capricorn (US$m)



Source: ERCE Fair Market Valuation Report, Bloomberg as of 25 October 2022
[1] Assuming an issued share capital of 315.1 million shares and taking into account the proposed related payment to participants in certain of Capricorn's share plans of a cash sum referable to the effect of the Transaction; Based on NewMed share price and foreign exchanges rates on 28 September 2022 and assuming a Capricorn issued share capital of 315.1 million shares. [2] Assuming an issued share capital of 315.1 million shares and taking into account the proposed related payment to participants in certain of Capricorn's share plans of a cash sum referable to the effect of the Transaction; Based on NewMed share price and foreign exchanges rates on 30 December 2022 and assuming a Capricorn issued share capital of 315.1 million shares.

1 Palliser's Plan Also Relies on A Number of Undeliverable Assumptions

The Plan relies on several outdated and incorrect facts and assumptions, fails to reflect key discounts and costs

Value Considerations	▪ The **likely market discount** that would be applied to a standalone Capricorn would likely be in line with peers which trade at an average ~40% discount to Total NAV ▪ The **time and risk to shareholders to realise full value** from the assets via distributions and price appreciation ▪ Near-term **distributions will be US$120m lower**[1] and the **business will be required to retain working capital** to fund activity in Egypt ▪ The **risk and friction costs** associated with a liquidation strategy ▪ The Board recommended the Combination after **fully testing market appetite,** with eight parties signing NDA's to enable access to confidential diligence and a number of proposals subsequently made
Egypt Value Delivery	▪ Running Egypt as a standalone, non-operating, undercapitalised E&P will create challenges to value delivery and we note the following: • Capricorn is already pursuing PSC consolidation in Egypt. Successful precedents have **required time, signature bonuses and commitments to incremental work programmes** to deliver additional production for Egypt • The ERCE report commissioned by Palliser notes in its report that **APA paid a US$100m signature bonus to EGPC, Palliser only assumes a US$30m net payment**[2] • The **PSC Modernisation took APA over 2 years to negotiate** with EGPC having been active in Egypt since 1994[2] (Capricorn has owned the assets for under 2 years)[3] • APA announced **incremental investment of US$235m for the first year alone and tripling of active rigs as part of its PSC Modernisation**[4] • Palliser/ERCE **fail to account** for the **significant expected costs for obtaining improved fiscal terms** • The ERCE report commissioned by Palliser **fails to consider working capital implications** in their analysis. The EGPC current receivable balance is **likely to be an ongoing issue** and receivables have fluctuated historically[5]

Source: ERCE Fair Market Valuation Report. Note: Palliser Valuation as of 1 July 2022; 12% discount rate applied; GBP/USD FX rate: 1.14; Capricorn share count of c.315 million shares as per latest RNS disclosure;
[1] Capricorn Board estimate based on an ongoing independent 3rd party working capital exercise considering the capital requirements of the business, its ongoing financial guarantee obligations and assessing reasonable downside scenarios over an 18-month projection period. [2] https://investor.apacorp.com/static-files/137dd8b6-07f6-49af-a126-8a05cb864809 [3] https://www.capricornenergy.com/news-media/news/2021/completion-of-acquisition-of-western-desert-assets-egypt/#Tabundefined=1 [4] https://egyptoil-gas.com/features/apache-and-egypt-modernizing-egypts-energy-future-an-interview-with-john-j-christmann-iv-ceo-and-president-apache-corporation/ [5] See Appendix

NEWMEDENERGY

1 Palliser's Plan Also Relies on A Number of Undeliverable Assumptions (Cont'd)

Capricorn

The Plan relies on several outdated and incorrect facts and assumptions, fails to reflect key discounts and costs

Shareholder Distributions	■ **The Combination allows Capricorn to pay a pre-completion cash dividend of US$620m**, of which ~US$605m will be returned to existing shareholders with ~US$15m required to satisfy dividend equivalent rights in existing Company share plans[1] ■ Capricorn **expects to be able to distribute ~US$500m on a standalone basis in the near-term**, based on an ongoing working capital exercise[2] being independently validated for the prospectus (see Supporting Materials) ■ Palliser's analysis **fails to take account of exploration commitments, financial guarantees and working capital** requirements
Contingent Proceeds[3]	■ Palliser's estimated **US$314m of contingent payment are now worth ~US$260m**[3,4] ■ ~US$120m of this is included in the working capital requirements of the business and the company would need to retain a material stake in any instrument distributed to be aligned with holders ■ As a result, ~US$140m is the maximum that could hypothetically be distributed ■ Further, **a CVR instrument has several challenges, could not be held by many investors and would likely trade at a discount**
Cost Cutting	■ Capricorn has **one of the lowest G&A to market cap ratios of its London-listed peer group** ■ Capricorn **has already implemented G&A reductions**, reducing headcount by one-third in 2022 which is expected to deliver an annual G&A saving of ~US$7.5m per year from 2024, while other cost-saving measures are ongoing

Source: ERCE Fair Market Valuation Report. Note: Palliser Valuation as of 1 July 2022; 12% discount rate applied; GBP/USD FX rate: 1.14; Capricorn share count of c.315 million shares as per latest RNS disclosure; [1] Proposed pre-completion special dividend of US$620m paid to Capricorn's existing shareholders which includes ~US$15m, which is subject to finalisation of an independent 3rd party report into the fair valuation, which is to be payable to more than 200 participants under the Capricorn Share Plans, comprising current employees (including the executive directors) and a number of former employees. [2] Capricorn Board estimate based on an ongoing independent 3rd party working capital exercise considering the capital requirements of the business, its ongoing financial guarantee obligations and assessing reasonable downside scenarios over an 18-month projection period. [3] As of 13th December 2022, based on operator guidance that has delayed the expected date for first oil, increasing the risk that the payment will be US$50mn, rather than US$100mn. Given current futures prices, the range of potential values assuming 10% discount rate has a midpoint of ~US$65mn and a risked value of ~US$57m. [4] See appendix

1 Palliser's Valuation Analysis Fails to Account for a Typical E&P Market Discount

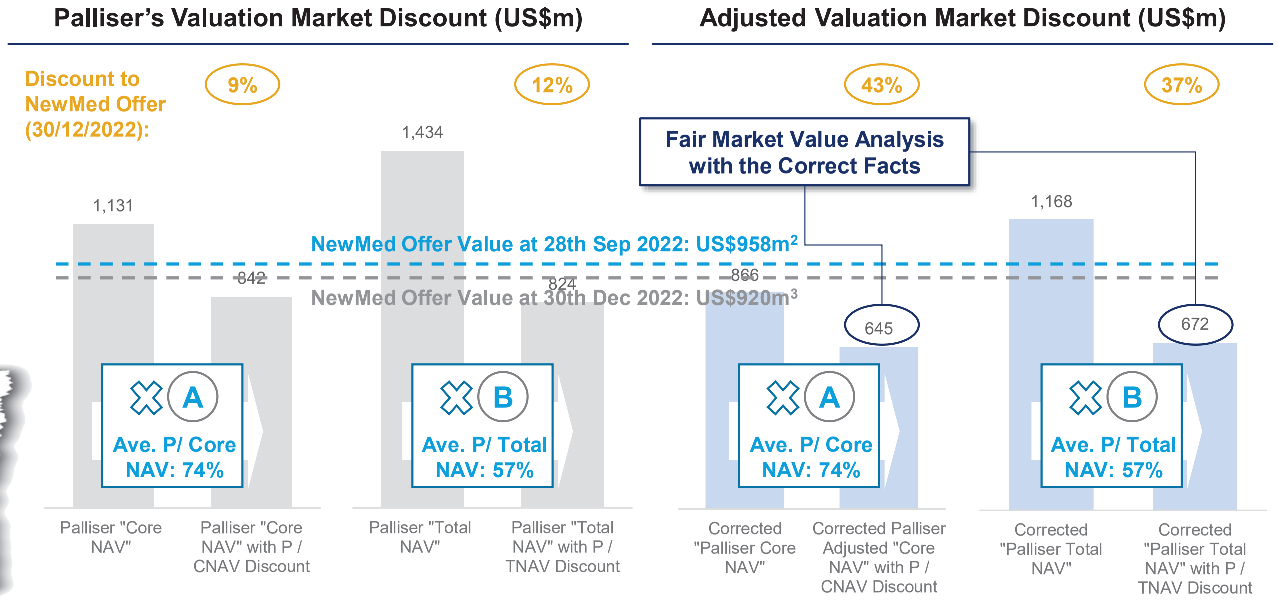
P / Total Risked and Core NAV Benchmarking (Based on Sell-Side Analyst Research)[1]

