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If you have sold or transferred, or sell or transfer before 6.30 p.m. on Tuesday, 13 December 2022, your entire holding of Ordinary Shares, please send this document (but not any personalised Form of Proxy) as soon as possible to the purchaser or transferee of those shares or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee. However, such documents should not be forwarded or transmitted in or into any jurisdiction in which such an act would constitute a violation of the relevant laws of such jurisdiction.

The distribution of this document and any accompanying documents in or into jurisdictions other than the United Kingdom may be restricted by local law and therefore persons into whose possession this document and any accompanying documents come should inform themselves about and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.



CAPRICORN ENERGY PLC

(Incorporated in Scotland with registered number SC226712)

Proposed Share Premium Account Cancellation and Notice of 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 which is set out on pages 2 - 4 of this document recommending, on behalf of the Directors, that you vote in favour of the Resolution to be proposed at the General Meeting referred to below.

Notice of the General Meeting, to be held at the Capricorn Energy PLC Head Office at 50 Lothian Road, Edinburgh EH3 9BY at 3.00 p.m. on Thursday, 15 December 2022, is set out at the end of this document.

Enclosed with this document is a Form of Proxy for use in respect of the General Meeting. 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 3.00 p.m. on Tuesday, 13 December 2022. Alternatively, you may register your proxy appointment or voting directions electronically via the www.sharevote.co.uk website (further information regarding the use of this facility is set out in the notes to the notice of General Meeting) not later than 3.00 p.m. on Tuesday, 13 December 2022. 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 3.00 p.m. on Tuesday, 13 December 2022.

Forward-looking statements

This document contains (or may contain) certain forward-looking statements with respect to certain of Capricorn's plans and its current goals and expectations relating to its future financial condition and performance and which involve a number of risks and uncertainties. Capricorn cautions readers that no forward-looking statement is a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as "aim", "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", or other words of similar meaning. Examples of forward-looking statements include statements regarding or which make assumptions in respect of future events. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, including, but not limited to, economic and business conditions, the effects of continued volatility in credit markets, market-related risks such as changes in the price of oil or changes in interest rates and foreign exchange rates, the policies and actions of governmental and regulatory authorities, changes in legislation, the success of future acquisitions and other strategic transactions and the impact of competition. A number of these factors are beyond Capricorn's control. As a result, Capricorn's actual future results may differ materially from the plans, goals and expectations set forth in Capricorn's forward-looking statements. Any forward-looking statements made in this document by or on behalf of Capricorn speak only as of the date they are made. Except as required by any applicable laws, the Listing Rules, the Disclosure and Transparency Rules or other regulations, Capricorn expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document to reflect any changes in Capricorn's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

Note regarding presentation of currencies

All references in this document to "US dollars", "US\$" and "\$" are to the lawful currency of the United States.

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SHAREHOLDER HELPLINE

Questions of a factual nature relating to the Resolution to be proposed at the General Meeting may be directed to the Company's registrars, Equiniti, using the telephone helpline number +44 (0)371 384 2660. Lines are open from 8.30 a.m. to 5.30 p.m. (UK time) Monday to Friday (excluding English and Welsh public holidays). Calls to the helpline from outside the UK will be charged at the applicable international rate. Please note that calls to these numbers may be monitored or recorded for security and training purposes.

This helpline will not be able to provide advice on the merits of the Resolution to be proposed at the General Meeting or the Share Premium Account Cancellation, 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)

Nicoletta Giadrossi (Non-Executive Chair)
Keith Lough (Non-Executive Director)
Peter Kallos (Non-Executive Director)
Alison Wood (Non-Executive Director)
Catherine Krajicek (Non-Executive Director)
Erik Daugbjerg (Non-Executive Director)
Luis Araujo (Non-Executive Director)
Simon Thomson (Chief Executive)
James Smith (Chief Financial Officer)

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

28 November 2022

To Shareholders

Dear Shareholder

Proposed Share Premium Account Cancellation

1. Introduction

On 28 November 2022, Capricorn announced that it intends to seek Shareholder approval for the Share Premium Account Cancellation. The purpose of this document is to provide Shareholders with information on the proposed Share Premium Account Cancellation.

