

THIS CIRCULAR AND ANY ACCOMPANYING TENDER FORM AND FORM OF PROXY ARE IMPORTANT AND REQUIRE 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 appropriate independent financial adviser who is duly authorised under the Financial Services and Markets Act 2000, if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

If you have sold or transferred, or sell or transfer before 1.00 p.m. on 5 April 2022, your entire holding of Ordinary Shares, please send this document (but not any personalised Form of Proxy or Tender Form) 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 return of up to US\$500 million to shareholders

by way of tender offer for ordinary shares

Potential share consolidation authority

Notice of General Meeting

This document should be read as a whole and in conjunction with any accompanying Tender Form and Form of Proxy. Your attention is drawn in particular to the letter from the Chair of the Company set out in Part I (*Letter from the Chair of Capricorn Energy PLC*) of this document recommending, on behalf of the Directors, that you vote in favour of the Resolutions to be proposed at the General Meeting referred to below. Your attention is also drawn to the risk factors set out in Part III (*Risk Factors*) of this document.

None of the Company, its Directors, officers, employees or advisers or their respective affiliates makes any recommendation to any Shareholder whether to tender or refrain from tendering any or all of their Ordinary Shares in the Tender Offer and none of them has authorised any person to make any such recommendation. Shareholders are urged to evaluate carefully all information in this document and the Tender Form, consult their own investment and tax advisers and make their own decisions as to whether to tender Ordinary Shares, and if so, the number of Ordinary Shares to tender.

The Tender Offer will close at 1.00 p.m. on 5 April 2022, unless such date is altered by means of an announcement through a Regulatory Information Service, and will only be available to Eligible Shareholders on the Register of Members at the Record Date. The procedure for participating in the Tender Offer is set out in Part III (*Details of the Tender Offer*) of this document. If you hold your Ordinary Shares in certificated form and wish to tender any such Ordinary Shares for purchase under the Tender Offer, the Tender Form must be completed, signed and returned, together with your share certificate(s) and/or other document(s) of title, in accordance with the instructions printed thereon, so as to be received by post or (during normal business hours only) by hand by the Receiving Agent at Equiniti, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA by not later than 1.00 p.m. on 5 April 2022. If you hold your Ordinary Shares in uncertificated form and wish to tender any such Ordinary Shares for purchase under the Tender Offer, you must make your tender electronically through CREST so that the relevant TTE Instruction settles by not later than 1.00 p.m. on 5 April 2022.

Each Shareholder is advised to check with any broker, dealer, bank, custodian, trust company or other nominee or other intermediary through which they hold Ordinary Shares to confirm whether such intermediary needs to receive instructions from such Shareholder before the deadlines specified in this document in order for that Shareholder to be able to participate in the Tender Offer. The deadlines set by intermediaries for the submission instructions may be earlier than the relevant deadlines specified in this document.

The availability of the Tender Offer to Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdiction in which they are located. Shareholders who are not resident in the United Kingdom should read paragraph 6 of Part IV (*Details of the Tender Offer*) of this document and should inform themselves about, and observe, any applicable legal or regulatory requirements. In addition, the attention of Shareholders who are resident in the United States is drawn to the Notice for US Shareholders on page 4 of this document.

The Tender Offer is not being made, directly or indirectly, in or into, or by use of the mails of, or by any means or instrumentality (including, without limitation, facsimile transmission, telex, telephone and e-mail) of interstate or foreign commerce of, or any facilities of a national securities exchange of, any Restricted Jurisdiction and the Tender Offer cannot be accepted by any such use, means, instrumentality or facility or from within any Restricted Jurisdiction. Accordingly, unless otherwise determined by the Company and permitted by applicable law and regulation, neither this document nor the Tender Form nor any related document is being, nor may it be, directly or indirectly, mailed, transmitted or otherwise forwarded, distributed, or sent in, into or from any Restricted Jurisdiction, and persons receiving this document, the Tender Form and/or any related document (including, without limitation, trustees, nominees or custodians) must not mail or otherwise forward, distribute or send it in, into or from such Restricted Jurisdiction, as to do so may invalidate any purported acceptance of the Tender Offer. Any person (including, without limitation, trustees, nominees or custodians) who would or otherwise intends to, or who may have a contractual or legal obligation to, forward this document, the Tender Form and/or any related document to any jurisdiction outside the United Kingdom, should seek appropriate advice before taking any action.

The Tender Offer is conditional on approval from Shareholders, which is being sought at the General Meeting. Notice of the General Meeting, to be held at 50 Lothian Road, Edinburgh EH3 9BY at 10.00 a.m. on 25 March 2022, is set out at the end of this document. As at 3 March 2022 (being the last practicable date prior to the publication of this document), there are only limited restrictions on public gatherings in Scotland as a consequence of the COVID-19 pandemic. This means that Capricorn is able to facilitate the attendance of Shareholders in person at the General Meeting, although face coverings will be required to be worn indoors in line with current Scottish restrictions. Whilst attendance in person at the General Meeting is possible, in order to minimise public health risks, refreshments will not be served, and the Directors may not be available to meet with Shareholders, before or after the General Meeting. Should Shareholders wish to attend the General Meeting in person, they are requested to pre-register by sending an email to IR.Mailbox@capricornenergy.com. Shareholders are responsible for understanding and complying with any restrictions applicable to their own journey and should bear in mind that at the time of the General Meeting these rules may differ between different parts of the UK. Capricorn will continue to monitor the situation and, in particular, any changes to the applicable law or guidance in force as a consequence of the COVID-19 pandemic. If circumstances change such that it is necessary to change the arrangements for the General Meeting, Capricorn will communicate such change via its website and (where appropriate) through the release of an announcement to a Regulatory Information Service. Shareholders are therefore encouraged to check Capricorn's website and the latest Scottish and UK Government guidance before finalising their travel arrangements to attend the General Meeting.

Enclosed with this document is a Form of Proxy for use in respect of the General Meeting. Whether or not you plan to attend 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 registrar, Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, not later than 10.00 a.m. on 23 March 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 10.00 a.m. on 23 March 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 registrar, Equiniti, not later than 10.00 a.m. on 23 March 2022.

This document is a circular relating to the proposed Tender Offer and Return of Value prepared in accordance with the Listing Rules made under section 73A of the Financial Services and Markets Act 2000 ("FSMA") and approved by the Financial Conduct Authority (the "FCA").

N. M. Rothschild & Sons Limited (“**Rothschild & Co**”), which is authorised and regulated by the FCA in the United Kingdom, is acting as sponsor and joint financial adviser to the Company and no one else in connection with the Tender Offer and the Return of Value and will not regard any other person as its client in relation to the Tender Offer and the Return of Value and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Rothschild & Co or its affiliates nor for providing advice in relation to the Tender Offer or the Return of Value, nor for providing advice in relation to the contents of this document or the Tender Offer or the Return of Value or any transaction, arrangement or matter referred to in this document.

J.P. Morgan Securities plc, which conducts its UK banking business as J.P. Morgan Cazenove (“**J.P. Morgan Cazenove**”), is authorised in the United Kingdom by the Prudential Regulation Authority (the “**PRA**”) and regulated in the United Kingdom by the FCA and the PRA. J.P. Morgan Cazenove is acting as joint financial adviser and joint corporate broker exclusively for the Company and no one else in connection with the Tender Offer and will not regard any other person as its client in relation to the Tender Offer and will not be responsible to anyone other than the Company for providing the protections afforded to clients of J.P. Morgan Cazenove or its affiliates, nor for providing advice in relation to the Tender Offer or any transaction, arrangement or matter referred to in this document.

Morgan Stanley & Co. International plc (“**Morgan Stanley**”) is authorised by the PRA and regulated in the United Kingdom by the FCA and the PRA. Morgan Stanley is acting as joint financial adviser and joint corporate broker exclusively for the Company and no one else in connection with the Tender Offer and the Return of Value and will not regard any other person as its client in relation to the Tender Offer and the Return of Value and will not be responsible to any person other than the Company for providing the protections afforded to clients of Morgan Stanley or its affiliates, nor for providing advice in relation to the Tender Offer or the Return of Value or any transaction, arrangement or matter referred to in this document.

Save for the responsibilities and liabilities, if any, of Rothschild & Co, J.P. Morgan Cazenove and/or Morgan Stanley (together the “**Financial Advisers**”) under FSMA or the regulatory regime established thereunder, none of the Financial Advisers or any persons associated or affiliated with any of them accepts any responsibility whatsoever and makes no representations or warranties, express or implied, in relation to the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by Capricorn, or on Capricorn’s behalf, or any of the Financial Advisers or on any Financial Adviser’s behalf. Nothing contained in this document is, or shall be, relied on as a promise or representation in this respect, whether as to the past or the future, in connection with Capricorn or the Tender Offer. Each Financial Adviser accordingly disclaims to the fullest extent permitted by law all and any responsibility and liability whether arising in tort, contract or otherwise which it might otherwise be found to have in respect of this document or any such statement.

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, the Market Abuse Regulation 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.

Shareholders should note that the contents of paragraphs related to forward-looking statements are not intended to qualify the statements made as to the sufficiency of working capital in paragraph 8 of Part VIII (*Additional Information*) of this document.

Note regarding presentation of currencies

All references in this document to “GBP”, “pounds sterling” or “£” are to the lawful currency of the United Kingdom and all references to “US dollars”, “US\$” and “\$” are to the lawful currency of the United States.

Notice for US Shareholders

The Tender Offer relates to securities in a non-US company registered in the UK and is subject to the disclosure requirements, rules and practices applicable to companies listed in the UK, which differ from those of the US in certain material respects. This document has been prepared in accordance with UK style and practice for the purpose of complying with Scots and (where applicable) English law and the Listing Rules, and US Shareholders should read this entire Circular, including Part IV (*Details of the Tender Offer*), Part V (*Potential Further Stage of the Return of Value*) and Part VI (*Taxation*) of this document. The financial information relating to the Company, which is available for review on the Company’s website, has not been prepared in accordance with generally accepted accounting principles in the US and thus may not be comparable to financial information relating to US companies.

The Tender Offer is not subject to the disclosure and other procedural requirements of Rule 13e-4 or Regulation 14D under the US Securities Exchange Act of 1934, as amended (the “**US Exchange Act**”). The Tender Offer will be made in the US in accordance with the requirements of Regulation 14E under the US Exchange Act to the extent applicable. Certain provisions of Regulation 14E under the US Exchange Act are not applicable to the Tender Offer by virtue of Rule 14d-1(d) under the US Exchange Act. Morgan Stanley will act as US dealer manager with respect to the Tender Offer in the United States to the extent required. US Shareholders should note that the Ordinary Shares are not listed on a US securities exchange and the Company is not subject to the periodic reporting requirements of the US Exchange Act and is not required to, and does not, file any reports with the US Securities and Exchange Commission thereunder.

It may be difficult for US Shareholders to enforce certain rights and claims arising in connection with the Tender Offer under US federal securities laws since the Company is located outside the US and most of its officers and directors may reside outside the US. It may not be possible to sue a non-US company or its officers or directors in a non-US court for violations of US federal securities laws. It also may not be possible to compel a non-US company or its affiliates to subject themselves to a US court’s judgment.

The receipt of cash pursuant to the Tender Offer by a Shareholder who is a US person will be a taxable transaction for US federal income tax purposes. Paragraph 2 of Part VI (*Taxation*) of this document sets out a guide to certain US tax consequences of the Tender Offer for Shareholders under current US law. However, each such Shareholder should consult and seek individual advice from an appropriate professional adviser.

To the extent permitted by applicable law and in accordance with normal UK practice, the Company, Morgan Stanley, J.P. Morgan Cazenove or any of their respective affiliates, may make certain purchases of, or arrangements to purchase, Ordinary Shares outside the United States during the period in which the Tender Offer remains open for participation, including sales and purchases of Ordinary Shares effected by Morgan Stanley or J.P. Morgan Cazenove acting as market maker in the Ordinary Shares. These purchases, or other arrangements, may occur outside the United States either in the open market at prevailing prices or in private transactions at negotiated prices. In order to be excepted from the requirements of Rule 14e-5 under the US Exchange Act by virtue of Rule 14e-5(b)(12) thereunder, such purchases, or arrangements to purchase, must comply with applicable Scots and, where applicable, English law and regulation, including the Listing Rules, and the relevant provisions of the US Exchange Act. Any information about such purchases will be disclosed as required in the UK and the US and, if required, will be reported via a Regulatory Information Service and will be available on the London Stock Exchange website at <http://www.londonstockexchange.com>.

While the Tender Offer is being made available to Shareholders in the US, the right to tender Ordinary Shares is not being made available in any jurisdiction in the US in which the making of the Tender Offer or the right to tender such Ordinary Shares would not be in compliance with the laws of such jurisdiction.

Furthermore, the Tender Offer is not being extended to holders of American Depositary Shares representing Ordinary Shares (“**ADSs**”), nor for American Depositary Receipts evidencing such American Depositary Shares (“**ADRs**”). However, the Tender Offer is being made for the Ordinary Shares underlying the ADSs. Holders of ADSs and ADRs are encouraged to consult with the appropriate depository of the relevant ADR program relating to their ADSs or ADRs about either (i) tendering Ordinary Shares represented by their ADSs into the Tender

Offer or (ii) cancelling their ADSs for delivery of the underlying Ordinary Shares to them, which may then be tendered into the Tender Offer. Holders of ADSs should adhere to the timelines that may be imposed on their cancellation of the ADSs in order to be able to tender the underlying Ordinary Shares into the Tender Offer.

This document has not been approved, disapproved or otherwise recommended by the US Securities and Exchange Commission or any US state securities commission and such authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offence in the US.

Dated 7 March 2022

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SHAREHOLDER HELPLINE

Questions of a factual nature relating to the Resolutions to be proposed at the General Meeting may be directed to the Company's registrar, Equiniti, using the telephone helpline number 0333-207-6505 (for calls from within the United Kingdom) and +44 333-207-6505 (for calls from outside the United Kingdom). 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.

Please note that, for legal reasons, this helpline will not be able to provide advice on the merits of the Resolutions to be proposed at the General Meeting or the Return of Value or give personal, legal, financial or tax advice.

PART I

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)
Simon Thomson (Chief Executive)
James Smith (Chief Financial Officer)

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

7 March 2022

To Shareholders and, for information only, to participants in the Capricorn Share Schemes

Dear Shareholder

Proposed Return of Value to Shareholders

1. Introduction

On 24 February 2022, Capricorn announced that its expected tax refund of approximately INR79 billion had been paid by the Government of India (the “**Indian Tax Refund**”) and that the Group had received net proceeds of approximately US\$1.06 billion. The Company now proposes to return up to US\$700 million of value from the Indian Tax Refund to Shareholders.

Having consulted with Shareholders on the capital return options, the Board has determined that, in order to provide flexibility to Shareholders, the most appropriate means of returning value is to conduct a Tender Offer to return up to US\$500 million to Shareholders (the “**Return of Value**”). In addition to the Return of Value, and as previously announced by the Company, the Board intends to return a further sum of up to US\$200 million by way of an ongoing share repurchase programme (under which an aggregate of 4,432,805 Ordinary Shares have already been repurchased) to provide a continuing value-accretive return of capital to Shareholders, using the authority granted to the Company to make market purchases of its own shares at the 2021 AGM, as renewed or replaced at future AGMs.

The principal purpose of this document is to explain the background to and reasons for the Return of Value, and to seek Shareholder approval of certain matters required to effect the Return of Value. Eligible Shareholders are also being invited, in connection with the Tender Offer, to tender some or all of their Ordinary Shares for purchase on the terms and subject to the conditions set out in this document.

Shareholders may decide not to participate fully or partially in the Tender Offer for a number of reasons, including their view of the potential for the value of the Company to increase in the future. If a material amount of the US\$500 million is not returned through the Tender Offer, the Board will consider a possible further stage of the Return of Value through a Special Dividend with an accompanying Share Consolidation with the aim of making the market price of an Ordinary Share comparable before and after payment of the Special Dividend, subject to normal market movements.

The purpose of this document is to provide Shareholders with information on the proposed Return of Value and potential Share Capital Consolidation. A general meeting of the Company is to be held at 50 Lothian Road, Edinburgh EH3 9BY at 10.00 a.m. on 25 March 2022 to seek the approval of Shareholders to the proposed Return of Value. The notice of that general meeting is set out at the end of this document.

Shareholders should read the whole of this document and not rely solely on the information in this letter.

2. Background to and Reasons for the Tender Offer

With the receipt of the Indian Tax Refund and active management of the asset portfolio in recent years, Capricorn is well positioned to continue delivery of its differentiated business model of returning value to Shareholders whilst building sustainable cash flow generation and growth.

The Board expects to retain the remainder of the Indian Tax Refund to augment working capital and to assist with the further expansion of the Group's low cost, sustainable production base.