	P / CNAV	P / TNAV
Peer 1	101%	90%
Peer 2	97%	47%
Peer 3	96%	63%
Peer 4	86%	82%
Peer 5	73%	55%
Peer 6	61%	52%
Peer 7	57%	46%
Peer 8	54%	45%
Peer 9	46%	37%
Average	**74%** A	**57%** B

"(I)f we strip out a $500m special dividend, Capricorn would be trading at a ~30% discount to our pro forma Tangible NAV. The challenge for a potential new management team would be to narrow the valuation gap overtime through implementation and execution of a value optimisation plan for the Egyptian assets."

– Barclays, December 2022

- Listed Oil & Gas companies typically trade at a discount to their intrinsic value measured as the discount to Net Asset Value (NAV), which reflect the market's view of the risk associated with the asset valuation
- Smaller, more geographically concentrated companies tend to trade at deeper discounts
- Capricorn's key London listed peers trade at a P / Core NAV of 74%
- Capricorn's key London listed peers trade at a P / Total NAV of 57%
- If you apply average market discounts, the value of the Combination exceeds the value of Palliser's Plan – even when applying Palliser's incorrect facts and assumptions



Source: FactSet as at 30-Dec-2022, Broker research, Company disclosures, Equity research reports. (Permission to quote neither sought or provided)
[1] Peers include Energean, Enquest, Genel, GKP, Harbour, Pharos, Seplat, Serica and Tullow. [2] Assuming an issued share capital of 315.1 million shares and taking into account the proposed related payment to participants in certain of Capricorn's share plans of a cash sum referable to the effect of the Transaction; Based on NewMed share price and foreign exchanges rates on 28 September 2022 and assuming a Capricorn issued share capital of 315.1 million shares. [3] Assuming an issued share capital of 315.1 million shares and taking into account the proposed related payment to participants in certain of Capricorn's share plans of a cash sum referable to the effect of the Transaction; Based on NewMed share price and foreign exchanges rates on 30 December 2022 and assuming a Capricorn issued share capital of 315.1 million shares.

2 The Combination Maximises Near-Term Cash Return to Shareholders

Palliser's statement that Capricorn's Board is withholding capital returns to pressure shareholders to vote on the Combination is false

Without the Combination, Capricorn could pay out only ~US$500m in the near-term on a standalone basis

Palliser Fails to Take Into Account the Working Capital Requirements of a Standalone Capricorn in its "Plan"

- ***The proposed US$620m[1] distribution to shareholders in Q1 2023 associated with the NewMed Combination is ~US$120m higher than could be paid out on a standalone basis***, *verified by an independent working capital exercise to review the capital requirements of the business for the prospectus, including its financial guarantee obligations and assessing reasonable downside scenarios over an 18 month projection period[2] (see Supporting Materials)*
- *Of the US$620m distribution,* ***~US$605m will be returned to existing shareholders*** *with ~US$15m required to satisfy dividend equivalent rights in existing Company share plans[3]*
- *The working capital report (which is being prepared as part of the Combination Circular) has tested for downside scenarios both operational (production, capex and opex) as well as oil price*
- *The Company's* ***capital commitments include approximately US$47m of exploration commitments across Egypt and the rest of the portfolio****, in addition to the continuous production and development drilling campaign in Egypt*
- *The Company's* ***financial guarantee commitments include US$69m of bank guarantees*** *to the government of Mexico in relation to exploration licence commitments as well as operations in Egypt and Mauritania*
- *On a standalone basis,* ***the Company is unlikely to be in a position to return material additional retained cash to shareholders in the short- to medium-term and further returns may not be possible at all under certain downside scenarios***

[1] Proposed pre-completion special dividend of US$620m paid to Capricorn's existing shareholders which includes pay out of ~US$15m to participants in certain of Capricorn's share plans, which are referable to the effect of the proposed transaction. [2] The reasonable worst case downside scenarios that the company is required to account for in its working capital exercise include lower commodity prices, lower production performance, increased cost inflation, delays in releasing financial guarantees and worsening payment terms from key offtakers based on an independent 3rd party working capital exercise. [3] Proposed pre-completion special dividend of US$620m paid to Capricorn's existing shareholders which includes ~US$15m, which is subject to finalisation of an independent 3rd party report into the fair valuation, which is to be payable to more than 200 participants under the Capricorn Share Plans, comprising current employees (including the executive directors) and a number of former employees.

3 The Combination Creates A Stronger Company and Maximises Value Creation

The Combined Company will have enhanced scale, liquidity and provide a potentially superior investment case focused on facilitating the growing regional gas trade

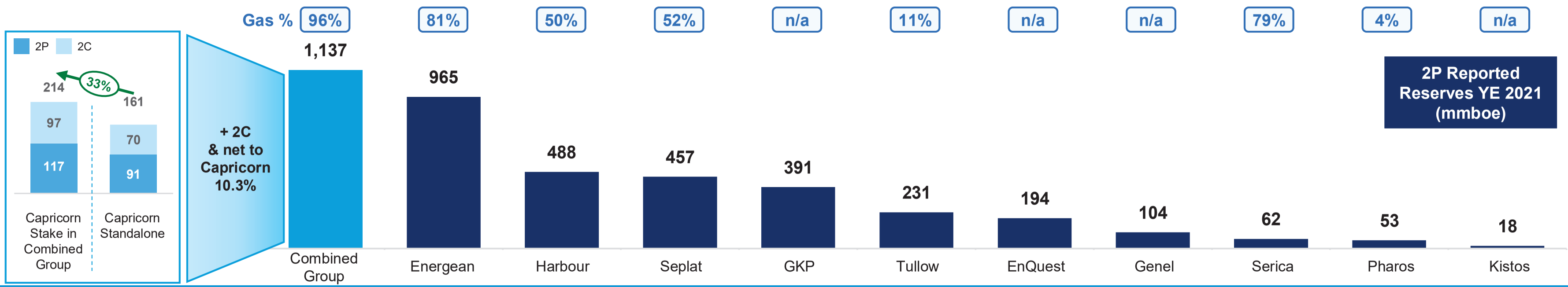
Exposure to Strong Cash Flows, Robust Cash Returns and Growth

~US$3bn expected UFCF[1]
Cumulative 2023 – 27E period

30% Minimum Payout Ratio
FCF pre-growth capex after financing costs

Production of >200k boe/d
Targeted by 2030[3]

Combination Creates Largest Gas Focused, UK-Listed Energy Company by 2P Reserves[2]



Source: Company information, Factset as at 14-Dec-2022, Israeli Electricity Authority report
[1] Unlevered free cash flow for existing producing assets, according to Leviathan NSAI report as of December 2021 and Capricorn estimate. [2] Largest by 2P reserves 3 Subject to project approvals.

