FOR IMMEDIATE RELEASE **14 September 2023**

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

(Unless otherwise stated, all dollar amounts ($) refer to US dollars)

Half-Year Report Announcement

Randy Neely, Chief Executive, Capricorn Energy PLC said:

"Capricorn ended H1 2023 a very different business than at the start of the year. The Company is on its way to becoming a much leaner organisation, focused on tight cost control, shareholder returns and maximising value from our Egypt portfolio. I was appointed Chief Executive in June of this year and, while in the early stages of the role, it is clear to me that we have a robust and achievable strategy to maximise the value in our Company.

The strategic review introduced by the new Board in February has formed a clear roadmap to drive change; return excess capital to shareholders, right sizing the organisation, maximising the potential of our Egyptian assets and the rationalisation of non-core exploration assets. Progress has already been achieved, specifically on the return of capital of approximately $575 million to shareholders in 2023; I am delighted to confirm that in addition to approximately $450 million returned in May and an ongoing share buyback, of which approximately $15 million has already been repurchased, shareholders will receive an unconditional special dividend of approximately $100 million in October 2023, subject to shareholder approval. We have also achieved a material reduction in ongoing G&A, matching costs to the scale and priorities of the business and made significant progress in exiting all non-Egypt licences to focus capital and internal resources on the Egyptian portfolio.

Looking ahead, the Company will focus on maximising the value of our Egypt business. We have taken the decision to accelerate the transfer of operations of our exploration assets to our joint venture partner Cheiron to achieve operational synergies and alignment with field development activity. This will allow the Company to focus its limited internal technical resources on production and development. Our management team is also preparing for a detailed Operational Update in November, when we will outline our plan for Capricorn's future."

Tawfik Diab, Chairman, Cheiron said:

"Following the arrival of Randy, great progress has already been made in building a constructive partnership between Capricorn and Cheiron. There is alignment between us as we move forward with activities in the Western Desert for the benefit of the joint venture and Egypt."

H1 2023 Operational and Strategic Highlights

- Strategic:
    - ~$450m special dividend paid in May with a further payment of approximately $100m expected to be paid on 20 October 2023
    - General Meeting to be held on 5 October to approve return of cash to shareholders
    - Targeting completion of the ~$25m share buyback by end of year, with ~$15m repurchased to date
    - Prioritisation of Egypt development and production operations
    - Full exit of Mauritania exploration position
    - Commencement of exiting all non-Egypt licenses

- 80% overall reduction in UK headcount by year end
- Targeting $20m run-rate G&A expenses once organisational restructuring complete
- Appointment of Hesham Mekawi as non-executive Deputy Chairman

➢ Operational and Financial:
  - Revenue in Egypt of $98m with realised oil price of $78.56 per boe and gas price of $2.95 per mmscf
  - Accounts receivable from EGPC have increased from $97m to $144m over the course of H1, with $113m overdue
  - Operating cost per boe of $4.82 on WI basis
  - Balance sheet: Group net cash of $176m
  - $77m Capex and general exploration costs during H1; $49m in Egypt and $28m across legacy international portfolio
  - Eight wells drilled this year in Egypt oil-rich BED area with one flowing at initial rates of up to 4,600 bopd following testing in May
  - Egypt H1 2023 WI production averaged 31,500 boepd

➢ ESG:
  - MSCI classification upgraded from AA to AAA status
  - Leading our peers in ESG related practices

Outlook

➢ Full Year forecast net capital expenditure of $117-127m
  - Egypt Development & Production $75-85m
  - Egypt Exploration & Appraisal ~$12m

➢ Full Year production expected to be at the low end of guidance 32,000 to 36,000 boepd, exiting at ~ 34,000 boepd
➢ Non-core exits progressed: Mexico, Suriname & Mauritania
➢ Ultimate G&A target of $1.50/boe (<$20m annually)
➢ Transferring operatorship of Egypt exploration acreage to partner
➢ Teen field onstream
➢ Detailed Operational Update set for 30 November 2023 in London
➢ On track with our Net Zero pathway and supporting JV partners with decarbonisation initiatives

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation. Upon the publication of this announcement via Regulatory Information Service, this inside information is now considered to be in the public domain.

Enquiries to:

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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.

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) 33 0551 0200

Access code: Quote '**Capricorn Half Year Results'** when prompted by the operator.

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

Corporate Overview

In Q1, the proposed reverse takeover of NewMed Energy was terminated following strong shareholder opposition and campaign, which also resulted in a renewal of the Board, with all but two members resigning. Six new Board members were appointed at an extraordinary general meeting on 1 February. Following their appointment, the new Board, led by Craig van der Laan as Chair, immediately began a company-wide assessment, focusing particularly on the excessive legacy cost base. This strategic review was presented on 27 April at the Company's Full Year Results, with some goals already having been achieved. The five immediate priorities were:

- The return of excess cash to shareholders
- Cost cuts and cash preservation
- Ceasing exploration activities outside of near field activity in Egypt
- Improving the Egypt business
- Culture change

In line with these priorities, the Board returned approximately $450 million to shareholders in May and expects to also return a further special dividend of approximately $100 million on 20 October 2023. It remains the Board's intention to return further surplus capital to shareholders. The special dividend, which will be accompanied by a share consolidation and is subject to shareholder approval, is expected to be paid on 20 October as a final cash dividend of 56 pence per share. The consolidation and special dividend record date is expected to be 5 October, with dealings in the consolidated shares (ex-dividend) expected to commence on 6 October.

By the end of the year the UK workforce will be reduced by ~80% to less than 30 people and a total staff level of approximately 50 people. This level of staffing better reflects the revised needs of the business, and the combination of lower staff levels, reduced office space, exiting the non-core exploration activities and a laser focus on costs will lead to material savings in G&A expenses. However, the full benefit of these reductions will not be realised until 2024 due to the transition costs of making those changes. Ultimately, the company is targeting G&A costs of below $20m annually (less than $1.50/boe).

The receivables position owing from EGPC at the end of June is $144m of which $113m is overdue. The increase in amounts outstanding from EGPC is a key concern for the Company and management will continue to work with EGPC to address this issue.

At the beginning of the year, Capricorn was involved in a number of high-risk exploration projects which were deemed by the new Board as non-core. To date, the Company has relinquished its Mauritanian position and continues to pursue the exit of its exploration positions in the UK, Mexico and Suriname.

In June, Randy Neely became the CEO of Capricorn, bringing with him extensive experience of running a low-cost, effective business in Egypt and creating value in country.

Egypt Production

Working interest production across the four main concession areas in the Western Desert averaged ~31,450 boepd during the first half of 2023, with ~44% of the production mix comprising oil and condensate, as liquids opportunities continued to offer the best returns in the current price environment.

The 2023 well programme is expected to deliver 40 wells. The joint venture is focused on continual optimisation of the programme to improve overall drilling, completion and hook-up performance. Fourteen wells have been completed in the BED area, a combination of producer, water injector and near field exploration following a number of successful wells drilled in the area in 2022, extending field limits and, potentially, reserves. The BED area comprises a series of stacked reservoirs with varying degrees of production maturity. Recent activity here has been stimulated by a developing view of the Abu Roash reservoir, positively impacted by wells early in 2023 that exceeded expectations in terms of reservoir development and hydrocarbon distribution. This field remains a focus in the second half of 2023 with nine further wells planned. In the Karam Field, located in the AESW concession, a well completed in May at initial rates of up to 4,600 bopd in the same Abu Roash reservoir producing at BED, the highest flowrates encountered in the joint venture to date.

Production has also been impacted by operational challenges with system constraints and wells impacted by ESP performance. In the second half of 2023, the Teen project came online from two wells, several months later than originally planned. This project will initially be focused on establishing the productivity from the two wells to support a future decision on full field development. Capricorn is working collaboratively with the operating partner to focus on production performance in the second half of 2023 with active high grading of new wells, in particular liquids rich opportunities and the appointment of production expertise in Cairo. We will continue to work with our partner to seek opportunities to enhance operational efficiency through the rig fleet to improve well delivery.

As a consequence of drilling fewer wells than planned and production performance of the asset in the first half of 2023, Capricorn now expects annual net working interest production to be at the low end of original guidance. This reflects our up-to-date views and plans, including; the reduction in well count for the year, higher than expected ESP failures, encountered facility / system constraints with new wells, uncertainty in performance and delayed timing of the Teen project, new well performance and our learned understanding of the existing well stock.

Capricorn remains committed to our net-zero roadmap with accelerated short and medium-term GHG equity emission reduction targets (15% by 2025/30% by 2030) on track. We continue to support decarbonisation initiatives relating to projects to reduce flaring, venting and fugitive emissions. Recent successes include the implementation of Phase 1 of identification and mitigation of fugitive emissions, with Phase 2 implementation planned within scheduled shutdowns.

Egypt Exploration

Egypt

Capricorn undertakes two exploration workstreams within its Western Desert portfolio, firstly on four exploration concessions and secondly on the Bapetco operated acreage. As a result, Capricorn is exposed to a variety of opportunity types from near field opportunities, established proven play types and unconventional resource opportunities. In July, Capricorn began taking steps to turn the operatorship of three exploration concessions over to Cheiron. This offers a number of synergistic and cost benefits to Capricorn, with operational benefits from rig schedule optimisation, while allowing Capricorn to make organisational changes to focus on delivering value from its producing position in the Western Desert basin.

In 2023 Capricorn began a campaign of operated exploration drilling, initially targeting the Abu Sennan licence in the South of the Western Desert. These two wells fulfilled the work commitments of the licence, and while they were delivered under budget and fully tested a number of play types on the fringe of the El Gharadig Basin, they were unfortunately dry. The block is now in the process of being relinquished.

In the first half of 2023 an additional well was drilled in the South East Horus licence, the first of a minimum of two planned wells. This well was also dry and the focus now turns to the new 3D data acquired on the licence in 2022 to mature further opportunities for drilling.