3. Benefits of the Tender Offer for Shareholders

The benefits of the Tender Offer for Shareholders as a whole are that:

- it is available to all Eligible Shareholders regardless of the size of their holdings;
- it provides Eligible Shareholders who wish to reduce their holdings of Ordinary Shares with an opportunity to do so at a market-driven price with the possibility of a modest premium; and
- it permits Shareholders who wish to retain their current investment in Capricorn and their Ordinary Shares to do so, and no Shareholder is required to participate in the Tender Offer.

The Tender Offer will reduce the number of Ordinary Shares in issue, and so should, assuming earnings stay the same, have a positive impact on the Group's earnings per share (as the Company intends to cancel all of the Ordinary Shares acquired in connection with the Tender Offer).

4. Pricing of the Tender Offer

As explained in more detail in paragraph 5 of this letter, Eligible Shareholders will be able to select the price at which they wish to tender their Ordinary Shares for purchase within a range of prices which are based on and expressed by reference to the average market price at which the Ordinary Shares trade (known as the "**volume-weighted average price**" or "**VWAP**") in the five Trading Days up to and including the Closing Date. As further explained below, the VWAP-based prices in the Price Range extend from:

- a price that is equal to the VWAP-based price (the "**Minimum Price**"); to
- a price that is a five per cent. premium over the VWAP-based price (the "**Maximum Price**"), in each case rounded down to the nearest whole penny.

The price paid in the Tender Offer will be determined as described in paragraph 5 of this letter.

The reason for using an average market price in the five Trading Days up to and including the Closing Date as the base for each price in the Price Range is to ensure that, as far as possible, the pricing of the Tender Offer remains connected to the then-market price of the Ordinary Shares. Setting a fixed price, or a fixed range, in pence per Ordinary Share at the outset of the Tender Offer would risk the tender price or range becoming disconnected from the prevailing market price, i.e. higher or lower than the market price at the time of the Tender Offer closing, which could mean that (where the market price is above the tender price or range) the Tender Offer would not be generally attractive to Shareholders and take-up would likely be low, or (where the market price is well below the tender price or range) the tendered shares would be purchased at a material premium to the prevailing market price, effectively at the expense of those Shareholders who choose not to tender. By contrast, this risk should be reduced by the dynamic pricing structure where the base for each price in the Price Range is set by taking an average of the actual VWAP trading prices over a five day trading period up to and including the Closing Date.

We expect the Price Range to track the market price of an Ordinary Share. However, in order to comply with applicable law, it is also a term of the Tender Offer that no Ordinary Shares will be acquired at a price that exceeds £10 per Ordinary Share. Tenders at prices that exceed £10 (any such price being an "**Excluded Price**") will be disregarded for the purpose of the Tender Offer.

The use of a dynamic VWAP-based pricing structure also means that the absolute price in pounds and pence per Ordinary Share will not be known until after the Tender Offer has closed for acceptances. That is because determination of the price depends on the average market value of the Ordinary Shares in the five Trading Days leading up to and including the Closing Date, the total number of Ordinary Shares tendered by Eligible Shareholders, and the prices at which Eligible Shareholders tender their Ordinary Shares. The Company will

announce the absolute price to be paid to successfully participating Eligible Shareholders as soon as this has been determined, which is expected to be on 6 April 2022, together with the results of the Tender Offer. During the calculation period for Average VWAP, the Company intends to publish on the “Investors” section of its website www.capricornenergy.com the Daily VWAP for each of the relevant Trading Days as soon as reasonably practicable on each day following trading closing.

Additional information about the pricing structure and terms of the Tender Offer is set out in paragraph 5 below and in Part IV (*Details of the Tender Offer*) of this document.

5. Further Details of the Tender Offer

5.1 Overview of the Tender Offer

It is proposed that up to 492,422,932 Ordinary Shares (representing approximately 99.38 per cent. of the Issued Ordinary Share Capital as at the Latest Practicable Date) be purchased under the Tender Offer, for a maximum aggregate cash consideration equal to the Value Limit.

All Eligible Shareholders on the Register of Members at 6.00 p.m. on 5 April 2022 are entitled, but not required, to tender some or all of their Ordinary Shares for purchase by Morgan Stanley, acting as principal, at a price (or prices) within the permitted range of VWAP-based prices set out in this document.

Subject to satisfaction of the conditions to the Tender Offer, Ordinary Shares which are successfully tendered under the Tender Offer will be purchased at a single price per Ordinary Share (referred to as the “**Strike Price**”), which will be determined at the end of the Tender Offer period in accordance with the mechanism set out in paragraph 2.13 of Part IV (*Details of the Tender Offer*) of this document. The Strike Price will be set in a manner that ensures that as much of the Value Limit as possible is returned to Shareholders.

The Tender Offer is to be effected by Morgan Stanley (acting as principal and not as agent, nominee or trustee) purchasing Ordinary Shares from Shareholders. Morgan Stanley, in turn, has the right to require the Company to purchase from it, and can be required by the Company to sell to it, such Ordinary Shares at the Strike Price under an option agreement (the “**Option Agreement**”), details of which are set out in paragraph 3 of Part VIII (*Additional Information*) of this document. All Ordinary Shares purchased by the Company from Morgan Stanley pursuant to the Option Agreement will be cancelled.

Following discussions between Morgan Stanley and the Panel on Takeovers and Mergers (the “**Panel**”) in respect of the application of Rule 9, the Panel has agreed that Morgan Stanley will not be required to make an offer under Rule 9 as a result of purchasing Ordinary Shares from Eligible Shareholders pursuant to the Tender Offer. For more information, please see paragraph 4 of Part VIII (*Additional Information*).

5.2 Options available to Eligible Shareholders in respect of the Tender Offer

Eligible Shareholders are not obliged to tender any Ordinary Shares if they do not wish to do so. If no action is taken by Eligible Shareholders, there will be no change to the number of Ordinary Shares that they hold and they will receive no cash as a result of the Tender Offer.

Eligible Shareholders who wish to participate in the Tender Offer can tender their Ordinary Shares in the following ways:

- submit a tender to sell some or all of their Ordinary Shares at whatever price is ultimately determined under the terms of the Tender Offer to be the Strike Price (referred to as a “**Strike Price Tender**”), without selecting one of the specified VWAP-based prices within the Price Range; or
- submit a tender to sell some or all of their Ordinary Shares at one of the following specified VWAP-based prices within the Price Range:
 - (i) an amount (in pence per Ordinary Share) equal to Average VWAP (rounded down to the nearest whole penny) (the “**Minimum Price**”);
 - (ii) an amount (in pence per Ordinary Share) equal to Average VWAP plus an amount equal to one per cent. of Average VWAP (rounded down to the nearest whole penny);
 - (iii) an amount (in pence per Ordinary Share) equal to Average VWAP plus an amount equal to three per cent. of Average VWAP (rounded down to the nearest whole penny); and
 - (iv) an amount (in pence per Ordinary Share) equal to Average VWAP plus an amount equal to five per cent. of Average VWAP (rounded down to the nearest whole penny) (the “**Maximum Price**”),

(the prices in (i) to (iv) being the “**Price Range**”); or

- submit a tender at more than one of the VWAP-based prices within the Price Range (which could include a Strike Price Tender).

The total number of Ordinary Shares tendered by any Eligible Shareholder should not exceed the total number of Ordinary Shares registered in the name of that Eligible Shareholder at the Record Date. For example, if an Eligible Shareholder returned a tender purporting to offer for sale more than 100 per cent. of their Ordinary Shares, they would be deemed to have tendered only the number of Ordinary Shares actually owned by that Shareholder on the Record Date, with the tender in respect of any additional shares being deemed invalid. Further information on how any tenders of excess Ordinary Shares will be scaled back are set out in paragraph 2.2 of Part IV (*Details of the Tender Offer*) of this document.

Once made, any tender of Ordinary Shares will be irrevocable.

Any tender, other than a Strike Price Tender, must be made at one of the specified VWAP-based prices within the Price Range, as indicated on the Tender Form (in the case of certificated Ordinary Shares) and as explained in paragraph 2.2 of Part IV (*Details of the Tender Offer*) of this document (in the case of uncertificated Ordinary Shares).

A single price per Ordinary Share will be paid in respect of all Ordinary Shares purchased by Morgan Stanley pursuant to the Tender Offer. That price, being the Strike Price, shall be determined in accordance with the provisions set out in paragraph 2.13 of Part IV (*Details of the Tender Offer*) of this document.

The Tender Offer will close at 1.00 p.m. on 5 April 2022 and tenders received after that time will not be accepted (unless the Closing Date is extended by the Company in accordance with the terms of the Tender Offer).

Shareholders should note that the Tender Offer is conditional on, among other things, the passing at the General Meeting of Resolution 1 set out in the notice of the General Meeting set out at the end of this document.

5.3 *Number of Ordinary Shares purchased under the Tender Offer*

All Eligible Shareholders who tender Ordinary Shares at a price below or at the Strike Price or as Strike Price Tenders will receive the Strike Price for all successful tenders accepted, subject, where applicable, to the scaling-down arrangements described in paragraphs 2.16 to 2.17 of Part IV (*Details of the Tender Offer*) of this document. Accordingly, where scaling-down applies there is no guarantee that all of the Ordinary Shares which are tendered by Eligible Shareholders below or at the Strike Price or as Strike Price Tenders will be accepted for purchase. Any tenders which are at a price that exceeds the Strike Price will be rejected.

If the aggregate value of the Ordinary Shares validly tendered by Shareholders at a price below or at the Strike Price (or as Strike Price Tenders) is higher than the Value Limit, a detailed mechanism will be applied in order to scale down acceptances of validly tendered Ordinary Shares and to determine whether and the extent to which individual tenders are accepted.

These scaling-down arrangements are relatively complex and should be read in full. They are set out in full in paragraphs 2.16 to 2.17 of Part IV (*Details of the Tender Offer*) of this document.

By way of summary, but not in substitution for reading the scaling-down arrangements in full, where the Value Limit is exceeded, tenders are scaled down so that their aggregate value is below the Value Limit. In doing that, priority is given to Ordinary Shares tendered below the Strike Price or as a Strike Price Tender, with alternative arrangements applying where the Strike Price is at the Minimum Price. Further information on the scaling-down arrangements that apply in this situation is contained at paragraphs 2.16 and 2.17 of Part IV (*Details of the Tender Offer*) of this document.

5.4 *Guaranteed Entitlement of each Eligible Shareholder*

If the Tender Offer is over-subscribed at the Minimum Price, then Eligible Shareholders will receive a minimum level of participation in the Tender Offer (known as their “**Guaranteed Entitlement**”). This Guaranteed Entitlement will be expressed as a percentage of an Eligible Shareholder’s shareholding in the Company as at the Record Date and will, if relevant, be calculated once the Minimum Price is known. The level of the Guaranteed Entitlement (which will be the same percentage for each Eligible Shareholder) will be announced by the Company at the same time as the Strike Price and the results of the Tender Offer (expected to be 6 April 2022). The Guaranteed Entitlement shall be equal (or as near as may be reasonably

practicable) to the percentage that the Value Limit bears to the market capitalisation of the Company at the Minimum Price. In these circumstances, the tender by any Eligible Shareholder of any Ordinary Shares in excess of their Guaranteed Entitlement will only be successful to the extent that other Eligible Shareholders have tendered less than their Guaranteed Entitlement and subject to the other terms and conditions of the Tender Offer. The arrangements for Guaranteed Entitlements are relatively complex and should be read in full. They are set out in full in paragraphs 2.16 to 2.17 of Part IV (*Details of the Tender Offer*) of this document.

5.5 *Circumstances in which the Tender Offer will or may not proceed*

There is no guarantee that the Tender Offer will take place. The Tender Offer is conditional on the passing of Resolution 1 set out in the Notice of General Meeting. The Tender Offer is also conditional on the other matters specified in paragraph 2.1 of Part IV (*Details of the Tender Offer*) of this document, including:

- (A) receipt of valid tenders in respect of at least 4,955,182 Ordinary Shares (representing approximately one per cent. of the Issued Ordinary Share Capital as at the Latest Practicable Date) by 1.00 p.m. on the Closing Date and there continuing to be valid tenders in respect of at least such number of Ordinary Shares;
- (B) the Strike Price being at or above the nominal value of an Ordinary Share;
- (C) the Tender Offer not having been terminated in accordance with its terms and the Company having confirmed to Morgan Stanley that it will not exercise its right to require Morgan Stanley not to proceed with the Tender Offer; and
- (D) Morgan Stanley being satisfied at all times up to immediately prior to the Unconditional Date that the Company has complied with its obligations and the conditions set out under the Option Agreement, and the Company is not in breach of any of the representations and warranties given by it under the Option Agreement.

The Board has reserved the right, at any time prior to the Tender Offer becoming unconditional, to require Morgan Stanley not to proceed with the Tender Offer if the Board concludes that the implementation of the Tender Offer is no longer in the best interests of the Company and/or Shareholders as a whole. The Board has also reserved the right, at any time prior to the announcement of the results of the Tender Offer, with the prior consent of Morgan Stanley, to revise the aggregate value of the Tender Offer, or to extend the period during which the Tender Offer is open, based on market conditions and/or other factors, subject to compliance with applicable legal and regulatory requirements.

If the Tender Offer does not occur, the Group will have on its balance sheet up to US\$500 million of cash from the Indian Tax Refund that it had proposed to be returned pursuant to the Return of Value. Holding this amount of cash means that the Group is likely to receive a reduced return on capital while the Board considers how best to deploy or return these funds to Shareholders. The Board is of the opinion that, subject to any value-creating alternatives, this cash is surplus to the requirements of the Group and that it would be in the best interests of the Company and Shareholders as a whole not to retain this cash on the Group's balance sheet but to return it to Shareholders by other means, such as a special dividend.

5.6 *Announcement of Tender Offer results and Unconditional Date*

As set out in Part II (*Expected Timetable for the Tender Offer*) of this document, it is expected that the results of the Tender Offer and the Strike Price will be announced on 6 April 2022, at which time the Tender Offer is expected to become unconditional subject to the Conditions described in paragraph 2.1 of Part IV (*Details of the Tender Offer*) of this document having been satisfied. Until such time as the Tender Offer becomes unconditional, which is expected to be 6 April 2022 (the “**Unconditional Date**”), the Tender Offer will be subject to the Conditions described in paragraph 2.1 of Part IV (*Details of the Tender Offer*) of this document. Settlement is then expected to take place as set out in the timetable in Part II (*Expected Timetable for the Tender Offer*) of this document and as provided for in Part IV (*Details of the Tender Offer*) of this document.

5.7 *Full Terms and Conditions of the Tender Offer*

Full details of the Tender Offer, including the terms and conditions on which it is made, are set out in Part IV (*Details of the Tender Offer*) of this document. Certain questions and answers related to the Return of Value are set out in Part VI (*Questions and Answers on the Return of Value*) of this document.

5.8 *Action to be taken by Eligible Shareholders in relation to the Tender Offer*

Eligible Shareholders are not obliged to tender any of their Ordinary Shares if they do not wish to do so. If no action is taken by Eligible Shareholders, there will be no change to the number of Ordinary Shares they hold and they will receive no cash as a result of the Tender Offer.

You should read the whole of this document and not rely solely on the information in this letter. Shareholders should refer in particular to paragraph 14 of this letter and to the full details of the applicable procedures and related timings set out in Part IV (*Details of the Tender Offer*) of this document, for the action to be taken in respect of the Tender Offer.

The Board is making no recommendation to Shareholders in relation to their participation in the Tender Offer itself. Whether or not Shareholders decide to tender all or any of their Ordinary Shares will depend on, among other things, their view of Capricorn's prospects and their own individual circumstances, including their tax position. Shareholders need to make their own decision and are recommended to consult a duly authorised independent adviser. Shareholders' attention is drawn in particular to the risk factors set out in Part III (*Risk Factors*) of this document.

6. **Potential Further Stage of the Return of Value**

As stated above, the Return of Value will seek to return up to US\$500 million to Eligible Shareholders by means of the Tender Offer. There is however no guarantee that the Tender Offer will return the full sum of US\$500 million to Eligible Shareholders, as this is dependent, amongst other things, on the level of participation in the Tender Offer. If a material amount of the US\$500 million is not returned through the Tender Offer then, provided there is a meaningful surplus remaining, the Board anticipates the return of part or all of this to Shareholders by way of a special dividend (the "**Special Dividend**") with an accompanying consolidation of the Company's share capital. The Company is therefore also taking the opportunity at the General Meeting to seek Shareholder approval of both the Tender Offer and a separate resolution authorising the Board to effect a consolidation and sub-division or division of the Company's share capital (the "**Share Consolidation**"), which may be appropriate if a Special Dividend is paid with the aim of making the market price of an Ordinary Share comparable before and after payment of the Special Dividend, subject to normal market movements. Fractional entitlements arising from any Share Consolidation will be aggregated and sold in the market on behalf of the relevant Shareholder, save that any net proceeds of sale of any such fractional entitlement less than £3.00 per individual Shareholder will, consistent with the Articles of Association, be retained by the Company or, at the discretion of the Directors, donated to charity.