A general meeting of the Company is to be held at the Capricorn Energy PLC Head Office at 50 Lothian Road, Edinburgh EH3 9BY at 3.00 p.m on Thursday, 15 December 2022 to seek the approval of Shareholders to the proposed Share Premium Account Cancellation. The notice of that general meeting is set out at the end of this document.

2. Share Premium Account Cancellation

Capricorn proposes to cancel its share premium account in order to create additional distributable reserves (of approximately US\$495.1 million) which (subject to any arrangements required for the protection of Capricorn's creditors and any directions given by the Court in confirming the Share Premium Account Cancellation) may be used by Capricorn to deliver returns to Shareholders in the future, whether in the form of dividends, distributions or purchases of the Company's own shares.

As at close of business on Thursday, 24 November 2022 (being the latest practicable date prior to the date of this document), the Company had US\$495,086,926 standing to the credit of its share premium account. Share premium forms part of the capital of a company, which arises on the issue of shares at a premium to their nominal value, with the premium element being credited to its share premium account. Under the Companies Act 2006, companies are generally prohibited from paying any dividends or making other distributions in the absence of distributable reserves, and the share premium account, being a non-distributable reserve, can be applied only for limited purposes. However, provided a company obtains the approval of its shareholders by way of a special resolution and the subsequent requisite confirmation by the Court, it may cancel its share premium account and the amount so cancelled may be credited to its profit and loss account.

The Share Premium Account Cancellation is conditional upon, amongst other things, the Resolution being passed at the General Meeting and the subsequent confirmation by the Court. If Shareholders approve the Resolution, then the Directors intend to petition the Court to obtain its confirmation of the Share Premium Account Cancellation. Before it will confirm the Share Premium Account Cancellation, the Court will be concerned that the interests of the Capricorn's creditors will be sufficiently protected. The terms upon which the Court is prepared to sanction the Share Premium Account Cancellation will be subject to consideration in due course by the Court and discussion between Capricorn and its advisers. Capricorn's ability to make any future returns to Shareholders from the additional distributable reserves arising from the Share Premium Account Cancellation will be dependent on any directions of the Court for the protection of creditors at the time the Share Premium Account Cancellation takes place. The Directors reserve the right to discontinue the application to the Court if they consider it appropriate and in the interests of the Company. The Share Premium Account Cancellation will only become effective once the Court order confirming it is filed with the Registrar of Companies.

The Share Premium Account Cancellation itself will not involve any distribution of share premium to the Shareholders, nor will it reduce the underlying net assets of the Company. If it becomes effective, the Share Premium Account Cancellation will not change the number of Ordinary Shares in issue (or their nominal value) (and no new share certificates will be issued as a result of the Share Premium Account Cancellation) and will not affect the voting or dividend rights of any Shareholder, or the rights of any Shareholder on a return of capital.

3. Taxation

The Share Premium Account Cancellation should not have any UK tax consequences for Shareholders. It should be treated as a reorganisation of the share capital of the Company, and accordingly should not result in a disposal or deemed disposal by any Shareholders. After the Share Premium Account Cancellation, the Ordinary Shares should be treated as the same asset as was originally acquired by each Shareholder for tax purposes and, therefore, the base cost of the Ordinary Shares should remain unaffected.

Shareholders who are in any doubt as to their tax position or who are subject to tax in a jurisdiction other than the United Kingdom should consult an appropriate independent professional adviser.

4. General Meeting

A general meeting of the Company will be held at the Capricorn Energy PLC Head Office at 50 Lothian Road, Edinburgh EH3 9BY at 3.00 p.m. on Thursday, 15 December 2022 to propose the Resolution seeking Shareholder approval of the Share Premium Account Cancellation. The notice of that meeting is set out at the end of this document. A summary explanation of the Resolution to be proposed at the General Meeting is set out in paragraph 5 below.

Whether or not Shareholders intend to attend the General Meeting in person, they are strongly encouraged to ensure that their votes are counted at the General Meeting by appointing the chair of the General Meeting as their proxy and submitting their completed Form of Proxy as soon as possible. Further instructions on voting by proxy are set out in paragraph 7 below.