Following the transfer of operatorship to Cheiron, further drilling on the South East Horus licence and the commencement of drilling in West El Fayoum licences are currently scheduled in Q1 2024. In addition, in 2024 the joint venture will commence drilling in North Um Baraka where 3D was also acquired in 2022; two wells will be drilled here.

Non-core Portfolio

UK

Capricorn operates five UK Southern North Sea licences: P2428 and P2567 (Capricorn 60% WI) and P2560, P2561 and P2562 (Capricorn 70% WI) with partner Deltic Energy.

Across the five Mid North Sea High licences, the technical work programme has been concluded ahead of well investment decisions in H2 2023. There is no further capital commitment on the remaining UK licences and Capricorn has initiated steps to expediently exit the licences prior to the year-end by surrender or withdrawal.

Mexico
Capricorn has interests in four blocks in the Gulf of Mexico, two as Operator: Blocks 9 (Capricorn 50% WI) and 15 (Capricorn 50% WI), and two as non-Operator: Blocks 7 (Capricorn 30% WI) and 10 (Capricorn 15% WI).

Capricorn's final commitment exploration well in Mexico, Yatzil-1X in Block 7 (Eni Operator) was drilled in Q1 2023 and discovered hydrocarbons. According to preliminary Operator estimates, around 200 million barrels of oil may be in place. Capricorn internal analysis led to the decision not to participate in the forthcoming phases and the Company has therefore informed partners of its decision to withdraw from the Block 7 licence. Capricorn's withdrawal processes in Blocks 9 and 10 and the JV relinquishment process in Block 15 are ongoing with completion expected by Q1 2024.

Suriname
Capricorn operates Block 61 (100% WI), situated in the Guyana-Suriname basin where significant discoveries continue to be made. Capricorn marketed the licence to farm-down its position in HI 2023 and was unsuccessful in attracting interests in this block in advance of expiry in October 2023. As such, the block will be relinquished in Q4.

Senegal
On 18 June Capricorn noted Woodside Energy's announcement regarding its Sangomar Field Development in Senegal where the targeted first oil moved from late 2023 to mid-2024. Capricorn is entitled to a contingent payment of between $25m and $50m if first oil is achieved in the first half of 2024 and the average Brent oil price during the first six months of production exceeds the $55/bbl or $60/bbl thresholds contained in the sale and purchase agreement. There is no payment if first oil is achieved later than H1/2024. Capricorn is committed to return any proceeds of this contingent payment to its shareholders.

Principal risks and uncertainties

Managing Capricorn's key risks and associated opportunities is essential to the company'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 company.

Capricorn'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 business is willing to accept in the pursuit of these objectives is a fundamental component of Capricorn'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 2023

Capricorn has assessed the risks and uncertainties at the end of H1 2023 and the principal risks are:
➢ Volatile oil and gas prices
➢ Failure to replace long-term reserves and resources
➢ Increasing EGPC receivables balance
➢ Reserves downgrade or impairment

- ➢ Failure to improve fiscal terms in Egypt
- ➢ Senegal project delay beyond June 2024
- ➢ Future challenges and costs to achieving pathway to Net Zero 2040
- ➢ Lack of adherence to health, safety, environment and security policies
- ➢ Failure to unlock value from strategic review
- ➢ Fraud, bribery and corruption

As part of the embedded risk management process, the Group actively considers emerging risks and opportunities which could negatively or positively impact on the business. Egypt continues to be the focus of the discussions and work continues to identify potential known and emerging threats and opportunities which could impact on the new Capricorn's ability to grow the Egypt business both organically and inorganically.

Financial Review

Key production statistics

	Period ended 30 June 2023	Period ended 30 June 2022	Year ended 31 December 2022
Production – net WI share (boepd)	**31,496**	35,500	34,228
Sales volumes – net EI oil (boepd)	**5,536**	5,628	5,028
Sales volume – net EI gas (mmscfd)	**40.4**	47.3	44.5
Average price per bbl ($)*	**78.6**	110.9	98.8
Revenue from production ($m)	**98.3**	137.4	228.9
Average production costs per boe ($)	**4.8**	5.1	5.7

*excludes reduction in revenue due to expected credit loss charge

Loss for the Period

	Period ended 30 June 2023 $m	Period ended 30 June 2022 $m	Year ended 31 December 2022 $m
Profit/(Loss) from Egypt operating segment	**6.9**	7.5	(36.8)
Loss from other Group continuing operations	**(58.3)**	(87.6)	(135.2)
(Loss)/Profit from discontinued operations	**(10.8)**	120.9	109.3
(Loss)/Profit after taxation	**(62.2)**	40.8	(62.7)

Change in Accounting Policy – Intangible exploration/appraisal assets

Following completion of the Group's strategic review, Capricorn has changed its policy for accounting for non-well specific general exploration costs. Previously such costs were capitalised and allocated to future exploration wells and would either remain capitalised or be charged to the Income Statement dependent upon the success of the well. Now, all non-well specific exploration costs are charged to the Income Statement as they are incurred.

The directors believe that this policy provides a clearer understanding of the performance of the Group in any given period as Capricorn moves from an exploration-led business to one focussed on maximising value from its producing assets.

Egypt Operating Segment Results

In Egypt, total revenue was $98.3m. $76.6m was generated on sale of liquids with an average price of $78.56 per bbl on net sales volumes of 1.0 mmbbls. Gas revenue was $21.7m from volumes of 7.3 mmscf at the contracted rate of $2.95/mmscf.

Cost of sales in the first half of the year were $27.5m, including a $0.9m offset for inventory movements. Production costs decreased slightly to $4.8 per boe, on working interest production over the six-month period, while depletion charges were $55.1m, at a weighted average rate of $20.74 per boe across the concessions.

Capricorn records other income on additional production that is notionally allocated to the Group to cover tax due on profits from the concessions. This is offset by an equal and opposite tax charge. In the current period, the value of this income and notional tax gross-up is $29.8m.

Net finance costs in Egypt of $7.5m, including loan interest and charges, and the Group recognised a fair value loss of $3.4m on deferred consideration payable on the 2021 business combination.

The total tax charge on Egypt operations for the period is $19.1m, being the tax gross-up charge of $29.8m offset by deferred tax credits on asset temporary differences.

Results from Other Continuing operations

The loss on other continuing operations of $58.3m includes unsuccessful exploration costs of $16.4m and general exploration costs of $11.4m. $21.6m of this cost related to operations in Mexico where the Group concluded its exploration programme with the drilling of the Yatzil well. Administration charges of $40.4m, include $12.0m of redundancy costs following the reduction of staff numbers based in Edinburgh and $6.9m of costs relating to the aborted corporate transactions proposed by the previous Board. Net finance income of $9.5m includes interest earned on cash and cash equivalents of $15.6m offset by foreign exchange losses of $6.1m.

Discontinued Operations

Earn-out consideration on disposal of UK Producing assets

During the period the Group made a loss of $21.5m on the fair value of future earnout payments due on prior year disposals of UK producing assets. The loss was partially offset by a refund of production costs of $4.3m, following completion of joint venture audits, interest income of $2.3m on the 2022 contingent payment and a deferred tax credit of $4.1m.

Cash received in March 2023 relating to the 2022 earnout was $136.7m, including the interest noted above.

Contingent consideration on Senegal asset sale

Capricorn disposed of its interests in Senegal in 2020. Under the sale agreement, Capricorn may be due a further consideration of up to $50m dependent on production starting before 30 June 2024 and the prevailing oil price. No revenue has been recognised for this possible payment to date.

Net cash inflow for the Period

	$m
Opening net cash as at 1 January 2023	596.9
Dividend paid	(445.7)
Share re-purchase	(11.4)
Net cash inflow from Egypt operations (see reconciliation below)	22.7
Net cash inflow from UK discontinued operations [1]	141.0
Exploration expenditure – Egypt [2]	(8.2)
Exploration expenditure – other [2]	(20.6)
Development expenditure – Egypt	(37.7)
Deferred consideration – Egypt	(25.0)
Pre-award costs and business development [3]	(5.8)
Administration expenses, corporate assets, and office lease costs	(22.5)
Share purchases and equity [4]	(16.1)
Net finance income other movements [5]	7.0
Closing net cash as at 31 December 2022 [6]	**174.6**

[1] Earnout consideration of $136.7m including interest and working capital settlement of $4.3m
[2] Includes general exploration costs; Egypt $4.4m, other $11.4m
[3] Cash outflows on business development activities of $4.8m are reallocated from administration costs
[4] Share purchases for LTIP of $16.9m less $0.8m proceeds from issue of shares on exercise of options
[5] Interest received of $18.4m less foreign exchange loss on cash and cash equivalents of $1.9m and other interest and charges of $9.5m
[6] Closing cash of $301.0m less loans and borrowings of $126.4m excluding unamortised facility fees of $1.9m

Cash and cash equivalent balances at 30 June 2023 of $301.0m were offset by borrowings in Egypt of $126.4m. Cash includes restricted cash balances of $35.1m which may not be distributed to shareholders. Of this amount, $33.9m is available for use to fund non-operated concessions in Egypt. Loan repayments in the period were $33.5m.

Cash inflows from operations in Egypt of U$22.7m can be reconciled to cash flows from operating activities per the statutory cash flow as follows:

	$m
Operating cash flow per statutory cash flow statement	**(15.5)**
Non-GAAP Adjustments:	
Discontinued operations – working capital settlements	(4.3)
Pre-award and new venture costs reallocated	5.8
Administration expenses	20.9
General exploration costs	15.8
Net cash inflow from Egypt operations	**22.7**

Balance Sheet

The Group's net asset position at 30 June 2023 is summarised as follows:

	$m
Exploration assets	0.8
Development/producing assets and goodwill	265.9
Other non-current assets	28.4
Financial assets at fair value through profit and loss	74.7
Trade and other receivables and payables, provisions and inventory	116.5
Lease liabilities	(19.2)
Net cash, including unamortised facility fees	176.5
Deferred consideration on business combination	(40.2)
Net deferred taxation and other liabilities	(7.6)
Net assets	**595.8**

Exploration assets

Following the change in accounting policy, exploration assets of $0.8m at 30 June 2023 relate wholly to planned exploration wells in Egypt. Costs associated with NFE wells are included within development/producing assets.

