

FOR IMMEDIATE RELEASE

7 March 2022

CAPRICORN ENERGY PLC (“Capricorn”, the “Company”)

Publication of Circular and notice of General Meeting: proposed US\$500m Tender Offer

Capricorn will later today publish a shareholder Circular (the “**Circular**”) relating to the proposed return of US\$500m of the proceeds received in connection with the resolution of the Company’s tax dispute with the Government of India (the “**Indian Tax Refund**”) following approval of the Circular by the Financial Conduct Authority (the “**FCA**”).

As announced on 24 February 2022, Capricorn has received a tax refund from the Government of India of approximately INR 79bn (US\$1.06bn), in connection with the India Taxation (Amendment) Act 2021 (the “**2021 Act**”). The refund constitutes the resolution of a historic dispute between Capricorn and the Government of India, dating back to a January 2014 retrospective taxation claim and subsequent asset seizure in relation to the 2007 initial public offering of Cairn India Limited. On 3 November 2021, following a successful dispute by Capricorn under the UK-India Bilateral Investment Treaty and the passing of the 2021 Act by the Indian Parliament, Capricorn announced that it had entered into undertakings with the Government of India, which would result in the nullification of the tax assessment originally levied against it and the refund of the capital which was collected from it in respect of that assessment.

The Company is of the view that with the receipt of the Indian Tax Refund, it is well positioned to continue delivery of its differentiated business model of returning value to shareholders whilst building sustainable cashflow generation and growth. Capricorn plans to return up to US\$700 million of the India Tax refund proceeds to shareholders. Having consulted with its shareholders and in order to provide flexibility to them, Capricorn is proposing to return up to US\$500m via a Tender Offer, on the terms described further below and in the Circular to be published later today. The remaining sum of up to US\$200m is to be returned by way of an ongoing share repurchase programme in order to provide a continuing value-accretive return of capital to shareholders.

Tender Offer Structure

The Tender Offer will be open to all eligible Capricorn shareholders who will be able to select the price at which they wish to tender their shares for purchase within a range of prices which are based on and expressed by reference to the average market price at which the shares trade (known as the “**volume-weighted average price**” or “**VWAP**”) in the five trading days up to and including the closing date of the Tender Offer. Eligible shareholders will alternatively be able to select to tender their shares at the clearing strike price for the Tender Offer.

As further explained in the Circular, the VWAP-based prices in the Price Range will extend from:

- the VWAP-based price (the “**Minimum Price**”); to
- a price that is a five per cent premium over the VWAP-based price (the “**Maximum Price**”).

Following the closure of the Tender Offer, a clearing strike price will be selected which allows for the most efficient distribution of the US\$500m. To the extent, that the Company does not receive sufficient take-up of the Tender Offer to allow it to fully deploy the US\$500m, it plans to consider the return of the remainder to shareholders in the form of a special dividend.

Timetable

The Circular contains further details on the Tender Offer and a notice convening a General Meeting of Capricorn to be held at 50 Lothian Road, Edinburgh EH3 9BY at 10:00 a.m. (GMT) on **25 March 2022** (the “**General Meeting**”) to consider and approve the Tender Offer.

The expected timetable of principal events in relation to the General Meeting is expected to be as follows:

| | |
|--|-----------------------------|
| Tender Offer opens | 8 March 2022 |
| Latest time and date for receipt of Electronic Proxy Instructions, Form of Proxy or CREST Proxy Instruction in respect of General Meeting | 10.00 a.m. on 23 March 2022 |
| General Meeting | 10.00 a.m. on 25 March 2022 |
| Latest time and date for receipt of Tender Forms and share certificates or other documents of title for tendered certificated Ordinary Shares (i.e. close of the Tender Offer) | 1.00 p.m. on 5 April 2022 |
| Latest time and date for settlement of TTE Instructions for tendered uncertificated Ordinary Shares (i.e. close of the Tender Offer) | 1.00 p.m. on 5 April 2022 |
| Record Date for the Tender Offer | 6.00 p.m. on 5 April 2022 |
| Announcement of the Strike Price and the results of the Tender Offer | 6 April 2022 |
| Unconditional Date for the Tender Offer and purchase of Ordinary Shares under the Tender Offer | 6 April 2022 |
| CREST accounts credited with unsuccessfully tendered uncertificated Ordinary Shares | 7 April 2022 |
| CREST accounts credited in respect of Tender Offer proceeds for uncertificated Ordinary Shares | 11 April 2022 |
| Cheques despatched in respect of Tender Offer proceeds for certificated Ordinary Shares | 19 April 2022 |
| Return of share certificates in respect of unsuccessful tenders of certificated Ordinary Shares | 19 April 2022 |
| Despatch of balance share certificates in respect of unsold Ordinary Shares in certificated form | 19 April 2022 |

Availability of the Circular

The Circular will shortly be submitted to the FCA's National Storage Mechanism and will be available for inspection on its website at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

The Circular will also be available for viewing later today at <https://www.capricornenergy.com/investors/results-reports-and-presentations>.

General Meeting

Capricorn is able to facilitate the attendance of shareholders in person at the General Meeting.