By requesting these authorities now, the Board is seeking to ensure that the Company will be able to act quickly and without the delay and cost of convening a further general meeting if the Board does subsequently decide to return a portion of the US\$500 million not returned by the Tender Offer by payment of a Special Dividend with an accompanying Share Consolidation (if appropriate). Further information about the Share Consolidation is set out in Part V (*Potential Further Stage of the Return of Value*) of this document. An illustrative example of the effect of a Share Consolidation is also set out in paragraph 27 of Part VII (*Questions and Answers on the Return of Value*) of this document.

Please note that there is no guarantee that, if the full US\$500 million is not returned through the Tender Offer, any repurchase of Ordinary Shares or Special Dividend for any surplus not returned will be paid, as such matters will be subject to the determination of the Board at the relevant time, including an assessment of prevailing equity market conditions, the capital needs of the Group, the sufficiency of distributable reserves and other factors, and the Board reserves the right to pursue alternative uses of the available funds, including for alternative share buybacks or dividends, or investment or working capital purposes.

In addition, if Shareholder approval of Resolution 2 to be proposed at the General Meeting, giving authority to the Board to undertake a future Share Consolidation, is not obtained, the Board may elect not to pay any Special Dividend as a consequence of being unable to undertake an associated Share Consolidation.

7. **Share Buy Back Programme and Return of up to US\$200 million**

At the Company's 2021 AGM held on 11 May 2021, a general authority to repurchase up to a maximum of 49,926,765 Ordinary Shares, representing approximately 10 per cent. of the Issued Ordinary Share Capital at that time was approved by Shareholders (the "**AGM Buyback Authority**").

On 15 November 2021, the Company announced it would commence a share repurchase programme of its Ordinary Shares of up to £20,000,000 using the AGM Buyback Authority, with the programme initiated prior to an anticipated larger buyback programme following receipt of the Indian Tax Refund. The announcement also stated that the Company had entered into non-discretionary arrangements with Morgan Stanley in relation to the purchase by Morgan Stanley, acting as principal during the period commencing on 15 November 2021 and ending no later than 31 January 2022, of Ordinary Shares in the share capital of the Company for an aggregate purchase price of no greater than £20,000,000 and the on-sale of such Shares by Morgan Stanley to the Company. On 25 January 2022, the Company announced that this share repurchase programme would continue to the end of February 2022.

As at the Latest Practicable Date, the Company has repurchased 4,432,805 Ordinary Shares since 15 November 2021 using the AGM Buyback Authority. The Company now intends that, including those Ordinary Shares already repurchased, it will pursue an ongoing share repurchase programme of up to a total value of US\$200m to provide a continuing value-accretive return of capital to Shareholders (the “**Share Buyback Programme**”). The Share Buyback Programme is independent of the Tender Offer and the Return of Value, and is expected to be undertaken using the AGM Buyback Authority and subsequent authorities to repurchase Ordinary Shares granted at future AGMs.

Except as part of the Tender Offer, the Board will not undertake any buybacks of Ordinary Shares between publication of this document and the expiration of the Tender Offer, which is expected to be on 5 April 2022.

Subject to the preceding paragraph, following the expiration of the Tender Offer, Capricorn intends to continue with the Share Buyback Programme by means of the on-market purchase of Ordinary Shares (or, as the case may be, any New Ordinary Shares resulting from the Share Consolidation). Any Ordinary Shares purchased pursuant to the Share Buyback Programme will be cancelled. The Share Buyback Programme will be reviewed by the Board on a quarterly basis. Any buyback of Ordinary Shares pursuant to the Share Buyback Programme will be effected in accordance with Chapter 12 of the Listing Rules, the EU Market Abuse Regulation 596/2014 and the Commission Delegated Regulation (EU) 2016/1052 (which are part of UK law by virtue of the European Union (Withdrawal) Act 2018).

Shareholders should also note that, if the Tender Offer is successfully implemented, the Issued Ordinary Share Capital will be reduced. The AGM Buyback Authority was taken on the basis of the Issued Ordinary Share Capital before the Tender Offer, and such any reduction as a result of the Tender Offer will also result in a corresponding reduction of the number of Ordinary Shares representing 10 per cent. of the Issued Ordinary Share Capital. In view of this, the Board intends to restrict its use of the AGM Buyback Authority to market purchases of Ordinary Shares representing a maximum of 10 per cent. of the Issued Ordinary Share Capital as it is after completion of the Tender Offer. The Board would then expect to seek a new authority from Shareholders to make market purchases of Ordinary Shares at the 2022 AGM.

8. *Capricorn Share Schemes – impact of Tender Offer*

Separate letters are being sent to participants in the Capricorn Share Schemes to advise them of the effect (if any) that the Tender Offer will have on their outstanding awards and options and as to whether they will be entitled to participate in the Tender Offer. In general terms, the position will be as follows:

8.1 *The SIP*

Participants in the SIP are the beneficial owners of a number of existing Ordinary Shares which the trustee of the arrangement (the “**SIP Trustee**”) holds on their behalf. Provided that any such Ordinary Shares are not subject to a “holding period” as at the Unconditional Date (being a period specified in the rules of the SIP during which such Ordinary Shares cannot normally be sold or otherwise withdrawn from the plan) then the relevant employee will be entitled to instruct the SIP Trustee to participate in the Tender Offer in respect of those shares.

For the avoidance of doubt, it will not be possible for Ordinary Shares that, as at the Unconditional Date, remain subject to a holding period under the SIP to participate in the Tender Offer.

The letter being sent to each individual on whose behalf Ordinary Shares are held in the SIP will:

- explain in more detail the above right of participation in the Tender Offer; and
- set out the actions to be taken by them if they do wish to participate in this manner.

8.2 *Other Capricorn Share Schemes*

Employees and former employees who hold options or awards over Ordinary Shares that were granted under the remaining Capricorn Share Schemes (i.e. those arrangements other than the SIP) and which remain outstanding at the Record Date will not be eligible to participate in the Tender Offer in respect of those shares. For the avoidance of doubt, this includes any awards under the 2017 LTIP that, as at the Record Date, are subject to a post-vesting holding period.

The Tender Offer will not affect the legal rights of the holders of the above awards and no adjustments require to be made to their terms as a result of its implementation.

9. *Capricorn Share Schemes – impact of potential further stage of Return of Value*

Any Special Dividend and Share Consolidation forming part of any further potential stage of the Return of Value may have an impact on participants in the Capricorn Share Schemes. If any Special Dividend and/or Share Consolidation is proposed, the Board anticipates that additional letters will be sent to participants in the Capricorn Share Schemes to advise them of the effect (if any) that the further potential stage of the Return of Value will have on their outstanding awards and options and as to whether they will be entitled to participate. In general terms, it is envisaged that the position will be as follows:

9.1 *The SIP*

If any Special Dividend forms part of the Return of Value, participants in the SIP will be entitled to receive the Special Dividend in respect of the Ordinary Shares held by the SIP Trustee on their behalf at that time. These Ordinary Shares will also be subject to any Share Consolidation that accompanies the Special Dividend.

In accordance with the rules of the SIP, it is anticipated that:

- participants will be given the opportunity to have the whole of any Special Dividend to which they are entitled reinvested in Ordinary Shares or New Ordinary Shares;
- any such shares will be classed as “Dividend Shares” for the purposes of the SIP and will be subject to a mandatory three-year holding period during which they cannot normally be sold or otherwise withdrawn from the plan; and
- any participant who does not elect to reinvest in Dividend Shares will receive any Special Dividend in cash.

9.2 *Other Capricorn Share Schemes*

Participants in the remaining Capricorn Share Schemes (i.e. those arrangements other than the SIP) who hold options or awards entitling them to acquire Ordinary Shares at the relevant record date for any Special Dividend will not be eligible to receive the Special Dividend in respect of those options or awards (and for the avoidance of doubt, this includes any awards under the 2017 LTIP that are at the relevant time subject to a post-vesting holding period).

As a result of any Share Consolidation, no adjustment is expected to be required to the terms of these entitlements under the Capricorn Share Schemes, as options or awards over existing Ordinary Shares will take effect as options or awards over the same number of New Ordinary Shares, which would be expected to have approximately the same value per share following the Share Consolidation.

10. *Taxation*

A guide to certain UK tax consequences of the Tender Offer for Shareholders under current UK law and HM Revenue & Customs practice is set out in paragraph 1 of Part VI (*Taxation*) of this document and a guide to certain US tax consequences of the Tender Offer for Shareholders under current US law is set out in paragraph 2 of Part VI (*Taxation*) of this document.

Shareholders who are subject to tax in a jurisdiction other than the UK or the US, or who are in any doubt as to the potential tax consequences of tendering their Ordinary Shares under the Tender Offer, are strongly recommended to consult their own independent professional advisers before tendering their Ordinary Shares under the Tender Offer.

Any Shareholder who is intending to accept the Tender Offer from the US, who has provided a US address or whose sale proceeds would be paid to an account maintained in the US is referred to the guide to certain aspects of the US information reporting and backup withholding rules set out under the heading “US information reporting and backup withholding” in paragraph 2 of Part VI (*Taxation*) of this document.

11. Overseas Shareholders

The attention of Overseas Shareholders is drawn to paragraph 6 of Part IV (*Details of the Tender Offer*) of this document. In addition, the attention of Shareholders who are resident in the United States is drawn to the Notice for US Shareholders on page 4 of this document.

12. General Meeting and Resolutions

A general meeting of the Company will be held at 50 Lothian Road, Edinburgh EH3 9BY at 10.00 a.m. on 25 March 2022 to propose the Resolutions seeking Shareholder approval of the Tender Offer and any potential Share Consolidation following a Special Dividend. The notice of that meeting is set out at the end of this document. A summary explanation of the Resolutions to be proposed at the General Meeting is set out below:

<i>Resolution</i>	<i>Purpose</i>	<i>Explanation</i>
1 Special Resolution	Tender Offer	This resolution seeks general authority to make market purchases of Ordinary Shares in connection with the Tender Offer. The Resolution specifies the maximum number of Ordinary Shares which may be acquired, and the maximum and minimum prices at which Ordinary Shares may be acquired, pursuant to this authority. The authority sought will expire on 31 December 2022 and is in addition to, and not in substitution for, the existing AGM Buyback Authority granted at the 2021 AGM.
2 Ordinary Resolution	Share Consolidation	This resolution seeks approval of any Share Consolidation that may be implemented in the event that all or part of any further stage of the Return of Value is undertaken by Special Dividend, as described in more detail in Part V (<i>Potential further stage of the Return of Value</i>) of this document. The purpose of any Share Consolidation would be to seek to ensure that, to the extent reasonably practicable and subject to normal market movements, the market price of one New Ordinary Share immediately after the payment of a Special Dividend would be comparable to the market price of one Ordinary Share immediately beforehand. Resolution 2 also deals with fractional entitlements to New Ordinary Shares in any Share Consolidation.

As at the Latest Practicable Date, there are only limited restrictions on public gatherings in Scotland. This means that Capricorn is able to facilitate the attendance of Shareholders in person at the General Meeting, although face coverings will be required to be worn indoors in line with current Scottish restrictions. Whilst attendance in person at the General Meeting is possible, in order to minimise public health risks, refreshments will not be served, and the Directors may not be available to meet with Shareholders, before or after the General Meeting. Should Shareholders wish to attend the General Meeting in person, they are requested to pre-register by sending an email to IR.Mailbox@capricornenergy.com. Shareholders are responsible for understanding and complying with any restrictions applicable to their own journey and should bear in mind that at the time of the General Meeting these rules may differ between different parts of the UK. Capricorn will continue to monitor the situation and, in particular, any changes to the applicable law or guidance in force as a consequence of the COVID-19 pandemic. If circumstances change such that it is necessary to change the arrangements for the General Meeting, Capricorn will communicate such change via its website and (where appropriate) through the release of an announcement to a Regulatory Information Service. Shareholders are therefore encouraged to check Capricorn’s website and the latest Scottish and UK Government guidance before finalising their travel arrangements to attend the General Meeting.

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 14 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.

13. Timetable

A detailed timetable for the Tender Offer is set out in Part II (*Expected Timetable for the Tender Offer*) of this document. The timetable for any Special Dividend and associated Share Consolidation will depend on the level of participation in the Tender Offer and will be communicated by the Company through the release of an announcement to a Regulatory Information Service.

14. Action to be taken

Action to be taken in connection with the General Meeting

As stated in paragraph 8 above, Shareholders who wish to attend the General Meeting are requested to pre-register their intention to do so by emailing IR.Mailbox@capricornenergy.com. Whilst attendance in person at the General Meeting is possible, in order to minimise public health risks, refreshments will not be served, and Directors may not be available to meet with Shareholders, before or after the General Meeting.

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 registrar, Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, not later than 10.00 a.m. on 23 March 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 10.00 a.m. on 23 March 2022. If you hold your Existing 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 registrar, Equiniti, not later than 10.00 a.m. on 23 March 2022.

Action to be taken in connection with the Tender Offer

Those Shareholders who wish to tender Ordinary Shares should note that the procedure for doing so depends on whether their Ordinary Shares are held in certificated or uncertificated form. The relevant procedures are summarised below. Full details of applicable procedures and related timings are set out in Part IV (*Details of the Tender Offer*) of this document.

Shareholders who do not wish to sell any Ordinary Shares under the Tender Offer should take no action in relation to the Tender Form and should not make any TTE Instruction.

If you are in doubt about completion of the Tender Form or sending a TTE Instruction, please contact the Shareholder helpline on 0333-207-6505 (for calls from within the United Kingdom) and +44 333-207-6505 (for calls from outside the United Kingdom). 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 are charged at the standard geographic rate and will vary by provider. Calls from outside the UK will be charged at the applicable international rate.

Please note that, for legal reasons, the Shareholder helpline will not be able to provide advice on the merits of the Resolutions to be proposed at the General Meeting or the Return of Value or give personal, legal, financial or tax advice.

- ***Ordinary Shares held in certificated form***

Eligible Shareholders who hold Ordinary Shares in certificated form and who wish to tender all or any of their Ordinary Shares should complete a Tender Form, in accordance with the instructions printed thereon and set out in Part IV (*Details of the Tender Offer*) of this document, and return it, together with their share certificate(s) and/or other document(s) of title or (where applicable) a satisfactory indemnity in lieu thereof in respect of the tendered Ordinary Shares, so as to be received by post or (during normal business hours only) by hand by the Receiving Agent at Equiniti, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, by not later than 1.00 p.m. on 5 April 2022.

- ***Ordinary Shares held in uncertificated form – that is, through CREST***

Eligible Shareholders who hold their Ordinary Shares in uncertificated form and who wish to tender all or any of their Ordinary Shares should tender electronically through CREST so that the TTE Instruction settles by not later than 1.00 p.m. on 5 April 2022. The CREST Manual may also assist you in making a TTE Instruction.

15. Further information

Your attention is drawn to the further information set out in this document and, in particular, to Part III (*Risk Factors*), Part IV (*Details of the Tender Offer*) and Part V (*Details of the Potential Further Stage of the Return of Value*) of this document. **Shareholders are advised to read the whole of this document and not just the summarised information set out in this letter.**

16. Financial Advice

The Board has received financial advice from Rothschild & Co, J.P. Morgan Cazenove and Morgan Stanley in relation to the Tender Offer. In providing their financial advice to the Board, Rothschild & Co, J.P. Morgan Cazenove and Morgan Stanley have relied on the Board's commercial assessment of the Tender Offer.

17. Recommendation

The Board is of the opinion that the Return of Value and the Resolutions 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 Resolutions, as the Directors intend to do in respect of their own beneficial holdings amounting in aggregate to 1,187,044 Ordinary Shares representing approximately 0.24 per cent. of the current issued share capital of Capricorn as at the Latest Practicable Date.

The Board makes no recommendation to Shareholders in relation to participation in the Tender Offer itself. Whether or not Shareholders decide to tender all or any of their Ordinary Shares will depend on, among other things, their view of Capricorn's prospects and their own individual circumstances, including their tax position. Shareholders need to take their own decision and are recommended to consult their duly authorised independent advisers.

