6 September 2022

CAPRICORN ENERGY PLC ("Capricorn" or "the Company")

Half-Year Report Announcement

Simon Thomson, Chief Executive, Capricorn Energy PLC said:

"Almost one year since the acquisition of the Egypt business, we continue to make good progress and have been successful in prioritising oil and liquids production growth while current commodity prices remain high.

We were delighted to return more than US$500 million to shareholders following receipt of the India tax refund at the beginning of the year.

The Board continues to believe that the proposed merger with Tullow can deliver significant long-term value for shareholders through creating a leading, Africa-focused energy company. The Board is also mindful of the impact of external factors and market conditions and is, as always, assessing all options to maximise value for shareholders. The company is exploring a number of expressions of interest relating to alternative transactions, and is engaging with those parties expressing interest to evaluate potential outcomes."

H1 2022 Operational and Strategic Highlights

- Egypt H1 2022 Capricorn working interest production averaged ~35,500 boepd
  - ~14,600 bopd liquids (up 6% from 2021 post acquisition average)
  - 117mmscf/d gas (down 7% from 2021 post acquisition average)
- Focus on liquids production in prevailing oil price environment; currently 41% of production
- Balance sheet: Group net cash at end of H1, US$631m, comprising US$809m cash and US$178m debt
- Capital expenditure of US$82m during H1
- US$77m of earn out consideration received in H1 in relation to the sale of the UK North Sea producing assets
- Receipt of India tax refund of US$1.06bn, enabling further shareholder returns with a ~US$500m tender offer and US$25m share buyback (which completed in July)
- Safe and responsible operations – zero LTIs and zero Tier 1 process Events at BED or Obaiyed in H1

- Proposed all-share combination of Capricorn and Tullow Oil plc, creating a leading African energy company

Outlook

- Full year forecast net capital expenditure of US$175-195m;
  - Egypt Development & Production US$80-90m
  - Egypt Exploration & Appraisal US$20-25m and International Exploration US$75-80m
- Revised full year production guidance of 33,000 boepd to 36,000 boepd (previous guidance 37,000 boepd to 43,000 boepd)
- Egypt Production – a ramp-up in H2 2022 drilling activity is underway following initial delays of the fourth and fifth rigs into Egypt and completion of BED compression project by year end
- Acquisition of 3D seismic programmes in Southeast Horus and West El Fayum concessions, Egypt
- Initiation of operated exploration drilling in South Abu Sennan, Egypt
- Drilling of the Yatzil prospect on Block 7 Mexico expected to commence in Q4 2022
- Clear pathway to net zero by 2040 – comprehensive GHG baseline survey to be completed for Egypt by year end
- Documentation on proposed merger expected to be issued in Q4 2022 ahead of a shareholder meeting

Enquiries to:

Analysts / Investors

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Presentation

The results presentation slides will be available on the website from 7:00am BST.

Conference call

You can listen to the results presentation by dialling in to a conference call at 9am BST using the below dial-in-details. Analysts who wish to ask a question should use the conference call facility.

Dial-in Details:

United Kingdom (Local): +44 (0)330 165 4012

Access code: 5622049

Webcast

There will be a live audio webcast of the results presentation available to view on the website (www.capricornenergy.com) at 9am BST. This can be accessed on PC, Mac, iPad, iPhone, and Android mobile devices.

An 'on demand' version of the webcast will be available on the website as soon as possible after the event. This can be viewed on PC, Mac, iPad, iPhone, and Android mobile devices.

Transcript

A transcript of the results presentation will be available on the website as soon as possible after the event.

Corporate Overview

In Q1, Capricorn received a tax refund from the Government of India of ~US$1.06bn. This enabled a capital return to shareholders via a ~US$500m tender offer and an additional US$25m share buyback programme, completed in July 2022.

The strengthened balance sheet allowed the Company to deliver its strategic focus of securing sustainable short-cycle production to support cash flow generation. The acquisition of the Egypt assets last year was a first step in the new growth platform and met an ambition to operate in regions with strong demand trends.

We intend to use our balance sheet strength and differentiated financial flexibility to add further scale to our production base in the next phase of strategic delivery. The proposed merger with Tullow Oil is an acceleration of this strategy and presents a unique opportunity to create a leading African energy company with a material and diversified asset base and a portfolio of investment opportunities delivering significant production growth and sustainable, regular dividends.

Finance Overview

Oil and gas revenue in Egypt in H1 was US$137m, from net entitlement sales volume of 2.6 mmboe of which 41% was liquids. Oil sales averaged US$110.9/boe and gas sales averaged US$2.9/mcf. Production costs over the period were ~US$33m, or US$5.1/boe (on a WI basis).

Earn out consideration (including associated interest) of US$77m was received in H1, under the terms of the Company's disposal of its UK North Sea producing assets to Waldorf. This payment was calculated based on an average 2021 Brent price of US$70.91bbl and production from the divested assets averaging 18,300 bopd. The forecast FY2022 earn out payment, based on US$100/bbl average Brent price and production associated with the assets of 15,500 bopd, is ~US$136m; this payment would be zero if production from the assets was below 10,815 bopd.

Current estimates of total 2022 capital expenditure are US$175-195m, including:

- Egypt development expenditure of US$80-90m, targeting liquids production in 2022
- Egypt exploration expenditure of US$20-25m to sustain the resource base over time
- UK infrastructure-led exploration expenditure of US$45m, predominantly on the Jaws and Diadem exploration wells with no further well commitments beyond 2022
- Other international exploration of US$30-35m, principally in UK and Mexico, with no further commitments beyond 2022 and any further investment contingent on farm-downs

Egypt Production

Capricorn holds interests across four main concession areas: Obaiyed (Capricorn 50% WI), Badr El Din (Capricorn 50% WI), North-East Abu Gharadig (Capricorn 26% WI) and Alam El Shawish West (Capricorn 20% WI).

- Egypt H1 2022 Capricorn WI production averaged ~35,500 boepd, with a focus on successfully maximising liquids recovery. This aggregate production level was lower than expected with fewer wells brought onstream than originally anticipated, principally as a result of the six-month delay in delivery and start-up of two drilling rigs, sourced from outside Egypt

- Net liquids (oil and condensate) WI production in Egypt grew from 2021 post-acquisition levels of 13,870 boepd to ~14,600 boepd in H1 2022

- Gas production fell from 2021 post-acquisition levels of 127 mmscf/d to ~117 mmscf/d in H1 2022, due to well results at Karam-11 and BTE-4 combined with higher natural decline at the Assil field.

The JV secured additional rig capacity in Q4 2021 to allow a ramp-up in investment following completion of the acquisition in September 2021, in order to take the number of rigs active on the licences from two to five. The third rig began operations in Q1 2022, delivering three wells in the period. The fourth and fifth rigs were subject to logistics and commissioning delays. One of them is now operating on its first well, and the final additional rig is undergoing commissioning activities and expected to begin operations before the end of Q3 2022. Consequently, the number of wells drilled in H1 2022 was lower than originally anticipated, and the full-year drilling and production outlook is therefore expected to be lower than planned.

Good progress has been made on the low-pressure compressor project at the BED-3 facility, where commissioning and start-up is expected at year end, boosting gas production levels. A similar project is anticipated to be approved later in the year at the Obaiyed facility. First gas from the Teen development pilot project is now anticipated in H1 2023.

Capital expenditure on production and development in Egypt for 2022 is expected to be US$80-90m, which is below prior guidance taking into account the drilling schedule impact of rig delays and scheduled timing of first gas from the Teen project.

The greater BED Area electrification project continues and will provide gas-generated power from a centralised system for distribution to the BED and AESW concession areas. This reduces diesel generation, cuts operating costs and GHG emissions and provides improved power reliability, with the likelihood of prolonged ESP runtimes in remote well-sites. More than thirty diesel generators have already been removed from the field.

Exploration

Egypt

The 3D seismic acquisition was safely completed in Q2 2022 in the non-operated North Um Baraka concession (Capricorn 50% WI), with further 3D acquisition expected over the Capricorn-operated concessions from Q3 2022. These high-resolution surveys will provide significantly improved imaging in prospective areas. Capricorn will begin drilling operations in our South Abu Sennan concession (Capricorn 50% WI, Operator) later in 2022.

UK

The Diadem exploration well 22/11b-14 in licence P2379 spudded in Q2 2022 and reached total depth in Q3 2022 of 51m into the Triassic at 3754m measured depth. Reservoired hydrocarbons were not found and operations have begun to permanently plug and abandon the well.

The Jaws well completed in H1 2022 and was unsuccessful.

Mexico

Following approval of the modified exploration plan and budget, drilling of the Yatzil prospect on Block 7 (Capricorn 30% WI) is expected to commence in Q4 2022. This is Capricorn’s final commitment exploration well in Mexico. Capricorn has fully impaired costs remaining on Block 10 and has also submitted a notice of relinquishment to the Mexican authorities for Block 15.

Suriname

Capricorn operates Block 61 (100% WI), situated in the Guyana-Suriname basin where significant discoveries continue to be made. A plan for acquisition of 3D seismic is being evaluated, which is the work commitment for the next exploration phase. Capricorn is progressing in seeking partners to participate in this next phase.

Israel

Capricorn has a 33.34% WI as Operator in eight licences offshore Israel. Following seismic processing in order to mature prospectivity ahead of a drilling decision, Capricorn along with JV partners, has informed the Ministry of Energy of the intention to relinquish the licences.

Mauritania

Capricorn has a 90% WI as Operator in Block C7 offshore Mauritania. The licence has a two-year first exploration period. An environmental baseline and drilling site survey was completed in Q1 2022 with data gathered to inform a drilling decision ahead of the next licence phase.