Development assets and goodwill

At the period end, the carrying value of the Group's producing assets in Egypt was $240.5m, after additions of $41.8m, and depletion charges of $55.1m for the period.

The Group reviewed its producing assets and goodwill in Egypt for indicators of impairment, however no indicators were identified, and no impairment tests have therefore been performed at the half-year.

Other assets and liabilities

Financial assets at fair value through profit and loss include $68.1m of future earnout consideration receivable. Deferred consideration payable on the Egypt business combination is also held at fair value with a total liability of $40.2m for payments due in 2024 and 2025.

Trade receivables at the period end were $144.2m, an increase of $47.3m across the period. $113.3m of this amount was overdue. Capricorn continue to work with partners and engage with EGPC in Egypt to address the receivables position.

Lease liabilities at the period end include amounts due for new office premises in Edinburgh originally planned to accommodate the Group's head office and the associated right-of-use asset is included in other non-current assets. The move to the new office space has been aborted and Capricorn are working to sub-let this office space with alternative, smaller premises having been secured.

The Group's net deferred tax position at 30 June fully relates to assets in Egypt, with the UK deferred tax liability on earnout consideration receivable having reversed in full.

Equity movements

Shareholder returns and share premium cancellation

Capricorn returned $457.9 to shareholders by way of a dividend of $445.7m and $12.2m share re-purchase in H1 2023. The Company undertook a share consolidation at the same time as paying the dividend. This completed on 15 May 2023 where the existing 315,072,439 of ordinary shares of 21/13 pence each were replaced with 148,534,155 ordinary shares of 490/143 pence each.

In anticipation of returns to shareholders, Capricorn undertook a share premium cancellation which completed in 2023, following a shareholder vote on 15 December 2022. The cancellation received the required confirmation for the Court of Session in late January 2023 and was registered with the Register of Companies on 31 January 2023, which is the effective date of the cancellation. The full amount of the Company's share premium accounts transferred to retained earnings increasing distributable reserves available for future returns.

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 2022. A list of current directors is maintained on the Capricorn Energy PLC website: www.capricornenergy.com.

By order of the Board.

Randy Neely
Chief Executive
13 September 2023

About Capricorn Energy PLC

Capricorn is an Egypt-focused energy producer, with an attractive portfolio of onshore exploration, development and production assets in the Western Desert.

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 2023 (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 2023;
- 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 ("ISRE (UK) 2410"). 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.

Conclusions relating to 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 adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the group to cease to continue as a going concern.

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, including our Conclusions relating to going concern, 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
13 September 2023

Capricorn Energy PLC
Financial Statements
For the six months ended 30 June 2023

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Capricorn Energy PLC

Group Income Statement

For the six months ended 30 June 2023

	Note	**Six months ended 30 June 2023 (unaudited) $m**	Six months ended 30 June 2022 (unaudited) (restated) $m	Year ended 31 December 2022 (audited) (restated) $m
Continuing operations				
Revenue	2.1	**98.8**	137.4	229.6
Other income	2.1	**29.8**	23.0	54.8
Cost of sales		**(27.5)**	(32.8)	(71.2)
Depletion charge	2.3	**(55.1)**	(72.0)	(124.1)
Gross profit		**46.0**	55.6	89.1
Pre-award costs		**(1.0)**	(6.3)	(9.2)
General exploration costs		**(15.8)**	(19.9)	(48.7)
Unsuccessful exploration well costs	2.2	**(18.6)**	(22.7)	(57.8)
Impairment of intangible exploration/appraisal assets	2.2	**–**	(17.4)	–
Impairment of property, plant and equipment – development/producing assets	2.3	**–**	–	(42.6)
Other operating income		**0.4**	0.1	5.8
Administrative and other expenses	4.2	**(41.3)**	(33.5)	(65.0)
Operating loss		**(30.3)**	(44.1)	(128.4)
Fair value loss – deferred consideration on business combination		**(3.4)**	(11.2)	(12.7)
Gain on financial assets at fair value through profit or loss		**–**	1.5	2.3
Finance income	4.3	**16.3**	5.1	15.7
Finance costs	4.4	**(14.9)**	(6.8)	(18.2)
Loss before taxation from continuing operations		**(32.3)**	(55.5)	(141.3)
Tax charge	5.1	**(19.1)**	(24.6)	(30.7)
Loss from continuing operations		**(51.4)**	(80.1)	(172.0)
(Loss)/Profit from discontinued operations	6.1	**(10.8)**	120.9	109.3
(Loss)/Profit for the period attributable to equity holders of the Parent		**(62.2)**	40.8	(62.7)
Earnings per share for loss from continuing operations:				
Loss per ordinary share – basic and diluted ($)	4.5	**(0.17)**	(0.20)	(0.48)
Earnings per share for (loss)/profit attributable to equity holders of the Parent:				
(Loss)/Profit per ordinary share – basic and diluted ($)	4.5	**(0.21)**	0.10	(0.17)

Capricorn Energy PLC

Group Statement of Comprehensive Income

For the six months ended 30 June 2023

	Six months ended 30 June 2023 (unaudited) $m	Six months ended 30 June 2022 (unaudited) (restated) $m	Year ended 31 December 2022 (audited) (restated) $m
(Loss)/Profit for the period attributable to equity holders of the Parent	**(62.2)**	40.8	(62.7)
Other Comprehensive Income/(Expense) – items that may be recycled to the Income Statement			
Currency translation differences	**5.3**	(16.1)	(16.7)
Other Comprehensive Income/(Expense) for the period	**5.3**	(16.1)	(16.7)
Total Comprehensive (Expense)/Income for the period attributable to equity holders of the Parent	**(56.9)**	24.7	(79.4)
Total Comprehensive (Expense)/Income from:			
Continuing operations	**(46.1)**	(96.2)	(188.7)
Discontinuing operations	**(10.8)**	120.9	109.3
	(56.9)	24.7	(79.4)

Capricorn Energy PLC

Group Balance Sheet

As at 30 June 2023

	Note	**30 June 2023 (unaudited) $m**	30 June 2022 (unaudited) (restated) $m	31 December 2022 (audited) (restated) $m
Non-current assets				
Intangible exploration/appraisal assets	2.2	**0.8**	0.9	1.0
Property, plant & equipment – development/producing assets	2.3	**240.5**	338.4	253.8
Goodwill		**25.4**	25.4	25.4
Other property, plant & equipment and intangible assets	2.4	**28.4**	11.7	14.1
Financial assets at fair value through profit or loss	3.5	**36.7**	119.2	96.2
Deferred tax asset	5.2	**8.5**	–	7.6
		340.3	495.6	398.1
Current assets				
Cash and cash equivalents	3.1	**301.0**	809.0	756.8
Inventory		**9.0**	10.8	8.1
Trade and other receivables	3.4	**197.0**	211.8	142.5
Financial assets at fair value through profit or loss	3.5	**38.0**	127.7	134.4
		545.0	1,159.3	1,041.8
Total assets		**885.3**	1,654.9	1,439.9
Current liabilities				
Loans and borrowings	3.2	**20.3**	16.3	25.4
Lease liabilities	3.3	**1.1**	1.9	1.9
Deferred consideration on business combinations	3.5	**23.3**	24.6	25.0
Trade and other payables	3.6	**85.1**	138.2	55.7
Provisions – well abandonment		**0.8**	0.5	0.4
		130.6	181.5	108.4
Non-current liabilities				
Loans and borrowings	3.2	**104.2**	157.6	133.2
Lease liabilities	3.3	**18.1**	0.2	2.4
Deferred consideration on business combinations	3.5	**16.9**	35.7	36.8
Deferred tax liabilities	5.2	**16.1**	51.9	30.1
Provisions – well abandonment		**3.6**	3.0	3.0
		158.9	248.4	205.5
Total liabilities		**289.5**	429.9	313.9
Net assets		**595.8**	1,225.0	1,126.0
Equity attributable to equity holders of the Parent				
Called-up share capital	7.1	**7.8**	8.0	8.0
Share premium	7.1	**0.8**	494.7	495.4
Shares held by ESOP/SIP Trusts		**(11.9)**	(19.3)	(15.3)
Foreign currency translation		**(85.5)**	(90.2)	(90.8)
Merger and capital reserves		**45.7**	45.5	45.5
Retained earnings		**638.9**	786.3	683.2
Total equity		**595.8**	1,225.0	1,126.0

Capricorn Energy PLC
Group Statement of Cash Flows
For the six months ended 30 June 2023