Yours faithfully

Nicoletta Giadrossi
Chair

PART II

EXPECTED TIMETABLE FOR THE TENDER OFFER

Tender Offer opens	8 March 2022
Latest time and date for receipt of Electronic Proxy Instructions, Form of Proxy or CREST Proxy Instruction in respect of General Meeting	10.00 a.m. on 23 March 2022
General Meeting	10.00 a.m. on 25 March 2022
Latest time and date for receipt of Tender Forms and share certificates or other documents of title for tendered certificated Ordinary Shares (i.e. close of the Tender Offer)	1.00 p.m. on 5 April 2022
Latest time and date for settlement of TTE Instructions for tendered uncertificated Ordinary Shares (i.e. close of the Tender Offer)	1.00 p.m. on 5 April 2022
Record Date for the Tender Offer	6.00 p.m. on 5 April 2022
Announcement of the Strike Price and the results of the Tender Offer	6 April 2022
Unconditional Date for the Tender Offer and purchase of Ordinary Shares under the Tender Offer	6 April 2022
CREST accounts credited with unsuccessfully tendered uncertificated Ordinary Shares	7 April 2022
CREST accounts credited in respect of Tender Offer proceeds for uncertificated Ordinary Shares	11 April 2022
Cheques despatched in respect of Tender Offer proceeds for certificated Ordinary Shares	19 April 2022
Return of share certificates in respect of unsuccessful tenders of certificated Ordinary Shares	19 April 2022
Despatch of balance share certificates in respect of unsold Ordinary Shares in certificated form	19 April 2022

Notes:

1. Each Shareholder is advised to check with any broker, dealer, bank, custodian, trust company or other nominee or other intermediary through which it holds Ordinary Shares to confirm whether such intermediary needs to receive instructions from such Shareholder before the deadlines specified in this document in order for that Shareholder to be able to participate in the Tender Offer. The deadlines set by intermediaries for the submission instructions may be earlier than the relevant deadlines specified in this document.
2. All times and dates are indicative only and subject to change. If any of the above times or dates change, the revised times and/or dates will be notified to Shareholders by an announcement to a Regulatory Information Service.
3. References to time in this document are to London time.
4. All events in the above timetable following the General Meeting are conditional upon approval by Shareholders of Resolution 1 to be proposed at the General Meeting.

PART III
RISK FACTORS

Shareholders should consider carefully all of the information set out in this document, including in particular the risks described below, as well as their personal circumstances, prior to making any decision as to whether or not to vote in favour of the Resolutions to be proposed at the General Meeting and/or to tender Ordinary Shares in the Tender Offer. The Group's business, results of operations, cash flow, financial condition, revenue, profits, assets, liquidity and capital resources could be materially adversely affected by any of the risks described below. In such case, the market price of the Ordinary Shares may decline and investors could lose all or part of their investment.

Additional risks and uncertainties in relation to the Group that are not currently known to it, or that it currently deems immaterial, may also have a material adverse effect on the Group's business, financial condition and operating results.

1. THE TENDER OFFER IS CONDITIONAL AND MAY BE TERMINATED OR WITHDRAWN

There is no guarantee that the Tender Offer will take place. The Tender Offer is conditional on, amongst other things, the approval of Shareholders of Resolution 1 set out in the Notice of the General Meeting at the end of this document. The Tender Offer will not proceed if any of the conditions of the Tender Offer are not satisfied or if it is withdrawn by the Company at any point prior to the Unconditional Date.

Resolution 1 is proposed as a special resolution and, accordingly, requires the approval of not less than 75 per cent. of those voting at the General Meeting in person or by proxy to vote in favour of the resolution. It is possible that Shareholders do not pass Resolution 1 to approve the Tender Offer. If the Tender Offer does not occur, the Group will continue to hold the full amount of the Indian Tax Refund. The Board is of the opinion that US\$500 million of the Indian Tax Refund represents cash that is surplus to the requirements of the Group and that it is in the best interests of the Company and its Shareholders as a whole not to retain this cash on the Group's balance sheet.

If Shareholders do not approve the Tender Offer or the Tender Offer does not otherwise proceed, the Board would expect, but is not obliged, to consider an alternative method, including by way of a Special Dividend (potentially accompanied by a Share Consolidation) to return value to Shareholders. Any alternative method to return value to Shareholders, including by way of a Special Dividend may not be as beneficial for the Company or the Shareholders as a whole in respect of, among other things, relative costs, complexity and timeframes, as well as tax treatment for Shareholders.

There is no guarantee that, if the Tender Offer does not proceed, an alternative method to return value to Shareholders (including by way of a Special Dividend) will be undertaken by the Company, as such matters will be subject to the determination of the Board at the relevant time, (taking into account their assessment of prevailing equity market conditions, the capital needs of the Group, the sufficiency of distributable reserves and other factors), and the Board reserves the right to pursue alternative uses of the available funds, including for alternative share buybacks or dividends, or investment purposes.

2. THE MARKET PRICE OF ORDINARY SHARES MAY BE AFFECTED DURING OR AFTER THE TENDER OFFER

The market price of the Ordinary Shares is likely to change during the course of the period that the Tender Offer is open. Therefore, it cannot be certain whether the Price Range or the Strike Price will be greater or less than the price at which the Ordinary Shares could be sold in the market at any time. The impact on the market price of the Ordinary Shares as a result of the implementation of the Tender Offer cannot be predicted.

3. IF THE FULL RETURN OF VALUE OF UP TO US\$500 MILLION IS NOT UTILISED IN THE TENDER OFFER THERE IS NO GUARANTEE THAT THE REMAINDER WILL BE RETURNED TO SHAREHOLDERS

Should the number of Ordinary Shares validly tendered under the Tender Offer be less than the maximum permitted under the terms of the Tender Offer, and subject to circumstances prevailing following completion of the Tender Offer (including the level of take up of the Tender Offer), the Board currently expects to undertake a

further stage of the Return of Value to return any remaining balance of the up to the Value Limit proposed to be returned to Shareholders. In such circumstances, if there is sufficient surplus, the Board intends to return such additional balance by way of a Special Dividend (potentially accompanied by a Share Consolidation). However, the Board retains the discretion not to recommend or pay such a Special Dividend and, if it does choose to do so, to determine the size of Special Dividend. Any alternative method to return value to Shareholders, including by way of a Special Dividend which may not be as beneficial for the Company or the Shareholders as a whole in respect of, among other things, relative costs, complexity and timeframes, as well as tax treatment for Shareholders.

There is no guarantee that, if the full US\$500 million is not returned through the Tender Offer, any Special Dividend for any surplus not returned will be paid as such matters will be subject to the determination of the Board at the relevant time, including an assessment of prevailing equity market conditions, the capital needs of the Group, the sufficiency of distributable reserves and other factors, and the Board reserves the right to pursue alternative uses of the available funds, including for alternative share buybacks or dividends, or investment purposes.

4. THE TENDER OFFER MAY ADVERSELY AFFECT THE MARKET VALUE OF ORDINARY SHARES AND REDUCE THE LIQUIDITY IN TRADING OF ORDINARY SHARES

All Ordinary Shares validly tendered and accepted for purchase in the Tender Offer will be cancelled. To the extent that Ordinary Shares are validly tendered and accepted in the Tender Offer, the total volume of Ordinary Shares available for trading will be reduced by a corresponding amount. Furthermore, under its Share Buyback Programme, the Company has, prior to the commencement of the Tender Offer, made repurchases of its Ordinary Shares and, following the expiration of the Tender Offer, expects to continue to engage in further repurchases. Any Ordinary Shares purchased pursuant to the Share Buyback Programme will be cancelled. An equity security with a smaller volume of securities available for trading may command a lower price than would a comparable security with a greater trading volume. The reduced volume may also make the trading price of the Ordinary Shares more volatile. Consequently, the liquidity, market value and price volatility of Ordinary Shares not tendered in the Tender Offer could be adversely affected. There can be no assurance that the volumes of trading in the Ordinary Shares following the completion of the Tender Offer will match or exceed those prior to the Tender Offer, and may be lower. In addition, a market expectation of a reduction in the total number of Ordinary Shares can itself give rise to one or more of the foregoing adverse consequences even prior to the completion of the Tender Offer and/or the announcement of the level of tendering into the Tender Offer. Similarly, if the Company were to return value to Shareholders by way of a Special Dividend accompanied by a Share Consolidation, then the total volume of Ordinary Shares available for trading would be reduced, which could have similar effects on the liquidity, market value and price volatility of the resulting ordinary shares in the capital of the Company.

5. IF IMPLEMENTED, THE TENDER OFFER COULD RESULT IN ELIGIBLE SHAREHOLDERS PARTICIPATING IN THE TENDER OFFER HAVING THEIR PROPORTIONATE HOLDING IN THE COMPANY DILUTED

Eligible Shareholders that participate the Tender Offer who either (a) tender in excess of their Guaranteed Entitlement and part or all of such excess is accepted, or (b) tender any Ordinary Shares (including less than their Guaranteed Entitlement) in circumstances where the maximum aggregate number of Ordinary Shares permitted to be tendered into the Tender Offer by all Eligible Shareholders is not reached, will have their proportionate holding in the Company diluted.

6. IF IMPLEMENTED, THE TENDER OFFER COULD RESULT IN EXISTING SHAREHOLDERS WITH SIGNIFICANT HOLDINGS OF ORDINARY SHARES THAT DO NOT PARTICIPATE IN THE TENDER OFFER HAVING THEIR PROPORTIONATE HOLDING IN THE COMPANY INCREASED

Shareholders with significant holdings of Ordinary Shares that do not tender into the Tender Offer in circumstances where other Eligible Shareholders do participate in the Tender Offer will see their proportionate holding in the Company increased, with a corresponding increase in the voting power of the Ordinary Shares held by such Shareholders. Such holders of significant holdings of Ordinary Shares could exercise their voting rights in a manner that is not aligned with the interests of other Shareholders. In addition, a decision to sell the Ordinary Shares by such a significant Shareholder could have a materially greater adverse effect on the price for Ordinary Shares (due to greater proportionate supply) following the completion of the Tender Offer.

Shareholders with a significant holding of Ordinary Shares should have regard to their obligations under Rule 9 of the Takeover Code (as described in paragraph 4 of Part VIII (*Additional information*) of this document) (“**Rule 9**”). Having regard to the maximum number of Ordinary Shares that may be acquired and cancelled by the Company under the Tender Offer and the Option Agreement and having regard to the interest in Ordinary Shares disclosed to the Company as at the Latest Practicable Date, the Board does not believe the provisions of Rule 9 will be triggered if Shareholders with existing material holdings in the Company do not participate in the Tender Offer (assuming they maintain their level of shareholding as at the Latest Practicable Date). Shareholders who acquire further Ordinary Shares could potentially trigger obligations under Rule 9 and should therefore, before making such an acquisition, be aware of the potential maximum increase in their proportionate holding as a result of such an acquisition following the completion of the Tender Offer and the cancellation of the Ordinary Shares tendered.

7. THERE CAN BE NO ASSURANCE THAT THE COMPANY WILL NOT BE CLASSIFIED AS A PASSIVE FOREIGN INVESTMENT COMPANY, WHICH COULD RESULT IN MATERIALLY ADVERSE US FEDERAL INCOME TAX CONSEQUENCES TO US SHAREHOLDERS OF THE ORDINARY SHARES.

The Company would be classified as a passive foreign investment company (“**PFIC**”) for any taxable year in which, after the application of certain “look-through” rules with respect to subsidiaries, either (i) 75 per cent. or more of its gross income consists of “passive income,” or (ii) 50 per cent. or more of the average quarterly value of its assets consist of assets that produce, or are held for the production of, “passive income.” For purposes of this test, the Company will be treated as owning a proportionate share of the assets and earning a proportionate share of the income of any other corporation of which the Company owns, directly or indirectly, at least 25% (by value) of the stock. There can be no assurances that the Company will not be considered a PFIC for the current taxable year or has not been a PFIC for any historical taxable year. In addition, it is possible that the US Internal Revenue Service (the “**IRS**”) may take a contrary position with respect to the Company’s determination in any particular year, and therefore, there can be no assurance that the Company will not be classified as a PFIC for the current taxable year or in the future. If the Company were a PFIC in any taxable year that a US Shareholder (as defined in Section 2 of Part VI (Taxation) of this document) is a shareholder, the US Shareholder be subject to materially adverse US tax consequences. US Shareholders should consult their tax advisers about the potential application of the PFIC rules to their investment in the Ordinary Shares. For further discussion, see “*Passive foreign investment company rules*” in Section 2 of Part VI (Taxation) of this document.

PART IV

DETAILS OF THE TENDER OFFER

1. INTRODUCTION

Subject to the passing at the General Meeting of Resolution 1 set out in the Notice of General Meeting, Eligible Shareholders on the Register of Members at the Record Date are hereby invited to tender Ordinary Shares for purchase by Morgan Stanley on or after 8 March 2022 on the terms and subject to the conditions set out in this document and, in the case of Eligible Shareholders holding certificated Ordinary Shares, the accompanying Tender Form.

Eligible Shareholders are not obliged to tender any Ordinary Shares if they do not wish to do so. The rights of Eligible Shareholders who choose not to tender their Ordinary Shares will be unaffected.

Under the Option Agreement, the Company has granted a put option to Morgan Stanley which, on exercise by Morgan Stanley, obliges the Company to purchase from Morgan Stanley, at the Strike Price, the Ordinary Shares purchased by Morgan Stanley pursuant to the Tender Offer. Also under the Option Agreement, Morgan Stanley has granted the Company a call option which, on exercise by the Company, obliges Morgan Stanley to sell to the Company, at the Strike Price, the Ordinary Shares purchased by Morgan Stanley pursuant to the Tender Offer.

Under the Option Agreement and pursuant to the Tender Offer generally, Morgan Stanley will act as principal and not as agent, nominee or trustee.

2. TERMS AND CONDITIONS OF THE TENDER OFFER

2.1 The Tender Offer is conditional on the following (the “**Conditions**”):

- (A) the passing, as a special resolution, at the General Meeting of Resolution 1 set out in the Notice of General Meeting at the end of this document;
- (B) receipt of valid tenders in respect of at least 4,955,182 Ordinary Shares (representing approximately one per cent. of the Issued Ordinary Share Capital as at the Latest Practicable Date) by 1.00 p.m. on the Closing Date and there continuing to be valid tenders in respect of at least such number of Ordinary Shares following any exclusion of tenders at Excluded Prices under or pursuant to paragraph 2.11 below;
- (C) the Strike Price being at or above the nominal value of an Ordinary Share;
- (D) the Tender Offer not having been terminated in accordance with paragraph 2.22 below and the Company confirming to Morgan Stanley that it will not exercise its right under that paragraph to require Morgan Stanley not to proceed with the Tender Offer; and
- (E) Morgan Stanley being satisfied at all times up to immediately prior to the Unconditional Date that the Company has complied with its obligations and the conditions set out under the Option Agreement, and the Company is not in breach of any of the representations and warranties given by it under the Option Agreement.

Morgan Stanley will not purchase the Ordinary Shares pursuant to the Tender Offer unless the Conditions have been satisfied. Except for the Condition set out at paragraph 2.1(E) above (which may be waived by Morgan Stanley), the Conditions may not be waived by Morgan Stanley. Upon the Tender Offer becoming unconditional, Morgan Stanley will be obliged to acquire the relevant Ordinary Shares in accordance with the terms of the Tender Offer. Subject to paragraph 2.24 below, if the Conditions are not satisfied by 5.00 p.m. on 13 April 2022 (or such later time and/or date as the Company may, with the consent of Morgan Stanley, determine and announce via a Regulatory Information Service and subject to compliance with applicable legal and regulatory requirements), the Tender Offer will lapse.