Proposed merger

On 1 June 2022, Capricorn Energy PLC and Tullow Oil plc announced a proposed merger of equals to create a new company focused on responsible resource development in Africa.

The combination would create a stronger and more resilient business, with a pan-African upstream portfolio of material and diversified producing assets in, Ghana, Egypt, Gabon and Côte d'Ivoire, along with a portfolio of investment opportunities to deliver production growth. The new company would be one of the largest, listed independent African focused energy companies, with the financial flexibility to invest in and accelerate growth and will focus on shareholder returns with opportunities for significant value creation.

Documentation in respect of the court sanctioned scheme of arrangement is expected to be posted to shareholders in Q4 ahead of a shareholder meeting, with completion targeted by year end 2022.

The Board continues to believe that the proposed merger with Tullow can deliver significant long-term value for shareholders through creating a leading, Africa-focused energy company. The Board is also mindful of the impact of external factors and market conditions and is, as always, assessing all options to maximise value for shareholders. The company is exploring a number of expressions of interest relating to alternative transactions, and is engaging with those parties expressing interest to evaluate potential outcomes.

Principal risks and uncertainties

Managing the Group's key risks and associated opportunities is essential to Capricorn's long-term success and sustainability. The Group endeavours to pursue investment opportunities which offer an appropriate level of return whilst ensuring the level of associated political, commercial and technical risk remains within the defined risk appetite of the Group.

The Group's risk management framework provides a systematic process for the identification and management of the key risks and opportunities which may affect the delivery of the Group's strategic objectives. Key Performance Indicators are set annually and determining the level of risk the Group is willing to accept in the pursuit of these objectives is a fundamental component of the Group's risk management framework.

Overall responsibility for the system of risk management and internal control and reviewing the effectiveness of such systems rests with the Board. Principal risks, as well as progress against key risk projects, are reviewed at each Board meeting and at least once a year the Board undertakes a risk workshop to review the Group's principal risks. This integrated approach to risk management has been and continues to be critical to the delivery of strategic objectives.

Responding to Changing Risks during H2 2022

Capricorn has assessed the risks and uncertainties at the end of H1 2022 and the principal risks are:

- Volatile oil and gas prices
- Future challenges and costs to achieving pathway to Net Zero 2040
- Reserves downgrade or impairment
- Failure to secure business development opportunities
- Lack of adherence to health, safety, environment and security policies
- Lack of exploration success
- Misalignments with JV operators
- Political and fiscal uncertainties
- Diminished access to debt markets
- Fraud, bribery and corruption

As part of the embedded risk management process, the Group actively considers emerging risks which could impact on the business. On 1 June 2022, Capricorn announced that it had reached agreement with Tullow Oil on the terms of an all-share merger to create a leading African energy company. This merger will present a number of risks as well as opportunities for the new company and these are actively being considered by management.

Financial Review

Key Production Statistics

	Half Year ended 30 June 2022	**Year ended 31 December 2021**
Production – net WI share (boepd)	**35,500**	36,459
Sales volumes – net EI oil (bblpd)	**5,628**	5,360
Sales volumes – net gas (mmscfpd)	**47,305**	51,599
Average price per boe - oil (US$)	**110.9**	77.8
Average price per mscf	**2.9**	2.9
Revenue from production (US$m)	**137.4**	56.2

The average oil price achieved nearing US$111 per boe. Gas price is essentially fixed under contract to EGPC. Total cost of sales for the period were US$32.8m, with average production costs of ~US$6/boe forecast across the full year.

The depletion charge for the six-month period was US$72.0m, generating a gross profit of US$32.6m, excluding other income relating to tax entitlement volumes.

The Group has not currently hedged any production in Egypt but continues to monitor the position.

Exploration assets

The Capricorn operated Diadem well in the UK North Sea reached total depth on 29 August and did not find reservoired hydrocarbons. Costs incurred to 30 June 2022 of US$11.6m have been charged as unsuccessful costs in the period. The Diadem well followed the nearby, non-operated Jaws well which was also unsuccessful and further costs of US$13.5m were also written off in the period.

In Mexico, Capricorn has no further exploration activity currently planned on Blocks 9 and 10. Previously capitalised costs of US$24.5m have now been fully impaired. Remaining costs capitalised at the half year relate to Block 7 where drilling of the Yatzil well is planned for Q4 2022.

Further exploration costs capitalised at 30 June include US$35.7m and US$16.4m for licences in Mauritania and Suriname respectively where Capricorn continues to work toward farming-down the Group’s working interests before committing to exploration drilling. In Egypt, exploration costs capitalised on US$12.4m include US$4.4m across the Capricorn operated concessions.

Development assets

Additions in the period in Egypt were US$32.2m, primarily focussed on the concessions in the Badr El Din area.

Impairment assessment

While the proposed merger with Tullow Oil has no direct impact on Capricorn's results for the six-month period to 30 June 2022, the implied value of the Group is less than the current net asset value carried in the Group balance sheet, providing an indicator of impairment. Subsequent impairment tests performed across the assets did not result in any impairment, other than in Mexico for separate reasons as disclosed.

Net cash inflow for the Period

	US$m
Opening net cash at 1 January 2022	**132.7**
India tax refund	**1,056.0**
Return of cash to shareholders	**(528.6)**
Net cash inflow from operations	**50.2**
Earn-out consideration, including interest	**77.2**
Exploration expenditure	**(58.4)**
Development expenditure	**(23.2)**
Deferred consideration and working capital adjustments [1]	**(35.2)**
Pre-award costs, new venture activities and carbon credits [2]	**(17.2)**
Administration expenses, office leases and corporate assets	**(14.8)**
Net finance costs, equity and other movements	**(7.4)**
Closing net cash at 30 June 2022	**631.3**

[1]Deferred consideration on Egypt acquisition of US$20.9m and working capital settlements of US$14.3m on Egypt acquisition and North Sea asset disposals

[2] Cash outflows on new venture activities of US$3.6m not relating to pre-award activities are reallocated from administration costs. Costs of carbon credits of US$7.0m are included within expenditure on property, plant & equipment and intangibles within the statutory cash flow.

Reconciliation of statutory cash flow to non-GAAP cash inflow from operations:

	US$m
Operating cash flow per statutory cash flow statement	**19.1**
Non-GAAP Adjustments:	
Administrative costs reallocated	**9.8**
Pre-award and new venture costs reallocated	**10.2**
Working capital settlements	**11.1**
Net cash inflow from operations	**50.2**

Capricorn held cash balances of US$809.0m at 30 June 2022. Combined with borrowings relating to the acquisition of the Egypt business of US$177.7m, exclusive of borrowing costs, this led to a net cash position of US$631.3m at the balance sheet date, representing a net cash inflow of US$498.6m over the period. Settlement of the US$1.06bn India Tax refund allowed the Group to return US$528.6m to shareholders by way of a tender offer and share buy-back programme. Earn out consideration was received on the sale of UK assets of US$77.2m and Capricorn settled US$20.9m relating to the Egypt business combination with further working capital adjustments of US$14.3m relating to prior year transactions. Operating cash flows from the Egypt operations were US$50.2m.

Exploration expenditure of US$58.4m in the period includes US$27.3m of UK exploration costs, mostly relating to the Jaws and Diadem wells, with remaining costs spread across the Group's assets in Egypt, Mauritania, Mexico and Suriname. Development costs in Egypt were US$23.2m across the period.
Administration expenses and corporate asset costs include US$7.0m of costs associated with the purchase of carbon credits.

Included within net finance costs are the exchange loss suffered on conversion of the India tax refund from INR to US$ of US$14.7m and proceeds on disposal of the Group's residual shareholding in Vedanta of US$12.8m.

Results for the period – Other operating income and expense

Continuing operations

Pre-award costs and unsuccessful exploration costs incurred in the period were US$6.3m and US$28.7m, the latter largely relating to the unsuccessful Jaws and Diadem wells in the UK. Impairment of US$24.5m was charged on the Mexico asset in Block 10.

Administrative costs have increased year-on-year from US$24.6m for the six months to June 2021 to US$33.5m. Recurring administrative expenses remain largely in-line with prior years with one-off costs associated with the successful resolution of the India tax issue driving the increase.

Discontinued operations

The increase in the fair value of earn out consideration due on the UK assets sold in 2021 led to a profit of US$120.9m over the period.

Taxation

Continuing operations

The current tax charge for the period of US$23.2m, includes US$23.0m of tax paid on Capricorn's behalf on profits from the Egypt concessions. Capricorn receive a notional increased share of production to cover the tax due which is recorded as other income.

The deferred tax charge relating to operations in Egypt reflects the timing difference on the recovery of assets.

Discontinued operations

A deferred tax charge of US$7.8m is attributable to the fair value increase of the earn out consideration receivable, with the Group's current UK tax losses no longer able to shelter this income in full. Capricorn believe that future deductible costs for general overheads over the coming years will fully offset any actual tax charge in relation to the earn out income.

Audit Tender

On 30 June 2022, the Group's Audit Committee wrote to the Financial Reporting Council ("FRC") to request a one-year extension to PwC's appointment as auditor of the Capricorn Group, should the merger with Tullow Oil fail to complete. Given the exceptional circumstances of the proposed merger, it was considered that running the audit tender as originally planned over the second half of 2022 could compromise the robustness of the tender process. The FRC subsequently approved this request with formal notice published on the FRC website on 5 August 2022.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors confirm that these condensed consolidated interim financial statements have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting', and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and give a true and fair view of the assets, liabilities, financial position and loss for the period and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and
- a description of the principal risks and uncertainties for the remaining six months of the financial year.