3 The Combination Creates A Stronger Company (Cont'd)

The NewMed Combination maximises value creation potential for all Capricorn shareholders

Exposure to Significantly Higher Growth Business

Capricorn

Egypt Western Desert

70 mmboe contingent resources

- Low-cost, gas-weighted onshore production with near-term development and exploration potential and rapid payback
- Active drilling programme targeting robust opportunity inventory

Leviathan Expansion

~150 kboe/d capacity

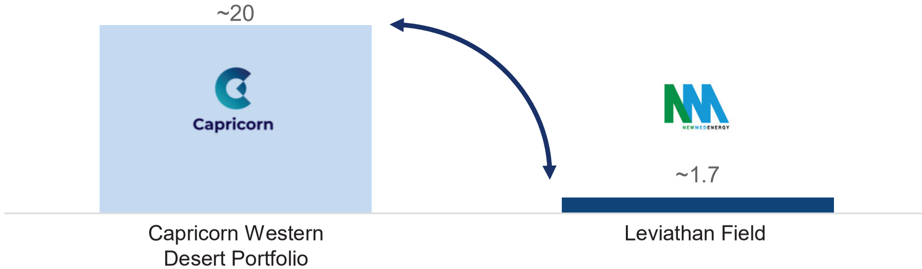
- Platform capacity expansion with a 900MMscfd (150kboepd) additional capacity Regional Export Module
- Additional pipeline sales to Israel, Egypt and Jordan

Aphrodite

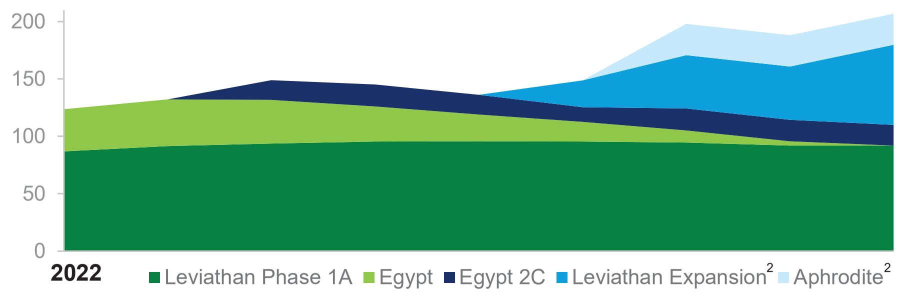
~83 kboe/d capacity

- Development of subsea facilities with ~500MMscfd (83kboepd) capacity
- Gas to be flowed to adjacent facilities via existing pipelines

Intent on Achieving Net Zero Scope 1 and 2 Carbon Emissions 2040 across the Combined Portfolio



With Clear Pathway to Production >200k boe/d by 2030



Source: Company information, Israeli Electricity Authority report
[1] Production on WI Basis. [2] Leviathan Phase 1B and Aphrodite have not been approved yet.

4 Board and Management Have Proactively Re-Positioned the Company

Capricorn Management and Board have proactively re-positioned the Company and secured proceeds from the Indian arbitration

Rationalised the Portfolio and Secured Arbitration Award

Exited High Capex & Mature Basin Assets

- Strategic divestment of declining UK producing assets for US$455m plus uncapped oil price-linked consideration over five years[1]
- Exited Sangomar development: US$300m received in upfront cash plus back costs (US$330m) and further contingent of up to US$100m
- Realised value for exploration and de-risked development risk, financing risk and capital expenditure over four years
- Secured Indian tax refund of US$1.06bn

Repositioned the Portfolio via Egypt Acquisition

Reset Strategic Priorities & Asset Base

- Acquisition of Shell's assets in the Western Desert, onshore Egypt
- US$323m acquisition cost plus capped oil price upside sharing
- Low-cost, gas-weighted onshore production with strong near-term development and exploration potential
- Significant resource potential, with active drilling programme to grow production and reserves, plus possibility to deliver enhanced value through PSC consolidation
- Active drilling programme targeting robust opportunity inventory with current focus on liquids
- Committed to Net Zero emissions by 2040 with clear roadmap to delivery

Source: Company disclosure
[1] Adjusted for working capital and interim period cashflows from the economic date of 1 January 2020, transaction completed 2-November 2021

4 This Reset Has Coincided with Best in Peer Group Returns to Shareholders

Capricorn management and Board have delivered peer group leading returns to shareholders

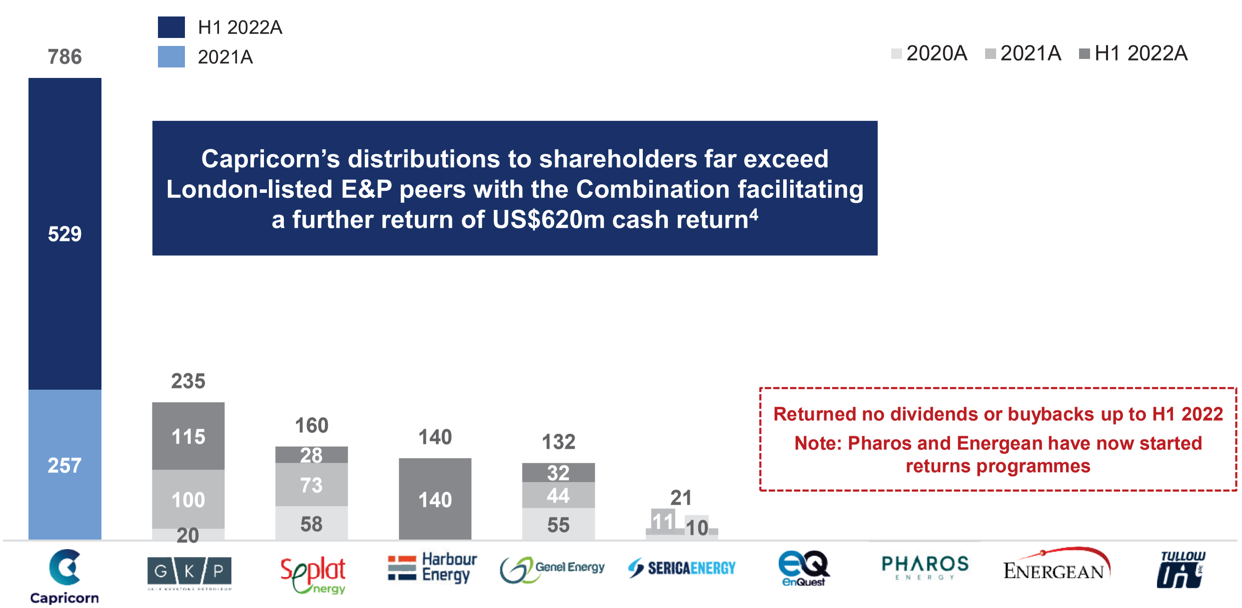
Delivered Shareholder Returns

Capital recycled to Shareholders

- US$5.5bn returned in last 15 years[3]
- US$257m special dividend paid in H1 2021 following Senegal sale
- Secured Indian tax refund following arbitration and received US$1.06 bn in February 2022
- US$500m tender offer and buyback announced with US$529m returned to shareholders in H1 2022
- US$631m of net cash on the balance sheet at H1 2022
- Combination facilitates cash return of US$620m[4]