The Board remains committed to allowing Shareholders the opportunity to engage with the Board. If Shareholders have any questions for the Board in advance of the 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.

5. Summary explanation of the Resolution to be proposed at the General Meeting

The Resolution to be proposed at the General Meeting proposes the cancellation of the share premium account of the Company. The Resolution will be proposed as a special resolution and accordingly will be passed if at least 75 per cent. of the votes cast are in favour. If it is passed and becomes effective, then (subject to any arrangements required for the protection of the Company's creditors and any directions given by the Court in confirming the Share Premium Account Cancellation) the full amount of the reserve arising as a result of such cancellation (of approximately US\$495.1 million) will be credited to the Company's profit and loss account. The cancellation of the Company's share premium account requires to be confirmed by the Court and, if the Resolution is passed, the Directors intend to petition the Court for such confirmation.

6. Timetable

If Shareholders approve the Resolution, then the Directors intend to petition the Court (shortly after the General Meeting) to commence the Court process in respect of the confirmation of the Share Premium Account Cancellation. Subject to the Court's availability and the Court process, it is hoped that the Court hearing to confirm the Share Premium Account Cancellation will be during the last week of January or first weeks of February 2023. Any changes to this timetable will be notified to Shareholders by an announcement on an RIS.

7. Action to be taken

Enclosed with this document is a Form of Proxy for use in respect of the General Meeting. 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 3.00 p.m. on Tuesday, 13 December 2022.

Alternatively, you may register your proxy appointment or voting directions electronically via the www.sharevote.co.uk website (further information regarding the use of this facility is set out in the notes to the notice of General Meeting) not later than 3.00 p.m. on Tuesday, 13 December 2022. 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 3.00 p.m. on Tuesday, 13 December 2022.

8. Recommendation

The Board is of the opinion that the Share Premium Account Cancellation and the Resolution to be proposed at the General Meeting are in the best interests of Shareholders as a whole. Accordingly, the Board unanimously recommends that you vote in favour of the Resolution, as the Directors intend to do in respect of their own beneficial holdings amounting in aggregate to 744,346 Ordinary Shares representing approximately 0.236 per cent. of the current issued share capital of Capricorn (as at Thursday, 24 November 2022, being the last practicable date prior to the publication of this document).

Yours faithfully

Nicoletta Giadrossi

Chair

DEFINITIONS

The following definitions apply throughout this document and in the accompanying Form of Proxy, unless the context requires otherwise:

“Board” or “Directors”	the board of directors of Capricorn, from time to time, or, where appropriate, any duly authorised committees of it;
“Company” or “Capricorn”	Capricorn Energy PLC, a company incorporated in Scotland with registered number SC226712;
“Court”	the Court of Session, Edinburgh;
“CREST”	the relevant system for the paperless settlement of trades in securities and the holding of uncertificated securities (as defined in the Uncertificated Securities Regulations 2001 (SI. 2001 No. 3775)) operated by Euroclear;
“CREST Manual”	the current version of the CREST manual from time to time which at the date of this document is available on www.crestco.co.uk ;
“CREST Proxy Instruction”	a properly authenticated CREST message appointing and instructing a proxy to attend and vote in the place of the Shareholder at the General Meeting and containing the information required to be contained therein by the CREST Manual;
“Disclosure and Transparency Rules”	the Disclosure Guidance and Transparency Rules of the FCA;
“Electronic Proxy Instruction”	a proxy instruction submitted electronically at www.sharevote.co.uk using the numbers included in the Form of Proxy;
“Equiniti”	Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA;
“Euroclear”	Euroclear UK & International Limited;
“FCA”	the Financial Conduct Authority;
“Form of Proxy”	the form of proxy enclosed with this document, for use by Shareholders in connection with the General Meeting;
“FSMA”	Financial Services and Markets Act 2000 (as amended);
“General Meeting”	the general meeting of Capricorn to be held at the Capricorn Energy PLC Head Office at 50 Lothian Road, Edinburgh EH3 9BY at 3.00 p.m. on Thursday, 15 December 2022, notice of which is set out at the end of this document;
“ISIN”	International Security Identification Number;
“Listing Rules”	the listing rules made by the FCA for the purposes of Part VI of FSMA;
“Official List”	the official list maintained by the FCA for the purposes of Part VI of FSMA;
“Ordinary Shares”	the issued ordinary shares of $2\frac{1}{13}$ pence each in the capital of Capricorn and admitted to the premium segment of the Official List under the ISIN GB00BN0SMB92;
“Resolution”	the resolution to be proposed at the General Meeting;
“RIS” or “Regulatory Information Service”	a regulatory information service as defined by the Listing Rules;
“Share Premium Account Cancellation”	the proposed cancellation of the share premium account of the Company;
“Shareholders”	holders of Ordinary Shares;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland; and
“US” or “United States”	the United States of America, its territories, possessions, any State of the United States of America and the District of Columbia.

