

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended immediately to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000. If you have sold or otherwise transferred all of your shares in Capricorn Energy PLC, you should pass this document, the accompanying Form of Proxy and the Annual Report and Accounts of Capricorn Energy PLC for the financial year ended 31 December 2022 without delay to the stockbroker, bank or other person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.



CAPRICORN ENERGY PLC

(incorporated in Scotland with registered number SC226712)

Notice of Annual General Meeting

This document should be read as a whole and in conjunction with the accompanying Form of Proxy. Your attention is drawn to the letter from the Chair of Capricorn Energy PLC (the “Company” or “Capricorn”), which is set out on pages 3-7 of this document recommending, on behalf of the Directors, that you vote in favour of the resolutions to be proposed at the Annual General Meeting referred to below.

Notice of the 2023 Annual General Meeting of Capricorn to be held at The Gallery, Kimpton Charlotte Square Hotel, 38 Charlotte Square, Edinburgh EH2 4HQ at 12.00 noon (BST) on Monday, 26 June 2023, is set out at the end of this document.

Shareholders are encouraged to vote either in advance of the Annual General Meeting or at the meeting itself. Enclosed with this document is a Form of Proxy for use in respect of the Annual General Meeting. Shareholders wishing to vote in advance may appoint a proxy by submitting their completed Forms of Proxy as soon as possible and, in any event, so as to arrive at the offices of the Company’s registrars, Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, not later than 12.00 noon (BST) on Thursday, 22 June 2023. Alternatively, you may register your proxy appointment or voting directions electronically via the www.sharevote.co.uk website not later than 12.00 noon (BST) on Thursday, 22 June 2023 (further information regarding the use of this facility is set out in the notes to the Notice of Annual General Meeting). If you hold your Ordinary Shares in CREST, you may appoint a proxy by completing and transmitting a CREST Proxy Instruction so as to be received by the Company’s registrars, Equiniti, not later than 12.00 noon (BST) on Thursday, 22 June 2023.

A summary of the action to be taken by Shareholders in relation to the Annual General Meeting is set out in section 3 of the Chair’s letter on page 7 of this document and in the accompanying Notice of Annual General Meeting.

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HELPLINE

Questions of a factual nature relating to the resolutions to be proposed at the Annual General Meeting may be directed to the Company's registrars, Equiniti, using the telephone helpline number +44 (0)371 384 2660 between 8.30 a.m. and 5.30 p.m. (BST) on any day (other than a Saturday or Sunday or public holiday) on which pound sterling deposits may be dealt in on the London inter-bank market and commercial banks are open for general business in London (a "**Business Day**"). Please note that calls to this number may be monitored or recorded.

This helpline will not be able to provide advice on the merits of the resolutions to be proposed at the Annual General Meeting, or give personal, legal, financial or tax advice.

LETTER FROM THE CHAIR OF CAPRICORN ENERGY PLC

CAPRICORN ENERGY PLC

(Incorporated in Scotland with registered number SC226712)

Craig van der Laan (Non-Executive Chair)
Hesham Mekawi (Non-Executive Director)
Catherine Krajicek (Non-Executive Director)
Richard Herbert (Non-Executive Director)
Maria Gordon (Non-Executive Director)
Tom Pitts (Non-Executive Director)
Erik B. Daugbjerg (Non-Executive Director)
Chris Cox (Interim Chief Executive)

Registered and Head Office:
50 Lothian Road
Edinburgh
EH3 9BY

25 May 2023

Dear Shareholder

Notice of Annual General Meeting

1. Introduction

I am pleased to invite you to the Company's Annual General Meeting which will be held at The Gallery, Kimpton Charlotte Square Hotel, 38 Charlotte Square, Edinburgh EH2 4HQ at 12.00 noon (BST) on Monday, 26 June 2023. Enclosed with this letter is a Form of Proxy for use at the Annual General Meeting.

The business to be conducted at the Annual General Meeting is set out in the Notice of Annual General Meeting at the end of this document (the "Notice"). You will be asked to consider and vote on the resolutions set out in the Notice. Shareholders should read the whole of this document and not just rely on the summarised information set out in this letter.