Capricorn has Delivered Substantially More Capital to Shareholders from 2020 – 2022

Capricorn vs Peers Distributions to Shareholders (US$m) 2020A – H1 2022A[1,2]

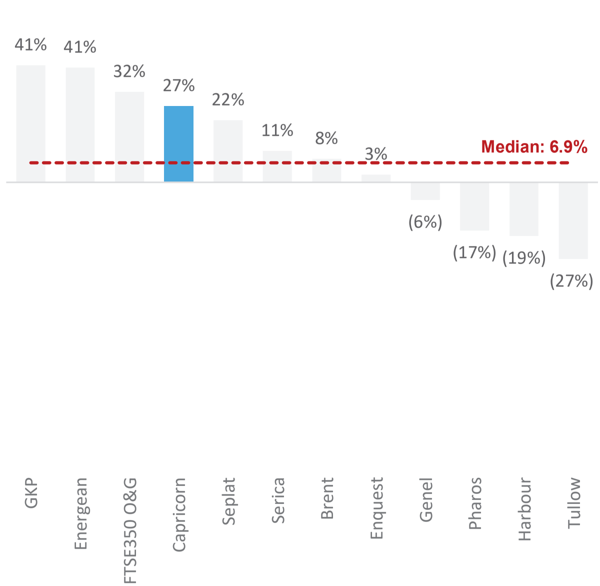


Source: Company disclosure, Factset as at 30-Dec-2022 for FX Rate
Notes: [1]Employee share repurchases excluded from analysis however they are immaterial, [2]H1 2022A as cut off date given inconsistency in reporting frequencies of peers. [3] Includes return of US$620m associated with the Combination. [4] Proposed pre-completion special dividend of US$620m paid to Capricorn's existing shareholders which includes pay out of ~US$15m to participants in certain of Capricorn's share plans, which are referable to the effect of the proposed transaction.

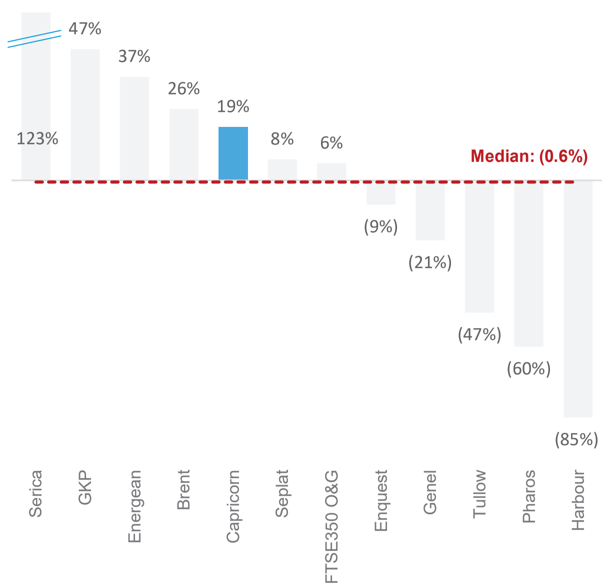
5 Capricorn TSR Has Strengthened and Outperformed Peers

Capricorn performance has demonstrated consistent strengthening over the last 5-years relative to London-listed E&P peers and has outperformed its peers over the Last 1- and 3-years

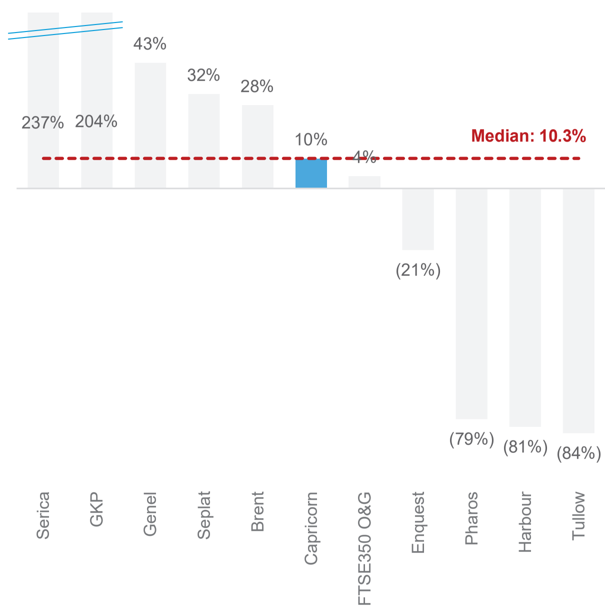
Total Shareholder Returns Last 1 Year (%)



Total Shareholder Returns Last 3 Years (%)



Total Shareholder Returns Last 5 Years (%)

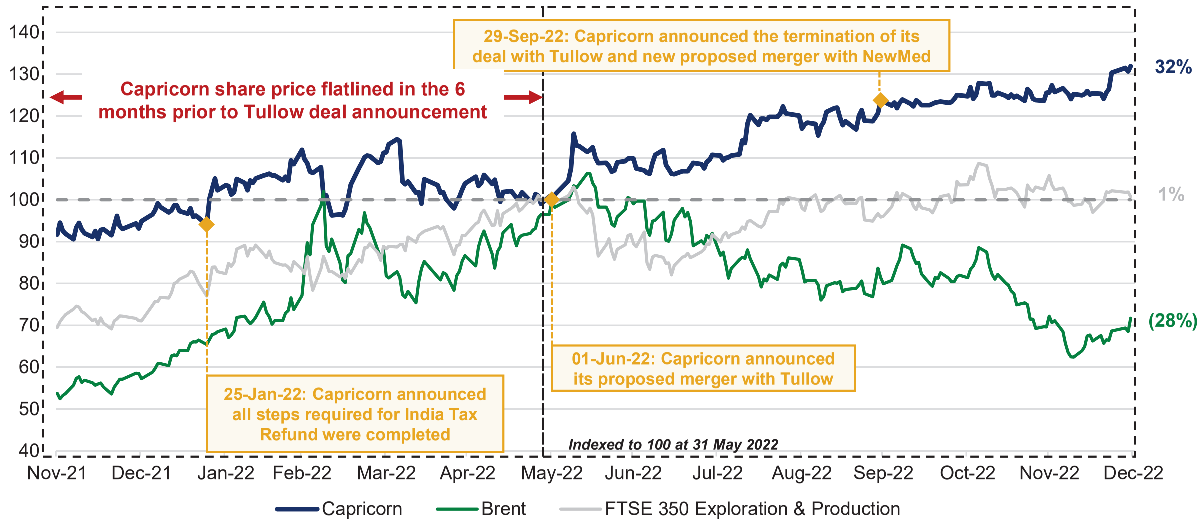


Note: Median excludes FTSE350 O&G and Brent.
Source: Bloomberg as of 30 December 2022

5 Downside Price Risk if the Combination Fails

Share price reflects M&A premium from the Combination, which will likely be lost if the deal fails

Capricorn Relative Performance – L12M (Indexed to 31 May 2022)



Sell-Side Analyst Commentary

"We see the NewMed proposal offering Capricorn shareholders what was widely called for: the net cash pile is paid out in full. (…) The strength of the story is clear to us, and we conclude similarly on the value proposition. Our first-look pro-forma NAV outturns at $6bn, c.65% higher than the combined market caps and therefore ostensibly value accretive versus the c.45% upside that our Capricorn PO implies standalone."