Should any Shareholders wish to attend in person, Capricorn requests that Shareholders pre-register their intention to attend the General Meeting by emailing IR.Mailbox@Capricornenergy.com.

The Company is continuing to monitor the government guidance regarding COVID and in the event of a tightening of measures or restrictions relating to travel and public gatherings before the date of the General Meeting, Capricorn will consider if it is appropriate, safe and legally permissible to restrict shareholders' attendance to the General Meeting. If this is the case, an update will be given on Capricorn's website (www.Capricornenergy.com/investors/) and by separate announcement through the regulatory news service of the London Stock Exchange. Shareholders should monitor the Company's website to ensure they are aware of any updates.

The Board remains committed to allowing shareholders the opportunity to engage with the Board. If Shareholders have any questions for the Board in advance of the General Meeting, these can be sent by e-mail to IR.Mailbox@Capricornenergy.com. The Board will endeavour to answer key themes of these questions on the Company's website as soon as practical.

The definitions referenced in this announcement have the same meaning as given in the Circular published today, unless otherwise stated.

Enquiries:

Analysts/Investors

David Nisbet, Corporate Affairs

Tel: 0131 475 3000

Media

Jonathan Milne, Linda Bain, Corporate Affairs

Tel: 0131 475 3000

Patrick Handley, David Litterick, Brunswick Group LLP

Tel: 0207 404 5959

About Capricorn Energy PLC

Capricorn is one of Europe's leading independent upstream energy companies, headquartered in Edinburgh, UK.

Historically we have discovered, developed, and produced oil and gas in multiple settings throughout the world. Today our focus is on growing our current gas and liquids production base through development and exploration, with an ambition to use our strong balance sheet to expand that production base into other attractive markets and to commercialise exploration resources.

We adhere to high sustainability standards; we invest to ensure our portfolio remains competitive through stringent energy transition scenarios and we are committed to net zero carbon emissions by 2040.

For further information, please see: www.capricornenergy.com

IMPORTANT NOTICE

This announcement does not constitute or form part of an offer or invitation, or a solicitation of any offer or invitation, to purchase any Ordinary Shares or other securities.

The full terms and conditions of the Tender Offer will be set out in the Circular, which Shareholders are advised to read in full. Any response to the Tender Offer should be made only on the basis of the information in the Circular.

N. M. Rothschild & Sons Limited ("**Rothschild & Co**"), which is authorised and regulated by the FCA in the United Kingdom, is acting as sponsor and joint financial adviser to the Company and no one else in connection with the Tender Offer and the Return of Value and will not be responsible to anyone other than the Company for providing the protections afforded to clients or for providing advice in relation to the Tender Offer or the Return of Value nor for providing advice in connection with the contents of this announcement or any transaction, arrangement or other matter referred to in this announcement.

J.P. Morgan Securities plc, which conducts its UK banking business as J.P. Morgan Cazenove ("**J.P. Morgan Cazenove**"), is authorised in the United Kingdom by the Prudential Regulation Authority (the "**PRA**") and regulated in the United Kingdom by the FCA and the PRA. J.P. Morgan Cazenove is acting as joint financial adviser and joint corporate broker exclusively for the Company and no one else in connection with the Tender Offer and will not regard any other person as its client in relation to the Tender Offer and will not be responsible to anyone other than the Company for providing the protections afforded to clients of J.P. Morgan Cazenove or its affiliates, nor for providing advice in relation to the Tender Offer or any transaction, arrangement or matter referred to in this announcement.

Morgan Stanley & Co. International plc ("**Morgan Stanley**") is authorised by the PRA and regulated in the United Kingdom by the FCA and the PRA. Morgan Stanley is acting as joint financial adviser and joint corporate broker exclusively for the Company and no one else in connection with the Tender Offer and the Return of Value and will not regard any other person as its client in relation to the Tender Offer and the Return of Value and will not be responsible to any person other than the Company for providing the protections afforded to clients of Morgan Stanley or its affiliates, nor for providing advice in relation to the Tender Offer or the Return of Value or any transaction, arrangement or matter referred to in this announcement.

Save for the responsibilities and liabilities, if any, of Rothschild & Co, J.P. Morgan Cazenove and/or Morgan Stanley (together the "**Financial Advisers**") under FSMA or the regulatory regime established thereunder, none of the Financial Advisers or any persons associated or affiliated with any of them accepts any responsibility whatsoever and makes no representations or warranties, express or implied, in relation to the contents of this announcement, including its accuracy, completeness or verification or for any other statement made or purported to be made by Capricorn, or on Capricorn's behalf, or any of the Financial Advisers or on any Financial Adviser's behalf. Nothing contained in this announcement is, or shall be, relied on as a promise or representation in this respect, whether as to the past or the future, in connection with Capricorn or the Tender Offer. Each Financial Adviser accordingly disclaims to the fullest extent permitted by law all and any responsibility and liability whether arising in tort, contract or otherwise which it might otherwise be found to have in respect of this announcement or any such statement.

Forward-looking statements

This announcement 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 announcement 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, the Market Abuse Regulation 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 announcement 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 announcement to "GBP", "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.