2. Summary explanation of the resolutions to be proposed at the Annual General Meeting

There are 18 resolutions to be proposed at the Annual General Meeting. Resolutions 1-13, inclusive, are to be proposed as ordinary resolutions and accordingly will be passed if more than 50% of the votes cast are in favour. Resolutions 14-18, inclusive, are to be proposed as special resolutions and accordingly will be passed if at least 75% of the votes cast are in favour. The main terms of the resolutions are summarised below.

Resolution(s) Explanation

- 1 Resolution 1 proposes the approval of the Company's accounts, the Directors' report and the auditor's report for the year ended 31 December 2022, which the Directors must lay before the Shareholders in a general meeting.
- 2 Listed companies are required to prepare a directors' remuneration report and put a resolution to approve the report to the Shareholders at an annual general meeting. A copy of the Directors' Remuneration Report is set out on pages 76-108 (inclusive) of the 2022 Annual Report and Accounts and resolution 2 seeks approval of the report. In accordance with the Companies Act 2006, the vote on this resolution is advisory and no Director's remuneration is conditional upon the passing of this resolution.
- 3 Listed companies are required to prepare a directors' remuneration policy and put a resolution to approve the policy to the Shareholders at least every three years. The Shareholders previously approved the Company's directors' remuneration policy at the annual general meeting held on 14 May 2020. A copy of the new Directors' Remuneration Policy is contained in the Directors' Remuneration Report and is set out on pages 79-87 of the 2022 Annual Report and Accounts. Resolution 3 seeks approval of that policy. Once the Directors' Remuneration Policy is approved, the Company will not be able to make a remuneration payment to a current or prospective director or a payment for loss of office to a current or past director, unless that payment is consistent with the Directors' Remuneration Policy or has been approved by a resolution of the Shareholders of the Company.
- 4 The Company is required to appoint an auditor at each general meeting at which accounts are laid before Shareholders, to hold office until the end of the next such meeting. PricewaterhouseCoopers LLP have expressed their willingness to continue as auditor and this resolution proposes their re-appointment as the Company's auditor.

5 Resolution 5 seeks authority for the Directors to determine the auditor's remuneration.

6 to 12 As announced on 11 April 2023, Erik B. Daugbjerg and Catherine Krajicek will not be standing for re-election and will step down from the Board from the conclusion of the Annual General Meeting. Furthermore, as announced on 27 April 2023, Chris Cox will step down as Interim Chief Executive and Randall Neely will join the business as Chief Executive on 1 June 2023.

In accordance with the UK Corporate Governance Code 2018, which provides for all directors of companies with a premium listing to be subject to annual re-election, Craig van der Laan, Randall Neely, Maria Gordon, Richard Herbert, Hesham Mekawi and Tom Pitts will, being eligible, offer themselves for re-election as directors at the Annual General Meeting. These resolutions seek such re-elections.

It was announced on 27 April 2023 that the Board was seeking to appoint at least one new director, as soon as possible. It was stated that any such appointment would, in particular, focus on improving the current diversity of the Board and that an update would be provided at the Annual General Meeting. Having evaluated the skillset required for any new appointment, the Board engaged an independent specialist executive recruitment agency in order to assist with the search. As a result of this process, the Company announced on 18 May 2023 that Patrice Merrin had been nominated to stand for election as a director at the Annual General Meeting. Resolution 12 proposes that Patrice Merrin be elected as a director with effect from the conclusion of the meeting.

Patrice Merrin is a high quality corporate director, with extensive and broad experience in the resources sector, heavy industry and capital markets. Since 2014, Ms. Merrin has been an independent non-executive director of Glencore plc, where she currently chairs the Ethics, Culture and Compliance Committee and is a member of the Health, Safety, Environment and Communities Committee and the Investigations Committee; she is also Glencore's Engagement Director for North America. Following nine years in post, Ms. Merrin will be retiring from the Board of Glencore at its annual general meeting on 26 May 2023.

Ms. Merrin is also an independent director of Metals Acquisition Corporation, a special purpose company focused on acquiring assets needed in the broad energy transformation. In 2022, she joined the board of Lancium, Inc., a leading energy technology and infrastructure company dedicated to accelerating the energy transition. She was previously non-executive Chair of the Board of Detour Gold, a role which concluded with the merger of Detour into Kirkland Lake Gold in January 2020, a deal valued at approximately \$4.9 billion CAD. She has chaired and/or served on numerous Board committees such as Nominations and Governance and Compensation committees.