– BofA Global Research, October 2022

"We believe the recently announced Capricorn/NewMed deal provides a strong combination of material near-term cash returns and higher quality assets for longer-term shareholders."

– Investec, October 2022

"#1) valuation: the implied £2.71/sh is a 70% improvement over the Tullow terms, based on current share prices; and #2 cash component: almost 2/3rds of the deal value will be received by Capricorn shareholders immediately prior to deal completion by way of a special dividend. (…) NewMed offers a truly world class gas story."

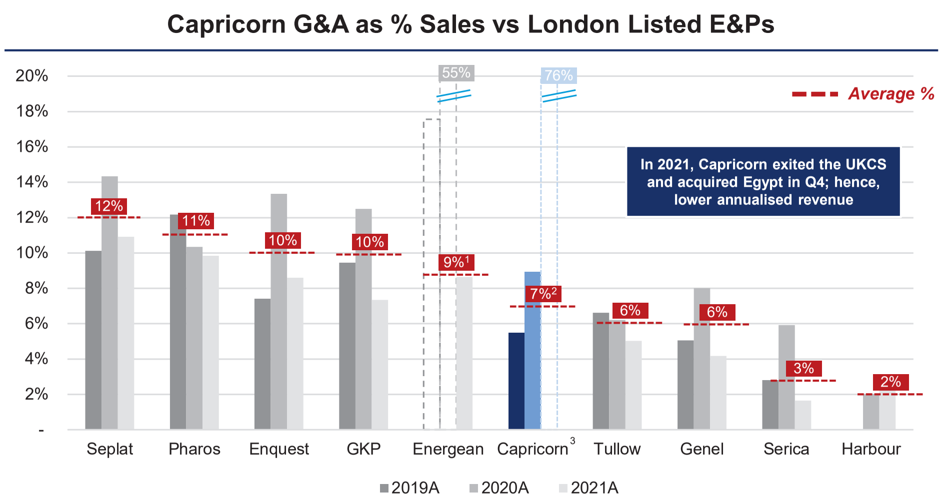
– BofA Global Research, September 2022

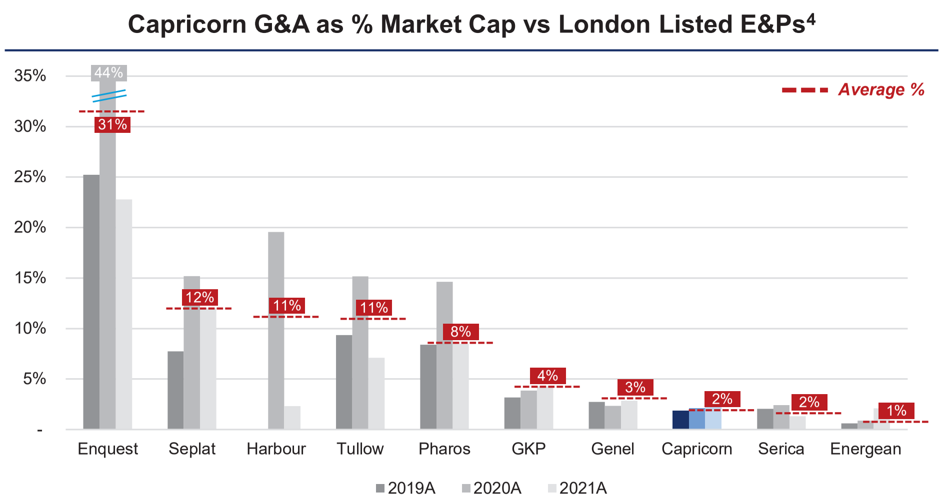
Capricorn has significantly outperformed the oil price and UK listed Oil & Gas sector since it was "in play" from early June 2022, with the share price embedding a material takeover premium

Source: Company information, Factset as at 30 Dec 2022, *Equity research reports. (Permission to quote neither sought or provided)*
[1] Proposed pre-completion special dividend of US$620m paid to Capricorn's existing shareholders which includes pay out of cash sums to participants in certain of Capricorn's share plans, which are referable to the effect of the proposed transaction. [2] Based on £0.99 exchange value per share and theoretical Capricorn GBP share price ex-dividend of £0.68, announcement date (28th September 2022).

6 G&A is Inline with Peer E&Ps

Capricorn has maintained a disciplined approach to costs, with one of the lowest G&A as a percentage of market cap versus London-listed E&P peers and is executing on previously announced initiatives to substantially reduce variable staff costs





Efficient Initiatives Executed and Underway

- Capricorn has **one of the lowest G&A to market cap ratios of its London-listed E&P peer group**
- Capricorn **has already implemented G&A reductions**, reducing headcount by one-third in 2022 we expect to deliver an annual G&A saving of ~US$7.5m[5] per year from 2024, while other cost-saving measures are ongoing

Source: Company disclosure, Factset as at 30-Dec-2022
[1] 2019A and 2020A excluded for Energean as Karish & Tanin came onstream in H1 2022 and not reflective of Edison transaction; [2]Excluded 2021A from Capricorn average as FY2021 revenues are not reflective of Capricorn business due to Egyptian acquisition closing during 2021; [3]Capigorn G&A figures exclude Indian tax arbitration costs and costs incurred on business combination; [4]Average market cap across the full calendar year; [5] Excluding one-off costs to be incurred in 2023.

The NewMed Combination is a Result of a Robust and Thorough Process

20+
Board Meetings

Board meetings to review strategic alternatives over the last 12 months

Capricorn's strategic positioning in the E&P landscape has been an ongoing consideration for the Board with all strategic alternatives extensively considered

Full Range
Of Alternatives Considered

Comprehensive evaluation of alternatives with the assistance of financial advisors, including a sale, liquidation, business combinations, asset acquisitions and other transactions

Pivoted from West African oil growth proposition to a premium MENA gas-weighted combination with superior yield, growth and energy transition benefits with a material upfront cash return

8
Counterparties Signed an NDA

Ran a robust and thorough process, with 10 parties contacting the Board, 8 entered into NDAs to enable confidential diligence and several proposals were reviewed

6+ Months
"In Play"

Capricorn has been publicly "in play" since June 2022 – the Combination represents the best proposal received, but the Board remains open to considering any superior proposals

Capricorn's independent Board oversaw a robust and thorough process that resulted in a transaction it believes maximises value for shareholders at a ~46% premium (ex. dividend)[1] having considered the strategic alternatives for the Company

Source: Company information
[1] Based on £0.99 exchange value per share and theoretical Capricorn GBP share price ex-dividend of £0.68, announcement date (28th September 2022).