There were no material related-party transactions in the first six months and no material changes in the related-party transactions described in the last annual report.

The directors of Capricorn Energy PLC are listed in the Capricorn Energy PLC Annual Report for 31 December 2021. A list of current directors is maintained on the Capricorn Energy PLC website: www.capricornenergy.com.

By order of the Board.

Simon Thomson

Chief Executive
5 September 2022

James Smith

Chief Financial Officer
5 September 2022

About Capricorn Energy PLC

Capricorn Energy PLC 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 on Capricorn please see: www.capricornenergy.com

Independent review report to Capricorn Energy PLC
Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed Capricorn Energy PLC's condensed consolidated interim financial statements (the "interim financial statements") in the Financial Statements of Capricorn Energy PLC for the 6 month period ended 30 June 2022 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the Group Balance Sheet as at 30 June 2022;
- the Group Income Statement and Group Statement of Comprehensive Income for the period then ended;
- the Group Statement of Cash Flows for the period then ended;
- the Group Statement of Changes in Equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Financial Statements of Capricorn Energy PLC have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Financial Statements and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Material uncertainty related to going concern

In forming our conclusion on the interim financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1.2 to the interim financial statements concerning the Group's ability to continue as a going concern. As outlined in note 1.2 to the interim financial statements, on 1 June 2022, the Capricorn Energy Plc Group announced its intention to merge with Tullow Oil PLC to create a new combined Group and ultimate parent undertaking. The Tullow transaction remains subject to shareholder approval. Assuming such approval is received the transaction is likely to complete within 12 months of the approval of these interim financial statements. The current Directors will not have full control over the new combined Group and therefore they do not currently have full knowledge of the new ultimate parent undertaking's future intentions and funding plans in relation to the Group. The Group is also exploring potential alternative transactions. These conditions, along with the other matters explained in note 1.2 to the interim financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the group's ability to continue as a going concern. The interim financial statements do not include the adjustments that would result if the group were unable to continue as a going concern.

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately applied the going concern basis of accounting in the preparation of the interim financial statements.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The Financial Statements, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the Financial Statements in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the Financial Statements, including the interim financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the Financial Statements based on our review. Our conclusion is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
Edinburgh
5 September 2022

Capricorn Energy PLC
Financial Statements
For the six months ended 30 June 2022

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Capricorn Energy PLC

Group Income Statement

For the six months ended 30 June 2022

	Note	**Six months ended 30 June 2022 (unaudited) US$m**	Six months ended 30 June 2021 (unaudited) US$m	Year ended 31 December 2021 (audited) US$m
Continuing operations				
Revenue	2.1	**137.4**	0.5	57.1
Other income	2.1	**23.0**	-	7.3
Cost of sales		**(32.8)**	-	(20.5)
Depletion charge	2.3	**(72.0)**	-	(31.2)
Gross profit		**55.6**	0.5	12.7
Pre-award costs		**(6.3)**	(8.6)	(15.8)
Unsuccessful exploration costs	2.2	**(28.7)**	(14.9)	(50.6)
Impairment of intangible exploration/appraisal assets	2.2	**(24.5)**	-	(19.6)
Other operating income		**0.1**	0.2	0.6
Administrative and other expenses	4.2	**(33.5)**	(24.6)	(58.2)
Operating loss		**(37.3)**	(47.4)	(130.9)
Exceptional income – India tax refund		**-**	-	1,070.7
Fair value loss – deferred consideration on business combination		**(11.2)**	-	(7.2)
Gain on financial assets at fair value through profit or loss		**1.5**	3.1	5.5
Finance income		**5.1**	5.9	4.5
Finance costs	4.3	**(6.8)**	(49.0)	(68.9)
(Loss)/Profit before taxation from continuing operations		**(48.7)**	(87.4)	873.7
Tax charge	5.1	**(24.8)**	-	(4.2)
(Loss)/Profit from continuing operations		**(73.5)**	(87.4)	869.5
Profit/(Loss) from discontinued operations	6.1	**120.9**	(12.8)	25.0
Profit/(Loss) for the period attributable to equity holders of the Parent		**47.4**	(100.2)	894.5
Earnings per share for (loss)/profit from continuing operations:				
(Loss)/Profit per ordinary share – basic (cents)	4.4	**(18.10)**	(17.53)	175.58
(Loss)/Profit per ordinary share – diluted (cents)	4.4	**(18.10)**	(17.53)	170.91
Earnings per share for profit/(loss) attributable to equity holders of the Parent:				
Profit/(Loss) per ordinary share – basic (cents)	4.4	**11.64**	(20.10)	180.63
Profit/(Loss) per ordinary share – diluted (cents)	4.4	**11.38**	(20.10)	175.82

Capricorn Energy PLC
Group Statement of Comprehensive Income
For the six months ended 30 June 2022

	Six months ended 30 June 2022 (unaudited) US$m	Six months ended 30 June 2021 (unaudited) US$m	Year ended 31 December 2021 (audited) US$m
Profit/(Loss) for the period attributable to equity holders of the Parent	**47.4**	(100.2)	894.5
Other Comprehensive (Expense)/Income – items that may be recycled to the Income Statement			
Fair value loss on hedge options	**-**	(13.3)	(14.2)
Hedging loss recycled to the Income Statement	**-**	10.0	14.9
Fair value on hedge options recycled to the Income Statement on cessation of hedge accounting	**-**	-	2.7
Currency translation differences	**(16.1)**	1.1	2.0
Currency translation differences recycled to the Income Statement on disposal of subsidiary	**-**	39.4	54.7
Other Comprehensive (Expense)/Income for the period	**(16.1)**	37.2	60.1
Total Comprehensive Income/(Expense) for the period attributable to equity holders of the Parent	**31.3**	(63.0)	954.6
Total Comprehensive (Expense)/Income from:			
Continuing operations	**(89.6)**	(46.9)	874.9
Discontinuing operations	**120.9**	(16.1)	79.7
	31.3	(63.0)	954.6

Capricorn Energy PLC
Group Balance Sheet
As at 30 June 2022

	Note	30 June 2022 (unaudited) US$m	30 June 2021 (unaudited) US$m	31 December 2021 (audited) US$m
Non-current assets				
Intangible exploration/appraisal assets	2.2	**88.9**	117.1	98.3
Property, plant & equipment – development/producing assets	2.3	**334.1**	-	373.9
Goodwill	2.4	**25.4**	-	25.4
Financial assets at fair value through profit or loss	3.4	**119.2**	-	120.4
Other property, plant & equipment and intangible assets		**11.7**	9.1	5.7
		579.3	126.2	623.7
Current assets				
Cash and cash equivalents	3.1	**809.0**	341.4	314.1
Inventory		**10.8**	-	10.8
Trade and other receivables	3.3	**211.8**	37.5	1,211.2
Financial assets at fair value through profit or loss	3.4	**127.7**	8.3	86.6
		1,159.3	387.2	1,622.7
Assets held-for-sale		**-**	724.9	-
Total assets		**1,738.6**	1,238.3	2,246.4
Current liabilities				
Loans and borrowings	3.2	**16.3**	-	10.9
Lease liabilities		**1.9**	2.4	2.4
Derivative financial instruments		**-**	6.8	-
Trade and other payables	3.5	**138.2**	22.4	152.2
Provisions – well abandonment		**0.5**	-	-
Deferred consideration on business combinations	3.4	**24.6**	-	20.9
		181.5	31.6	186.4
Non-current liabilities				
Loans and borrowings	3.2	**157.6**	-	166.1
Lease liabilities		**0.2**	2.5	1.3
Provisions – well abandonment		**3.0**	2.2	2.2
Deferred consideration on business combinations	3.4	**35.7**	-	49.1
Deferred tax liabilities	5.2	**52.1**	-	42.7
		248.6	4.7	261.4
Liabilities held-for-sale		**-**	398.9	-
Total liabilities		**430.1**	435.2	447.8
Net assets		**1,308.5**	803.1	1,798.6
Equity attributable to equity holders of the Parent				
Called-up share capital	7.1	**8.0**	12.6	12.6
Share premium	7.1	**494.7**	490.6	490.9
Shares held by ESOP/SIP Trusts		**(19.3)**	(19.1)	(17.5)
Foreign currency translation		**(90.2)**	(90.3)	(74.1)
Merger and capital reserves		**45.5**	40.8	40.9
Hedge reserve		**-**	(6.7)	-
Retained earnings		**869.8**	375.2	1,345.8
Total equity		**1,308.5**	803.1	1,798.6

