

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

15 February 2023

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

Update on the NewMed transaction and Strategic Review

On 1 February 2023, the Company announced the appointment of six new members of the Board of Directors (the “**Board**”) and the intention of the Board to conduct a comprehensive strategic review of Capricorn’s business and potential directions for the future of the Company (the “**Strategic Review**”). On the same day, the general meeting convened in connection with the proposed combination (the “**NewMed Transaction**”) between the Company and NewMed Energy – Limited Partnership (“**NewMed**”) was adjourned until 22 February 2023 (the “**Adjourned GM**”).

In conducting the Strategic Review, the Board is mindful of the overwhelming mandate it has been given by shareholders and, in that context, the views that proxy advisory agencies and a significant number of shareholders have expressed in relation to the NewMed Transaction, including their unwillingness to support it on its current terms. An immediate priority has therefore been to review the Board’s position towards the NewMed Transaction.

Based on its work to date in respect of the Strategic Review and taking into consideration the views expressed by shareholders on the NewMed Transaction, the Board has resolved to advise shareholders to vote against the NewMed Transaction. As a consequence of this decision, the Company and NewMed have mutually agreed that the business combination agreement (“**the BCA**”) entered into between the Company and NewMed on 29 September 2022 be terminated with immediate effect.

The Board believes this action is necessary to enable the consideration of all potential strategic options for the Company, including the material return of capital to shareholders and potential engagement with respect to alternative options.

As a result of the termination of the BCA, the resolutions to be put to the Adjourned GM will be of no effect. As a matter of process, the Board confirms that the Adjourned GM will be opened at 10am on 22 February 2023 at the Company’s offices at 50 Lothian Road, Edinburgh EH3 9BY, where all of the proposed resolutions will be withdrawn and the meeting immediately closed with no shareholder vote taking place. The Company also confirms that the combined prospectus and circular issued by the Company on 13 January 2023, as supplemented on 31 January 2023, in connection with the NewMed Transaction ceases to be valid.

The Company will now issue its Year End results on 27 April 2023. A Trading Update ahead of those results will be issued shortly.

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For further information on Capricorn please see: www.capricornenergy.com

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