The Combination is a Compelling Value Proposition for Capricorn Shareholders

1

Substantial, immediate cash value upfront for Capricorn shareholders through a US$620m[1] cash return

- *Transaction enables Capricorn to maximise the cash return to shareholders, with the total dividend an estimated ~US$120m higher than the Company could return on a standalone basis over the near-term due to working capital requirements[2]*

2

Proposed Combination provides a significant premium to Capricorn shareholders

- *A ~46% premium to Capricorn share price at time of announcement[3]*

3

Proposed Combination is significantly value accretive to Capricorn shareholders

- *33% accretive to Capricorn shareholders' 2P + 2C reserves and resources per share*

4

Future value growth from gas-focused energy company of scale with substantial returns potential

- *2bn boe of net 2P & 2C reserves and resources, c.US$3bn UFCF cumulative expected in 2023-27E[4], policy to distribute a minimum 30% of FCF pre growth capex after financing costs*

5

Positioned to be a beneficiary of energy security, economic growth and energy transition dynamics

- *Leviathan emissions intensity amongst the lowest in the world, deal creates the largest gas-focused energy company in LSE premium segment by 2P Reserves*

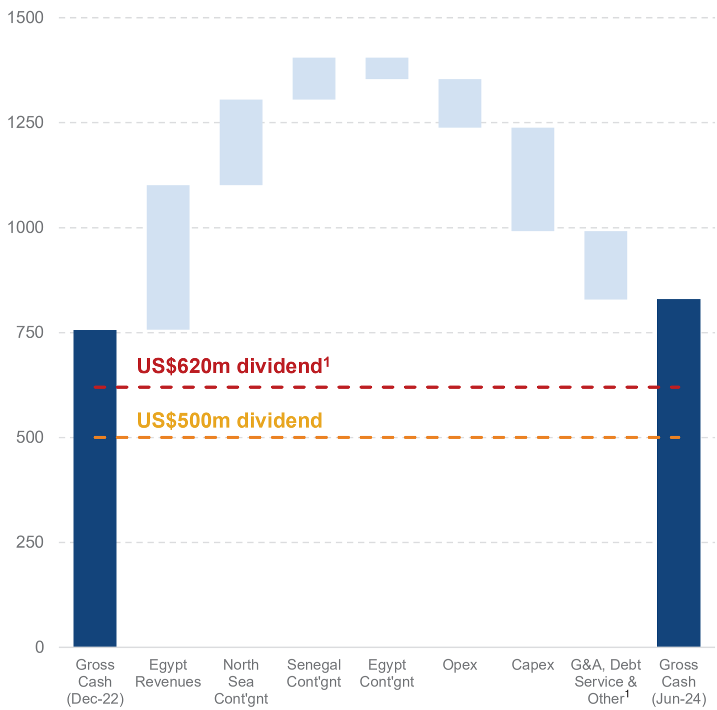
Source: Company information
[1] Proposed pre-completion special dividend of US$620m paid to Capricorn's existing shareholders which includes pay out of ~US$15m to participants in certain of Capricorn's share plans, which are referable to the effect of the proposed transaction. [2] Capricorn Board estimate based on an ongoing independent 3rd party working capital exercise considering the capital requirements of the business, its ongoing financial guarantee obligations and assessing reasonable downside scenarios over an 18-month projection period. [3] Based on £0.99 exchange value per share and theoretical Capricorn GBP share price ex-dividend of £0.68, announcement date (28th September 2022). [4] Unlevered free cash flow for existing producing assets, according to Leviathan NSAI report as of December 2021 and Capricorn estimate.

Supporting Materials

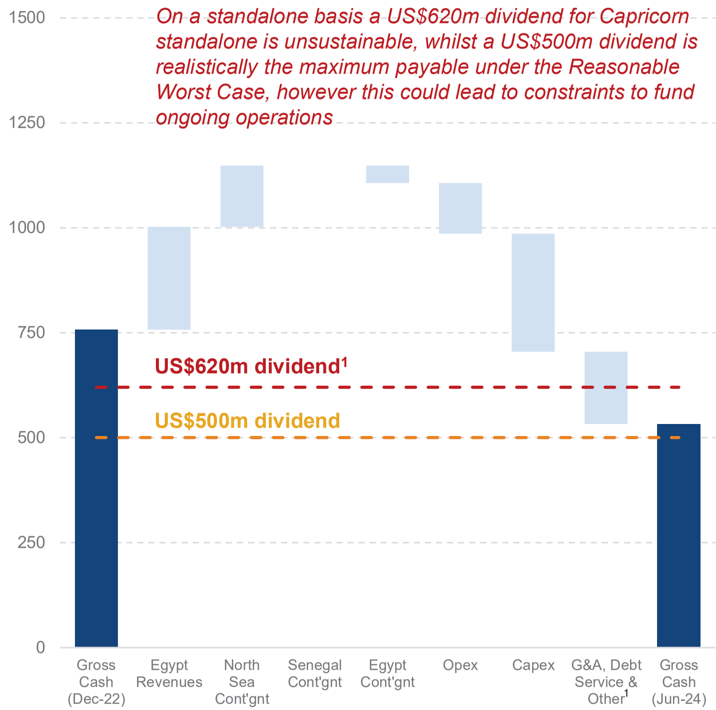
Working Capital Requirements (Being Independently Verified for Prospectus)

Under the Reasonable Worst Case (RWC) paying a US$500m dividend is challenging whilst paying a US$620m dividend is unrealistic given cash balance in June 2024

Gross Cash Evolution Under Base Case (US$m)



Gross Cash Evolution Under RWC (US$m)



Key Sensitivities Used in RWC:

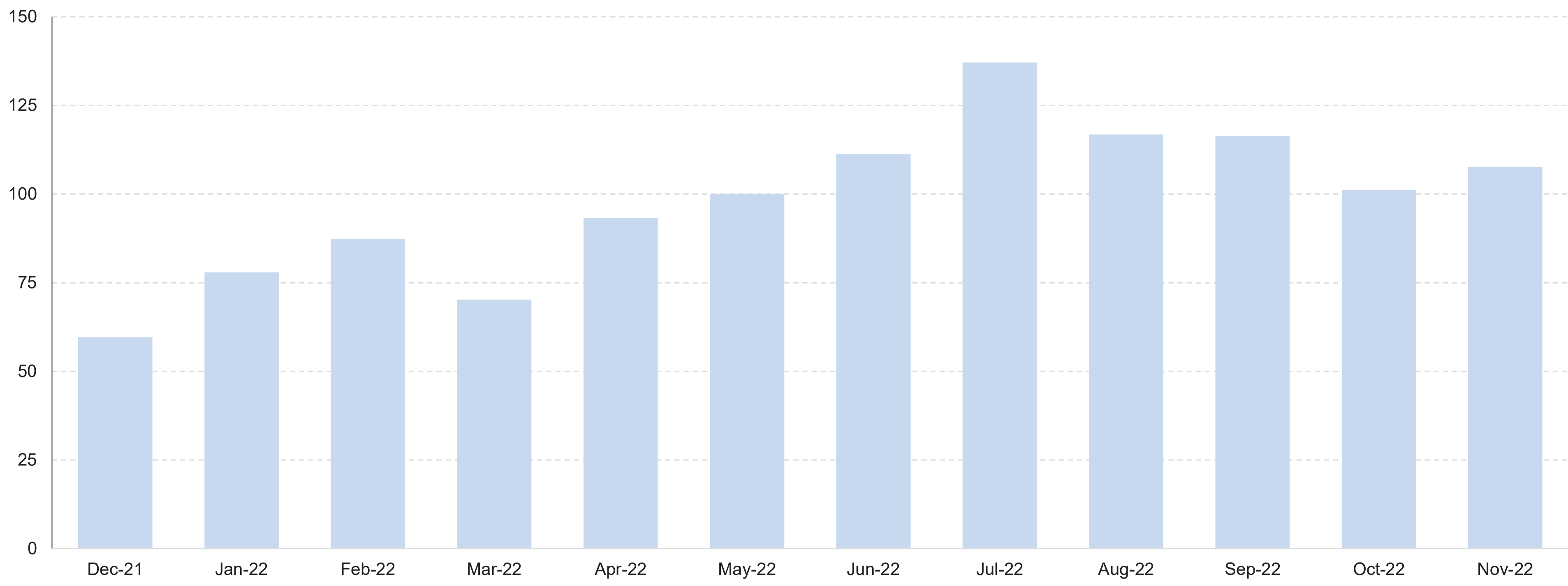
- **Egypt Revenues** - 25% lower oil price, 10% lower production, worsening of sales payment terms and receivables settlement
- **North Sea Contingent** - 25% oil price decrease and 10% decrease in forecast production in 2023
- **Senegal Contingent** - 3 month first oil delay to Jan 2024 and lower oil price deck used (payment outside of 18m forecast period)
- **Opex** - 5% increase
- **Drilling Contingency** - 20% E&A increase, 10% D&P increase in 2023 and 12.5% in 2024
- **Egypt D&P Capex** - Increase of 10% in 2023 and 7.5% in 2024