2.2 (A) Ordinary Shares may be tendered under the Tender Offer in the following ways:

- (i) as a tender at whichever of the prices within the Price Range ultimately proves to be the Strike Price (a “**Strike Price Tender**”), that is, a tender which is not made at one of the specified prices within the Price Range; or
- (ii) as a tender at a single specified price within the Price Range, being one of the following:
 - (a) an amount (in pence per Ordinary Share) equal to Average VWAP (rounded down to the nearest whole penny);

- (b) an amount (in pence per Ordinary Share) equal to Average VWAP plus an amount equal to one per cent. of Average VWAP (rounded down to the nearest whole penny);
 - (c) an amount (in pence per Ordinary Share) equal to Average VWAP plus an amount equal to three per cent. of Average VWAP (rounded down to the nearest whole penny); and
 - (d) an amount (in pence per Ordinary Share) equal to Average VWAP plus an amount equal to five per cent. of Average VWAP (rounded down to the nearest whole penny); and
- (iii) subject always to paragraph 2.2(C) below, as tenders at more than one of the prices within the Price Range (which could include a Strike Price Tender).
- (B) Tenders other than Strike Price Tenders must be made at one of the specified prices within the Price Range, as set out in paragraph 2.2(A) above and as also indicated on the Tender Form (in the case of certificated Ordinary Shares) and as also explained in paragraph 3.3 below (in the case of uncertificated Ordinary Shares). Only tenders made at one of those specified prices within the Price Range (or as a Strike Price Tender) will be valid and capable of acceptance.
- (C) The total number of Ordinary Shares tendered by any Eligible Shareholder at the price(s) in the Price Range and/or as Strike Price Tenders must not exceed the total number of Ordinary Shares registered in the name of that Eligible Shareholder at the Record Date. If an Eligible Shareholder purports to tender more than the total number of Ordinary Shares registered in the name of that Eligible Shareholder at the Record Date, as a Strike Price Tender or at a single price within the Price Range, then the number of Ordinary Shares tendered will be reduced to the balance of the number of Ordinary Shares registered in the name of that Eligible Shareholder at the Record Date. If an Eligible Shareholder purports to tender more than the total number of Ordinary Shares registered in the name of that Eligible Shareholder at the Record Date, at different prices within the Price Range (which may include as a Strike Price Tender), then the number of Ordinary Shares tendered at each price will be scaled back pro rata until the total number of Ordinary Shares tendered equals the balance of the number of Ordinary Shares registered in the name of that Eligible Shareholder at the Record Date. If it is not possible to scale back a tender pro rata in equal proportions at each stated price, the excess will be deemed to be tendered one at a time at the highest price tendered by the relevant Eligible Shareholder.
- 2.3 The Tender Offer is only available to Eligible Shareholders on the Register of Members at the Record Date and in respect of the number of Ordinary Shares registered in their names at the Record Date.
- 2.4 Subject to paragraph 2.24 below, the Tender Offer will close at 1.00 p.m. on the 5 April 2022 and no tenders received after that time will be accepted.
- 2.5 All or any part of a holding of Ordinary Shares may be tendered. Ordinary Shares successfully tendered will be sold to Morgan Stanley fully paid and free from all liens, charges, equitable interests and encumbrances and with all rights attaching to the same. Under the Option Agreement, the Company has granted a put option to Morgan Stanley which, on exercise by Morgan Stanley, obliges the Company to purchase from Morgan Stanley, at the Strike Price, the Ordinary Shares purchased by Morgan Stanley pursuant to the Tender Offer. Also under the Option Agreement, Morgan Stanley has granted the Company a call option which, on exercise by the Company, obliges Morgan Stanley to sell to the Company, at the Strike Price, the Ordinary Shares purchased by Morgan Stanley pursuant to the Tender Offer. The Company intends to cancel such Ordinary Shares as are acquired by it under the Option Agreement. Ordinary Shares cancelled following purchase by Capricorn from Morgan Stanley pursuant to the Option Agreement will not rank for any future dividends.
- 2.6 (A) Tenders in respect of Ordinary Shares held in certificated form must be (i) made on the Tender Form, duly completed in accordance with the instructions set out in this Part IV (*Details of the Tender Offer*) and the instructions in the Tender Form itself, which together constitute part of the terms of the Tender Offer, and (ii) accompanied by the relevant share certificates and/or other document(s) of title or (where applicable) a satisfactory indemnity in lieu thereof. Such tenders will only be valid if the procedures contained in this document and in the Tender Form are followed in full.
- (B) Tenders in respect of Ordinary Shares held in uncertificated form must be made by the input and settlement of a TTE Instruction in CREST in accordance with the instructions set out in this Part IV (*Details of the Tender Offer*) and the relevant procedures in the CREST Manual, which together constitute part of the terms of the Tender Offer. Such tenders will only be valid if the procedures contained in this document and in the relevant parts of the CREST Manual are followed in full.

- (C) The Tender Offer and all tenders will be governed by and construed in accordance with Scots law. Delivery of a Tender Form or the input of a TTE Instruction in CREST, as applicable, will constitute submission to the jurisdiction of the courts of Scotland in respect of all matters arising out of or in connection with the Tender Offer (including the Tender Form).
- 2.7 Subject to paragraph 2.24 below, the Strike Price and the results of the Tender Offer and (if applicable) the extent to, and manner in, which tenders will be scaled down, and (if applicable) the Guaranteed Entitlement will be announced on 6 April 2022. In addition, the Company intends to publish on its website the Daily VWAP for each of the five Trading Days during the Relevant Trading Period. Following the announcement of the Strike Price and the results of the Tender Offer (including, if applicable, details of any scaling-down and of any Guaranteed Entitlement), the Tender Offer will still be subject to the remaining Conditions described in paragraph 2.1. At such time as the Tender Offer becomes unconditional, which is expected to be on 6 April 2022, the Company will make an announcement to that effect through a Regulatory Information Service.
- 2.8 All documents and remittances sent by or to Eligible Shareholders and all instructions made by or on behalf of an Eligible Shareholder in CREST will be sent or made (as the case may be) at the risk of the Eligible Shareholder concerned. If the Tender Offer does not become unconditional and lapses or is withdrawn:
- (A) in respect of Ordinary Shares held in certificated form, Tender Forms, share certificates and other documents of title will be returned by post not later than ten Business Days after the date of such lapse or withdrawal; and
- (B) in respect of Ordinary Shares held in uncertificated form, the Escrow Agent will provide instructions to Euroclear to transfer all Ordinary Shares held in escrow balances by TFE Instruction to the original available balances to which those Ordinary Shares relate as soon as practicable after the date of such lapse or withdrawal.
- 2.9 If only part of a holding of Ordinary Shares is successfully tendered pursuant to the Tender Offer, the relevant Eligible Shareholder will be entitled to receive the following:
- (A) for Ordinary Shares held in certificated form, a certificate in respect of the unsold Ordinary Shares, where the share certificate(s) submitted pursuant to the Tender Offer relate(s) to more Ordinary Shares than those successfully tendered by such Eligible Shareholder under the Tender Offer; or
- (B) for Ordinary Shares held in uncertificated form, the transfer by the Escrow Agent by TFE Instruction of the unsold Ordinary Shares to the original available balances.
- 2.10 Further copies of the Tender Form may be obtained on request from the Equiniti Shareholder helpline on 0333-207-6505 (for calls from within the United Kingdom) and +44 333-207-6505 (for calls from outside the United Kingdom). Lines are open from 8.30 a.m. to 5.30 p.m. (UK time) Monday to Friday (excluding English and Welsh public holidays). Please note that calls to the helpline number may be monitored or recorded. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the UK will be charged at the applicable international rate.
- 2.11 In order to comply with applicable law, no Ordinary Share will be acquired under the Tender Offer at a price that exceeds £10. Once the Average VWAP and other relevant calculations to determine each of the prices in the Price Range in terms of pence per Ordinary Share have been made by Morgan Stanley (such determination to be final and binding on all of the parties), all tenders made at any price in the Price Range that exceeds £10 (any such price being an “**Excluded Price**”) shall, from that point, be regarded as invalid tenders and shall be excluded for all purposes from the Tender Offer, including (for the avoidance of doubt) being omitted from the assessment of whether the condition specified in paragraph 2.1(B) above is satisfied and from the determination of the Strike Price pursuant to paragraph 2.13 below. Where the Minimum Price exceeds £10, all tenders will be deemed invalid and no Ordinary Shares will be acquired under the Tender Offer. Subject to the foregoing and without prejudice to the condition specified in paragraph 2.1(C) above, the lowest price at which tenders will be accepted is the Minimum Price and the highest price at which tenders will be accepted is the Maximum Price.
- 2.12 A single price per Ordinary Share will be paid in respect of all Ordinary Shares purchased by Morgan Stanley pursuant to the Tender Offer, that price being the Strike Price as determined pursuant to paragraph 2.13 below.

2.13 The Strike Price will be:

- (A) the lowest price per Ordinary Share in the Price Range at which any valid tender is made (but excluding tenders at Excluded Prices) that would allow Morgan Stanley to purchase the greatest number of Ordinary Shares for a total cost equal to at least an amount equal to the Value Limit; or
- (B) if the aggregate value at the highest price of any valid tender (excluding tenders at Excluded Prices) of all Ordinary Shares validly tendered by Shareholders is less than the Value Limit, the highest price of any valid tender (excluding tenders at Excluded Prices); or
- (C) if no valid tenders are made other than Strike Price Tenders, the Minimum Price (save where the Minimum Price is an Excluded Price, in which case no Ordinary Shares will be acquired under the Tender Offer),

provided that: (i) if the aggregate value at the Strike Price (as determined pursuant to paragraph 2.13(A)) of all Ordinary Shares validly tendered at a price below the Strike Price (as determined pursuant to such paragraph) or tendered as Strike Price Tenders would exceed the Value Limit, then the Strike Price shall instead be set at the preceding price in the Price Range (rather than at the price determined pursuant to paragraph 2.13(A)) such that the Value Limit is not exceeded; and (ii) otherwise, the scaling-down arrangements set out in paragraphs 2.16 to 2.17 below shall apply in circumstances where the aggregate value at the Strike Price of all Ordinary Shares validly tendered by Shareholders at or below the Strike Price (including as Strike Price Tenders) exceeds the Value Limit.

- 2.14 All Shareholders who tender Ordinary Shares at a price at or below the Strike Price (including as Strike Price Tenders) will receive the Strike Price for all successful tenders accepted subject, where applicable, to the scaling-down arrangements set out in paragraphs 2.16 to 2.17 below. All Ordinary Shares tendered at a price higher than the Strike Price will be rejected and will not be purchased.
- 2.15 If the aggregate value at the Strike Price of all Ordinary Shares validly tendered by Shareholders at or below the Strike Price (including as Strike Price Tenders) is equal to the Value Limit or less, then all Ordinary Shares validly tendered at or below the Strike Price (including as Strike Price Tenders) will be accepted and purchased at the Strike Price, regardless of the price within the Price Range at which individual Shareholders choose to tender their Ordinary Shares. All Ordinary Shares tendered at a price higher than the Strike Price will be rejected and will not be purchased, and the Guaranteed Entitlement arrangements will not apply to such Ordinary Shares.
- 2.16 If the aggregate value at the Strike Price of all Ordinary Shares validly tendered by Shareholders at or below the Strike Price (including as Strike Price Tenders) exceeds the Value Limit, then not all of the Ordinary Shares validly tendered at or below the Strike Price (including as Strike Price Tenders) will be accepted and purchased and, in these circumstances, tenders will be accepted (or, as the case may be, rejected) as follows:
 - (i) where the Strike Price is above the Minimum Price, tenders will be accepted (or, as the case may be, rejected) in the following order:
 - (a) all Ordinary Shares validly tendered at a price below the Strike Price or tendered as a Strike Price Tender will be accepted and purchased in full;
 - (b) Ordinary Shares validly tendered at the price in the Price Range which is determined to be the Strike Price will be scaled down pro rata to the total number of Ordinary Shares tendered in that way at that price such that the total cost of Ordinary Shares purchased pursuant to the Tender Offer does not exceed the Value Limit (and the amount of Ordinary Shares remaining after such scaling-down will be accepted and purchased, with the rest being rejected and not purchased); and
 - (c) all Ordinary Shares tendered at a price which ends up being higher than the Strike Price will be rejected and will not be purchased in the Tender Offer, and the Guaranteed Entitlement arrangements will not apply to such Ordinary Shares; and

- (ii) where the Strike Price is determined to be the Minimum Price, tenders will be accepted (or, as the case may be, rejected) in the following order:
 - (a) where the aggregate value at the Strike Price of all Ordinary Shares validly tendered as a Strike Price Tender or at the Minimum Price that are within the Guaranteed Entitlement for any holding of Ordinary Shares does not exceed the Value Limit then:
 - (1) all Ordinary Shares validly tendered as a Strike Price Tender or at the Minimum Price up to the Guaranteed Entitlement for each relevant holding of Ordinary Shares will be accepted and purchased in full;
 - (2) Ordinary Shares validly tendered as a Strike Price Tender or at the Minimum Price that are in excess of the Guaranteed Entitlement for a relevant holding of Ordinary Shares will be scaled down pro rata to the total number of Ordinary Shares validly tendered in those ways that are in excess of the applicable Guaranteed Entitlements for the relevant holdings such that the total cost of Ordinary Shares purchased pursuant to the Tender Offer does not exceed the Value Limit (and the amount of Ordinary Shares remaining after such scaling-down will be accepted and purchased, with the rest being rejected and not purchased); and
 - (3) all Ordinary Shares tendered at a price higher than the Minimum Price will be rejected and will not be purchased in the Tender Offer, and the Guaranteed Entitlement arrangements will not apply to such Ordinary Shares; and
 - (b) where the aggregate value at the Strike Price of all Ordinary Shares validly tendered as a Strike Price Tender or at the Minimum Price that are within the Guaranteed Entitlement for any holding of Ordinary Shares exceeds the Value Limit, then:
 - (1) all Ordinary Shares validly tendered as a Strike Price Tender or at the Minimum Price that are in excess of the Guaranteed Entitlement for a holding of Ordinary Shares will be rejected and will not be purchased in the Tender Offer;
 - (2) Ordinary Shares validly tendered as a Strike Price Tender or at the Minimum Price that are within the Guaranteed Entitlement for a holding of Ordinary Shares will be scaled down pro rata to the total number of Ordinary Shares validly tendered in those ways that are within the applicable Guaranteed Entitlements for the relevant holdings such that the total cost of Ordinary Shares purchased pursuant to the Tender Offer does not exceed the Value Limit (and the amount of Ordinary Shares remaining after such scaling-down will be accepted and purchased, with the rest being rejected and not purchased); and
 - (3) all Ordinary Shares tendered at a price higher than the Minimum Price will be rejected and will not be purchased in the Tender Offer, and the Guaranteed Entitlement arrangements will not apply to such Ordinary Shares.

Where this paragraph 2.16 applies, the Guaranteed Entitlement arrangements are only relevant if the Strike Price is determined to be the Minimum Price. In that situation, tenders in respect of Ordinary Shares representing up to a percentage (which will be the same for each Eligible Shareholder) of each holding of Ordinary Shares of each Eligible Shareholder on the Record Date will (subject, if applicable, to scaling-down in accordance with paragraph 2.16(ii)(b) above) be accepted in full and will not (other than as provided in paragraph 2.16(ii)(b) above) be scaled down, provided that such Ordinary Shares are validly tendered as Strike Price Tenders or at the Minimum Price. This percentage is known as the “**Guaranteed Entitlement**” and will, if relevant, be calculated once the Minimum Price is known and will be announced by the Company at the same time as the Strike Price and the results of the Tender Offer (expected to be 6 April 2022). The Guaranteed Entitlement shall be equal (or as near as may be reasonably practicable) to the percentage that the Value Limit bears to the market capitalisation of the Company at the Minimum Price. If the application of such percentage to any holding of Ordinary Shares produces a fraction of a share, then the Guaranteed Entitlement for such holding shall be rounded down to the nearest whole number of Ordinary Shares (or to nil as the case may be). Eligible Shareholders may tender Ordinary Shares in excess of their Guaranteed Entitlement. However, where this paragraph 2.16 applies and the Strike Price is determined to be the Minimum Price, they will only successfully tender such excess Ordinary Shares where paragraph 2.16(ii)(a) applies and then only to

the extent other Eligible Shareholders have tendered less than their Guaranteed Entitlement at the Minimum Price or as a Strike Price Tender. For the avoidance of doubt, where this paragraph 2.16 applies and the Strike Price is above the Minimum Price, all Ordinary Shares that are validly tendered as Strike Price Tenders or at the Minimum Price will be accepted in full.