She holds a Bachelor of Arts degree from Queen's University and completed the Advanced Management Programme at INSEAD. She holds Canadian and Irish citizenship.

The Board believes that Ms. Merrin is an excellent candidate and her extensive experience will greatly complement and be additive to the existing skillset of the current Board. The Board unanimously recommends that shareholders vote in favour of the election of Ms. Merrin as a director. If elected, it is intended that Ms. Merrin will also act as a member of the Company's Nomination and Governance and Sustainability committees.

The current Directors' biographies are set out on pages 50-51 of the 2022 Annual Report and Accounts and details of Randall Neely's biography are available in the Company's full year results announcement of 27 April 2023. Ms. Merrin's biography is set out in the paragraphs above and in the announcement of her nomination on 18 May 2023.

The Articles of Association provide that directors can be appointed by the Company, by ordinary resolution or by the Board. The Nomination Committee makes recommendations to the Board on the appointment and replacement of directors. Further details of the rules governing the appointment and replacement of directors are set out in the Corporate Governance Statement on pages 54-65 (inclusive) of the 2022 Annual Report and Accounts and in the Articles of Association. An explanation of the performance evaluation procedure carried out by the Company is also contained in the Corporate Governance Statement, on pages 57-58 of the 2022 Annual Report and Accounts.

13 Resolution 13 seeks to renew the Directors' power to allot shares. Section 551 of the Companies Act 2006 provides that the Directors may not allot new shares (other than pursuant to employee share schemes) without Shareholder approval. It proposes that authority be granted in substitution for the existing authority to allot securities up to a maximum amount of £1,686,960.54, representing approximately 33.33% of the Company's total issued ordinary share capital (excluding treasury shares) as at 23 May 2023, being the latest practicable date prior to publication of this document.

Following share capital management guidelines issued by the Investment Association in July 2016, the Company is seeking an additional authority to allot securities in connection with a pre-emptive rights issue up to a maximum amount of £1,686,960.54, representing approximately 33.33% of the Company's total issued ordinary share capital (excluding treasury shares) as at 23 May 2023, being the latest practicable date prior to publication of this document. The benefit to the Company of obtaining such authority on an annual basis is that it would allow the Company to implement a rights issue of up to approximately 66.66% of the issued ordinary share capital without the need to call an additional general meeting. This would shorten the implementation timetable of such a rights issue.

The Directors consider that the authorities sought pursuant to resolution 13 are desirable to allow the Company to retain flexibility, although they have no present intention of exercising these authorities. The authorities will expire on 30 June 2024 or, if earlier, at the end of the next annual general meeting of the Company to be held in 2024.

As at 23 May 2023, being the latest practicable date prior to publication of this document, the Company did not hold any shares in treasury.

14 and 15 Resolutions 14 and 15 are to approve the disapplication of pre-emption rights. Section 561(1) of the Companies Act 2006 provides that if the Directors wish to allot any equity securities, or sell any treasury shares (if it holds any), for cash, they must first offer them to existing Shareholders in proportion to their existing shareholdings. Section 561 does not apply to allotments of equity securities made in connection with an employee share scheme.

In accordance with the guidance issued by the Pre-Emption Group, two separate resolutions are being proposed in connection with the disapplication of pre-emption rights.

The first, resolution 14, seeks to give the Directors power to allot equity securities or sell treasury shares for cash as if section 561(1) of the Companies Act 2006 did not apply, in connection with rights issues, open offers and other pre-emptive offers pursuant to the authority granted by resolution 13, and otherwise up to a total amount of £253,069.39, representing approximately 5% of the Company's total issued ordinary share capital (excluding treasury shares) as at 23 May 2023, being the latest practicable date prior to publication of this document.