Capricorn Energy PLC

Group Statement of Cash Flows

For the six months ended 30 June 2022

	Six months ended 30 June 2022 (unaudited) US$m	Six months ended 30 June 2021 (unaudited) US$m	Year ended 31 December 2021 (audited) US$m
Cash flows from operating activities:			
(Loss)/Profit before taxation from continuing operations	**(48.7)**	(87.4)	873.7
Profit/(Loss) before tax from discontinued operations (note 6.1)	**128.7**	(12.8)	198.8
Profit/(Loss) before tax including discontinued operations	**80.0**	(100.2)	1,072.5
Adjustments for non-cash income and expense and non-operating cash flows:			
Other income – tax entitlement volumes	**(23.0)**	-	(7.3)
Release of deferred revenue	**-**	(21.7)	(21.7)
Unsuccessful exploration costs	**28.7**	14.9	50.6
Depreciation, depletion and amortisation charges	**75.0**	38.7	73.6
Impairment of intangible exploration/appraisal assets	**24.5**	-	19.6
Share-based payments charge	**5.7**	5.5	10.2
Impairment of disposal group non-current assets	**-**	144.6	56.0
Exceptional income – India tax refund	**-**	-	(1,070.7)
Fair value loss – deferred consideration on business combination	**11.2**	-	7.2
(Gain)/Loss on financial assets at fair value through profit or loss	**(129.2)**	(3.1)	2.6
Finance income	**(5.1)**	(5.9)	(4.5)
Finance costs	**6.8**	57.0	78.7
Adjustments in current assets and liabilities:			
Inventory movement	**-**	9.0	(4.6)
Increase in trade and other receivables (note 3.3)	**(62.2)**	(18.5)	(70.8)
Increase/(Decrease) in trade and other payables (note 3.5)	**6.7**	(19.0)	(11.5)
Net cash flows from operating activities	**19.1**	101.3	179.9
Cash flows from investing activities:			
Exceptional tax income – India tax refund	**1,056.0**	-	-
Expenditure on intangible exploration/appraisal assets	**(58.4)**	(18.9)	(62.5)
Expenditure on development/producing assets	**(23.2)**	(6.4)	(24.0)
Expenditure on other property, plant & equipment and intangible assets	**(10.6)**	(1.4)	(2.9)
Deferred consideration received - discontinued operations	**75.7**	-	-
Consideration paid for assets acquired through business combination	**(3.2)**	(7.9)	(310.1)
Deferred consideration paid on business combination	**(20.9)**	-	-
Expenditure on financial asset at fair value through profit and loss	**-**	-	(6.9)
Proceeds on disposal of financial assets	**12.8**	-	-
Proceeds on disposal of intangible exploration/appraisal assets	**-**	-	23.6
Proceeds on disposal of oil and gas assets – discontinued operations	**-**	-	63.9
Proceeds on disposal of purchaser bonds – discontinuing operations	**-**	-	30.0
Costs incurred on disposal of oil and gas assets	**-**	(6.0)	(7.3)
Interest received and other finance income	**2.7**	0.1	0.2
Net cash flows from/(used in) investing activities	**1,030.9**	(40.5)	(296.0)
Cash flows from financing activities:			
Return of cash to shareholders	**-**	(257.2)	(257.2)
Share re-purchase	**(528.6)**	-	(7.8)
Debt arrangement fees	**-**	-	(4.6)
Other interest and charges	**(7.3)**	(3.5)	(5.8)
Proceeds from loans and borrowings	**-**	-	181.4
Repayment of loans and borrowings	**(3.7)**	-	-
Proceeds from issue of shares	**3.8**	0.5	0.9
Cost of shares purchased	**(19.8)**	(8.3)	(8.7)
Lease payments	**(1.4)**	(27.0)	(46.1)
Net cash flows used in financing activities	**(557.0)**	(295.5)	(147.9)
Net increase/(decrease) in cash and cash equivalents	**493.0**	(234.7)	(264.0)
Opening cash and cash equivalents at the beginning of the period	**314.1**	569.6	569.6
Foreign exchange differences	**1.9**	6.5	8.5
Closing cash and cash equivalents (note 3.1)	**809.0**	341.4	314.1

Capricorn Energy PLC

Group Statement of Changes in Equity

For the six months ended 30 June 2022

	Equity share capital and share premium US$m	Shares held by ESOP/ SIP Trusts US$m	Foreign currency translation US$m	Merger and capital reserves US$m	Hedge reserve US$m	Retained earnings US$m	**Total equity US$m**
At 1 January 2021	502.7	(13.4)	(130.8)	40.8	(3.4)	729.7	1,125.6
Profit for the year	-	-	-	-	-	894.5	894.5
Fair value on hedge options	-	-	-	-	(14.2)	-	(14.2)
Hedging loss recycled to the Income Statement	-	-	-	-	14.9	-	14.9
Fair value on hedge options recycled to the Income Statement on cessation of hedge accounting	-	-	-	-	2.7	-	2.7
Currency translation differences	-	-	2.0	-	-	-	2.0
Currency translation differences recycled on disposal of subsidiary	-	-	54.7	-	-	-	54.7
Total comprehensive income	-	-	56.7	-	3.4	894.5	954.6
Return of cash to shareholders	-	-	-	-	-	(257.2)	(257.2)
Share-based payments	-	-	-	-	-	10.2	10.2
Exercise of employee share options	0.9	-	-	-	-	-	0.9
Share re-purchase	(0.1)	-	-	0.1	-	(26.8)	(26.8)
Cost of shares purchased	-	(8.7)	-	-	-	-	(8.7)
Cost of shares vesting	-	4.6	-	-	-	(4.6)	-
At 31 December 2021	503.5	(17.5)	(74.1)	40.9	-	1,345.8	1,798.6
Profit for the period	-	-	-	-	-	47.4	**47.4**
Currency translation differences	-	-	(16.1)	-	-	-	**(16.1)**
Total comprehensive (expense)/income	-	-	(16.1)	-	-	47.4	**31.3**
Share-based payments	-	-	-	-	-	5.7	**5.7**
Exercise of employee share options	3.8	-	-	-	-	-	**3.8**
Share re-purchase	(4.6)	-	-	4.6	-	(511.1)	**(511.1)**
Cost of shares purchased	-	(19.8)	-	-	-	-	**(19.8)**
Cost of shares vesting	-	18.0	-	-	-	(18.0)	**-**
At 30 June 2022	**502.7**	**(19.3)**	**(90.2)**	**45.5**	**-**	**869.8**	**1,308.5**

Capricorn Energy PLC

Group Statement of Changes in Equity (continued)

For the six months ended 30 June 2021

	Equity share capital and share premium US$m	Shares held by ESOP/ SIP Trusts US$m	Foreign currency translation US$m	Merger and capital reserves US$m	Hedge reserve US$m	Retained earnings US$m	Total equity US$m
At 1 January 2021	502.7	(13.4)	(130.8)	40.8	(3.4)	729.7	1,125.6
Loss for the period	-	-	-	-	-	(100.2)	(100.2)
Fair value on hedge options	-	-	-	-	(13.3)	-	(13.3)
Hedging gain recycled to the Income Statement	-	-	-	-	10.0	-	10.0
Currency translation differences	-	-	1.1	-	-	-	1.1
Currency translation differences recycled on disposal of subsidiary	-	-	39.4	-	-	-	39.4
Total comprehensive income/(expense)	-	-	40.5	-	(3.3)	(100.2)	(63.0)
Exercise of employee share options	0.5	-	-	-	-	-	0.5
Share-based payments	-	-	-	-	-	5.5	5.5
Cost of shares purchased	-	(8.3)	-	-	-	-	(8.3)
Cost of shares vesting	-	2.6	-	-	-	(2.6)	-
Return of cash to shareholders	-	-	-	-	-	(257.2)	(257.2)
At 30 June 2021	503.2	(19.1)	(90.3)	40.8	(6.7)	375.2	803.1

Section 1 – Basis of Preparation

1.1 Accounting Policies: Basis of Preparation

The half-yearly condensed consolidated Financial Statements (the "Financial Statements") for the six months ended 30 June 2022 have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and with UK adopted International Accounting Standard IAS 34, 'Interim financial reporting'. They should be read in conjunction with the annual Financial Statements for the year ended 31 December 2021, which have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

This half-yearly report was approved by the Directors on 5 September 2022. The disclosed figures, which have been reviewed but not audited, are not statutory accounts in terms of Section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2021, on which the auditors gave an unqualified audit report, which did not contain an emphasis of matter paragraph or any statement under section 498 of the Companies Act 2006, have been filed with the Registrar of Companies.

This half-yearly report has been prepared on a basis consistent with the accounting policies expected to be applied for the year ending 31 December 2022 and uses the same accounting and financial risk management policies and methods of computation as those applied for the year ended 31 December 2021, other than changes to accounting policies resulting from the adoption of new or revised accounting standards. Changes to IFRS effective 1 January 2022 have no significant impact on Capricorn's accounting policies or Financial Statements. The Capricorn Energy PLC Group's proposed merger with Tullow Oil PLC is not expected to result in any change to the Group's current accounting policies.

Significant key estimates and assumptions are unchanged from those applied in the year ended 31 December 2021 and therefore apply to these Financial Statements.

1.2 Going Concern

The Directors have considered the factors relevant to support a statement of going concern. In assessing whether the going concern assumption is appropriate, the Board considered the Group cash flow forecasts under various scenarios, identifying risks and mitigating factors and ensuring the Group has sufficient funding to meet its current and contracted commitments as and when they fall due for a period of at least 12 months from the date of signing these Financial Statements.

At the balance sheet date and the date of this report, the Group has significant surplus cash balances, following receipt of the India tax refund, exceeding debt drawn on the Senior Secured Borrowing and Junior Debt Facilities which part-funded the Egypt acquisition.

Under both Capricorn's and the lenders assumptions, the Group has sufficient resources to maintain compliance with the financial covenant associated with the facilities in terms of a twelve-month forward-looking liquidity test. Downside scenarios run include a return to sustained low oil prices, reductions in forecast production, increases to forecast operating and drilling costs, and a reduction in amounts available to be drawn from borrowing facilities.