	Six months ended 30 June 2023 (unaudited) $m	Six months ended 30 June 2022 (unaudited) (restated) $m	Year ended 31 December 2022 (audited) (restated) $m
Cash flows from operating activities:			
Loss before taxation from continuing operations	**(32.3)**	(55.5)	(141.3)
(Loss)/Profit before tax from discontinued operations (note 6.1)	**(14.9)**	128.7	113.4
(Loss)/Profit before tax including discontinued operations	**(47.2)**	73.2	(27.9)
Adjustments for non-cash income and expense and non-operating cash flows:			
Other income – tax entitlement volumes	**(29.8)**	(23.0)	(54.8)
Unsuccessful exploration costs	**18.6**	22.7	57.8
Depreciation, depletion and amortisation charges	**59.2**	75.0	129.9
Impairment of intangible exploration/appraisal assets	**–**	17.4	–
Impairment of property, plant and equipment – development/producing assets	**–**	–	42.6
Share-based payments charge	**0.7**	5.7	10.5
Fair value loss – deferred consideration on business combination	**3.4**	11.2	12.7
Loss/(Gain) on financial assets at fair value through profit or loss	**19.2**	(129.2)	(112.7)
Finance income	**(16.3)**	(5.1)	(15.7)
Finance costs	**14.9**	6.8	18.2
Adjustments in current assets and liabilities:			
Inventory movement	**(0.9)**	–	2.7
Increase in trade and other receivables (note 3.4)	**(36.7)**	(62.2)	(38.7)
(Decrease)/Increase in trade and other payables (note 3.6)	**(0.6)**	6.7	(9.8)
Net cash flows (used in)/from operating activities	**(15.5)**	(0.8)	14.8
Cash flows from investing activities:			
Exceptional income – India tax refund	**–**	1,056.0	1,056.0
Expenditure on intangible exploration/appraisal assets	**(13.0)**	(38.5)	(46.2)
Expenditure on development/producing assets	**(37.7)**	(23.2)	(62.2)
Expenditure on other property, plant & equipment and intangible assets	**(0.1)**	(10.6)	(11.7)
Deferred consideration received - discontinued operations	**134.4**	75.7	75.7
Consideration paid for assets acquired through business combination	**–**	(3.2)	(3.2)
Deferred consideration paid on business combination	**(25.0)**	(20.9)	(20.9)
Proceeds on disposal of financial assets	**–**	12.8	12.8
Tax paid on investing activities	**–**	–	(0.2)
Interest received and other finance income	**20.7**	2.7	12.5
Net cash flows from investing activities	**79.3**	1,050.8	1,012.6
Cash flows from financing activities:			
Return of cash to shareholders	**(445.7)**	–	–
Share re-purchase	**(11.4)**	(528.6)	(528.6)
Other interest and charges	**(9.5)**	(7.3)	(11.7)
Repayment of loans and borrowings	**(33.5)**	(3.7)	(21.5)
Proceeds from issue of shares	**0.8**	3.8	4.5
Cost of shares purchased	**(16.9)**	(19.8)	(19.8)
Lease payments	**(1.5)**	(1.4)	(2.5)
Net cash flows used in financing activities	**(517.7)**	(557.0)	(579.6)
Net (decrease)/increase in cash and cash equivalents	**(453.9)**	493.0	447.8
Opening cash and cash equivalents at the beginning of the period	**756.8**	314.1	314.1
Foreign exchange differences	**(1.9)**	1.9	(5.1)
Closing cash and cash equivalents (note 3.1)	**301.0**	809.0	756.8

Capricorn Energy PLC

Group Statement of Changes in Equity

For the six months ended 30 June 2023

	Equity share capital and share premium $m	Shares held by ESOP/ SIP Trusts $m	Foreign currency translation $m	Merger and capital reserves $m	Retained earnings (restated) $m	**Total equity (restated) $m**
At 1 January 2022	503.5	(17.5)	(74.1)	40.9	1,345.8	1,798.6
Restatement	–	–	–	–	(76.9)	(76.9)
At 1 January 2022 - restated	503.5	(17.5)	(74.1)	40.9	1,268.9	1,721.7
Loss for the year	–	–	–	–	(62.7)	(62.7)
Currency translation differences	–	–	(16.7)	–	–	(16.7)
Total comprehensive expense	–	–	(16.7)	–	(62.7)	(79.4)
Share-based payments	–	–	–	–	10.5	10.5
Exercise of employee share options	4.5	–	–	–	–	4.5
Share re-purchase	(4.6)	–	–	4.6	(511.5)	(511.5)
Cost of shares purchased	–	(19.8)	–	–	–	(19.8)
Cost of shares vesting	–	22.0	–	–	(22.0)	–
At 31 December 2022	503.4	(15.3)	(90.8)	45.5	683.2	1,126.0
Loss for the period	–	–	–	–	(62.2)	**(62.2)**
Currency translation differences	–	–	5.3	–	–	**5.3**
Total comprehensive income/(expense)	–	–	5.3	–	(62.2)	**(56.9)**
Share-based payments	–	–	–	–	0.7	**0.7**
Exercise of employee share options	0.8	–	–	–	–	**0.8**
Share premium cancelled	(495.4)	–	–	–	495.4	**–**
Cost of shares purchased	–	(16.9)	–	–	–	**(16.9)**
Cost of shares vesting	–	20.3	–	–	(20.3)	**–**
Dividends paid	–	–	–	–	(445.7)	**(445.7)**
Share re-purchase	(0.2)	–	–	0.2	(12.2)	**(12.2)**
At 30 June 2023	**8.6**	**(11.9)**	**(85.5)**	**45.7**	**638.9**	**595.8**

Capricorn Energy PLC

Group Statement of Changes in Equity (continued)

For the six months ended 30 June 2022

	Equity share capital and share premium $m	Shares held by ESOP/ SIP Trusts $m	Foreign currency translation $m	Merger and capital reserves $m	Retained earnings (restated) $m	Total equity (restated) $m
At 1 January 2022	503.5	(17.5)	(74.1)	40.9	1,345.8	1,798.6
Restatement	–	–	–	–	(76.9)	(76.9)
At 1 January 2022 - restated	503.5	(17.5)	(74.1)	40.9	1,268.9	1,721.7
Profit for the period	–	–	–	–	40.8	40.8
Currency translation differences	–	–	(16.1)	–	–	(16.1)
Total comprehensive (expense)/income	–	–	(16.1)	–	40.8	24.7
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	786.3	1,225.0

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 2023 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 2022, 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 13 September 2023. 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 2022, 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 2023 and uses the same accounting and financial risk management policies and methods of computation as those applied for the year ended 31 December 2022, other than changes to accounting policies resulting from the adoption of new or revised accounting standards and a change in the accounting policy for intangible exploration/appraisal assets as detailed in note 1.3 below. Changes to IFRS effective 1 January 2023 have no significant impact on Capricorn's accounting policies or Financial Statements.

Significant key estimates and assumptions are unchanged from those applied in the year ended 31 December 2022 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 surplus cash balances, exceeding debt drawn on the Senior Secured Borrowing and Junior Debt Facilities within the Egypt business. The cash surplus has been adjusted for the proposed $100.0m cash return to shareholders and the remaining balance of the $25.0m share buy-back programme. After adjusting for these planned returns, 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 12-month forward-looking liquidity test.

A downside scenario run includes a return to lower oil prices, with a 10% reduction to the forward curve over the remainder of 2023 and an oil price of $60 per bbl from 2024 onward, a 10% reduction in forecast production and further delays in settlement of Egypt trade receivables. An oil-price crash scenario assumes a fall in the oil price to $35 per bbl in Q3 2023 with a recovery of $60 per bbl by mid-year 2024 partially mitigated by a reduction in forecast capital expenditure. Both the downside and oil price crash scenarios include the planned $100.0m cash return and remaining share re-purchase. Under both scenarios the Group has sufficient cash headroom to continue to operate as a going concern.

Under the terms of the borrowing facilities entered into in connection with the Group's Egypt assets, Capricorn Egypt Limited, the subsidiary holding the Egypt assets, as borrows jointly and severally guarantee the performance of the obligations of the joint venture counterparty. Should the counterparty fail to meet its repayment obligations, the lender could enforce this guarantee, though other routes to recovery would be more likely. Though considered highly remote, default by the counterparty could result in the lenders assuming control of the Egypt assets. However, as the facilities are non-recourse to the rest of the Group, Capricorn would continue to operate as a going concern with sufficient cash balances held outside Egypt and further earnout consideration forecast allowing the Group to meet its remaining liabilities as they fall due.

1.3 Restatement of Comparative Information

A change in policy from a successful efforts-based accounting policy to a pure successful efforts accounting policy for oil and gas assets has been adopted from 1 January 2023. Under the revised policy, all non-well specific exploration costs, previously capitalised within exploration assets, are now charged directly to the Income Statement as incurred. The directors believe that the revised policy gives a clearer understanding of the performance of the Group in any given period as the new policy is more closely aligned to the general capitalisation requirement of the IFRS framework, by only capitalising costs associated within exploration assets that directly relate to commercial discoveries of hydrocarbons. In addition, costs associated with Near Field Exploration ("NFE") wells, which are appraisal wells within the existing development areas are now capitalised immediately within development/producing assets, given that, if successful they start producing immediately. The directors believe these changes will provide more reliable and relevant information on the Group's financial performance in a period and more importantly the value of exploration assets held at the balance sheet date.

The result of the change in accounting policy is that going forward only costs of commercially successful exploration wells in Egypt projects are expected to be capitalised within exploration assets given the change in the group's future strategy to focus on maximising value from these assets. The policy change has been applied retrospectively and restatement of the Intangible Exploration/Appraisal assets, Income Statement, Balance Sheet, and statement of Cash Flows including the comparative periods is presented in the tables below.

Section 1 – Basis of Preparation (continued)

1.3 Restatement of Comparative Information (continued)

Adjustments recognised on adoption from successful efforts-based to a pure successful efforts-based costs policy. Reconciliation to Intangible Exploration/Appraisal assets is as follows:

	Intangible Exploration/Appraisal assets old policy $m	Accounting policy change $m	Intangible Exploration/Appraisal assets new policy $m
Cost			
At 1 January 2022	117.9	(88.5)	29.4
Additions	43.8	(24.2)	19.6
Unsuccessful exploration costs	(28.7)	6.0	(22.7)
At 30 June 2022	133.0	(106.7)	26.3
Additions	46.6	(28.8)	17.8
Unsuccessful exploration costs	(84.4)	41.3	(43.1)
At 31 December 2022	95.2	(94.2)	1.0
Additions	42.4	(24.0)	18.4
Unsuccessful exploration costs	(71.0)	52.4	(18.6)
At 30 June 2023	66.6	(65.8)	0.8
Impairment			
At 1 January 2022	19.6	(11.6)	8.0
Charge for the period	24.5	(7.1)	17.4
At 30 June 2022	44.1	(18.7)	25.4
Unsuccessful exploration costs	(19.6)	11.6	(8.0)
Disposal/Reversal of charge for the period	(24.5)	7.1	(17.4)
At 31 December 2022 and 30 June 2023	–	–	–
Net book value			
At 30 June 2022	88.9	(88.0)	0.9
At 31 December 2022	95.2	(94.2)	1.0
At 30 June 2023	66.6	(65.8)	0.8

Of the $65.8m accounting policy adjustment $53.3m relates to the expensing of general exploration costs relating to Mauritania, Suriname and in the UK as well as non-well costs in Egypt in the current and prior years. The remaining $12.5m is due to the reallocation of NFE costs into development/producing assets.