The second, resolution 15, is being proposed to give the Directors further power to allot equity securities or sell treasury shares for cash as if section 561(1) of the Companies Act 2006 did not apply, for transactions which the board determines to be an acquisition or specified capital investment defined by the Pre-Emption Group's Statement of Principles (the Pre-Emption Principles), up to a further total amount of £253,069.39 representing approximately 5% of the company's total issued ordinary share capital (excluding treasury shares) as at 23 May 2023, being the latest practicable date prior to publication of this document.

These two disapplication authorities are in line with the authorities sought at the 2022 AGM and with institutional shareholder guidance. The Pre-Emption Principles were revised in 2022 to allow the authority for an issue of shares otherwise than in connection with a pre-emptive offer to be increased from 10% to 20% of the company's issued ordinary share capital, provided that the company confirms that it intends to use the additional 10% authority only in connection with an acquisition or specified capital investment. For each limb, companies are also able to seek further authority to disapply pre-emption rights for up to an additional 2%, to be used only for a 'follow-on offer' to retail investors and existing shareholders after a placing. The Directors do not intend to apply for this increased authority or the additional 2% and will continue to seek a disapplication authority of 10% in line with the approach that the company has taken in previous years.

The power conferred by resolutions 14 and 15 will expire at the same time as the authority conferred by resolution 13, unless previously revoked, varied or extended by the Company in a general meeting.

16 If passed, resolution 16 will authorise the Company to make market purchases of its own Ordinary Shares. Ordinary Shares repurchased by the Company pursuant to such authority may be cancelled or held in treasury and then either sold (in whole or in part) for cash or cancelled (in whole or in part). No dividends will be paid on treasury shares and no voting rights attach to them.

The maximum aggregate number of Ordinary Shares that may be purchased pursuant to the authority shall be 14.99% of the issued ordinary share capital of the Company (excluding treasury shares) as at 23 May 2023 (being the latest practicable date prior to the publishing of this document), being 22,141,712 Ordinary Shares. The maximum price which may be paid for an Ordinary Share pursuant to this resolution (exclusive of expenses) shall be the higher of (i) an amount equal to 105% of the average of the middle market quotations for the Company's Ordinary Shares for the five Business Days immediately preceding the date of purchase and (ii) the higher of the price of the last independent trade of an Ordinary Share and the highest current independent bid for an Ordinary Share on the trading venues where the purchase is carried out. The minimum price that may be paid for an Ordinary Share pursuant to this resolution (exclusive of expenses) shall be 490/143 pence, being the nominal value of an Ordinary Share.

This authority, if conferred, will only be exercised if the Directors consider that any purchase would be in the best interests of Shareholders generally, and normally only if it would result in an increase in earnings per share of the ordinary share capital in issue after the purchase.

This authority will expire on the earlier of 30 June 2024 or the conclusion of the annual general meeting of the Company to be held in 2024, unless previously revoked, varied or renewed by the Company in a general meeting. The Directors intend to seek renewal of this authority at subsequent annual general meetings.

The Company's existing policy is to satisfy all currently outstanding options and awards granted under its employee share schemes by the transfer of existing Ordinary Shares. Consequently, as at 23 May 2023 (being the latest practicable date prior to the publishing of this document), there were no outstanding options or awards to subscribe for Ordinary Shares.

17 Under the Companies Act 2006, the notice period required for general meetings of the Company is 21 clear days unless Shareholders approve a shorter notice period, which cannot however be less than 14 clear days. Annual general meetings must be held on at least 21 clear days' notice.

At the Company's annual general meeting in 2022, Shareholders authorised the calling of general meetings other than annual general meetings on not less than 14 clear days' notice. The Directors believe that it is appropriate for the Company to retain the flexibility of being able to call a general meeting on 14 clear days' notice and in order to preserve this ability, resolution 17 seeks such approval. The flexibility offered by this resolution will be used where, taking into account all the circumstances, the Directors consider this appropriate in relation to the business to be considered at the meeting. The approval will be effective until the Company's next annual general meeting in 2024, when it is intended that a similar resolution will be proposed.

18 Resolution 18 proposes the adoption of new Articles of Association of the Company to make certain amendments to the current Articles of Association of the Company as summarised below.

Fees payable to Directors – it is proposed that the cap on the aggregate amount of fees which may be paid to Directors for their services as directors be increased from £900,000 (being the amount last approved by shareholders approximately eleven years ago) to £1.1 million. The Board considers that this increased amount will provide future flexibility to ensure that market competitive levels of fees can be paid to Directors over the coming years, with a view to maintaining a diverse and experienced Board and high standards of corporate governance.