On 1 June 2022, Capricorn announced its intention to merge with Tullow Oil PLC to create a new combined Group and ultimate parent undertaking. The transaction remains subject to shareholder approval. Assuming such approval is received, the transaction is expected to complete within 12 months of these Financial Statements. There is a reasonable expectation that the new Group and ultimate parent undertaking will have adequate resources to continue in operational existence for the foreseeable future and provide ongoing support to the Company. The Directors believe it is therefore appropriate to continue to adopt the going concern basis of accounting in preparing these financial statements. The Capricorn Directors will not have full control over the new Combined Group and therefore do not have full knowledge of the new ultimate parent undertaking's future intentions and funding plans in relation to the new Group. The Group is also exploring potential alternative transactions. These conditions indicate the existence of a material uncertainty over the Group's ability to continue as a going concern.

These Financial Statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

Section 2 – Oil and Gas Assets and Operations

2.1 Gross Profit: Revenue and Cost of Sales

	Six months ended 30 June 2022 US$m	Six months ended 30 June 2021 US$m	Year ended 31 December 2021 US$m
Oil sales	**112.9**	-	41.3
Gas sales	**24.5**	-	14.9
Revenue from oil and gas sales	**137.4**	-	56.2
Royalty income	**-**	0.5	0.9
Total revenue	**137.4**	0.5	57.1
Other Income – Tax entitlement volumes	**23.0**	-	7.3
Other income	**23.0**	-	7.3
Production costs and inventory movements	**(32.8)**	-	(20.5)
Cost of sales	**(32.8)**	-	(20.5)
Depletion (note 2.3)	**(72.0)**	**-**	(31.2)
Gross profit	**55.6**	0.5	12.7

Oil and gas revenue in Egypt for H1 2022, was US$137.4m (period from 24 September 2021 to 31 December 2021: US$56.2m), from net entitlement volumes of 2.6 mmboe (period from 24 September 2021 to 31 December 2021: 1.4 mmboe). Oil sales price realised averaged US$110.9/boe (period from 24 September 2021 to 31 December 2021: US$77.8/boe) and gas sales prices remained at US$2.9/mscf (period from 24 September 2021 to 31 December 2021: US$2.9/mscf). Other income represents additional entitlement to cover tax due which is paid on Capricorn's behalf by EGPC; see section 5.

Cost of sales over the period were US$32.8m (period from 24 September 2021 to 31 December 2021: US$20.5m), or US$5.1/boe (period from 24 September 2021 to 31 December 2021: US$6.0/boe) (on a WI basis).

Section 2 – Oil and Gas Assets and Operations

2.2 Intangible Exploration/Appraisal Assets

	Egypt US$m	Eastern US$m	Western US$m	**Total US$m**
Cost				
At 1 January 2021	-	34.9	113.2	148.1
Additions	-	7.1	12.8	19.9
Unsuccessful exploration costs	-	(15.1)	0.2	(14.9)
Transfer to assets held-for-sale	-	-	(36.0)	(36.0)
At 30 June 2021	-	26.9	90.2	117.1
Additions	6.6	5.1	48.4	60.1
Unsuccessful exploration costs	(2.9)	(3.1)	(29.7)	(35.7)
Transfer to assets held-for-sale	-	-	36.0	36.0
Disposals	-	-	(59.6)	(59.6)
At 31 December 2021	3.7	28.9	85.3	117.9
Additions	8.1	6.8	28.9	**43.8**
Unsuccessful exploration costs	0.6	-	(29.3)	**(28.7)**
At 30 June 2022	**12.4**	**35.7**	**84.9**	**133.0**
Impairment				
At 1 January 2021	-	-	36.0	36.0
Transfer to assets held-for-sale	-	-	(36.0)	(36.0)
At 30 June 2021	-	-	-	-
Charge for the period	-	-	19.6	19.6
Transfer to assets held-for-sale	-	-	36.0	36.0
Disposals	-	-	(36.0)	(36.0)
At 31 December 2021	-	-	19.6	19.6
Charge for the period	-	-	24.5	**24.5**
At 30 June 2022	**-**	**-**	**44.1**	**44.1**
Net book value				
At 30 June 2021	-	26.9	90.2	117.1
At 31 December 2021	3.7	28.9	65.7	98.3
At 30 June 2022	**12.4**	**35.7**	**40.8**	**88.9**

All additions to intangible exploration/appraisal assets were funded through cash and working capital.

Egypt

Additions in Egypt of US$8.1m mainly relate to costs incurred in a new exploration phase in North Um Baraka, Sitra, Alam El Shawish West and the Capricorn operated concession Southeast Horus. A release of accruals of US$0.6m relating an unsuccessful North Um Baraka exploration well drilled in 2021 were credited to the Income Statement through a write-back of unsuccessful exploration costs.

Eastern

Additions in the period of US$6.8m were incurred on Mauritania Block 7.

Western

In the UK there were additions of US$5.0m on the P2389 licence containing the Diadem prospect, with remaining additions of US$3.4m incurred across the rest of the UK portfolio. US$0.7m of the Diadem additions were short-term lease costs. During the period costs of US$13.5m and US$11.6m were charged to the Income Statement as unsuccessful costs on the Jaws (P2380 licence) and Diadem (P2379 licence) prospects respectively, with a further US$1.8m of unsuccessful costs incurred on other UK portfolio licences.

In Mexico additions for the period of US$4.6m were spread across Blocks 7, 9, 10 and 15. Unsuccessful costs of US$2.4m were charged to the Income Statement for Blocks 7, 9 and 15. All costs relating to Blocks 9 and 15 have been charged to the Income Statement and costs relating to Block 10 have been fully impaired (discussed further below). Remaining capitalised costs relate to Block 7 where the Yatzil well is planned later in 2022.

In Suriname additions for the period were US$0.9m.

Section 2 – Oil and Gas Assets and Operations (continued)

2.2 Intangible Exploration/Appraisal Assets (continued)

Impairment review
At 30 June 2022, Capricorn reviewed its intangible exploration/appraisal assets for indicators of impairment. In Block 10 Mexico, no further exploration is planned and the Group do not intend to join partners in any future development of the two discoveries on the licence. Costs of US$24.5m have therefore been fully impaired at the balance sheet date. No further intangible exploration/appraisal asset impairments have been identified.

2.3 Property, Plant & Equipment – Development/Producing Assets

	Egypt US$m	UK Producing Assets US$m	UK Producing right-of-use leased assets US$m	**Total US$m**
Cost				
At 1 January 2021	-	1,177.7	316.3	1,494.0
Transfer to assets held-for-sale	-	(1,177.7)	(316.3)	(1,494.0)
At 30 June 2021	-	-	-	-
Acquisitions through business combinations	390.2	-	-	390.2
Additions	14.9	-	-	14.9
At 31 December 2021	405.1	-	-	405.1
Additions	32.2	-	-	**32.2**
At 30 June 2022	**437.3**	**-**	**-**	**437.3**
Depletion and amortisation				
At 1 January 2021	-	517.0	127.2	644.2
Depletion and amortisation charges – discontinued operations	-	27.1	8.2	35.3
Transfer to assets held-for-sale	-	(544.1)	(135.4)	(679.5)
At 30 June 2021	-	-	-	-
Depletion	31.2	-	-	31.2
At 31 December 2021	31.2	-	-	31.2
Depletion	72.0	-	-	**72.0**
At 30 June 2022	**103.2**	**-**	**-**	**103.2**
Net book value				
At 30 June 2021	-	-	-	-
At 31 December 2021	373.9	-	-	373.9
At 30 June 2022	**334.1**	**-**	**-**	**334.1**

Additions on development activity in the period were funded through cash and working capital.

In Egypt, depletion of US$72.0m was charged to the Income Statement based on entitlement interest production. The costs for depletion include future capital costs-to-complete consistent with the life-of-field reserve estimates used in the calculation.

Impairment tests conducted on development assets in Egypt did not identify any impairment.

Section 2 – Oil and Gas Assets and Operations (continued)

2.4 Goodwill

	US$m
At 1 January 2021 and 30 June 2021	-
Goodwill arising on acquisition	25.4
At 31 December 2021 and at 30 June 2022	**25.4**

At 30 June 2022, Goodwill, which relates entirely to Egypt, was tested for impairment. No impairment was identified.

The Group has not adjusted opening balances recorded on the recognition of assets through the Egypt business combination.

2.5 Capital Commitments

Oil and gas expenditure:	**At 30 June 2022 US$m**	At 30 June 2021 US$m	At 31 December 2021 US$m
Intangible exploration/appraisal assets	**52.4**	49.9	71.8
Property, plant & equipment – development/producing assets	**46.3**	-	93.7
Contracted for	**98.7**	49.9	165.5

Capital commitments represent Capricorn's share of obligations relating to its interests in joint operations. These commitments include Capricorn's share of the capital commitments of the joint operations themselves.

The capital commitments for intangible exploration/appraisal assets include US$10.7m in Egypt, US$12.6m in Mexico, and US$29.1m for operations in the UK on the Diadem prospect.

At 30 June 2022 and 30 December 2021, the capital commitments for property, plant & equipment – development/producing assets related to Egypt operations.

At 30 June 2022, Capricorn had commitments of US$7.8m relating to short term-leases for the UK Diadem prospect. This amount is also included in the total intangible exploration/appraisal assets commitment shown above.

2.6 Impairment Testing Sensitivity Analysis

Impairment sensitivity analysis was performed on the Egypt cash-generating unit, including goodwill, and the underlying development/producing assets.

No impairment arose using the Group's year-end 31 December 2021 long-term oil price assumption of US$55 per bbl, with costs escalated at 4% long-term. No downside sensitivities have been performed on the long-term oil price assumption.

Increasing the long-term cost escalation assumption to 6% did not result in an impairment at long-term oil price assumptions above US$60 per bbl. Increasing long-term cost escalation to 8% did not result in an impairment at long-term oil price assumptions above US$65 per bbl.