Section 1 – Basis of Preparation (continued)

1.3 Restatement of Comparative Information (continued)

1.3.1 Group Income Statement Accounting Policy Restatement

For the six months ended 30 June 2023:

Statement of profit or loss (extract)	Note	Six months ended 30 June 2023 $m	Accounting policy change $m	Six months ended 30 June 2023 Restated $m
Continuing operations				
General exploration costs		–	(15.8)	(15.8)
Unsuccessful exploration well costs	2.2	(71.0)	52.4	(18.6)
Operating loss		(71.0)	36.6	(34.4)
Loss before taxation from continuing operations		(71.0)	36.6	(34.4)
Tax charge	5.1	(19.5)	0.4	(19.1)
Loss from continuing operations		(90.5)	37.0	(53.5)

Both basic and diluted earnings per share increased by $0.12 per share for the period ended 30 June 2023.

For the six months ended 30 June 2022:

Statement of profit or loss (extract)	Note	Six months ended 30 June 2022 As originally presented $m	Accounting policy change $m	Six months ended 30 June 2022 Restated $m
Continuing operations				
General exploration costs		–	(19.9)	(19.9)
Unsuccessful exploration well costs	2.2	(28.7)	6.0	(22.7)
Impairment of intangible exploration/appraisal assets	2.2	(24.5)	7.1	(17.4)
Operating loss		(53.2)	(6.8)	(60.0)
Loss before taxation from continuing operations		(53.2)	(6.8)	(60.0)
Tax charge	5.1	(24.8)	0.2	(24.6)
Loss from continuing operations		(78.0)	(6.6)	(84.6)

Both basic and diluted earnings per share decreased by $0.02 per share for the period ended 30 June 2022.

Section 1 – Basis of Preparation (continued)

1.3 Restatement of Comparative Information (continued)

1.3.1 Group Income Statement Accounting Policy Restatement (continued)

For the year ended 31 December 2022:

Statement of profit or loss (extract)	Note	Year ended 31 December 2022 As originally presented (audited) $m	Accounting policy change $m	Year ended 31 December 2022 Restated $m
Continuing operations				
General exploration costs		–	(48.7)	(48.7)
Unsuccessful exploration well costs	2.2	(93.5)	35.7	(57.8)
Operating loss		(93.5)	(13.0)	(106.5)
Loss before taxation from continuing operations		(93.5)	(13.0)	(106.5)
Tax charge	5.1	(32.0)	1.3	(30.7)
Loss from continuing operations		(125.5)	(11.7)	(137.2)

Both basic and diluted earnings per share decreased by $0.03 per share for the year ended 31 December 2022.

1.3.2 Group Balance Sheet Accounting Policy Restatement

As at 30 June 2023:

Balance Sheet (extract)	Note	30 June 2023 $m	Accounting policy change $m	30 June 2023 Restated $m
Non-current assets				
Intangible exploration/appraisal assets	2.2	66.6	(65.8)	0.8
Property, plant & equipment – development/producing assets	2.3	228.0	12.5	240.5
Deferred tax assets	5.2	7.4	1.1	8.5
		302.0	(52.2)	249.8
Non-current liabilities				
Deferred tax liabilities	5.2	(16.7)	0.6	(16.1)
Net assets		285.3	(51.6)	233.7
Equity				
Retained earnings		690.5	(51.6)	638.9
Total equity		647.4	(51.6)	595.8

Section 1 – Basis of Preparation (continued)

1.3 Restatement of Comparative Information (continued)

1.3.2 Group Balance Sheet Accounting Policy Restatement (continued)

As at 30 June 2022:

Balance Sheet (extract)	Note	30 June 2022 As originally presented $m	Accounting policy change $m	30 June 2022 Restated $m
Non-current assets				
Intangible exploration/appraisal assets	2.2	88.9	(88.0)	0.9
Property, plant & equipment – development/producing assets	2.3	334.1	4.3	338.4
		423.0	(83.7)	339.3
Non-current liabilities				
Deferred tax liabilities	5.2	(52.1)	0.2	(51.9)
Net assets		370.9	(83.5)	(287.4)
Equity				
Retained earnings		869.8	(83.5)	786.3
Total equity		1,308.5	(83.5)	1,225.0

As at 31 December 2022:

Balance Sheet (extract)	Note	31 December 2022 As originally presented (audited) $m	Accounting policy change $m	31 December 2022 Restated $m
Non-current assets				
Intangible exploration/appraisal assets	2.2	95.2	(94.2)	1.0
Property, plant & equipment – development/producing assets	2.3	249.5	4.3	253.8
Deferred tax assets	5.2	7.1	0.5	7.6
		351.8	(89.4)	262.4
Non-current liabilities				
Deferred tax liabilities	5.2	(30.9)	0.8	(30.1)
Net assets		320.9	(88.6)	232.3
Equity				
Retained earnings		771.8	(88.6)	683.2
Total equity		1,214.6	(88.6)	1,126.0

Section 1 – Basis of Preparation (continued)

1.3 Restatement of Comparative Information (continued)

1.3.3 Group Statement of Cash Flows Accounting Policy Restatement

For the six months ended 30 June 2023:

Statement of cash flows (extract)	Six months ended 30 June 2023 $m	Accounting policy change $m	Six months ended 30 June 2023 Restated $m
Cash flows from operating activities:			
Loss before taxation from continuing operations	(68.9)	36.6	(32.3)
Adjustments for non-cash income and expense and non-operating cash flows:			
Unsuccessful exploration costs	71.0	(52.4)	18.6
Net cash flows from operating activities	71.0	(52.4)	18.6
Cash flows from investing activities:			
Expenditure on intangible exploration/appraisal assets	(28.8)	15.8	(13.0)
Net cash flows used in investing activities	(28.8)	15.8	(13.0)
Net decrease in cash and cash equivalent	453.9	–	453.9

For the six months ended 30 June 2022:

Statement of cash flows (extract)	Six months ended 30 June 2022 As originally presented 2022 $m	Accounting policy change $m	Six months ended 30 June 2022 Restated $m
Cash flows from operating activities:			
Loss before taxation from continuing operations	(48.7)	(6.8)	(55.5)
Adjustments for non-cash income and expense and non-operating cash flows:			
Unsuccessful exploration costs	28.7	(6.0)	22.7
Impairment of intangible exploration/appraisal assets	24.5	(7.1)	17.4
Net cash flows from operating activities	53.2	(13.1)	40.1
Cash flows from investing activities:			
Expenditure on intangible exploration/appraisal assets	(58.4)	19.9	(38.5)
Net cash flows used in investing activities	(58.4)	19.9	(38.5)
Net increase in cash and cash equivalent	493.0	–	493.0

Section 1 – Basis of Preparation (continued)

1.3 Restatement of Comparative Information (continued)

1.3.3 Group Statement of Cash Flows Accounting Policy Restatement (continued)

For the year ended 31 December 2022:

Statement of cash flows (extract)	Year ended 31 December 2022 As originally presented (audited) $m	Accounting policy change $m	Year ended 31 December 2022 Restated $m
Cash flows from operating activities:			
Loss before taxation from continuing operations	(128.3)	(13.0)	(141.3)
Adjustments for non-cash income and expense and non-operating cash flows:			
Unsuccessful exploration costs	93.5	(35.7)	57.8
Net cash flows from operating activities	93.5	(35.7)	57.8
Cash flows from investing activities:			
Expenditure on intangible exploration/appraisal assets	(94.9)	48.7	(46.2)
Net cash flows used in investing activities	(94.9)	48.7	(46.2)
Net increase in cash and cash equivalent	447.8	–	447.8

Section 2 – Oil and Gas Assets and Operations

2.1 Gross Profit: Revenue and Cost of Sales

	Six months ended 30 June 2023 $m	Six months ended 30 June 2022 $m	Year ended 31 December 2022 $m
Oil sales	**76.6**	112.9	181.4
Gas sales	**21.7**	24.5	47.5
Revenue from oil and gas sales	**98.3**	137.4	228.9
Royalty income	**0.5**	–	0.7
Total revenue	**98.8**	137.4	229.6
Other Income – Tax entitlement volumes	**29.8**	23.0	54.8
Other income	**29.8**	23.0	54.8
Production costs and inventory movements	**(27.5)**	(32.8)	(71.2)
Cost of sales	**(27.5)**	(32.8)	(71.2)
Depletion (note 2.3)	**(55.1)**	(72.0)	(124.1)
Gross profit	**46.0**	55.6	89.1

Oil and gas revenue in Egypt for H1 2023, was $98.3m (H1 2022: $137.4m; YE 2023: $228.9m), from net entitlement volumes of 2.4 mmboe (H1 2022: 2.6 mmboe; YE 2022: 4.7 mmboe). Oil sales price realised averaged $78.56/boe (H1 2022: $110.9/boe; YE 2022: $98.8/boe) (excluding expected credit loss adjustments) and gas sales prices remained at $2.9/mscf (H1 2022: $2.9/mscf; YE 2022; $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 $27.5m (H1 2022: $32.8m; YE 2022: $71.2m), or $4.8/boe (H1 2022: $5.1/boe; YE 2022: $5.7/boe) (on a WI basis).