Miscellaneous amendments – the following amendments are proposed in order to reflect changes in law and practice since the AGM of the Company held in 2012 (being the last time the Articles of Association were updated) and to make some general improvements and updates to the Articles:

- the deletion of provisions enabling the Company to issue bearer shares to reflect the coming into force of the Small Business, Enterprise and Employment Act 2015 (which prohibited the creation of bearer shares);
- the insertion of a new provision confirming that share certificates sent to members or their agents by post are sent at the members' risk;
- the insertion of a new provision confirming that the forfeiture of a share shall result in the cancellation of all claims and demands against the Company in respect of those shares and any connected rights and liabilities;
- the inclusion of specific references to the use of electronic facilities in connection with the conduct general meetings;

- the deletion of a provision which terminated a Director’s appointment on the grounds of mental health, in light of the Mental Health (Discrimination) Act 2013; and
- the inclusions of some general updates (by way of examples: (i) the replacement of references to the UK Listing Authority/Financial Services Authority with reference to the Financial Conduct Authority; and (ii) the deletion of all references to Cairn India and the Cairn India group), modernisation of language and adoption of gender-neutral language.

A copy of the proposed new Articles of Association (including a comparison showing the differences from the current Articles of Association) is available for inspection at the registered office of the Company during normal business hours on any weekday (public holidays excepted) up to and including the day of the Annual General Meeting. The proposed new Articles of Association can also be accessed on the Company’s website at www.capricornenergy.com/investors/shareholder-information/agm/.

3. Action to be taken

Shareholders are encouraged to vote either in advance of the Annual General Meeting or at the meeting itself. Enclosed with this document is a Form of Proxy for use in respect of the Annual General Meeting. If you wish to vote in advance, you are requested to complete, sign and return the Form of Proxy as soon as possible, and in any event, so as to arrive at the offices of the Company’s registrars, Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, not later than 12.00 noon (BST) on Thursday, 22 June 2023, being 48 hours before the time appointed for the meeting (excluding any part of any day that is not a working day). Alternatively, you may register your proxy appointment or voting directions electronically via the www.sharevote.co.uk website not later than 12.00 noon (BST) on Thursday, 22 June 2023. Further information regarding the use of this facility is set out in the notes to the Notice. If you hold your Ordinary Shares in CREST, you may appoint a proxy by completing and transmitting a CREST Proxy Instruction so as to be received by the Company’s registrars, Equiniti, by no later than 12.00 noon (BST) on Thursday, 22 June 2023. If you do require a copy of the Form of Proxy, this can be downloaded on the Company website at www.capricornenergy.com/investors/shareholder-information/agm/, where you will also find instructions for completion of that Form.

If you have any queries in relation to the Form of Proxy you may call the Shareholder helpline on +44 (0)371 384 2660 between 8.30 a.m. and 5.30 p.m. (BST) on any Business Day. Please note that calls to this number may be monitored or recorded.

Please note that the Shareholder helpline will not provide advice on the merits of the resolutions to be proposed at the Annual General Meeting, or give any personal, legal, financial or tax advice.

If Shareholders have any questions for the Board in advance of the Annual General Meeting, these can be sent by e-mail to IR.Mailbox@capricornenergy.com. The Board will endeavour to answer key themes of these questions on the Company’s website as soon as practical.

As was the case last year, the presentation will be made available on the Company’s website at www.capricornenergy.com/investors/shareholder-information/agm/ following the closure of the meeting. The voting results on the resolutions put to the Annual General Meeting shall be announced to the market and uploaded onto the Company’s website following the closure of the Annual General Meeting.

4. Recommendation

The Board is of the opinion that the resolutions to be proposed at the Annual General Meeting are in the best interests of Shareholders as a whole. Accordingly, the Board unanimously recommends that you vote in favour of the resolutions.