Impairment sensitivity analysis performed on the Group discount-rate assumption of 10% did not identify any impairment when discount rates were increased to 12% and 14%.

Section 3 – Working Capital, Financial Instruments and Long-Term Liabilities

3.1 Cash and Cash Equivalents

	At 30 June 2022 US$m	At 30 June 2021 US$m	At 31 December 2021 US$m
Cash at bank	**99.8**	3.9	84.8
Bank deposits less than three months	**73.0**	-	-
Money market funds	**636.2**	337.5	229.3
	809.0	341.4	314.1

3.2 Loans and Borrowings

Reconciliation of opening and closing liabilities to cash flow movements:	**At 30 June 2022 US$m**	At 30 June 2021 US$m	At 31 December 2021 US$m
Opening liabilities	**177.0**	-	-
Loan advances in the period disclosed in the Cash Flow Statement:			
Senior Debt Facility	**-**	-	141.4
Junior Debt Facility	**-**	-	40.0
	-	**-**	181.4
Loan repayments in the period disclosed in the Cash Flow Statement:			
Senior Debt Facility	**(3.7)**	-	-
	(3.7)	-	-
Other movements in Cash Flow Statement:			
Debt arrangement fees	**-**	-	(4.6)
Non-cash movements:			
Amortisation of debt arrangement fees	**0.6**	-	0.2
Closing liabilities	**173.9**	-	177.0
Amounts due less than one year	**16.3**	-	10.9
Amounts due greater than one year	**157.6**	-	166.1
Closing liabilities	**173.9**	-	177.0

Section 3 – Working Capital, Financial Instruments and Long-Term Liabilities

3.3 Trade and Other Receivables

	At 30 June 2022 US$m	At 30 June 2021 US$m	At 31 December 2021 US$m
India tax refund receivable	**-**	-	1,070.7
Trade receivables	**113.6**	0.1	63.3
Other receivables	**22.8**	9.5	14.0
Prepayments	**7.7**	12.5	7.8
Joint operation receivables	**67.7**	15.4	55.4
	211.8	37.5	1,211.2

The India tax refund was received in February 2022. Trade receivables relate to the Group's producing assets in Egypt and discussions are ongoing with EGPC and the operator to manage the receivables position. Other receivables include VAT recoverable in the UK and Mexico.

Joint operation receivables include Capricorn's working interest share of the receivables relating to joint operations and amounts recoverable from partners in joint operations.

Reconciliation of opening and closing receivables to operating cash flow movements:	**30 June 2022 US$m**	30 June 2021 US$m	31 December 2021 US$m
Opening trade and other receivables	**1,211.2**	74.6	74.6
Closing trade and other receivables	**(211.8)**	(37.5)	(1,211.2)
Decrease/(Increase) in trade and other receivables	**999.4**	37.1	(1,136.6)
Increase in trade and other receivables classified as assets held-for-sale	**-**	(48.4)	-
Decrease/(Increase) in trade and other receivables including assets-held-for-sale	**999.4**	(11.3)	(1,136.6)
Foreign exchange	**(18.7)**	0.5	0.2
India tax refund (received)/receivable	**(1,056.0)**	-	1,070.7
Increase/(Decrease) in joint operation receivables relating to investing activities for expenditure on oil and gas assets	**11.1**	(6.5)	(1.3)
Increase in other debtors relating to investing activities	**1.7**	-	0.2
(Decrease)/Increase in prepayments relating to investing activities	**(0.2)**	6.1	2.7
Increase/(Decrease) in prepayments and other receivables relating to financing activities	**0.5**	(7.3)	(7.4)
Trade and joint operation receivables derecognised on disposal of the UK assets	**-**	-	(57.4)
Trade and other receivables recognised on purchase of Egypt assets	**-**	-	58.1
Increase in trade and other receivables movement recorded in operating cash flows	**(62.2)**	(18.5)	(70.8)

The foreign exchange loss of US$18.7m, primarily arising on settlement of the India tax refund, is offset by foreign exchange gains in the period, leading to a net gain of US$4.5m which is included within finance income.

Section 3 – Working Capital, Financial Instruments and Long-Term Liabilities

3.4 Financial Assets and Liabilities at Fair Value Through Profit and Loss

Financial Assets	**At 30 June 2022 US$m**	At 30 June 2021 US$m	At 31 December 2021 US$m
Non-current assets			
Financial assets at fair value through profit or loss – earn out consideration	**113.2**	-	113.5
Financial assets at fair value through profit or loss – non-listed investment fund	**6.0**	-	6.9
	119.2	-	120.4
Current assets			
Financial assets at fair value through profit or loss – earn out consideration	**127.7**	-	75.8
Financial assets at fair value through profit or loss – listed equity investments	**-**	8.3	10.8
	127.7	8.3	86.6

In March 2022, the Group sold its remaining shareholding in Vedanta, listed in India, for INR968m (US$12.7m). The earn out consideration is due from Waldorf Production UK PLC following the sale of the Group's UK producing assets in 2021.

Financial Liabilities	**At 30 June 2022 US$m**	At 30 June 2021 US$m	At 31 December 2021 US$m
Current liabilities			
Financial liabilities at fair value through profit or loss – deferred consideration on business combinations	**(24.6)**	-	(20.9)
Non-current liabilities			
Financial liabilities at fair value through profit or loss – deferred consideration on business combinations	**(35.7)**	-	(49.1)

Deferred consideration, based on future oil prices, is due to Shell following the Egypt business combination in the prior year.

Fair Value measurements

	At 30 June 2022 US$m	At 30 June 2021 US$m	At 31 December 2021 US$m
Assets measured at fair value – Level 1			
Financial assets at fair value through profit or loss			
Listed equity shares	**-**	8.3	10.8
Assets measured at fair value – Level 2			
Financial assets at fair value through profit or loss			
Earn out consideration	**240.9**	-	189.3
Non-listed investment fund	**6.0**	-	6.9
Liabilities measured at fair value – Level 2			
Financial liabilities at fair value through profit or loss			
Deferred consideration on business combinations	**(58.5)**	-	(68.2)
Liabilities measured at fair value – Level 3			
Financial liabilities at fair value through profit or loss			
Deferred consideration on business combinations	**(1.8)**	-	(1.8)
	186.6	8.3	137.0

Section 3 – Working Capital, Financial Instruments and Long-Term Liabilities (continued)

3.5 Trade and Other Payables

	At 30 June 2022 US$m	At 30 June 2021 US$m	At 31 December 2021 US$m
Trade payables	**14.4**	0.9	1.6
Other taxation and social security	**1.3**	2.1	0.2
Accruals and other payables	**27.6**	15.0	59.5
Joint operation payables	**94.9**	4.4	90.9
	138.2	22.4	152.2

Joint operation payables include Capricorn's share of the trade and other payables of the joint operations in which the Group participates. Where Capricorn is an operator of the joint operation, joint operation payables also include amounts that Capricorn will settle to third parties on behalf of joint operation partners. The amount to be recovered from partners for their share of such liabilities is included within joint operation receivables.

The reduction in accruals and other payables from the year end reflects settlement of amounts due in connection with the share buy-back of US$16.3m, settlement of working capital balances of US$11.1m due to Waldorf in connection with UK producing assets, a US$5.0m release of accruals relating to Egypt working capital settlements on the prior-year business combination and a reduction in bonus and other accruals.

Reconciliation of opening and closing payables to operating cash flow movements:	**30 June 2022 US$m**	30 June 2021 US$m	31 December 2021 US$m
Opening trade and other payables	**(152.2)**	(91.6)	(91.6)
Closing trade and other payables	**138.2**	22.4	152.2
(Decrease)/Increase in trade and other payables	**(14.0)**	(69.2)	60.6
Increase in trade and other payables classified as liabilities held-for-sale	**-**	31.9	-
(Decrease)/Increase in trade and other payables including liabilities held-for-sale	**(14.0)**	(37.3)	60.6
Foreign exchange	**3.0**	(0.1)	-
(Increase)/Decrease in joint operation payables relating to investing activities	**(5.7)**	11.0	(16.4)
Decrease/(Increase) in accruals relating to other financing activities - repurchase of shares	**18.9**	-	(19.0)
Decrease in accruals and other payables relating to investing activities	**3.0**	6.5	1.2
Increase/(Decrease) in accruals and other payables relating to financing activities	**1.5**	0.9	(0.6)
Trade and other payables derecognised on disposal of the UK assets	**-**	-	22.2
Joint operation payables recognised on purchase of Egypt assets	**-**	-	(59.5)
Increase/(Decrease) in trade and other payables recorded in operating cash flows	**6.7**	(19.0)	(11.5)

Section 4 – Income Statement Analysis

4.1 Segmental Analysis

Segmental Disclosures and Discontinued Operations

The UK producing assets, formerly held within the UK segment, were classified as held-for-sale on 8 March 2021, with results presented as discontinuing operations.

IFRS 8 ‘Operating Segments’ does not provide guidance as to whether segment disclosures apply to discontinued operations. For comparative periods, Capricorn has presented segmental disclosures inclusive of the results of the discontinued operations relating to the UK producing assets. The current period movements, largely relating to fair value movements on the earn-out consideration due, are included within the “Other Capricorn Energy Group” segment.

Capital expenditure incurred subsequent to the transfer to held-for-sale is included within the relevant segment, as it has been reported to the Capricorn Energy PLC Board, but is deducted within the group segment adjustment to agree back to balance sheet additions.