- 2.17 (A) Further, in the event that, notwithstanding the application of the provisions of paragraph 2.16, the aggregate value at the Strike Price of all Ordinary Shares validly tendered by Shareholders at or below the Strike Price (including as Strike Price Tenders) that would, following the application of such provisions, fall to be accepted and purchased still exceeds the Value Limit and/or the purchase by the Company of such Ordinary Shares from Morgan Stanley would result in the aggregate nominal value of all issued Ordinary Shares being less than £50,000 (the “**Authorised Minimum**”), then, notwithstanding any provision within paragraph 2.16, Morgan Stanley will apply additional or alternative scaling-down and/or guaranteed entitlement arrangements in order to ensure such limit is not exceeded and / or the aggregate nominal value of all issued Ordinary Shares is not less than the Authorised Minimum (as applicable). Morgan Stanley will apply such additional or alternative scaling-down and/or guaranteed entitlement arrangements as, in its absolute discretion, it considers to be appropriate (taking account, to the extent it considers appropriate and possible, of the purpose of paragraph 2.16). Any such additional or alternative scaling-down and/or guaranteed entitlement arrangements shall only be applied to the extent necessary to ensure that the limit described above is not exceeded and/or the aggregate nominal value of all issued Ordinary Shares is not less than the Authorised Minimum (as applicable). Once applied, the results of such additional or alternative arrangements shall be final and binding on all of the parties.
- (B) Should any fractions arise from any scaling-down or Guaranteed Entitlement arrangements under paragraph 2.16 or the application of any additional or alternative arrangements under paragraph 2.17(A), the number of Ordinary Shares accepted shall be rounded down to the nearest whole Ordinary Share (or to nil, as the case may be).
- 2.18 All Ordinary Shares successfully tendered and accepted will be purchased by Morgan Stanley pursuant to the Tender Offer, as principal and not as agent, nominee or trustee, at the Strike Price.
- 2.19 The decisions of Morgan Stanley and/or the Company as to the results of the Tender Offer shall be final and binding on all Shareholders (except as otherwise required under applicable law). All questions as to the number of Ordinary Shares tendered and/or accepted (including the application of the scaling-down and Guaranteed Entitlement arrangements under paragraph 2.16 and/or any additional or alternative arrangements under paragraph 2.17(A)), the price to be paid therefor and the validity, form, eligibility (including the time of receipt) and acceptance of payment of any tender of Ordinary Shares will be determined by Morgan Stanley in its sole discretion, which determination shall be final and binding on all of the parties (except as otherwise required under applicable law). Morgan Stanley reserves the absolute right to reject any or all tenders it determines not to be in proper form or the acceptance of which may, in the opinion of Morgan Stanley, be unlawful. Morgan Stanley also reserves the absolute right to reject any or all tenders it determines have been made in breach of the terms of the Tender Offer, including but not limited to, where any Shareholder’s offer to sell Ordinary Shares to Morgan Stanley, and any acceptance thereof, and/or the settlement of consideration, is considered by Morgan Stanley (in its absolute discretion) to be unlawful under the laws of any jurisdiction, including the Shareholder (or any of its beneficial owners affiliates, directors, officers or employees) being the subject or target of any sanctions administered or enforced by the U.S. Government, (including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State and including, without limitation, the designation as a “specially designated national” or “blocked person”), the United Nations Security Council, the European Union, Her Majesty’s Treasury, or other relevant governmental or regulatory authority, institution or agency which administers economic, financial or trade sanctions (collectively, “**Sanctions**”) or the Shareholder (or any of its beneficial owners, affiliates, directors, officers or employees) being located, organised or resident in a country, region or territory that is (or may become prior to settlement of consideration) the subject of Sanctions. Morgan Stanley also reserves the absolute right to waive any defect or irregularity in the tender of any particular Ordinary Share or by any particular holder thereof. No tender of Ordinary Shares will be deemed to be validly made until all defects or irregularities have been cured or waived. In the event of a waiver, the consideration under the Tender Offer will not be paid to the Eligible Shareholder until after (in the case of certificated Ordinary Shares) the Tender Form is complete in all respects and the share certificates and/or other document(s) of title satisfactory to Morgan Stanley have been received or (in the case of uncertificated Ordinary Shares) the relevant TTE Instruction has settled. None of Capricorn, Morgan Stanley, the Receiving Agent, or any

other person is or will be obliged to give notice of any defects or irregularities in any tender, and none of them will incur any liability for failure to give any such notice.

- 2.20 Shareholders will not be obliged to pay any fees, commission or dealing charges to the Company or Morgan Stanley in connection with the Tender Offer. Certain payments made in connection with the Tender Offer may be subject to US backup withholding. All Eligible Shareholders who choose to participate in the Tender Offer are referred to the guide to certain aspects of the US information reporting and backup withholding rules and the relevant forms required to be completed, if any, set out under the heading “US information reporting and backup withholding” in paragraph 2 of Part VI (*Taxation*) of this document.
- 2.21 The failure of any person to receive a copy of this document or the Tender Form shall not invalidate any aspect of the Tender Offer. None of Capricorn, Morgan Stanley, the Receiving Agent or any other person will incur any liability in respect of any Eligible Shareholder failing to receive this document and/or, in respect of an Eligible Shareholder who holds Ordinary Shares in certificated form, the Tender Form. Eligible Shareholders may obtain additional copies of this document and the Tender Form from the Receiving Agent by calling the Shareholder helpline, details of which are set out on page 6 of this document.
- 2.22 The Company reserves the right to require that Morgan Stanley does not proceed with the Tender Offer if the Directors conclude, at any time prior to the Unconditional Date, that its implementation is no longer in the best interests of the Company and/or the Shareholders as a whole.
- 2.23 The Company reserves the right, at any time prior to the announcement of the results of the Tender Offer, subject to compliance with applicable legal and regulatory requirements and with the prior consent of Morgan Stanley, to revise the aggregate value of the Tender Offer, based on market conditions and/or other factors, provided that the period during which the Tender Offer remains open shall be at least 10 Business Days from the date that notice of such revision is first published or sent or given to Shareholders in accordance with the following sentence. The Company shall notify Shareholders of any such revision without delay by announcement through a Regulatory Information Service.
- 2.24 The Company reserves the right, at any time prior to the announcement of the results of the Tender Offer, with the prior consent of Morgan Stanley, to extend the period during which the Tender Offer is open, in which event the term “**Closing Date**” shall mean the latest time and date at which the Tender Offer, as so extended, shall close. The Company shall promptly notify Shareholders of any extension by announcement through a Regulatory Information Service and such extension shall commence immediately following such announcement.
- 2.25 Morgan Stanley reserves the right to treat any Tender Forms and/or TTE Instructions not strictly complying with the terms and conditions of the Tender Offer as nevertheless valid.
- 2.26 The terms of the Tender Offer shall have effect subject to such non-material modifications in compliance with applicable legal and regulatory requirements as Capricorn and Morgan Stanley may from time to time approve in writing. The times and dates referred to in this document may (subject to any applicable requirements of the Listing Rules or applicable law or regulation) be changed by Capricorn, in which event details of the new times and dates will be notified to Shareholders by announcement through a Regulatory Information Service.
- 2.27 No acknowledgment of receipt of any Tender Form, share certificate(s), other document(s) of title and/or TTE Instructions (as appropriate) will be given.

3. **PROCEDURE FOR TENDERING**

3.1 **Different procedures for Ordinary Shares in certificated and uncertificated form**

If you hold Ordinary Shares in certificated form, you may only tender such Ordinary Shares by completing and returning the Tender Form in accordance with the instructions set out in paragraph 3.2 below and the instructions printed on the form itself.

If you hold Ordinary Shares in certificated form, but under different designations, you should complete a separate Tender Form in respect of each designation. Additional Tender Forms are available from Equiniti by calling the Shareholder helpline, details of which are set out on page 6 of this document.

If you hold Ordinary Shares in uncertificated form (that is, in CREST), you may only tender such Ordinary Shares by TTE Instruction in accordance with the procedures set out in paragraph 3.3 below and, if those

Ordinary Shares are held under different Member Account IDs, you should send a separate TTE Instruction for each Member Account ID.

If you hold Ordinary Shares in both certificated and uncertificated forms, and you wish to tender Ordinary Shares in both forms, you should complete a Tender Form for the certificated holding(s) in accordance with paragraph 3.2 below and tender your Ordinary Shares held in uncertificated form by TTE Instruction in accordance with the procedure set out in paragraph 3.3 below.

All Eligible Shareholders who choose to participate in the Tender Offer are referred to the guide to certain aspects of the US information reporting and backup withholding rules set out in paragraph 2 of Part VI (*Taxation*) of this document.

3.2 Ordinary Shares held in certificated form

To tender your Ordinary Shares held in certificated form you must complete, sign and have witnessed the Tender Form as appropriate.

The completed, signed and witnessed Tender Form should be sent either by post in the accompanying pre-paid envelope (for use in the UK only) or by hand (during normal business hours only) to the Receiving Agent, Equiniti, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, so as to be received not later than by 1.00 p.m. on 5 April 2022. No tenders received after that time will be accepted (unless the Closing Date is extended). No acknowledgement of receipt of documents will be given. Any Tender Form received in an envelope postmarked in any Restricted Jurisdiction or otherwise appearing to Morgan Stanley or its agents to have been sent from any Restricted Jurisdiction may be rejected as an invalid tender. For further information on Overseas Shareholders, see paragraph 6 below of this Part IV (*Details of the Tender Offer*). In addition, the attention of Eligible Shareholders resident in the United States is drawn to the Notice for US Shareholders on page 4 of this document.

A Tender Form, once received by the Receiving Agent, will be irrevocable. The completed and signed Tender Form should be accompanied, where possible, by the relevant share certificate(s) and/or other document(s) of title in respect of the tendered Ordinary Shares.

Where your share certificate(s) and/or other document(s) of title is/are with your bank, stockbroker or other agent:

- if the share certificate(s) and/or other document(s) of title is/are readily available, arrange for the Tender Form to be lodged by such agent at Equiniti, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, so as to be received by Equiniti by not later than 1.00 p.m. on 5 April 2022; and
- if the share certificate(s) and/or other document(s) of title is/are not readily available, lodge the duly completed Tender Form with Equiniti at the address above, together with a note saying “share certificate(s) and/or other document(s) of title to follow” and arrange for the share certificate(s) and/or other document(s) of title to be forwarded to Equiniti as soon as possible thereafter and, in any event, so as to be received by Equiniti by not later than 1.00 p.m. on 5 April 2022.

If you hold 500 or more Ordinary Shares in certificated form in total as at the Record Date and you have lost the share certificate(s) in relation to any or all of your tendered Ordinary Shares, you will need to provide a letter of indemnity to the Company, a template for which can be obtained by writing to Equiniti, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, or by contacting the Shareholder helpline, details of which are set out on page 6 of this document. You will then need to return the letter of indemnity, duly completed, to Equiniti with your Tender Form, so as to be received by Equiniti not later than 1.00 p.m. on 5 April 2022.

If you hold fewer than 500 Ordinary Shares in certificated form in total as at the Record Date and you have lost the share certificate(s) in relation to any or all of your tendered Ordinary Shares, there is no need to provide a letter of indemnity or any other documentation relating to the lost share certificate(s). Please be aware that, if, following submission of a Tender Form and prior to the Record Date, you acquire further Ordinary Shares which bring your total holding of Ordinary Shares in certificated form to 500 or more, but you have not provided a letter of indemnity relating to your lost share certificate(s), your tender may be rejected as an invalid tender.

Where you have completed and returned a letter of indemnity in respect of unavailable share certificate(s) and/or other document(s) of title and you subsequently find or obtain the relevant share certificate(s) and/or other document(s) of title, you should immediately send it/them by post or (during normal business hours only) by hand to the Receiving Agent at Equiniti, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA.

3.3 Ordinary Shares held in uncertificated form

If your Ordinary Shares are held in uncertificated form, to tender such Ordinary Shares you should take (or procure the taking of) the action set out below to transfer (by means of a TTE Instruction) the number of Ordinary Shares which you wish to tender under the Tender Offer to the appropriate escrow account, specifying Equiniti (in its capacity as a CREST Participant under the relevant Participant ID(s) and Member Account ID(s) referred to below) as the Escrow Agent, so that the TTE Instruction settles by not later than 1.00 p.m. on 5 April 2022. Please note that settlement cannot take place on weekends or bank holidays (or other times at which the CREST system is non-operational) and you should therefore ensure you time the input of any TTE Instructions accordingly.

The input and settlement of a TTE Instruction in accordance with this paragraph 3.3 shall constitute an offer to sell the number of Ordinary Shares at the price(s) indicated on the terms of the Tender Offer, by transferring such Ordinary Shares to the relevant escrow account as detailed in paragraph 3.3(vi) below (an “**Electronic Tender**”).

If you are a CREST Sponsored Member, you should refer to your CREST Sponsor before taking any action. Your CREST Sponsor will be able to confirm details of your Participant ID and the Member Account ID under which your Ordinary Shares are held. In addition, only your CREST Sponsor will be able to send the TTE Instruction to Euroclear in relation to the Ordinary Shares that you wish to tender.

To tender Ordinary Shares in uncertificated form, you should send (or if you are a CREST Sponsored Member, procure your CREST Sponsor sends) to Euroclear a TTE Instruction in relation to such Ordinary Shares so that the TTE Instruction settles by not later than 1.00 p.m. on 5 April 2022.

A TTE Instruction to Euroclear must be properly authenticated in accordance with Euroclear’s specifications for transfers to escrow and must contain, in addition to the other information that is required for the TTE Instruction to settle in CREST, the following details:

- (i) the ISIN for the Ordinary Shares which is GB00BN0SMB92;
- (ii) the number of Ordinary Shares which you wish to tender and transfer to an escrow account;
- (iii) your Member Account ID;
- (iv) your Participant ID;
- (v) the Participant ID of Equiniti, in its capacity as a CREST receiving agent, which is 5RA78;
- (vi) the Member Account ID of Equiniti, in its capacity as Escrow Agent. For the purposes of the Tender Offer this will be dependent on the price you wish to tender at, as set out below in this paragraph (vi).

The following table sets out the different escrow accounts by price within the Price Range (or for Strike Price Tenders) and the relevant Member Account ID for each price:

<i>Tender at price</i>	<i>Member Account ID</i>
Strike Price Tender, i.e. a tender at whatever price is ultimately determined under the terms of the Tender Offer to be the Strike Price	CASTRIKE
an amount (in pence per Ordinary Share) equal to Average VWAP (rounded down to the nearest whole penny)	CAPVWAP0
an amount (in pence per Ordinary Share) equal to Average VWAP plus an amount equal to one per cent. of Average VWAP (rounded down to the nearest whole penny)	CAPVWAP1
an amount (in pence per Ordinary Share) equal to Average VWAP plus an amount equal to three per cent. of Average VWAP (rounded down to the nearest whole penny)	CAPVWAP3
an amount (in pence per Ordinary Share) equal to Average VWAP plus an amount equal to five per cent. of Average VWAP (rounded down to the nearest whole penny)	CAPVWAP5

- (vii) the corporate action number for the Tender Offer which is allocated by Euroclear and can be found by viewing the corporate action details on screen in CREST;
- (viii) the intended settlement date for the transfer to escrow. This should be not later than 1.00 p.m. on 5 April 2022;
- (ix) the standard delivery instruction with priority 80; and
- (x) the contact name and telephone number inserted in the shared note field.

After settlement of a TTE Instruction, you will not be able to access in CREST for any transaction or charging purposes the Ordinary Shares the subject of such TTE Instruction, notwithstanding that they will be held by Equiniti, in its capacity as Escrow Agent, until completion or lapsing of the Tender Offer. If the Tender Offer becomes unconditional, the Escrow Agent, will transfer the successfully tendered Ordinary Shares to Morgan Stanley, returning any Ordinary Shares not successfully tendered in the Tender Offer to you.

You are recommended to refer to the CREST Manual for further information on the CREST procedures outlined above.

You should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE Instruction and its settlement. You should therefore ensure that all necessary action is taken by you (or by your CREST Sponsor) to enable a TTE Instruction relating to your Ordinary Shares to settle prior to 1.00 p.m. on 5 April 2022. In this regard, you are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. Withdrawals of tenders submitted via CREST are not permitted once submitted.

You are advised to check with any broker, dealer, bank, custodian, trust company or other nominee or other intermediary through which you hold Ordinary Shares to confirm whether such intermediary needs to receive instructions from you before the deadlines specified herein in order for you to be able to participate in the Tender Offer. The deadlines set by intermediaries for the submission instructions may be earlier than the relevant deadlines specified in this document.

3.4 Deposits of Ordinary Shares into, and withdrawals of Ordinary Shares from, CREST

Normal CREST procedures (including timings) apply in relation to any Ordinary Shares that are, or are to be, converted from uncertificated to certificated form, or from certificated to uncertificated form, during the course of the Tender Offer (whether such conversion arises as a result of a transfer of Ordinary Shares or otherwise). Eligible Shareholders who are proposing to convert any such Ordinary Shares are recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the Ordinary Shares as a result of the conversion to take all necessary steps in connection with such person's participation in the Tender Offer (in particular, as regards delivery of share certificates and/or other documents of title or transfers to an escrow balance as described above) prior to 1.00 p.m. on 5 April 2022.

3.5 Validity of tenders

(A) Validity of Tender Forms

Notwithstanding the powers in paragraph 2.19 of this Part IV (*Details of the Tender Offer*), Morgan Stanley reserves the right to treat as valid only Tender Forms which are received entirely in order not later than 1.00 p.m. on 5 April 2022 and which are accompanied by the relevant share certificate(s) and/or other document(s) of title or (where applicable) a satisfactory indemnity in lieu thereof in respect of all the Ordinary Shares tendered.

An appropriate announcement will be made if any of the details contained in this paragraph 3.5(A) are altered.

(B) Validity of Electronic Tenders

A Tender Form which is received in respect of Ordinary Shares held in uncertificated form will not constitute a valid tender and will be disregarded. Eligible Shareholders who hold Ordinary Shares in uncertificated form and who wish to tender such Ordinary Shares should note that a TTE Instruction will only be a valid tender as at 5 April 2022 if it has settled on or before 1.00 p.m. on that date.

An appropriate announcement will be made if any of the details contained in this paragraph 3.5(B) are altered.

(C) General

Notwithstanding the completion of a valid Tender Form or settlement of a TTE Instruction, as applicable, the Tender Offer may lapse in accordance with the Conditions or be withdrawn.

Morgan Stanley reserves the absolute right to inspect (either itself or through its agents) all Tender Forms. The decision of Morgan Stanley as to which Ordinary Shares have been validly tendered shall be conclusive and binding on all Shareholders.