Source: Independent Working Capital Report Currently in Progress
Note: [1] Other includes G&A, debt drawn (repaid) and financing costs, FX, purchase of own shares and other.
[1] Proposed pre-completion special dividend of US$620m paid to Capricorn's existing shareholders which includes pay out of ~US$15m to participants in certain of Capricorn's share plans, which are referable to the effect of the proposed transaction.

EGPC Receivables

EGPC Receivables has Remained Relatively Stable / Increasing Over the Past 12 Months

EGPC End of Period Receivables[1] Balance Over Last 12 Months (US$m)



Source: Company data
Notes: [1] Total receivables are not all due for payment.

Extract of ERCE Valuation Report Commissioned by Palliser

Several inaccuracies require correction for shareholders to evaluate the Value Optimisation Plan outlined. We note that ERCE is an oil and gas reserves auditor and comment in their report that they are not regulated to provide investment advice

Summary of ERCE Fair Market Valuation (US$m)

Sum of Parts FMV			
Scenario	Egypt 1P	Egypt 2P	Egypt 3P
Net Present Value to Capricorn:	US$MM	US$MM	US$MM
Egypt (Developed Reserves or NFA; Unrisked)	53	71	86
Egypt (Undeveloped Reserves or Activities; Unrisked)	102	294	475
Total Egypt Net Present Value	**155**	**365**	**561**
FMV Derivation:			
Egypt (Developed Reserves or NFA)	53	71	86
Egypt (Undeveloped Reserves or Activities - 2P Undeveloped risked at 90%)	102	264	475
Total Egypt	**155**	**335**	**561**
Cash (Net Debt)	631	1 631	631
Current Receivable from EGPC	61	2 61	61
Present Value of G&A	(211)	(211)	(211)
Remainder of 2022 E&A Committed Spend	(47)	(47)	(47)
UK Disposal Contingent Payments	241	3 241	241
Senegal Contingent Payments	73	4 73	73
Egypt Contingent Payments	(70)	(70)	(70)
	833	**1,014**	**1,240**
Egypt Risked Contingent Resources (2C)	71	5 71	71
Exploration Value	47	6 47	47
	951	**1,131**	**1,357**
Fair Market Value Conclusion		**1,131**	

1. Capricorn's **cash balance is no longer US$631m as at H1 2022, it is currently US$597m** following capital investment programme
   - Of this, US$9m is restricted cash and US$44m is required in Egypt to support near term capital commitments, debt liquidity tests and also pay Shell US$25m due in January
2. The EGPC current receivable is likely to be an ongoing issue, whereby EGPC maintain a consistent level of receivables
3. The total fair value of the UK contingent payment is now US$205m as of the 30th December of which ~US$120m is expected to be receivable at the end of March 2023 and has already been factored into the working capital projections of Capricorn for calculating the US$620m pre-completion dividend[1]
4. Risk around the Sangomar payment has increased with Woodside's revised start up guidance now "late 2023" with no contribution to 2023 production guidance
5. Palliser includes US$71m of contingent resource value in their base case valuation
   - Contingent resources have not been defined as economically viable for development and have no capex or production profiles associated with them, and in some cases would be expected to be produced after the expiry of current licence periods
6. Palliser includes US$47m of exploration value in their base case valuation
   - Exploration resource potential is attributed "high uncertainty" in the valuation report commissioned by Palliser and is therefore only valued at cost and should not be included in core valuation

Source: ERCE Fair Market Valuation Report, Bloomberg as of 25 October 2022
Note: Palliser Valuation as of 1 July 2022; 12% discount rate applied; GBP/USD FX rate: 1.14; Capricorn share count of c.315 million shares as per latest RNS disclosure;
[1] Proposed pre-completion special dividend of US$620m paid to Capricorn's existing shareholders which includes ~US$15m, which is subject to finalisation of an independent 3rd party report into the fair valuation, which is to be payable to more than 200 participants under the Capricorn Share Plans, comprising current employees (including the executive directors) and a number of former employees.

Contingent Value Rights – Capricorn Review

Capricorn's Board and Advisers have considered whether distribution of contingent value rights to shareholders would allow greater direct return of value to shareholders, but concluded that the option would materially erode shareholder value

Contingent Value Right (CVR)	■ CVR holder would directly hold the right to funds once received under Waldorf and Woodside contingent receivable arrangements ■ CVR could be a tradeable and listed instrument
Considerations in Evaluation	■ Capricorn contingent receivables are not assignable, requiring continuing Capricorn role as intermediary ■ Receivables are subject to UK taxation, which can be sheltered by the Company but not CVR holders ■ Rights may require legal enforcement, which can only be undertaken by the Company, not CVR holders ■ At least 40% of Capricorn shareholders would be expected to be forced sellers of a CVR ■ Limited information rights under existing SPAs means that reporting on the underlying performance could be scarce ■ ~US$120m 2022 UK contingent receivable due March 2023 already factored into ongoing Capricorn working capital forecasts
CVR Governance Considerations	■ Board's fiduciary responsibility is to the Company, rather than CVR holders; reasonable likelihood that each group's interests will diverge ■ Retention by Capricorn of majority portion of CVR would be necessary to align interests and duties, including potential enforcement if required, but reduces CVR materiality ■ Significant cost, complexity and schedule implications ■ Possible mix and match option considered as part of any strategic transaction; would further delay documentation and add significant complexity
CVR Value Considerations	■ Capricorn historical tax position will protect shareholder value, but not CVR holders' value, eroding overall value of contingent receivable ■ CVR trading value would be impacted by, significant flowback, limited liquidity and limited information rights

Source: Company Disclosure.

