

FOR IMMEDIATE RELEASE

27 February 2023

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

Operational, Trading and Business Update

Ahead of announcing its preliminary results for the year to 31 December 2022 on 27 April 2023, Capricorn today provides an update on its operations and trading performance. This information is unaudited and subject to further review.

Production Highlights

Egypt

- 2022 oil and condensate production grew 10% Year-on-Year (YoY) and averaged ~14,500 bopd net to Capricorn’s working interest (WI), with ~80% of revenues being generated from oil and condensate sales in a supportive price environment
- 2022 gas production declined 15% YoY to average 110 mmscf/d net to Capricorn’s working interest (WI)
- 2022 overall production averaged ~34,200 boepd, within revised full year guidance of 33,000-36,000 boepd. This was lower than original full year guidance principally due to the Joint Venture drilling fewer development wells than originally planned and targeting oil versus higher rate, lower value gas; the Teen gas condensate project start-up date being delayed from 2022 to 2023; and, certain gas wells performing below year-end 2021 expectations

Corporate and Finance Highlights

- Group net cash at year end was US\$597m, comprising US\$757m cash and US\$160m debt
- US\$1.06bn tax refund received following the resolution of the Indian tax dispute
- US\$529m returned to shareholders during 2022, via tender offer and share repurchase
- US\$77m received in H1 2022 as contingent earn-out consideration in respect of the divested North Sea production assets based on 2021 production levels and average oil prices
- Net cash inflow from Egypt producing assets of US\$104m, comprising US\$128m net cashflow generated during the year and deferred consideration and settlements paid of US\$24m
- Oil and gas revenue in Egypt was US\$229m, from net entitlement sales volumes of 4.7 mmoeb. Oil sales averaged US\$98.8/boe and gas sales averaged US\$2.9/mcf. Production costs over the period were ~US\$71m, or ~US\$5.5/boe (on a WI basis)

- Cash outflows in respect of capital activity totalled US\$156m (development and producing assets US\$70m including US\$8m of near-field exploration in Egypt, exploration and appraisal activities US\$86m including the Jaws and Diadem wells in the UK)
- Earn-out consideration on the disposal of the UK Catcher and Kraken interests in relation to 2022 production and oil prices is expected to be ~US130m, payable by the end of Q1 2023, inclusive of interest
 - Earn-out consideration in respect of the Catcher and Kraken interests will also be due to Capricorn in relation to production and oil prices in calendar years 2023 to 2025, subject to minimum production and oil price thresholds being met

Strategic Review

As announced on 1st February the new Board has now commenced its strategic review of Capricorn's business including, as an immediate priority, an assessment of the future cash needs of the business.

At our full year results in April, the Board will provide an update on the strategic review of our assets, cost base and future strategy of the business. We continue to focus on optimising our operations to identify a path forward in the interest of enhancing shareholder value and returns.

Management change

The Board would also like to thank James Smith, who will shortly be leaving the Company, for his contribution to the organisation over the last 8 years and wish him well in his future endeavours. Clare Mawdsley, previously Director of Finance, has been appointed as acting Chief Financial Officer.

ENDS

Note to editorsClare Mawdsley – Acting Chief Financial Officer

Clare joined Capricorn in 2013 as a tax advisor. She became Head of Tax for the company in 2019 and has had the role of Director of Finance since 2021. Clare started her career at EY where she spent nine years working in London and Edinburgh. She is a Chartered Accountant, a Chartered Tax Adviser and a graduate of the University of Cambridge.

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