If you are in any doubt as to how to complete the Tender Form or as to the procedure for making an Electronic Tender, please telephone the Shareholder Helpline, details of which are set out on page 6 of this document. You are reminded that, if you are a CREST Sponsored Member, you should contact your CREST Sponsor before taking any action.

Shareholders should note that, once their Ordinary Shares are tendered, they may not be sold, transferred, charged or otherwise disposed of.

3.6 Settlement

Subject to and following the Tender Offer becoming unconditional, settlement of the consideration to which any Eligible Shareholder is entitled pursuant to valid tenders accepted by Morgan Stanley will be made as follows.

(A) Ordinary Shares held in certificated form

Where an accepted tender relates to Ordinary Shares held in certificated form cheques for the consideration due will be despatched on 19 April 2022 by the Receiving Agent by first class post to the Eligible Shareholder at the address set out in Box 1 or, if applicable, Box 4 of the Tender Form. All payments will be made in Sterling by cheque drawn on a branch of a UK clearing bank made payable to the sole or first-named registered holder in Box 1 of the Tender Form.

The Receiving Agent will act for tendering Eligible Shareholders for the purpose of receiving the monies from Morgan Stanley and transmitting such monies to tendering Eligible Shareholders. The receipt of the consideration by the Receiving Agent shall be deemed to be receipt, for the purposes of the Tender Offer, by the Eligible Shareholders. Under no circumstances will interest be paid on the monies to be paid by Morgan Stanley or the Receiving Agent regardless of any delay in making such payment.

(B) Ordinary Shares held in uncertificated form

Where an accepted tender relates to Ordinary Shares held in uncertificated form, the consideration due will be paid on 11 April 2022 by means of CREST by the Receiving Agent (acting on behalf of Morgan Stanley) procuring that a CREST payment is made in favour of the tendering Eligible Shareholder's payment bank in accordance with the CREST payment arrangements.

Morgan Stanley reserves the right to settle all or any part of the consideration referred to in this paragraph 3.6(B), for all or any accepted tenders, in the manner referred to in paragraph 3.6(A) (*Ordinary Shares held in certificated form*) above, if, for any reason, it wishes to do so.

The Receiving Agent will act for tendering Eligible Shareholders for the purpose of receiving the monies from Morgan Stanley and transmitting such monies to tendering Eligible Shareholders. The receipt of the consideration by the Receiving Agent shall be deemed to be receipt, for the purposes of the Tender Offer, by the Eligible Shareholders. Under no circumstances will interest be paid on the monies to be paid by Morgan Stanley or the Receiving Agent regardless of any delay in making such payment.

(C) US backup withholding

Certain payments made in connection with the Tender Offer may be subject to US backup withholding. All Eligible Shareholders who choose to participate in the Tender Offer are referred to the guide to certain aspects of the US information reporting and backup withholding rules and the relevant forms required to be completed, if any, set out under the heading "US information reporting and backup withholding" in paragraph 2 of Part VI (*Taxation*) of this document.

4. TENDER FORMS

Each Shareholder by whom, or on whose behalf, a Tender Form is executed irrevocably undertakes, represents, warrants and agrees to and with Morgan Stanley (for itself and on behalf of Capricorn), so as to bind such Shareholder and its, his or her personal representatives, heirs, successors and assigns, that:

- (A) the execution of the Tender Form will constitute an offer to sell to Morgan Stanley such number of Ordinary Shares as are inserted in Box 2 of the Tender Form, on and subject to the terms and conditions set out or referred to in this document and the Tender Form, as applicable, and that, once lodged, such tender shall be irrevocable;
- (B) such Shareholder is the legal and beneficial owner and has full power and authority to tender, sell, assign or transfer any or all of the Ordinary Shares in respect of which such offer is accepted (together with all rights attaching thereto) and, when the same are purchased by Morgan Stanley, Morgan Stanley will acquire such Ordinary Shares with full title guarantee and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching thereto on or after the Closing Date, including the right to receive all dividends and other distributions declared, paid or made after that date;
- (C) the execution of the Tender Form will, subject to the Tender Offer becoming unconditional, constitute the irrevocable appointment of any director or officer of Morgan Stanley as such Shareholder's attorney and/or agent ("**Attorney**"), and an irrevocable instruction to the Attorney to complete and execute all or any instruments of transfer and/or other documents at the Attorney's discretion in relation to the Ordinary Shares referred to in paragraph (A) above in favour of Morgan Stanley or such other person or persons as Morgan Stanley may direct, and to deliver such instrument(s) of transfer and/or other documents at the discretion of the Attorney, together with the share certificate(s) and/or other document(s) relating to such Ordinary Shares, for registration within six months of the Tender Offer becoming unconditional, and to do all such other acts and things as may in the opinion of such Attorney be necessary or expedient for the purpose of, or in connection with, the Tender Offer and to vest in Morgan Stanley or its nominee(s) or such other person(s) as Morgan Stanley may direct such Ordinary Shares;
- (D) such Shareholder agrees to ratify and confirm each and every act or thing which may be done or effected by Morgan Stanley or any of its directors or officers or any person nominated by Morgan Stanley in the proper exercise of its or his or her powers and/or authorities hereunder;
- (E) in respect of tendered Ordinary Shares held in certificated form, such Shareholder will deliver to the Receiving Agent its, his or her share certificate(s) and/or other document(s) of title, or (where applicable) an indemnity acceptable to Morgan Stanley in lieu thereof, or will procure the delivery of such document(s) to the Receiving Agent as soon as possible thereafter and, in any event, not later than the Closing Date;
- (F) the terms of this Part IV (*Details of the Tender Offer*) shall be deemed to be incorporated in, and form part of, the Tender Form which shall be read and construed accordingly;
- (G) if so required by Morgan Stanley, such Shareholder shall do all such acts and things as shall be necessary or expedient and execute any additional documents deemed by Morgan Stanley to be desirable, in each case to complete the purchase of the Ordinary Shares and/or to perfect any of the authorities expressed to be given hereunder;
- (H) such Shareholder, if an Overseas Shareholder, is also an Eligible Shareholder and has fully observed any applicable legal requirements, obtained any requisite consents and complied with all applicable formalities and that the invitation under the Tender Offer may be made to such Shareholder under the laws of the relevant jurisdiction, and has not taken or omitted to take any action which would result in Morgan Stanley or Capricorn acting in breach of any applicable legal or regulatory requirement in respect of the purchase by Morgan Stanley of the Ordinary Shares tendered by such Shareholder under the Tender Offer;
- (I) such Shareholder's offer to sell Ordinary Shares to Morgan Stanley is made by such Shareholder in the full knowledge of all information released or otherwise notified as being available for inspection by the Company via a regulatory information service at any time prior to such Shareholder's offer to sell Ordinary Shares to Morgan Stanley;
- (J) such Shareholder's offer to sell Ordinary Shares to Morgan Stanley, and any acceptance thereof, and/or any settlement of consideration, is not (and shall not be) unlawful under the laws of any jurisdiction,

including as a result of the Shareholder (or any of its beneficial owners, affiliates, directors, officers or employees) being the subject or target of any Sanctions or the Shareholder (or any of its beneficial owners, affiliates, directors, officers or employees) being located, organised or resident in a country, region or territory that is (or may become prior to settlement of consideration) the subject of any Sanctions and the Shareholder will not, directly or indirectly, use, lend, contribute or otherwise make available the proceeds to any individual or entity to fund any activities of or business with any individual or entity, or in any country or territory that is (or may become prior to settlement of consideration) the subject of any embargo or comprehensive Sanctions, including, in each case and without limitation, Cuba, Iran, North Korea, Syria, Russia, the Crimea Region of Ukraine, the so-called Donetsk People's Republic and the so-called Luhansk People's Republic;

- (K) such Shareholder has a net long position in the Ordinary Shares being tendered pursuant to the Tender Offer with the meaning of Rule 14e-4 under the US Securities Exchange Act of 1934, as amended (the "**Exchange Act**") and the tender of such Ordinary Shares complies with Rule 14e-4 under the Exchange Act, pursuant to which it is unlawful for any person, directly or indirectly, to tender securities in a partial tender offer unless such person making the tender (i) has a net long position equal to or greater than the aggregate principal amount of the securities being tendered and (ii) will cause such securities to be delivered in accordance with the terms of the tender offer;
- (L) such Shareholder has not received or sent copies or originals of this document, the Tender Form or any related documents in, into or from a Restricted Jurisdiction and has not otherwise utilised in connection with the Tender Offer, directly or indirectly, the mails of, or any means or instrumentality (including, without limitation, facsimile transmission, telex, telephone and e-mail) of interstate or foreign commerce of, or any facilities of a national securities exchange of, a Restricted Jurisdiction and that the Tender Form has not been mailed or otherwise sent in, into or from a Restricted Jurisdiction and such Shareholder is accepting the Tender Offer from outside a Restricted Jurisdiction;
- (M) the execution of the Tender Form will, subject to the Tender Offer becoming unconditional, constitute the irrevocable appointment of the Receiving Agent as the paying agent for the purposes of receipt of the consideration payable to such Shareholder pursuant to the Tender Offer and that the receipt by the Receiving Agent of such consideration will discharge fully any obligation of Morgan Stanley to pay such Shareholder the consideration to which it, he or she is entitled under the Tender Offer;
- (N) on execution the Tender Form takes effect as a deed;
- (O) the execution of the Tender Form will constitute such Shareholder's submission to the jurisdiction of the courts of Scotland in relation to all matters arising out of or in connection with the Tender Offer or the Tender Form; and
- (P) if the appointment of Attorney provision under paragraph (C) above shall be unenforceable or invalid or shall not operate so as to afford any director or officer of Morgan Stanley the benefit or authority expressed to be given therein, the Shareholder shall with all practicable speed do all such acts and things and execute all such documents that may be required to enable Morgan Stanley to secure the full benefits of paragraph (C) above.

Each Shareholder to which this paragraph 4 applies hereby consents to the assignment by Morgan Stanley of all such benefit as Morgan Stanley may have in any covenants, representations and warranties in respect of the Ordinary Shares which are successfully tendered under the Tender Offer.

A reference in this paragraph to a Shareholder includes a reference to the person or persons executing the Tender Form and in the event of more than one person executing a Tender Form, the provisions of this paragraph will apply to them jointly and severally.

5. **CREST TENDERS**

Each Shareholder by whom, or on whose behalf, an Electronic Tender is made irrevocably undertakes, represents, warrants and agrees to and with Morgan Stanley (for itself and on behalf of Capricorn), so as to bind such Shareholder and its, his or her personal representatives, heirs, successors and assigns, that:

- (A) the input of the TTE Instruction will constitute an offer to sell to Morgan Stanley such number of Ordinary Shares as are specified in the TTE Instruction, on and subject to the terms and conditions set out or referred to in this document and that, once the TTE Instruction has settled, such tender shall be irrevocable;

- (B) such Shareholder is the legal and beneficial owner and has full power and authority to tender, sell, assign or transfer any or all of the Ordinary Shares in respect of which such offer is accepted (together with all rights attaching thereto) and, when the same are purchased by Morgan Stanley, Morgan Stanley will acquire such Ordinary Shares with full title guarantee and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching thereto on or after the Closing Date, including the right to receive all dividends and other distributions declared, paid or made after that date;
- (C) the input of the TTE instruction will, subject to the Tender Offer becoming unconditional, constitute the irrevocable appointment of any director or officer of Morgan Stanley as such Shareholder's attorney and/or agent ("**Agent**"), and an irrevocable instruction to the Agent to complete and execute all or any documents or input any instruction into CREST at the Agent's discretion in relation to the Ordinary Shares referred to in paragraph (A) above in favour of Morgan Stanley or such other person or persons as Morgan Stanley may direct, and to deliver any documents or input any instruction into CREST at the discretion of the Agent relating to such Ordinary Shares, and to do all such other acts and things as may in the opinion of such Agent be necessary or expedient for the purpose of, or in connection with, the Tender Offer and to vest in Morgan Stanley or its nominee(s) or such other person(s) as Morgan Stanley may direct such Ordinary Shares;
- (D) the input of the TTE Instruction will, subject to the Tender Offer becoming unconditional, constitute the irrevocable appointment of Equiniti as such Shareholder's escrow agent and an irrevocable instruction and authority to the Escrow Agent: (i) subject to the Tender Offer becoming unconditional, to transfer to Morgan Stanley by means of CREST (or to such person or persons as Morgan Stanley may direct) all of the Ordinary Shares referred to in paragraph (A) above; and (ii) if the Tender Offer does not become unconditional and lapses or is terminated, or such Ordinary Shares include Ordinary Shares which have not been successfully tendered under the Tender Offer, as promptly as practicable after the lapsing or termination of the Tender Offer, or after the unsuccessful tender, to transfer the said Ordinary Shares back to the original available balances from which those Ordinary Shares came;
- (E) such Shareholder agrees to ratify and confirm each and every act or thing which may be done or effected by Morgan Stanley or any of its directors or officers or any person nominated by Morgan Stanley in the proper exercise of its or his or her powers and/or authorities hereunder;
- (F) if so required by Morgan Stanley, such Shareholder shall do all such acts and things as shall be necessary or expedient and execute any additional documents deemed by Morgan Stanley to be desirable, in each case to complete the purchase of the Ordinary Shares referred to in paragraph (A) and/or to perfect any of the authorities expressed to be given hereunder;
- (G) such Shareholder, if an Overseas Shareholder, is also an Eligible Shareholder and has fully observed any applicable legal requirements, obtained any requisite consents and complied with all applicable formalities and that the invitation under the Tender Offer may be made to such Shareholder under the laws of the relevant jurisdiction;
- (H) such Shareholder's offer to sell Ordinary Shares to Morgan Stanley is made by such Shareholder in the full knowledge of all information released or otherwise notified as being available for inspection by the Company via a regulatory information service at any time prior to such Shareholder's offer to sell Ordinary Shares to Morgan Stanley;
- (I) such Shareholder's offer to sell Ordinary Shares to Morgan Stanley, including the input of the TTE Instruction, and any acceptance thereof, and/or any settlement of consideration, is not (and shall not be) unlawful under the laws of any jurisdiction, including as a result of the Shareholder (or any of its beneficial owners, affiliates, directors, officers or employees) being the subject or target of any Sanctions or the Shareholder (or any of its beneficial owners, affiliates, directors, officers or employees) being located, organised or resident in a country, region or territory that is (or may become prior to settlement of consideration) the subject of any Sanctions and the Shareholder will not, directly or indirectly, use, lend, contribute or otherwise make available the proceeds to any individual or entity to fund any activities of or business with any individual or entity, or in any country or territory that is (or may become prior to settlement of consideration) the subject of any embargo or comprehensive Sanctions, including, in each case and without limitation, Cuba, Iran, North Korea, Syria, Russia, the Crimea Region of Ukraine, the so-called Donetsk People's Republic and the so-called Luhansk People's Republic;
- (J) such Shareholder has a net long position in the Ordinary Shares being tendered pursuant to the Tender Offer with the meaning of Rule 14e-4 under the Exchange Act and the tender of such Ordinary Shares

complies with Rule 14e-4 under the Exchange Act, pursuant to which it is unlawful for any person, directly or indirectly, to tender securities in a partial tender offer unless such person making the tender (i) has a net long position equal to or greater than the aggregate principal amount of the securities being tendered and (ii) will cause such securities to be delivered in accordance with the terms of the tender offer;

- (K) such Shareholder has not received or sent copies or originals of this document, the Tender Form or any related documents in, into or from a Restricted Jurisdiction and has not otherwise utilised in connection with the Tender Offer, directly or indirectly, the mails of, or any means or instrumentality (including, without limitation, facsimile transmission, telex, telephone and e-mail) of interstate or foreign commerce of, or any facilities of a national securities exchange of, any Restricted Jurisdiction at the time of the input of and settlement of the relevant TTE Instruction and that the TTE Instruction has not been sent from a Restricted Jurisdiction and such Shareholder is accepting the Tender Offer from outside any Restricted Jurisdiction;
- (L) the input of the TTE Instruction constitutes the irrevocable appointment of the Receiving Agent as the paying agent for the purposes of receipt of the consideration payable to such Shareholder pursuant to the Tender Offer and the receipt by the Receiving Agent of such consideration will discharge fully any obligation of Morgan Stanley to pay such Shareholder the consideration to which it, he or she is entitled under the Tender Offer;
- (M) the input of the TTE Instruction will constitute such Shareholder's submission to the jurisdiction of the courts of Scotland in relation to all matters arising out of or in connection with the Tender Offer;
- (N) if, for any reason, any Ordinary Shares in respect of which a TTE Instruction has been made are, prior to the Closing Date, converted into certificated form, the Electronic Tender in respect of such Ordinary Shares shall cease to be valid and the Shareholder will need to comply with the procedures for tendering Ordinary Shares in certificated form as set out in this Part IV (*Details of the Tender Offer*) in respect of the Ordinary Shares so converted, if it, he or she wishes to make a valid tender of such Ordinary Shares pursuant to the Tender Offer; and
- (O) if the appointment of Agent provision under paragraph (C) above shall be unenforceable or invalid or shall not operate so as to afford any director or officer of Morgan Stanley the benefit or authority expressed to be given therein, the Shareholder shall with all practicable speed do all such acts and things and execute all such documents that may be required to enable Morgan Stanley to secure the full benefits of paragraph (C) above.