Operating segments

Capricorn’s assets are managed through business units which form the operating segments. Each business unit is headed by a Regional Director (a Regional Director may be responsible for more than one business unit) and the Board monitors the results of each segment separately for the purposes of making decisions about resource allocation and performance assessment.

The Eastern operating segment includes costs associated with interests in Côte d’Ivoire, Mauritania and Israel. The Western segment holds continuing UK North Sea exploration interests, Mexico and Suriname. The Egypt segment was added following the acquisition in 2021.

The Other Capricorn Energy Group segment exists to accumulate the activities and results of the Parent and other holding companies together with other unallocated expenditure and net assets/liabilities including amounts of a corporate nature not specifically attributable to any of the business units.

Non-current assets as analysed on a segmental basis consist of: intangible exploration/appraisal assets; property, plant & equipment –development/producing assets; and other property, plant & equipment and intangible assets.

Section 4 – Income Statement Analysis (continued)

4.1 Segmental Analysis (continued)

The segment results for the six months ended 30 June 2022 are as follows:

	Egypt US$m	Eastern US$m	Western US$m	Other Capricorn Energy Group US$m	**Total US$m**
Revenue	137.4	-	-	-	**137.4**
Other income	23.0	-	-	-	**23.0**
Cost of sales	(32.8)	-	-	-	**(32.8)**
Depletion and amortisation charges	(72.0)	-	-	-	**(72.0)**
Gross profit	**55.6**	**-**	**-**	**-**	**55.6**
Pre-award costs	(2.5)	-	(0.5)	(3.3)	**(6.3)**
Unsuccessful exploration costs	0.6	-	(29.3)	-	**(28.7)**
Impairment of intangible exploration/appraisal assets	-	-	(24.5)	-	**(24.5)**
Other operating income	-	-	-	0.1	**0.1**
Depreciation – purchased assets	-	-	(0.1)	(0.2)	**(0.3)**
Amortisation – right-of-use assets	-	-	(0.1)	(1.0)	**(1.1)**
Amortisation of other intangible assets	-	-	(0.1)	(1.5)	**(1.6)**
Other administrative expenses	(0.2)	-	(0.3)	(30.0)	**(30.5)**
Operating profit/(loss)	**53.5**	**-**	**(54.9)**	**(35.9)**	**(37.3)**
Fair value loss on deferred consideration	(11.2)	**-**	-	-	**(11.2)**
Gain on fair value of financial asset	-	**-**	-	1.5	**1.5**
Interest income	-	-	0.1	3.1	**3.2**
Interest expense	(5.6)	-	-	(0.1)	**(5.7)**
Other net finance (expense)/income	(1.2)	-	2.0	-	**0.8**
Profit/(Loss) before taxation from continuing operations	**35.5**	**-**	**(52.8)**	**(31.4)**	**(48.7)**
Tax charge	(24.6)	-	-	(0.2)	**(24.8)**
Profit/(Loss) for the period from continuing operations	**10.9**	**-**	**(52.8)**	**(31.6)**	**(73.5)**
Profit from discontinued operations	-	-	-	120.9	**120.9**
Profit/(Loss) attributable to equity holders of the Parent	**10.9**	**-**	**(52.8)**	**89.3**	**47.4**
Balances at 30 June 2022:					
Capital expenditure	**40.3**	**6.8**	**28.9**	**9.3**	**85.3**
Total assets	**595.2**	**36.0**	**314.2**	**793.2**	**1,738.6**
Total liabilities	**376.3**	**1.1**	**23.8**	**28.9**	**430.1**
Non-current assets	**371.8**	**35.7**	**35.6**	**17.0**	**460.1**

Section 4 – Income Statement Analysis (continued)

4.1 Segmental Analysis (continued)

The segment results for the six months ended 30 June 2021 were as follows:

	Eastern US$m	Western US$m	UK Producing Assets US$m	Other Capricorn Energy Group US$m	Group adj for segments US$m	Total US$m
Revenue	-	-	256.6	0.5	(256.6)	0.5
Cost of sales	-	-	(81.5)	-	81.5	-
Depletion and amortisation charges	-	-	(35.3)	-	35.3	-
Gross profit	-	-	139.8	0.5	(139.8)	0.5
Pre-award costs	(0.1)	(1.6)	-	(6.9)	-	(8.6)
Unsuccessful exploration costs	(15.1)	0.2	-	-	-	(14.9)
Other operating income	-	-	-	0.2	-	0.2
Depreciation – purchased assets	-	-	-	(0.1)	-	(0.1)
Amortisation – right-of-use assets	-	(0.1)	-	(0.9)	-	(1.0)
Amortisation of other intangible assets	-	(0.2)	-	(2.1)	-	(2.3)
Other administrative expenses	-	(0.3)	-	(20.9)	-	(21.2)
Impairment of disposal group	-	-	(144.6)	-	144.6	-
Operating loss	(15.2)	(2.0)	(4.8)	(30.2)	4.8	(47.4)
Gain on fair value of financial asset	-	-	-	3.1	-	3.1
Interest income	-	-	-	0.1	-	0.1
Interest expense	-	-	(5.8)	(0.1)	5.8	(0.1)
Other net finance income/(expense)	-	0.1	(2.2)	(43.2)	2.2	(43.1)
Loss before taxation from continuing operations	(15.2)	(1.9)	(12.8)	(70.3)	12.8	(87.4)
Tax charge	-	-	-	-	-	-
Loss for the period from continuing operations	(15.2)	(1.9)	(12.8)	(70.3)	12.8	(87.4)
Loss from discontinued operations	-	-	-	-	(12.8)	(12.8)
Loss attributable to equity holders of the Parent	(15.2)	(1.9)	(12.8)	(70.3)	-	(100.2)
Balances at 30 June 2021:						
Capital expenditure	7.1	12.8	3.3	0.9	(3.6)	20.5
Total assets	28.9	114.7	724.9	370.5	(0.7)	1,238.3
Total liabilities	0.9	8.2	408.0	18.8	(0.7)	435.2
Non-current assets	26.9	91.4	-	7.9	-	126.2

Section 4 – Income Statement Analysis (continued)

4.1 Segmental Analysis (continued)

The segment results for the year ended 31 December 2021 were as follows:

	Egypt US$m	Eastern US$m	Western US$m	UK Producing Assets US$m	Other Capricorn Energy Group US$m	Group adj for segments US$m	Total US$m
Revenue	56.2	-	-	411.8	0.9	(411.8)	57.1
Other income	7.3	-	-	-	-	-	7.3
Cost of sales	(20.5)	-	-	(103.8)	-	103.8	(20.5)
Depletion and amortisation	(31.2)	-	-	(35.3)	-	35.3	(31.2)
Gross profit	11.8	-	-	272.7	0.9	(272.7)	12.7
Pre-award costs	(0.9)	-	(1.7)	-	(13.2)	-	(15.8)
Unsuccessful exploration costs	(2.9)	(18.2)	(29.5)	-	-	-	(50.6)
Impairment of intangible exploration/appraisal assets	-	-	(19.6)	-	-	-	(19.6)
Impairment of disposal group property plant & equipment - development/producing assets	-	-	-	(56.0)	-	56.0	-
Other operating income	-	-	-	-	0.6	-	0.6
Depreciation – purchased assets	-	-	(0.1)	-	(0.2)	-	(0.3)
Amortisation – right-of-use assets	-	-	(0.1)	-	(1.9)	-	(2.0)
Amortisation of other intangible assets	(0.1)	-	(0.2)	-	(4.5)	-	(4.8)
Other administrative expenses	(0.1)	-	(0.5)	-	(50.5)	-	(51.1)
Operating profit/(loss)	7.8	(18.2)	(51.7)	216.7	(68.8)	(216.7)	(130.9)
Exceptional income – India tax refund	-	-	-	-	1,070.7	-	1,070.7
Fair value loss on deferred consideration	(7.2)	-	-	-	-	-	(7.2)
Gain on fair value of financial asset	-	-	-	(8.1)	5.5	8.1	5.5
Interest income	-	-	-	-	0.2	-	0.2
Interest expense	(2.8)	-	-	-	(0.3)	-	(3.1)
Other net finance (expense)/income	(0.3)	-	(55.4)	(9.8)	(5.8)	9.8	(61.5)
(Loss)/Profit before taxation from continuing operations	(2.5)	(18.2)	(107.1)	198.8	1,001.5	(198.8)	873.7
Tax charge	(4.2)	-	-	-	-	-	(4.2)
(Loss)/Profit for the year from continuing operations	(6.7)	(18.2)	(107.1)	198.8	1,001.5	(198.8)	869.5
Loss on disposal of discontinued operations	-	-	-	(173.8)	-	173.8	-
Profit from discontinued operations	-	-	-	-	-	25.0	25.0
(Loss)/Profit attributable to equity holders of the Parent	(6.7)	(18.2)	(107.1)	25.0	1,001.5	-	894.5
Balances at 31 December 2021:							
Capital expenditure	437.2	12.2	60.9	5.8	1.1	(5.8)	511.4
Total assets	525.3	29.4	289.6	-	1,402.1	-	2,246.4
Total liabilities	367.7	1.9	33.3	-	44.9	-	447.8
Non-current assets	403.0	28.9	66.8	-	4.6	-	503.3

Section 4 – Income Statement Analysis (continued)

4.2 Administrative and Other Expenses

	Six months ended 30 June 2022 US$m	Six months ended 30 June 2021 US$m	Year ended 31 December 2021 US$m
Administrative expenses – recurring departmental expenses and corporate projects	**21.4**	21.0	43.4
Administrative expenses – costs of India tax refund	**12.1**	3.6	9.9
Other expenses – costs incurred on business combination	**-**	-	4.9
	33.5	24.6	58.2