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

2.2 Intangible Exploration/Appraisal Assets

	Egypt (restated) $m	Mexico (restated) $m	Other Countries (restated) $m	**Total (restated) $m**
Cost				
At 1 January 2022	–	25.2	4.2	29.4
Additions	0.9	0.2	18.5	19.6
Unsuccessful exploration costs	–	–	(22.7)	(22.7)
At 30 June 2022	0.9	25.4	–	26.3
Additions	(0.9)	1.0	17.7	17.8
Unsuccessful exploration costs	–	(25.4)	(17.7)	(43.1)
At 31 December 2022	–	1.0	–	1.0
Additions	3.0	14.6	0.8	**18.4**
Unsuccessful exploration costs	(2.2)	(15.6)	(0.8)	**(18.6)**
At 30 June 2023	**0.8**	**–**	**–**	**0.8**
Impairment				
At 1 January 2022	–	8.0	–	8.0
Charge for the period	–	17.4	–	17.4
At 30 June 2022	–	25.4	–	25.4
Reversal of charge for the period	–	(17.4)	–	(17.4)
Unsuccessful exploration costs	–	(8.0)	–	(8.0)
At 31 December 2022 and 30 June 2023	**–**	**–**	**–**	**–**
Net book value				
At 30 June 2022	0.9	–	–	0.9
At 31 December 2022	–	1.0	–	1.0
At 30 June 2023	**0.8**	**–**	**–**	**0.8**

Egypt
As at 30 June 2023, the balance of $0.8m relates to direct cost relating to planned exploration wells on the South-East Horus concession area.

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

2.3 Property, Plant & Equipment – Development/Producing Assets

	Egypt (restated) $m
Cost	
At 1 January 2022	405.1
Additions	36.5
At 30 June 2022	441.6
Additions	39.3
Other cost adjustments	(29.2)
At 31 December 2022	451.7
Additions	**41.8**
At 30 June 2023	**493.5**
Depletion, amortisation and impairment	
At 1 January 2022	31.2
Depletion and amortisation charges	72.0
At 30 June 2022	103.2
Depletion	52.1
Impairment	42.6
At 31 December 2022	197.9
Depletion	**55.1**
At 30 June 2023	**253.0**
Net book value	
At 30 June 2022	338.4
At 31 December 2022	253.8
At 30 June 2023	**240.5**

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

In Egypt, depletion of $55.1m (2022 H1: $72.0m, 2022 YE: $124.1m) 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.

The Group reviewed its producing assets in Egypt for indicators of impairment, but no indicators were identified and no impairment tests have therefore been performed at the half-year.

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

2.4 Other Property, Plant & Equipment and Intangible assets

	Carbon credits $m	Intangible assets $m	Property, plant & equipment $m	Right-of-use assets $m	**Total $m**
Cost					
At 1 January 2022	–	37.4	10.8	9.3	57.5
Additions	6.8	1.9	–	0.2	8.9
At 30 June 2022	6.8	39.3	10.8	9.5	66.4
Additions	–	2.0	–	3.3	5.3
At 31 December 2022	6.8	41.3	10.8	12.8	71.7
Additions	–	3.8	0.4	16.8	**21.0**
At 30 June 2023	**6.8**	**45.1**	**11.2**	**29.6**	**92.7**
Depreciation and amortisation					
At 1 January 2022	–	35.2	10.3	6.3	51.8
Charge for the period	–	1.8	0.1	1.0	2.9
At 30 June 2022	–	37.0	10.4	7.3	54.7
Charge for the period	–	1.7	0.2	1.0	2.9
At 31 December 2022	–	38.7	10.6	8.3	57.6
Charge for the period	–	4.2	0.6	1.9	**6.7**
At 30 June 2023	**–**	**42.9**	**11.2**	**10.2**	**64.3**
Net book value					
At 30 June 2022	6.8	2.3	0.4	2.2	11.7
At 31 December 2022	6.8	2.6	0.2	4.5	14.1
At 30 June 2023	**6.8**	**2.2**	**–**	**19.4**	**28.4**

The total additions of $16.8m in right-of-use assets include $16.0m addition in connection to additional office lease contracts in the UK.

2.5 Capital Commitments

Oil and gas expenditure:	**At 30 June 2023 $m**	At 30 June 2022 (restated) $m	At 31 December 2022 (restated) $m
Intangible exploration/appraisal assets	**12.6**	43.8	28.4
Property, plant & equipment – development/producing assets	**–**	46.3	–
Contracted for	**12.6**	90.1	28.4

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 of $12.6m (2022 H2: $2.1m, 2022 YE: $14.3m) for intangible exploration/appraisal assets related to Egypt operations.

30 June 2022 the capital commitments for property, plant & equipment – development/producing assets related to Egypt operations. At 30 June 2023 and 31 December 2022 no capital commitments are recorded as operator budgets still to be approved.

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

3.1 Cash and Cash Equivalents

	At 30 June 2023 $m	At 30 June 2022 $m	At 31 December 2022 $m
Cash at bank	**38.3**	99.8	63.4
Bank deposits less than three months	**40.0**	73.0	298.0
Money market funds	**222.7**	636.2	395.4
	301.0	809.0	756.8

At 30 June 2023, $35.1m of cash and cash equivalents are restricted and not available for immediate ordinary business use. Of this restricted amount of cash and cash equivalents $33.9m is held in Egypt.

3.2 Loans and Borrowings

Reconciliation of opening and closing liabilities to cash flow movements:	**At 30 June 2023 $m**	At 30 June 2022 $m	At 31 December 2022 $m
Opening liabilities	**158.6**	177.0	177.0
Loan repayments in the period disclosed in the Cash Flow Statement:			
Senior Debt Facility	**(33.5)**	(3.7)	(21.5)
	(33.5)	(3.7)	(21.5)
Non-cash movements:			
Accrued debt facility interest	**(1.1)**	–	2.2
Amortisation of debt arrangement fees	**0.5**	0.6	0.9
Closing liabilities	**124.5**	173.9	158.6
Amounts due less than one year	**20.3**	16.3	25.4
Amounts due greater than one year	**104.2**	157.6	133.2
Closing liabilities	**124.5**	173.9	158.6

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

3.3 Lease Liabilities

Reconciliation of opening and closing liabilities to cash flow movements:	**At 30 June 2023 $m**	At 30 June 2022 $m	At 31 December 2022 $m
Opening liabilities	**4.3**	3.7	3.7
Lease payments in the period disclosed in the Cash Flow Statement as financing cash flows:			
Total lease payments	**(1.5)**	(1.4)	(2.5)
	(1.5)	(1.4)	(2.5)
Non-cash movements:			
Lease additions	**16.0**	–	3.2
Lease interest charges	**0.2**	0.1	0.2
Foreign exchange	**0.2**	(0.3)	(0.3)
Closing liabilities	**19.2**	2.1	4.3
Amounts due less than one year	**1.1**	1.9	1.9
Amounts due greater than one year	**18.1**	0.2	2.4
Closing liabilities	**19.2**	2.1	4.3

At as 30 June 2023 the balance of $19.2m wholly relates to the office lease costs in the UK and Egypt. Additions of $16.0m in 2023 relates to new office lease liabilities in the UK. Amortisation charges on the Right-of-Use assets are disclosed in note 4.1.

For the six months ended 30 June 2023 the Group did not incur any further fixed or variable lease costs.

3.4 Trade and Other Receivables

	At 30 June 2023 $m	At 30 June 2022 $m	At 31 December 2022 $m
Trade receivables	**144.2**	113.6	96.9
Other receivables	**13.4**	22.8	19.6
Prepayments	**4.2**	7.7	5.3
Joint operation receivables	**35.2**	67.7	20.7
	197.0	211.8	142.5

Trade receivables relate to the Group's producing assets in Egypt. The increase in the receivables position is net of expected credit loss adjustments of $2.0m. Discussions are ongoing with EGPC and the operator to manage the receivables position and capital expenditure in Egypt is being monitored to match incoming receipts. 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 2023 $m**	30 June 2022 $m	31 December 2022 $m
Opening trade and other receivables	**142.5**	1,211.2	1,211.2
Closing trade and other receivables	**(197.0)**	(211.8)	(142.5)
(Increase)/Decrease in trade and other receivables	**(54.5)**	999.4	1,068.7
Foreign exchange	**(0.2)**	(18.7)	(17.3)
India tax refund received	**–**	(1,056.0)	(1,056.0)
Increase/(Decrease) in joint operation receivables relating to investing activities for expenditure on oil and gas assets	**27.2**	11.1	(27.7)
(Decrease)/Increase in other debtors relating to investing activities	**(5.3)**	1.7	(8.7)
(Decrease)/Increase in prepayments relating to investing activities	**(1.9)**	(0.2)	0.6
(Decrease)/Increase in prepayments and other receivables relating to financing activities	**(2.0)**	0.5	1.7
Increase in trade and other receivables movement recorded in operating cash flows	**(36.7)**	(62.2)	(38.7)

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

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

Financial Assets	**At 30 June 2023 $m**	At 30 June 2022 $m	At 31 December 2022 $m
Non-current assets			
Financial assets at fair value through profit or loss – earnout consideration	**30.1**	113.2	89.7
Financial assets at fair value through profit or loss – non-listed investment fund	**6.6**	6.0	6.5
	36.7	119.2	96.2
Current assets			
Financial assets at fair value through profit or loss – earnout consideration	**38.0**	127.7	134.4
	38.0	127.7	134.4

The earnout 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 2023 $m**	At 30 June 2022 $m	At 31 December 2022 $m
Non-current liabilities			
Financial liabilities at fair value through profit or loss – deferred consideration on business combinations	**(16.9)**	(35.7)	(36.8)
Current liabilities			
Financial liabilities at fair value through profit or loss – deferred consideration on business combinations	**(23.3)**	(24.6)	(25.0)

Deferred consideration, based on future oil prices, is due to Shell following the Egypt business combination in 2021.