Yours faithfully,

Craig van der Laan
Chair

CAPRICORN ENERGY PLC

(Incorporated in Scotland with registered number SC226712)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the “Meeting”) of Capricorn Energy PLC (the “Company”) will be at The Gallery, Kimpton Charlotte Square Hotel, 38 Charlotte Square, Edinburgh EH2 4HQ at 12.00 noon (BST) on Monday, 26 June 2023 for the following purposes of considering and, if thought fit, passing the following resolutions, of which resolutions 1 to 13 (inclusive) will be proposed as ordinary resolutions and resolutions 14 to 18 (inclusive) will be proposed as special resolutions:

- 1) That the Company’s annual report and accounts for the year ended 31 December 2022, including the directors’ report and the auditor’s report on the accounts, be received.
- 2) That the directors’ remuneration report (excluding the directors’ remuneration policy referred to in resolution 3 below) contained within the Company’s annual report and accounts for the year ended 31 December 2022 be approved.
- 3) That the directors’ remuneration policy set out on pages 79-87 of the Company’s annual report and accounts for the year ended 31 December 2022 be approved.
- 4) That PricewaterhouseCoopers LLP be re-appointed as auditor of the Company.
- 5) That the directors be authorised to determine the auditor’s remuneration.
- 6) That Craig van der Laan be re-elected as a director.
- 7) That Randall Neely be re-elected as a director.
- 8) That Maria Gordon be re-elected as a director.
- 9) That Richard Herbert be re-elected as a director.
- 10) That Hesham Mekawi be re-elected as a director.
- 11) That Tom Pitts be re-elected as a director.
- 12) That Patrice Merrin be elected as a director with effect from the conclusion of the meeting.
- 13) That:
 - (a) the directors of the Company (the “**Directors**”) be generally and unconditionally authorised to allot shares in the Company, or to grant rights to subscribe for or to convert any security into shares in the Company, up to a maximum nominal amount of £1,686,960.54;
 - (b) in addition to the authority contained in sub-paragraph (a) of this resolution, the Directors be authorised to allot shares in the Company, or to grant rights to subscribe for or to convert any security into shares in the Company, comprising equity securities (within the meaning of section 560(1) of the Companies Act 2006 (as amended) (the “**Act**”)) up to a maximum nominal amount of £1,686,960.54 in connection with a Pre-Emptive Offer undertaken by means of a rights issue;
 - (c) the authorities given by this resolution:
 - (i) are given pursuant to section 551 of the Act and shall be in substitution for all pre-existing authorities under that section; and
 - (ii) unless renewed, revoked or varied in accordance with the Act, shall expire on 30 June 2024 or, if earlier, at the end of the next annual general meeting of the Company to be held in 2024, save that the Company may before such expiry make an offer or agreement which would or might require the allotment of shares in the Company, or the grant of rights to subscribe for or to convert any security into shares in the Company, after such expiry; and
 - (d) for the purpose of this resolution, “**Pre-Emptive Offer**” means an offer of equity securities to:
 - (i) holders of ordinary shares (other than the Company) on a fixed record date in proportion to their respective holdings of such shares; and
 - (ii) other persons entitled to participate in such offer by virtue of, and in accordance with, the rights attaching to any other equity securities held by them,

in each case, subject to such exclusions or other arrangements as the Directors may deem necessary or appropriate in relation to fractional entitlements, legal, regulatory or practical problems under the laws or the requirements of any regulatory body or stock exchange of any territory or otherwise.

14) That:

- (a) subject to the passing of resolution 13 set out in the notice of Annual General Meeting dated 25 May 2023 (the “**Allotment Authority**”), the directors of the Company be given power pursuant to section 570 of the Companies Act 2006 (as amended) (the “**Act**”) to allot equity securities (within the meaning of section 560(1) of the Act) for cash pursuant to the Allotment Authority, and to sell treasury shares wholly for cash, as if section 561(1) of the Act did not apply to any such allotment or sale, provided that such power shall be limited to the allotment of equity securities or the sale of treasury shares:
 - (i) in the case of paragraph (a) of the Allotment Authority:
 - (a) in connection with a Pre-Emptive Offer (as defined in the Allotment Authority); or
 - (b) otherwise than in connection with a Pre-Emptive Offer, up to a maximum nominal amount of £253,069.39;
 - (ii) in the case of paragraph (b) of the Allotment Authority, in connection with a Pre-Emptive Offer undertaken by means of a rights issue; and
- (b) the power given by this resolution:
 - (i) shall be in substitution for all pre-existing powers under section 570 of the Act; and
 - (ii) unless renewed in accordance with the Act, shall expire at the same time as the Allotment Authority, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted, or treasury shares to be sold, after such expiry.