UK Contingent Receivable Valuation

30 December 2022

Asset	Maturity		Swap	Option	Strike	Adjusted Volume Forecast	Fair Value
Crude type	Start	End	US$/bbl	Term Settle	US$/bbl	mmbbls	US$m
ICE BRT	Jan22	Dec22	98.76	SCall	52.00	2.8	120.4
ICE BRT	Jan23	Dec23	82.17	SCall	52.00	1.9	49.5
ICE BRT	Jan24	Dec24	77.27	SCall	52.00	1.0	24.3
ICE BRT	Jan25	Dec25	73.75	SCall	52.00	0.5	10.9
						6.2	205.1

13 December 2022

Asset	Maturity		Swap	Option	Strike	Adjusted Volume Forecast	Fair Value
Crude type	Start	End	US$/bbl	Term Settle	US$/bbl	mmbbls	US$m
ICE BRT	Jan22	Dec22	98.62	SCall	52.00	2.8	119.9
ICE BRT	Jan23	Dec23	78.52	SCall	52.00	1.9	44.0
ICE BRT	Jan24	Dec24	75.68	SCall	52.00	1.0	23.2
ICE BRT	Jan25	Dec25	73.46	SCall	52.00	0.5	10.8
						6.2	198.0

30 June 2022

Asset	Maturity		Swap	Option	Strike	Adjusted Volume Forecast	Fair Value
Crude type	Start	End	US$/bbl	Term Settle	US$/bbl	mmbbls	US$m
ICE BRT	Jan22	Dec22	105.69	SCall	52.00	2.6	127.7
ICE BRT	Jan23	Dec23	93.06	SCall	52.00	1.8	67.0
ICE BRT	Jan24	Dec24	85.22	SCall	52.00	1.0	31.5
ICE BRT	Jan25	Dec25	79.88	SCall	52.00	0.5	14.7
						5.9	240.9

Methodology

- Fair value calculated as the market value for monetisation of the contingent receivable using in the money call options price on ICE data
- Calculated by independent third party: Commodities Trading Corporation, authorised and regulated by the Financial Conduct Authority
- IFRS requires expected credit loss adjustment to be applied
  - Calculated on the delta between Waldorf bond and prevailing base rate
- Production data adjusted based on decline curve analysis based on reflect latest available production data disclosed by field operators

Source: Company disclosure

Senegal Contingent Receivable Valuation

Woodside Energy: 2023 Guidance

- "We are successfully executing world-class growth projects at Sangomar in Senegal and Scarborough/Pluto Train 2 in Australia, which are on target for first production in 2023 and 2026 respectively." Woodside 1/12/22
- "Sangomar Field Development Phase 1 **is targeting first oil in late 2023. No credit is taken for any production in 2023.**"[1]
- Woodside has excluded Sangomar from its 2023 production guidance

Methodology

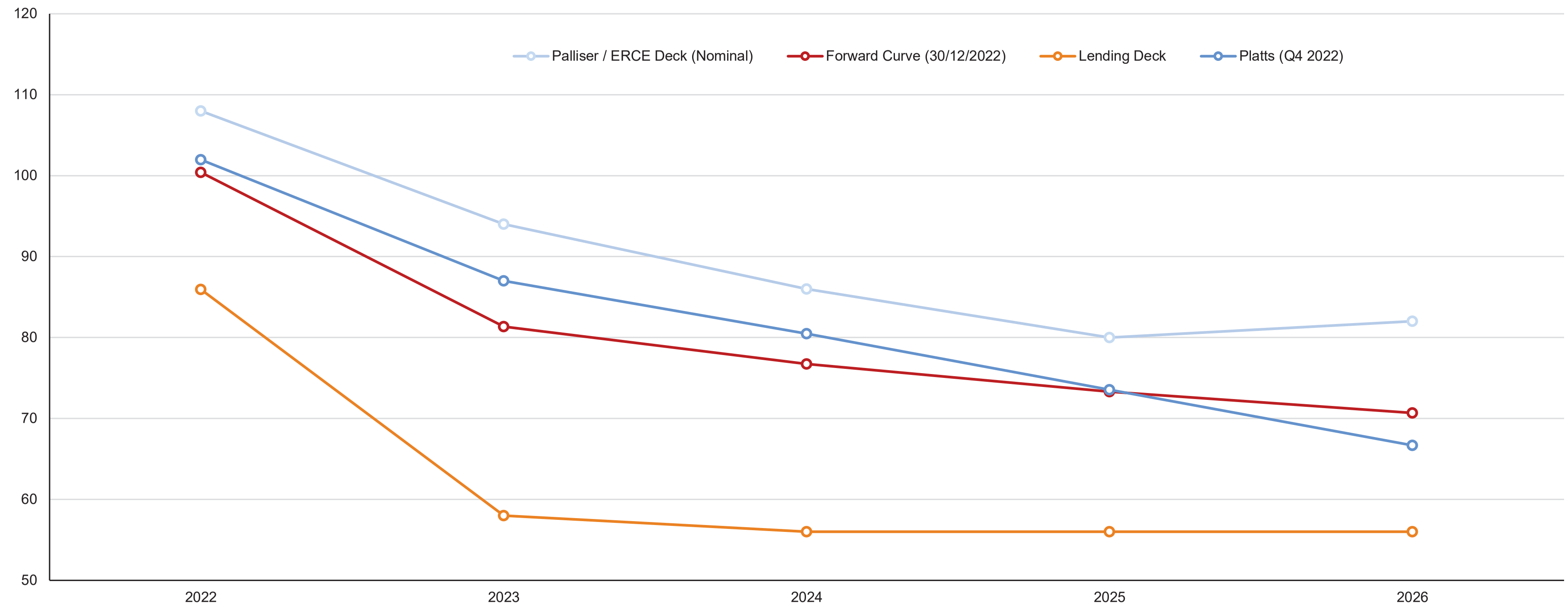
- Contingent receivable contains oil price and project schedule conditions, therefore cannot be accurately marked to market using independent options pricing
- Oil price condition is satisfied based on current Brent futures curve
- Oil price test period implies receipt 180 days after first oil
- Discounted value at 10%
  - First oil Dec'23 NPV10 ~US$87mln
  - First oil Jan '24 NPV10 ~US$44mln
- Risked value uses weighted average of 2023 and 2024 scenarios based on +/- 3 months either side of risked schedule midpoint.
- Given delayed Woodside guidance, with no 2023 production contribution from Senegal, Jan-24 mid-point assumed with average value for +/- 3 months range used to estimate fair value

Source: https://www.woodside.com/docs/default-source/asx-announcements/2022/investor-briefing-day-2022.pdf?sfvrsn=bb5fa28d_9
[1] https://www.woodside.com/docs/default-source/asx-announcements/2022/2023-full-year-guidance.pdf?sfvrsn=58929f8d_3

Brent Oil Price Comparison

The Brent Oil Price Deck Used is Significantly Higher than Other Reference Decks in the Near and Longer Term

Brent Oil Price Forecast Comparisons (US$/bbl)



Source: Bloomberg, Platts, Current Price Deck Used for Company Determination of Debt Capacity Facility

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The Recommended Combination will be subject to UK and Israeli procedural and disclosure requirements and practices, which differ from those of the United States.

The Recommended Combination relates to the acquisition of an Israeli limited partnership and is proposed to be effected by means of a scheme of arrangement under the laws of Israel. A transaction effected by means of a scheme of arrangement is not subject to proxy solicitation or tender offer rules under the U.S. Exchange Act. Accordingly, the Scheme is subject to the disclosure requirements, rules and practices applicable in Israel to schemes of arrangement, which differ from the requirements of U.S. proxy solicitation or tender offer rules.

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