Fair Value measurements

	At 30 June 2023 $m	At 30 June 2022 $m	At 31 December 2022 $m
Assets measured at fair value – Level 2			
Financial assets at fair value through profit or loss			
Earnout consideration	**68.1**	240.9	224.1
Non-listed investment fund	**6.6**	6.0	6.5
Liabilities measured at fair value – Level 2			
Financial liabilities at fair value through profit or loss			
Deferred consideration on business combinations	**(38.5)**	(58.5)	(58.9)
Liabilities measured at fair value – Level 3			
Financial liabilities at fair value through profit or loss			
Deferred consideration on business combinations	**(1.7)**	(1.8)	(2.9)
	34.5	186.6	168.8

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

3.6 Trade and Other Payables

	At 30 June 2023 $m	At 30 June 2022 $m	At 31 December 2022 $m
Trade payables	**0.2**	14.4	1.5
Other taxation and social security	**2.2**	1.3	1.9
Accruals and other payables	**9.9**	27.6	21.6
Joint operation payables	**72.8**	94.9	30.7
	85.1	138.2	55.7

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 the reduction in bonus and employer national insurance accruals.

Reconciliation of opening and closing payables to operating cash flow movements:	**30 June 2023 $m**	30 June 2022 $m	31 December 2022 $m
Opening trade and other payables	**(55.7)**	(152.2)	(152.2)
Closing trade and other payables	**85.1**	138.2	55.7
Increase/(Decrease) in trade and other payables	**29.4**	(14.0)	(96.5)
Foreign exchange	**1.5**	3.0	3.4
Decrease in trade payables relating to investing activities	**0.7**	–	0.5
(Increase)/Decrease in joint operation payables relating to investing activities	**(31.6)**	(5.7)	61.6
(Increase)/Decrease in accruals relating to other financing activities - repurchase of shares	**(0.8)**	18.9	18.7
Decrease in accruals and other payables relating to investing activities	**–**	3.0	3.0
Increase/(Decrease) in accruals and other payables relating to financing activities	**0.2**	1.5	(0.5)
(Decrease)/Increase in trade and other payables recorded in operating cash flows	**(0.6)**	6.7	(9.8)

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 earnout 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 or was 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.

In 2023 H1, Capricorn had three reporting segments: Egypt, Mexico, and Other countries. The Other countries operating segment includes costs associated with exploration interests in Mauritania, UK North Sea and Suriname.

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; goodwill; 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 2023 are as follows:

	Egypt $m	Mexico $m	Other countries $m	Other Capricorn Energy Group $m	**Total $m**
Revenue	98.3	–	–	0.5	**98.8**
Other income	29.8	–	–	–	**29.8**
Cost of sales	(27.5)	–	–	–	**(27.5)**
Depletion and amortisation charges	(55.1)	–	–	–	**55.1**
Gross profit	**45.5**	**–**	**–**	**0.5**	**46.0**
Pre-award costs	(0.6)	–	–	(0.4)	**(1.0)**
Unsuccessful exploration costs	(2.2)	(15.6)	(0.8)	–	**(18.6)**
General exploration costs	(4.4)	(6.0)	(5.4)	–	**(15.8)**
Other operating income	–	–	–	0.4	**0.4**
Depreciation – purchased assets	–	–	–	(0.2)	**(0.2)**
Amortisation – right-of-use assets	(0.2)	–	–	(1.2)	**(1.4)**
Amortisation of other intangible assets	–	–	–	(2.5)	**(2.5)**
Other administrative expenses	(0.6)	(1.0)	–	(35.6)	**(37.2)**
Operating profit/(loss)	**37.5**	**(22.6)**	**(6.2)**	**(39.0)**	**(30.3)**
Fair value loss on deferred consideration	(3.4)	**–**	–	–	**(3.4)**
Gain on fair value of financial asset	–	**–**	–	–	**–**
Interest income	0.6	1.4	0.1	14.2	**16.3**
Interest expense	(8.1)	–	–	(0.1)	**(8.2)**
Other net finance (expense)/income	(0.6)	1.0	(0.6)	(6.5)	**(6.7)**
Profit/(Loss) before taxation from continuing operations	**26.0**	**(20.2)**	**(6.7)**	**(31.4)**	**(32.3)**
Tax charge	(19.1)	–	–	–	**(19.1)**
Profit/(Loss) for the period from continuing operations	**6.9**	**(20.2)**	**(6.7)**	**(31.4)**	**(51.4)**
Loss from discontinued operations	–	–	–	(10.8)	**(10.8)**
Profit/(Loss) attributable to equity holders of the Parent	**6.9**	**(20.2)**	**(6.7)**	**(42.2)**	**(62.2)**
Balances at 30 June 2023:					
Capital expenditure	**44.7**	**14.6**	**0.8**	**3.8**	**63.9**
Total assets	**500.3**	**12.6**	**68.6**	**303.8**	**885.3**
Total liabilities	**246.2**	**9.9**	**5.0**	**28.4**	**289.5**
Non-current assets	**268.1**	**0.3**	**–**	**26.7**	**295.1**

Section 4 – Income Statement Analysis (continued)

4.1 Segmental Analysis (continued)

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

	Egypt (restated) $m	Mexico (restated) $m	Other countries (restated) $m	Other Capricorn Energy Group $m	Total (restated) $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	–	–	(22.7)	–	(22.7)
General exploration costs	(3.0)	(4.4)	(12.5)	–	(19.9)
Impairment of intangible exploration/appraisal assets	–	(17.4)	–	–	(17.4)
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)	49.9	(22.4)	(35.7)	(35.9)	(44.1)
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	(5.7)	–	–	(0.1)	(5.8)
Other net finance (expense)/income	(1.1)	0.7	1.3	–	0.9
Profit/(Loss) before taxation from continuing operations	31.9	(21.6)	(34.4)	(31.4)	(55.5)
Tax charge	(24.4)	–	–	(0.2)	(24.6)
Profit/(Loss) for the period from continuing operations	7.5	(21.6)	(34.4)	(31.6)	(80.1)
Profit from discontinued operations	–	–	–	120.9	120.9
Profit/(Loss) attributable to equity holders of the Parent	7.5	(21.6)	(34.4)	89.3	40.8
Balances at 30 June 2022:					
Capital expenditure	37.3	0.2	18.6	9.3	65.4
Total assets	588.0	25.0	248.7	793.2	1,654.9
Total liabilities	376.1	5.4	19.5	28.9	429.9
Non-current assets	364.6	0.7	(5.9)	17.0	376.4

Section 4 – Income Statement Analysis (continued)

4.1 Segmental Analysis (continued)

The segment results for the year ended 31 December 2022 were as follows:

	Egypt (restated) $m	Mexico (restated) $m	Other countries (restated) $m	Other Capricorn Energy Group $m	Total (restated) $m
Revenue	228.9	–	–	0.7	229.6
Other income	54.8	–	–	–	54.8
Cost of sales	(71.2)	–	–	–	(71.2)
Depletion and amortisation	(124.1)	–	–	–	(124.1)
Gross profit	88.4	–	–	0.7	89.1
Pre-award costs	(2.8)	–	(0.8)	(5.6)	(9.2)
Unsuccessful exploration costs	–	(17.4)	(40.4)	–	(57.8)
General exploration costs	(18.3)	(10.1)	(20.3)	–	(48.7)
Impairment of property, plant & equipment – development/producing assets	(42.6)	–	–	–	(42.6)
Other operating income and expenses	4.0	–	–	1.8	5.8
Depreciation – purchased assets	–	–	–	(0.3)	(0.3)
Amortisation – right-of-use assets	(0.1)	(0.1)	–	(1.8)	(2.0)
Amortisation of other intangible assets	–	(0.3)	–	(3.2)	(3.5)
Other administrative expenses	(0.8)	(1.5)	–	(56.9)	(59.2)
Operating profit/(loss)	27.8	(29.4)	(61.5)	(65.3)	(128.4)
Fair value loss on deferred consideration	(12.7)	–	–	–	(12.7)
Gain on fair value of financial asset	–	–	–	2.3	2.3
Interest income	0.3	2.3	–	12.4	15.0
Interest expense	(13.2)	–	–	(0.2)	(13.4)
Other net finance (expense)/income	(8.5)	0.7	2.2	1.5	(4.1)
Loss before taxation from continuing operations	(6.3)	(26.4)	(59.3)	(49.3)	(141.3)
Tax charge	(30.5)	–	–	(0.2)	(30.7)
Loss for the year from continuing operations	(36.8)	(26.4)	(59.3)	(49.5)	(172.0)
Profit on disposal of discontinued operations	–	–	–	109.3	109.3
(Loss)/Profit attributable to equity holders of the Parent	(36.8)	(26.4)	(59.3)	59.8	(62.7)
Balances at 31 December 2022:					
Capital expenditure	46.5	1.3	36.2	10.7	94.7
Total assets	456.7	21.3	229.3	732.6	1,439.9
Total liabilities	271.9	5.4	12.3	24.3	313.9
Non-current assets	280.8	1.5	0.1	11.9	294.3

Section 4 – Income Statement Analysis (continued)

4.2 Administrative and Other Expenses

	Six months ended 30 June 2023 $m	Six months ended 30 June 2022 $m	Year ended 31 December 2022 $m
Administrative expenses	**34.4**	21.2	40.8
Administrative expenses – costs of India tax refund	**–**	12.1	13.1
Other expenses – corporate transactions	**6.9**	0.2	11.1
	41.3	33.5	65.0

Administrative expenses of $34.4m include $13.0m of redundancy costs. $6.9m in other expenses relate to expenses incurred on proposed merger which did not complete.