15) That:

- (a) subject to the passing of resolution 13 set out in the notice of Annual General Meeting dated 25 May 2023 (the “**Allotment Authority**”), the directors of the Company be given power pursuant to section 570 of the Companies Act 2006 (as amended) (the “**Act**”), in addition to any authority granted or power given under resolution 14 of the notice of Annual General Meeting dated 25 May 2023, to allot equity securities (within the meaning of section 560(1) of the Act) for cash pursuant to the Allotment Authority, and to sell treasury shares wholly for cash, as if section 561(1) of the Act did not apply to any such allotment or sale, provided that such power shall be:
 - (i) limited to the allotment of equity securities or the sale of treasury shares up to a maximum nominal amount of £253,069.39; and
 - (ii) used only for the purposes of financing (or refinancing, if the authority is to be used within six months of the original transaction) a transaction which the directors of the Company determine to be an acquisition of other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice; and
- (b) the power given by this resolution shall expire at the same time as the Allotment Authority, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted or treasury shares to be sold after such expiry and the Directors may allot equity securities and sell treasury shares under any such offer or agreement as if the power conferred by this resolution had not expired.

16) That, in substitution for any existing authority, the Company be generally and unconditionally authorised for the purposes of section 701 of the Companies Act 2006 (as amended) (the “**Act**”), to make market purchases (within the meaning of section 693 of the Act) of fully-paid ordinary shares of 490/143 pence each (“**Ordinary Shares**”) on such terms and in such manner as the directors of the Company may decide provided that:

- (i) the maximum number of Ordinary Shares that may be purchased by the Company pursuant to this authority is 22,141,712 (representing 14.99% of the Company’s issued ordinary share capital at 23 May 2023);
- (ii) the minimum price (exclusive of expenses) which may be paid for any such Ordinary Share shall not be less than the nominal value of that share at the time of purchase;
- (iii) the maximum price (exclusive of expenses) which may be paid for any Ordinary Share purchased pursuant to this authority is an amount equal to the higher of (a) an amount equal to 105% of the average of the middle market prices shown in the quotations for the Company’s Ordinary Shares in the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which that Ordinary Share is contracted to be purchased; and (b) an amount equal to the higher of the price of the last independent trade of an Ordinary Share and the highest current independent bid for an Ordinary Share on the trading venues where the purchase is carried out; and
- (iv) unless previously varied, revoked or renewed, the authority conferred by this resolution shall expire on the earlier of 30 June 2024 or at the end of the next annual general meeting of the Company to be held in 2024, but the Company may make a contract to purchase Ordinary Shares under this authority before its expiry which will or may be completed wholly or partly after the expiry of this authority, and may complete such a purchase as if this authority had not expired.

- 17) That a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice, provided that this authority shall expire at the end of the next annual general meeting of the Company to be held in 2024.
- 18) That the Articles of Association of the Company produced to the meeting and initialled by the Chair for the purpose of identification be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association.

By Order of the Board

Anne McSherry
Company Secretary
50 Lothian Road
Edinburgh EH3 9BY

25 May 2023

Shareholder Notes:

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies to attend, speak and vote instead of him or her. A proxy need not be a member of the Company, but must attend the Meeting to represent you. A form of proxy accompanies this Notice of Annual General Meeting and must be lodged with the Company at the office of its registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA (the “**Registrars**”) or received via the Sharevote service (see Note 2 below) or lodged using the CREST proxy voting service (see Note 3 below) not less than 48 hours before the time appointed for the Meeting or any adjournment(s) thereof (excluding any part of any day that is not a working day). You can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy. If you wish to change or revoke your proxy appointment, please contact the Registrars on +44 (0)371 384 2660 between 8.30 a.m. and 5.30 p.m. (BST) on any Business Day.
2. Members may register their proxy appointments or voting directions electronically via the www.sharevote.co.uk website, where full details of the procedure are given. Members will need the Voting ID, Task ID and Shareholder Reference Number set out on the form of proxy which accompanies this Notice of Annual General Meeting. Members are advised to read the terms and conditions of use carefully. Electronic communication facilities are available to all Shareholders and those who use them will not be disadvantaged. The Company will not accept any communication that is found to contain a computer virus.
3. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting to be held on 26 June 2023 and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear UK & Ireland Limited’s specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Registrars (ID RA19) by no later than 12.00 noon (BST) on Thursday, 22 June 2023, or, in the event that the Meeting is adjourned, not less than 48 hours before the time appointed for the adjourned Meeting (excluding any part of any day that is not a working day). No such message received through the CREST network after this time will be accepted. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST core processor) from which the issuer’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings, which can be viewed at www.euroclear.com. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

4. You may appoint more than one proxy provided that each proxy is appointed to exercise rights attached to different Ordinary Shares. You may not appoint more than one proxy to exercise rights attached to any one Ordinary Share. To appoint more than one proxy, please contact the Registrars on +44 (0)371 384 2660 between 8.30 a.m. and 5.30 p.m. (BST) on any Business Day. Please note that calls to these numbers may be monitored and recorded.
5. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with section 146 of the Companies Act 2006 (“**Nominated Persons**”). Nominated Persons may have a right under an agreement with the registered shareholder who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if Nominated Persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.

6. Any corporation which is a Shareholder can appoint one or more corporate representative(s) who may exercise on its behalf all of its powers as a shareholder provided that they do not do so in relation to the same Ordinary Shares.
7. To be entitled to attend and vote at the Meeting (and for the purpose of the determination by the Company of the votes they may cast), Shareholders must be registered in the register of members of the Company at 6.30pm (BST) on Thursday, 22 June 2023 (or, in the event of any adjournment, on the date which is two days (excluding any part of a day that is not a working day) before the time of the adjourned meeting). Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
8. As at 5.00pm on 23 May 2023 (being the latest practicable time before printing this Notice of Annual General Meeting), the Company's issued share capital comprised 147,709,887 ordinary shares of 490/143 pence each. Each such ordinary share carries the right to one vote at a general meeting of the Company. Therefore, the total number of voting rights in the Company as at 5.00pm on 23 May 2023 was 147,709,887. It is proposed that all votes on the Resolutions at the AGM will be taken by way of a poll rather than on a show of hands. The Company considers that a poll is more representative of Shareholders' voting intentions because votes are counted according to the number of shares held and all votes tendered are taken into account. The results of the voting will be announced through a Regulatory Information Service and will be published on our website www.capricornenergy.com as soon as reasonably practicable thereafter.
9. In accordance with section 311A of the Companies Act 2006, the contents of this Notice of Annual General Meeting, details of the total number of shares in respect of which members are entitled to exercise voting rights at the Meeting and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this Notice of Annual General Meeting will be available on the Company's website at www.capricornenergy.com.
10. Pursuant to section 319A of the Companies Act 2006, the Company must cause to be answered at the Meeting any question relating to the business being dealt with at the Meeting which is put by a member attending the Meeting, except in certain circumstances, including if it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered or if to do so would involve the disclosure of confidential information.
11. Under section 527 of the Companies Act 2006, Shareholders meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the Shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.
12. Copies of the following documents may be inspected at the registered office of the Company during normal business hours, Monday to Friday (public holidays excepted) up to and including the day of the Annual General Meeting:
 - the current Articles of Association of the Company;
 - a copy of the proposed new Articles of Association (and also a comparison showing the differences from the current Articles of Association); and
 - copies of the Executive Director's service contract and Non-Executive Directors' letters of appointment.
13. A member may not use any electronic address provided either in this Notice of Annual General Meeting or any related documents (including the Chair's letter and proxy form), to communicate with the Company for any purpose other than those expressly stated.
14. This Notice of Annual General Meeting should be read in conjunction with the sections of the Annual Report and Accounts of the Company for 2022 entitled 'Board of Directors', 'Directors' Report', 'Strategic Report', 'Corporate Governance Statement', and 'Directors' Remuneration Report'.