4.3 Finance Costs

	Six months ended 30 June 2022 US$m	Six months ended 30 June 2021 US$m	Year ended 31 December 2021 US$m
Loan interest and facility fee amortisation	**6.4**	9.4	13.7
Other finance charges	**0.3**	0.1	0.2
Lease interest	**0.1**	0.1	0.3
Exchange loss recycled from Other Comprehensive Income	**-**	39.4	54.7
	6.8	49.0	68.9

4.4 Earnings per Ordinary Share

Basic and diluted earnings per share are calculated using the following measures of (loss)/profit:

	Six months ended 30 June 2022 US$m	Six months ended 30 June 2021 US$m	Year ended 31 December 2021 US$m
(Loss)/Profit and diluted (loss)/profit after taxation from continuing operations	**(73.5)**	(87.4)	869.5
Profit/(Loss) and diluted profit/(loss) attributable to equity holders of the Parent	**47.4**	(100.2)	894.5

Section 4 – Income Statement Analysis (continued)

4.4 Earnings per Ordinary Share (continued)

The following reflects the share data used in the basic and diluted earnings per share computations:

	Six months ended 30 June 2022 '000	Six months ended 30 June 2021 '000	Year ended 31 December 2021 '000
Weighted average number of shares	**414,680**	504,742	501,874
Less weighted average shares held by the ESOP and SIP Trusts	**(8,136)**	(6,653)	(6,709)
Basic weighted average number of shares	**406,544**	498,089	495,165
Potentially issuable shares not included above:			
LTIP awards	**7,373**	-	10,666
Approved and unapproved plans	**971**	-	17
Employee share awards	**1,199**	-	2,874
Diluted weighted average number of shares[1]	**416,087**	498,089	508,722
Potentially issuable shares not included above:			
LTIP awards	**22,484**	29,954	18,575
Approved and unapproved plans	**-**	2,523	2,298
Employee share awards	**3,684**	5,497	2,277
Number of potentially issuable shares	**26,168**	37,974	23,150

[1] The diluted weighted average number of shares applies only to the discontinuing operations which generated a profit in the period.

Section 5 – Taxation

5.1 Tax Charge on (Loss)/Profit for the Period

	Six months ended 30 June 2022 US$m	Six months ended 30 June 2021 US$m	Year ended 31 December 2021 US$m
Current tax charge:			
Overseas corporation tax - Egypt	**23.0**	-	7.3
Overseas corporation tax - India	**0.2**	-	-
Total current tax charge on (loss)/profit from continuing operations	**23.2**	-	7.3
Deferred tax charge/(credit):			
(Reversal of deferred tax charge)/Deferred tax charge on recognition of financial assets - UK	**(0.1)**	-	0.1
Deferred tax charge/(credit) on intangible/tangible assets - Egypt	**1.7**	-	(3.2)
Total deferred tax credit on (loss)/profit from continuing operations	**1.6**	-	(3.1)
Total tax charge on (loss)/profit from continuing operations	**24.8**	-	4.2

5.2 Deferred Tax Liabilities

Reconciliation of movement in deferred tax liabilities:

	Temporary differences in respect of:			
	Intangible/tangible assets US$m	Losses US$m	Other temporary differences US$m	**Total US$m**
At 1 January 2021 and 30 June 2021	-	-	-	-
Deferred tax liabilities recognised on business combination	52.5	(6.7)	-	45.8
Deferred tax charge/(credit) through the Income Statement – continuing operations	11.7	(14.9)	0.1	(3.1)
At 31 December 2021	64.2	(21.6)	0.1	42.7
Deferred tax charge/(credit) through the Income Statement – continuing operations	**11.4**	**(9.7)**	**(0.1)**	**1.6**
Deferred tax charge/(credit) through the Income Statement – discontinued operations (note 6.1)	**-**	**(13.5)**	**21.3**	**7.8**
At 30 June 2022	**75.6**	**(44.8)**	**21.3**	**52.1**

Deferred tax liabilities analysed by country:

	At 30 June 2022 US$m	At 30 June 2021 US$m	At 31 December 2021 US$m
Egypt	**44.3**	-	42.7
UK	**7.8**	-	-
	52.1	-	42.7

Section 6 – Discontinued Operations

6.1 Profit/(Loss) from Discontinued Operations

Sale of Capricorn's interest in the Catcher and Kraken Producing Assets ("UK Producing Assets")
On 8 March 2021, Capricorn agreed to sell its interests in the UK Catcher and Kraken producing assets to Waldorf Production UK PLC.

Consideration under the agreement was an initial cash consideration of US$425.0m, subject to adjustments for working capital and other customary interim period adjustments, further purchaser bonds of US$30.0m, sold shortly after completion, and additional contingent consideration ("earn out consideration") from 2021 to the end of 2025 dependent on oil prices and minimum production levels being met. 2021 earn out consideration of US$75.7m, plus interest, was settled in June 2022. 2022-2025 earn out consideration at 30 June 2022 had a risk-weighted fair value of US$240.9m.

The financial performance of the discontinued operations is expanded in the tables below for the periods ended 30 June 2022, 30 June 2021 and 31 December 2021 respectively.

	Six months ended 30 June 2022 US$m	Six months ended 30 June 2021 US$m	Year ended 31 December 2021 US$m
Revenue	**-**	256.6	411.8
Cost of sales	**1.5**	(81.5)	(103.8)
Depletion and amortisation	**-**	(35.3)	(35.3)
Gross Profit	**1.5**	139.8	272.7
Impairment of disposal group	**-**	(144.6)	(56.0)
Operating profit/(loss)	**1.5**	(4.8)	216.7
Profit/(Loss) on financial asset at fair value through profit or loss – earn out consideration	**127.2**	-	(8.1)
Finance costs	**-**	(8.0)	(9.8)
Profit/(Loss) before tax from discontinued operations	**128.7**	(12.8)	198.8
Taxation	**(7.8)**	-	-
Profit/(Loss) after tax from discontinued operations	**120.9**	(12.8)	198.8
Loss on disposal of discontinued operations	**-**	-	(173.8)
Profit/(Loss) from discontinued operations	**120.9**	(12.8)	25.0

Earnings per Share for Profit/(Loss) from Discontinued Operations	**cents**	cents	cents
Profit/(Loss) per ordinary share – basic (cents)	**29.74**	(2.57)	5.05
Profit/(Loss) per ordinary share – diluted (cents)	**29.06**	(2.57)	4.91

6.2 Cash Flow Information for Discontinued Operations

	Six months ended 30 June 2022 US$m	Six months ended 30 June 2021 US$m	Year ended 31 December 2021[2] US$m
Net cash flows (used in)/from operating activities	**(11.1)**	132.4	240.4
Net cash flows from/(used in) investing activities[1]	**77.2**	(6.4)	(9.4)
Net cash flows used in financing activities	**-**	(26.3)	(42.5)
Net increase in cash and cash equivalents	**66.1**	99.7	188.5

[1] 2021 earn-out and interest payment received in June 2022
[2] UK operations for the period ended 2 November 2021

Section 7 – Share Capital

7.1 Called-Up Share Capital

	Number 231/169p ordinary '000	Number 21/13p ordinary '000	231/169p ordinary US$m	21/13p ordinary US$m
Allotted, issued and fully paid ordinary shares				
At 1 January 2021	589,718	-	12.6	-
Issued and allotted for employee share options	99	-	-	-
Consolidation of shares	(589,817)	499,076	(12.6)	12.6
Issued and allotted for employee share options post consolidation	-	192	-	-
At 30 June 2021	-	499,268	-	12.6
Issued and allotted for employee share options post consolidation	-	61	-	-
Share re-purchase	-	(2,482)	-	-
At 31 December 2021	-	496,847	-	12.6
Issued and allotted for employee share options	**-**	**677**	**-**	**-**
Share re-purchase	**-**	**(182,307)**	**-**	**(4.6)**
At 30 June 2022	**-**	**315,217**	**-**	**8.0**

Share premium	**US$m**
At 1 January 2021	490.1
Arising on shares issued for employee share options	0.5
At 30 June 2021	490.6
Arising on shares issued for employee share options	0.3
At 31 December 2021	490.9
Arising on shares issued for employee share options	**3.8**
At 30 June 2022	**494.7**

Capricorn completed a tender offer on 6 April 2022. Under the terms of the tender offer, 171,073,128 ordinary shares were purchased at the strike price of 223 pence per share. The total value of the ordinary shares purchased was, therefore, £381.5m (US$498.6m).

On 15 November 2021, Capricorn commenced a re-purchase programme of £20.0m. This ran until the end of February 2022. A further re-purchase programme commenced on 7 April 2022 of up to US$25.0m, which completed in July 2022.

Glossary

Bbl - Barrel of oil

Bn - Billion

Boe - Barrels of Oil Equivalent

Boepd - Barrels of Oil Equivalent Per Day

Bopd - Barrels of Oil Per Day

CNH – National Hydrocarbons Commission of Mexico

GAAP - Generally Accepted Accounting Principles

IFRS - International Financial Reporting Standards

JV - Joint Venture

Kboepd – thousand barrels of oil equivalent per day

LTI – Loss Time Injury

M – Million

Mcf – million cubic feet

Mmscf/d – million standard cubic feet/per day

Mmbbls - Million Barrels of Oil

Mmboe - Million barrels of oil equivalent

OGA – UK Oil & Gas Authority

RBL - Reserves Based Lending (facility)

US$ - US dollar

Waldorf - Waldorf Production UK PLC

WI - Working Interest