CAPRICORN ENERGY PLC

(Incorporated in Scotland with registered number SC226712)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a general meeting of Capricorn Energy PLC (the “Company”) will be held at the Capricorn Energy PLC Head Office at 50 Lothian Road, Edinburgh EH3 9BY at 3.00 p.m. on Thursday, 15 December 2022 for the purposes of considering and, if thought fit, passing the following Resolution, which will be proposed as a special resolution:

SPECIAL RESOLUTION

THAT, subject to the confirmation of the Court of Session, the amount standing to the credit of the share premium account of the Company be cancelled.

By Order of the Board

Anne McSherry
Company Secretary
50 Lothian Road
Edinburgh EH3 9BY

28 November 2022

Shareholder Notes:

1. A member of the Company entitled to attend and vote at the General 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 General Meeting to represent you. A form of proxy (the “Form of Proxy”) accompanies this Notice of 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 General Meeting or any adjournment(s) thereof (excluding any part of any day that is not a working day). The appointment of a proxy or submission of an electronic voting direction will not preclude a member entitled to attend and vote at the General Meeting from doing so if he or she wishes. 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. to 5.30 p.m. Monday to Friday (excluding English and Welsh public holidays).
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 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 General Meeting to be held on Thursday, 15 December 2022 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.
4. 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 & International 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 3.00 p.m. on Tuesday, 13 December 2022, or, in the event that the General Meeting is adjourned, not less than 48 hours before the time appointed for the adjourned General 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.
5. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & International 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.

6. 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. to 5.30 p.m. Monday to Friday (excluding English and Welsh public holidays). Please note that calls to these numbers may be monitored and recorded for security and training purposes.
7. 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.
8. 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.
9. To be entitled to vote at the General 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 6.30 p.m. on Tuesday, 13 December 2022 (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 vote at the meeting.
10. On Thursday, 24 November 2022 (being the last practicable prior to the publication of this document), the Company's issued share capital comprised 315,072,439 ordinary shares of 2¹/₁₃ 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 6.30 p.m. on Thursday, 24 November 2022 was 315,072,439. It is proposed that all votes on the Resolution to be proposed at the General Meeting 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.
11. In accordance with section 311A of the Companies Act 2006, the contents of this Notice of General Meeting, details of the total number of shares in respect of which members are entitled to exercise voting rights at the General 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 General Meeting will be available on the Company's website at www.capricornenergy.com.
12. Pursuant to section 319A of the Companies Act 2006, the Company must cause to be answered at the General Meeting any question relating to the business being dealt with at the General Meeting which is put by a member attending the General Meeting, except in certain circumstances, including if it is undesirable in the interests of the Company or the good order of the General Meeting that the question be answered or if to do so would involve the disclosure of confidential information. Shareholders who wish to put a question to the board of directors relating to the business to be conducted at the General Meeting should email IR.Mailbox@capricornenergy.com in advance of the General Meeting. The board of directors of the Company will endeavour to answer key themes of these questions on the Company's website as soon as is practical.
13. A member may not use any electronic address provided either in this Notice of General Meeting or any related documents (including the Chair's letter and the Form of Proxy), to communicate with the Company for any purpose other than those expressly stated.