4.3 Finance Income

	Six months ended 30 June 2023 $m	Six months ended 30 June 2022 $m	Year ended 31 December 2022 $m
Bank and other interest receivable	**16.3**	3.2	15.0
Dividend income	**–**	0.3	0.3
Other finance income	**–**	–	0.4
Exchange gain	**–**	1.6	–
	16.3	5.1	15.7

4.4 Finance Costs

	Six months ended 30 June 2023 $m	Six months ended 30 June 2022 $m	Year ended 31 December 2022 $m
Loan interest	**8.0**	5.7	13.2
Facility fee amortisation	**0.5**	0.7	0.9
Other finance charges	**0.4**	0.3	1.2
Unwinding of discount - provisions	**–**	–	0.1
Lease interest	**0.2**	0.1	0.2
Exchange loss	**5.8**	–	2.6
	14.9	6.8	18.2

Section 4 – Income Statement Analysis (continued)

4.5 Earnings per Ordinary Share

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

	Six months ended 30 June 2023 $m	Six months ended 30 June 2022 (restated) $m	Year ended 31 December 2022 (restated) $m
Loss and diluted loss after taxation from continuing operations	**(51.4)**	(80.1)	(172.0)
(Loss)/Profit and diluted (loss)/profit attributable to equity holders of the Parent	**(62.2)**	40.8	(62.7)

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

	Six months ended 30 June 2023 '000	Six months ended 30 June 2022 (restated) '000	Year ended 31 December 2022 '000
Weighted average number of shares	**305,875**	414,680	364,470
Less weighted average shares held by the ESOP and SIP Trusts	**(4,250)**	(8,136)	(7,313)
Basic and diluted weighted average number of shares	**301,625**	406,544	357,157
Potentially issuable shares not included above:			
LTIP awards	**15,752**	29,858	29,976
Approved and unapproved plans	**222**	847	1,124
Employee share awards	**2,920**	4,884	4,928
Number of potentially issuable shares	**18,894**	35,589	36,028

Due to the loss on continuing operations, there is no dilution of shares in the period. Disclosures for the period ended 30 June 2022 have been restated to remove an erroneous dilution previously presented.

Section 5 – Taxation

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

	Six months ended 30 June 2023 $m	Six months ended 30 June 2022 (restated) $m	Year ended 31 December 2022 (restated) $m
Current tax charge:			
Overseas corporation tax - Egypt	**29.9**	23.0	54.8
Overseas corporation tax - India	**–**	0.2	0.2
Total current tax charge on (loss)/profit from continuing operations	**29.9**	23.2	55.0
Deferred tax (credit)/charge:			
Reversal of deferred tax charge on recognition of financial assets - UK	**–**	(0.1)	(0.1)
Deferred tax (credit)/charge on intangible/tangible assets - Egypt	**(10.8)**	1.5	(33.8)
Deferred tax charge on non-current assets - Egypt - prior year adjustment	**–**	–	9.6
Total deferred tax (credit)/charge on (loss)/profit from continuing operations	**(10.8)**	1.4	(24.3)
Total tax charge on (loss)/profit from continuing operations	**19.1**	24.6	30.7
UK deferred tax (credit)/charge	**(4.1)**	7.8	4.1
Total deferred tax (credit)/charge on profit from discontinued operations	**(4.1)**	7.8	4.1

5.2 Deferred Tax Assets and Liabilities

Reconciliation of movement in deferred tax assets/(liabilities):

	Temporary difference in respect of non-current asset (restated) $m
Deferred tax assets	
At 1 January 2022 and 30 June 2022	–
Deferred tax credit through the Income Statement	7.6
At 31 December 2022	7.6
Deferred tax credit through the Income Statement	**0.9**
At 30 June 2023	**8.5**

Section 5 – Taxation (continued)

5.2 Deferred Tax Assets and Liabilities (continued)

	Temporary differences in respect of: Intangible/tangible assets (restated) $m	Losses (restated) $m	Other temporary differences $m	**Total (restated) $m**
Deferred tax liabilities				
At 1 January 2022	(51.3)	8.7	(0.1)	(42.7)
Deferred tax (charge)/credit through the Income Statement – continuing operations	(6.3)	4.8	0.1	(1.4)
Deferred tax credit/(charge) through the Income Statement – discontinued operations (note 6.1)	–	13.5	(21.3)	(7.8)
At 30 June 2022	(57.6)	27.0	(21.3)	(51.9)
Deferred tax credit/(charge) through the Income Statement – continuing operations	31.7	(13.6)	–	18.1
Deferred tax (charge)/credit through the Income Statement – discontinued operations (note 6.1)	–	(4.4)	8.1	3.7
At 31 December 2022	(25.9)	9.0	(13.2)	(30.1)
Deferred tax credit through the Income Statement – continuing operations	**9.9**	**–**	**–**	**9.9**
Deferred tax (charge)/credit through the Income Statement – discontinued operations (note 6.1)	**–**	**(7.0)**	**11.1**	**4.1**
At 30 June 2023	**(16.0)**	**2.0**	**(2.1)**	**(16.1)**

Deferred tax assets analysed by country:

	At 30 June 2023 (restated) $m	At 30 June 2022 $m	At 31 December 2022 (restated) $m
Egypt	**8.5**	–	7.6
	8.5	–	7.6

Deferred tax liabilities analysed by country:

	At 30 June 2023 $m	At 30 June 2022 (restated) $m	At 31 December 2022 (restated) $m
Egypt	**(16.1)**	(44.1)	(26.0)
UK	**–**	(7.8)	(4.1)
	(16.1)	(51.9)	(30.1)

Section 6 – Discontinued Operations

6.1 (Loss)/Profit 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 $425.0m, subject to adjustments for working capital and other customary interim period adjustments, further purchaser bonds of $30.0m, sold shortly after completion, and additional contingent consideration ("earnout consideration") from 2021 to the end of 2025 dependent on oil prices and minimum production levels being met. 2021 earnout consideration of $75.7m, plus interest, was settled in June 2022. 2022 earnout consideration of $134.4m, plus interest, was settled in March 2023. 2023-2025 earnout consideration at 30 June 2023 had a risk-weighted fair value of $68.1m.

The financial performance of the discontinued operations is expanded in the tables below for the periods ended 30 June 2023, 30 June 2022 and 31 December 2022 respectively.

	Six months ended 30 June 2023 $m	Six months ended 30 June 2022 $m	Year ended 31 December 2022 $m
Cost of sales	**4.3**	1.5	1.5
Operating Profit	**4.3**	1.5	1.5
(Loss)/Profit on financial asset at fair value through profit or loss – earnout consideration	**(21.5)**	127.2	110.4
Finance income	**2.3**	–	1.5
(Loss)/Profit before tax from discontinued operations	**(14.9)**	128.7	113.4
Taxation	**4.1**	(7.8)	(4.1)
(Loss)/Profit after tax from discontinued operations	**(10.8)**	120.9	109.3
Earnings per Share for (Loss)/Profit from Discontinued Operations	**$**	$	$
(Loss)/Profit per ordinary share – basic and diluted ($)	**(0.04)**	0.30	0.31

An audit of the Kraken and Catcher joint operations for the period from January 2019 to December 2020 resulted in a refund of production costs from the operator of $4.3m and $1.5m in which has been credited to discontinued operations in 2023 and 2022 respectively.

The fair value loss in 2023 is mainly due to lower oil prices in comparison to 2022 oil prices.

6.2 Cash Flow Information for Discontinued Operations

	Six months ended 30 June 2023 $m	Six months ended 30 June 2022 $m	Year ended 31 December 2022 $m
Net cash flows from/(used in) operating activities	**4.3**	(11.1)	(9.6)
Net cash flows from investing activities[1]	**136.7**	77.2	77.2
Net increase in cash and cash equivalents	**141.0**	66.1	67.6

[1] 2022 earnout and interest payment received in March 2023. 2021 earnout and interest payment received in June 2022.

Section 7 – Share Capital

7.1 Called-Up Share Capital

	Number 21/13p ordinary '000	Number 490/143p ordinary '000	21/13p ordinary $m	490/143p ordinary $m
Allotted, issued and fully paid ordinary shares				
At 1 January 2022	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 re-purchase	(145)	–	–	–
At 31 December 2022	315,072	–	8.0	–
Consolidation of shares	**(315,072)**	**148,534**	**(8.0)**	**8.0**
Share re-purchase post consolidation	**–**	**(4,494)**	**–**	**(0.2)**
At 30 June 2023	**–**	**144,040**	**–**	**7.8**

Share premium	**$m**
At 1 January 2022	490.9
Arising on shares issued for employee share options	3.8
At 30 June 2022	494.7
Arising on shares issued for employee share options	0.7
At 31 December 2022	495.4
Arising on shares issued for employee share options	0.8
Share premium cancelled	**(495.4)**
At 30 June 2023	**0.8**

A share consolidation completed on 15 May 2023 where existing ordinary shares of 315,072,439 ordinary shares of 21/13 pence each were replaced with 148,534,155 ordinary shares of 490/143 pence each.

The total of $495,386,576 of share premium was cancelled on 23 January 2023.

7.2 Return of Cash to Shareholders

On 27 April 2023, Capricorn announced the proposal to return approximately $450m to shareholders via a special dividend.

The return was paid to shareholders on 15 May 2023. The return of cash to shareholders of 115 pence per eligible ordinary share totalling £359.1m. The total return to shareholders, after exchange differences from the date of conversion from $ to £ and associated costs, was $445.7m.

7.3 Share Buyback

In May 2023, the Company commenced a share repurchase programme of its ordinary shares of up to $25m. For the period ended 30 June 2023, Capricorn repurchased 4,493,877 post consolidation ordinary shares, totalling £9.7m ($12.2m).

Glossary

AESW – Alam El Shawish West
Bbl - Barrel of oil
BED – Badr El Din concession
Boe - Barrels of Oil Equivalent
Boepd - Barrels of Oil Equivalent Per Day
Bopd - Barrels of Oil Per Day
GAAP - Generally Accepted Accounting Principles
G&A – General and administrative expenses
JV - Joint Venture
M – Million
Mmbbls – Million barrels of oil
Mmscf – Million standard cubic feet
$ - US dollar
WI - Working Interest