Each Shareholder to which this paragraph 5 applies hereby consents to the assignment by Morgan Stanley of all such benefit as Morgan Stanley may have in any covenants, representations and warranties in respect of the Ordinary Shares which are successfully tendered under the Tender Offer.

6. OVERSEAS SHAREHOLDERS

- 6.1 Overseas Shareholders should inform themselves about and observe any applicable legal regulatory requirements. In addition, the attention of Shareholders who are resident in the United States is drawn to the Notice for US Shareholders on page 4 of this document. If you are in any doubt about your position, you should consult your professional adviser in the relevant jurisdiction.
- 6.2 The making of the Tender Offer in, or to persons who are citizens or nationals of, or resident in, jurisdictions outside the United Kingdom or to custodians, nominees or trustees for citizens, nationals or residents of jurisdictions outside the United Kingdom may be prohibited or affected by the laws of the relevant overseas jurisdiction. Shareholders who are Overseas Shareholders should inform themselves about and observe any applicable legal requirements. It is the responsibility of any such Shareholder wishing to tender Ordinary Shares to satisfy itself, himself or herself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, the compliance with other necessary formalities and the payment of any transfer or other taxes or other requisite payments due in such jurisdiction. Any such Shareholder will be responsible for payment of any such transfer or other taxes or other requisite payments due by whomsoever payable and Morgan Stanley and Capricorn and any person acting on their behalf shall be fully indemnified and held harmless by such Shareholder for any such transfer or other taxes or other requisite payments such person may be required to pay. No steps have been taken to qualify the Tender Offer or to authorise the extending of the Tender Offer or the distribution of this document or any Tender Form in any territory outside the United Kingdom.

- 6.3 In particular, the Tender Offer is not being made, directly or indirectly, in or into, or by use of the mails of, or by any means or instrumentality (including, without limitation, facsimile transmission, telex, telephone and email) of interstate or foreign commerce of, or any facilities of a national securities exchange of, any Restricted Jurisdiction and the Tender Offer cannot be accepted by any such use, means, instrumentality or facility or from within any Restricted Jurisdiction. Accordingly, copies of this document, the Tender Forms and any related documents must not be mailed or otherwise distributed or sent in, into or from any Restricted Jurisdiction, including to Shareholders with registered addresses in any Restricted Jurisdiction other than the mailing by the Company of this document for the purposes of giving notice of the General Meeting. Persons receiving such documents (including, without limitation, custodians, nominees and trustees) should not distribute, send or mail them in, into or from any Restricted Jurisdiction or use such mails or any such means, instrumentality or facility in connection with the Tender Offer, and so doing will render invalid any related purported acceptance of the Tender Offer. Persons wishing to tender pursuant to the Tender Offer must not use such mails or any such means, instrumentality or facility for any purpose directly or indirectly relating to any tender pursuant to the Tender Offer.
- 6.4 To the knowledge of the Company, certain financial institutions have established American Depositary Receipt programs in respect of the Ordinary Shares. The Tender Offer is not being made for American Depositary Shares (“ADSs”) representing the Ordinary Shares, nor for American Depositary Receipts evidencing such ADSs. However, the Tender Offer is being made for the Ordinary Shares underlying the ADSs. Holders of ADSs and ADRs are encouraged to consult with the appropriate depositary about tendering Ordinary Shares that are represented by ADSs into the Tender Offer. Alternatively, holders of ADSs may present their ADSs to the appropriate depositary bank for cancellation and (upon compliance with the terms of the relevant deposit agreement relating to the ADR program concerning the Ordinary Shares, including payment of the depositary’s fees and any applicable transfer fees, taxes and governmental charges) delivery of the underlying Ordinary Shares to them. The Tender Offer may then be accepted in accordance with its terms for such Ordinary Shares delivered to holders of ADSs upon such cancellation. Holders of ADSs should adhere to the timelines that may be imposed on their cancellation of the ADSs in order to be able to tender the underlying Ordinary Shares into the Tender Offer.
- 6.5 Envelopes containing Tender Forms should not be postmarked in any Restricted Jurisdiction or otherwise despatched from any Restricted Jurisdiction and all Shareholders who wish to participate in the Tender Offer must provide addresses outside any Restricted Jurisdiction for the remittance of cash or for the return of Tender Forms, share certificates and/or other documents of title.
- 6.6 If, in connection with making the Tender Offer, notwithstanding the restrictions described above, any person (including, without limitation, custodians, nominees and trustees), whether pursuant to a contractual or legal obligation or otherwise, forwards this document, any personalised Tender Form or any related documents in, into or from any Restricted Jurisdiction or uses the mails of, or any means or instrumentality (including, without limitation, facsimile transmission, telex, telephone and e-mail) of interstate or foreign commerce of, or any facilities of a national securities exchange of, any Restricted Jurisdiction in connection with such forwarding, such persons should (a) inform the recipient of such fact; (b) explain to the recipient that such action may invalidate any purported acceptance by the recipient; and (c) draw the attention of the recipient to this paragraph 6 (*Overseas Shareholders*).
- 6.7 The provisions of this paragraph 6 (*Overseas Shareholders*) and any other terms of the Tender Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by Morgan Stanley in its absolute discretion, but only if Morgan Stanley is satisfied that such waiver, variation or modification will not constitute or give rise to a breach of applicable securities or other laws. Subject to this, the provisions of this paragraph 6 (*Overseas Shareholders*) supersede any terms of the Tender Offer inconsistent herewith.

PART V

POTENTIAL FURTHER STAGE OF THE RETURN OF VALUE

If a material amount of the US\$500 million is not returned to Shareholders through the Tender Offer, the Board has considered whether and how best to return the remaining amount to Shareholders in light of the circumstances prevailing following completion of the Tender Offer, including the anticipated level of interest the Tender Offer, the relative cost and convenience of available methods of returning the balance, and whether there are any more value-creating alternative uses for the cash.

1. SPECIAL DIVIDEND

Following this consideration the Board considers it likely that part or all of any balance remaining of the proposed Return of Value not returned to Shareholders through the Tender Offer will be the subject of a further stage of the Return of Value by payment of one or more Special Dividends. Any Special Dividend would return cash to all Shareholders pro rata to the size of their holdings of Ordinary Shares.

1.1 Share Consolidation

In the event that all or part of any further stage of the Return of Value were to be undertaken by payment of the Special Dividend, it may be appropriate for such Special Dividend to be accompanied by a Share Consolidation. As any Share Consolidation requires shareholder approval, that authority is being sought now so that, if the Board does subsequently decide to pay a Special Dividend to return all or part of any amount not returned by the Tender Offer, the Company would be in a position to do so quickly and without the delay and cost of convening a separate general meeting at that time. The terms of the relevant resolution only allow the Board to use the authority to effect a Share Consolidation in connection with the payment of the Special Dividend(s).

The purpose of any Share Consolidation would be to seek to ensure that, to the extent reasonably practicable and subject to normal market movements, the market price of one New Ordinary Share immediately after the payment of a Special Dividend would be comparable to the market price of one Ordinary Share immediately beforehand. The Share Consolidation should also assist the comparability of financial information in relation to the Company that is expressed on a per-share basis before and after any Special Dividend.

Accordingly, under any Share Consolidation, the number of Ordinary Shares in issue would be reduced by a percentage broadly equivalent to the quantum of the Special Dividend as a proportion of the Company's market capitalisation at that time.

Following any Share Consolidation, Shareholders would own the same proportion of the Company as they did immediately prior to the Share Consolidation taking effect (subject to the treatment of fractional entitlements) but would hold a smaller number of New Ordinary Shares than the number of Ordinary Shares held immediately prior to the Share Consolidation.

Application would be made for the New Ordinary Shares resulting from the Share Consolidation to be admitted to the Official List and to trading on the Main Market. Subject to their admission, New Ordinary Shares would be traded on the Main Market in the same way as Ordinary Shares and would be equivalent in all respects to Ordinary Shares (including as to dividend, voting and other rights), with the exception of the difference in nominal value. General market transactions would continue to be settled within the CREST system. Holders of existing Ordinary Shares in CREST would automatically have any New Ordinary Shares credited to their CREST accounts. Certificates in respect of certificated New Ordinary Shares would be issued following the Share Consolidation.

1.2 Consolidation ratio

The consolidation ratio cannot be set at this time as it will depend on various matters, including the level of take-up under the Tender Offer, the quantum of any proposed Special Dividend and the future price of an Ordinary Share at the time of any proposed Special Dividend. As provided in Resolution 2 to be proposed at the General Meeting, the consolidation ratio would be set by the Directors. The ratio, once set, would be notified to Shareholders via a Regulatory Information Service. The consolidation ratio would be expected to be calculated by dividing (i) the Company's market capitalisation at the record date for the Special Dividend (the "**Special Dividend Record Date**") less the quantum of the Special Dividend by (ii) the Company's market capitalisation

at the Special Dividend Record Date, subject to such amendments as the Directors may determine to deal with fractions, rounding or other practical problems or matters which may result from such division and/or to achieve a ratio which in their judgment is the most appropriate to seek to maintain comparability of the Company's share price and/or earnings per share before and after the Special Dividend.

In order to ensure that a whole number of New Ordinary Shares is created following the implementation of the Share Consolidation, it is proposed that the Company issue a small number of Ordinary Shares to one of the Company's employee benefit trusts or may repurchase a small number of Ordinary Shares under an existing authority, immediately prior to the Special Dividend Record Date. The number of Ordinary Shares to be issued or repurchased would be such as will result in the total number of Ordinary Shares (including any held in treasury) being exactly divisible in accordance with the consolidation ratio.

1.3 Fractional entitlements to New Ordinary Shares following any Share Consolidation

A Shareholder may have a fractional entitlement to a New Ordinary Share following the Share Consolidation. For example, if the consolidation ratio were 3:4 (New Ordinary Shares: existing Ordinary Shares), a Shareholder holding 11 Ordinary Shares would, after such a Share Consolidation, be entitled to 8 New Ordinary Shares and a fractional entitlement of one-quarter of a New Ordinary Share. By contrast, a Shareholder holding 12 Ordinary Shares would, after such a Share Consolidation, be entitled to 9 New Ordinary Shares and no fractional entitlement. A further example of how the Share Consolidation could work in practice is set out in paragraph 27 of Part VII (*Questions and Answers on the Return of Value*) of this document.

Under a Share Consolidation, no fractions of New Ordinary Shares would be received by any Shareholder. The number of New Ordinary Shares to which a Shareholder is entitled will be rounded down to the nearest whole New Ordinary Share. Fractional entitlements to New Ordinary Shares would be aggregated and sold as soon as practicable by instructing a broker to sell them in the open market at the then-available prices. The net proceeds of the sale (after deduction of all expenses and commissions incurred) will be distributed to the Shareholders entitled to them, save that, where the net proceeds from the sale of any such fractional entitlement are less than £3.00, Shareholders would have no entitlement or right to the proceeds of sale but instead any such proceeds would be retained by the Company (or, at the discretion of the Directors, donated to charity).

2. AGM BUYBACK AUTHORITY AND SHARE BUYBACK PROGRAMME

The AGM Buyback Authority currently in force was granted at the Company's 2021 AGM held on 11 May 2021, constituting a general authority to repurchase up to a maximum of 49,926,765 Ordinary Shares, representing approximately 10 per cent. of the Issued Ordinary Share Capital at that time.

As stated in paragraph 7 of Part I (*Letter from the Chair of Capricorn Energy PLC*) of this document, the Company has, as at the Latest Practicable Date, repurchased 4,432,805 Ordinary Shares since 15 November 2021 using the AGM Buyback Authority. The Company now intends that, including those Ordinary Shares already repurchased, it will, following expiration of the Tender Offer, pursue an ongoing Share Buyback Programme of up to a total value of US\$200m to provide a continuing value-accretive return of capital to Shareholders. The Share Buyback Programme is independent of the Tender Offer and the Return of Value, and is expected to be undertaken using the AGM Buyback Authority and subsequent authorities to repurchase Ordinary Shares granted at future AGMs.

Although the Share Buyback Programme and the Return of Value are independent of one another, if the Tender Offer is successfully implemented, the Issued Ordinary Share Capital will be reduced. The AGM Buyback Authority was taken on the basis of the Issued Ordinary Share Capital before the Tender Offer, and such any reduction as a result of the Tender Offer will also result in a corresponding reduction of the number of Ordinary Shares representing 10 per cent. of the Issued Ordinary Share Capital. In view of this, the Board intends to restrict its use of the AGM Buyback Authority to market purchases of Ordinary Shares representing a maximum of 10 per cent. of the Issued Ordinary Share Capital as it is after completion of the Tender Offer. The Board would then expect to seek a new authority from Shareholders to make market purchases of Ordinary Shares at the 2022 AGM. Subject to this restriction, following expiration of the Tender Offer, the Board intends to continue making market purchases of its own shares under the Share Buyback Programme using the AGM Buyback Authority.

3. UK TAXATION

As the requirement for and timing of a Special Dividend and Share Consolidation is uncertain at the moment, we have not included in this document a summary of the UK tax position in anticipation of a

potential future Special Dividend and Share Consolidation. The Company would expect to include such a summary in any announcement of such a Special Dividend and Share Consolidation through a Regulatory Information Service. In any event, you are urged to consult an appropriate professional adviser in respect of your tax position.

Shareholders who are not tax resident in the United Kingdom or who are otherwise taxable outside of the United Kingdom should consult their own professional advisers on the possible application of taxation laws in their individual countries of residence.

PART VI
TAXATION

1. UNITED KINGDOM

THE FOLLOWING COMMENTS DO NOT CONSTITUTE TAX ADVICE AND ARE INTENDED ONLY AS A GUIDE TO CURRENT UNITED KINGDOM LAW AND H.M. REVENUE & CUSTOMS' PUBLISHED PRACTICE (WHICH ARE BOTH SUBJECT TO CHANGE AT ANY TIME, POSSIBLY WITH RETROSPECTIVE EFFECT). THEY RELATE ONLY TO CERTAIN LIMITED ASPECTS OF THE UNITED KINGDOM TAXATION TREATMENT OF SHAREHOLDERS WHO ARE RESIDENT IN THE UNITED KINGDOM FOR UNITED KINGDOM TAX PURPOSES (AND, IF INDIVIDUALS, DOMICILED IN AND ONLY IN THE UNITED KINGDOM FOR UNITED KINGDOM TAX PURPOSES), WHO HOLD, AND WILL HOLD, THEIR ORDINARY SHARES AS INVESTMENTS (AND NOT AS ASSETS TO BE REALISED IN THE COURSE OF A TRADE, PROFESSION OR VOCATION). THEY MAY NOT RELATE TO CERTAIN SHAREHOLDERS, SUCH AS DEALERS IN SECURITIES OR SHAREHOLDERS WHO HAVE (OR ARE DEEMED TO HAVE) ACQUIRED THEIR ORDINARY SHARES BY VIRTUE OF AN OFFICE OR EMPLOYMENT OR SHAREHOLDERS WHO ARE TREATED AS HOLDING THEIR ORDINARY SHARES AS CARRIED INTEREST. SHAREHOLDERS ARE ADVISED TO TAKE INDEPENDENT ADVICE IN RELATION TO THE TAX IMPLICATIONS FOR THEM OF SELLING ORDINARY SHARES PURSUANT TO THE TENDER OFFER.

Taxation of chargeable gains

The sale of Ordinary Shares by a Shareholder to Morgan Stanley pursuant to the Tender Offer should be treated as a disposal of those shares for United Kingdom tax purposes. This may, subject to the Shareholder's individual circumstances and any available exemption or relief, give rise to a chargeable gain (or allowable loss) for the purposes of United Kingdom taxation of chargeable gains ("CGT").

The amount of CGT payable by a Shareholder who is an individual as a consequence of the sale of Ordinary Shares, if any, will depend on his or her own personal tax position. Broadly, a Shareholder whose total taxable gains and income in a given year, including any gains made on the sale of the Ordinary Shares ("**Total Taxable Gains and Income**"), are less than or equal to the upper limit of the income tax basic rate band applicable in respect of that tax year (the "**Band Limit**") (£37,700 for 2021/2022 and 2022/2023) will normally be subject to CGT at a rate of 10 per cent. in respect of any gain arising on the sale of his or her Ordinary Shares. A Shareholder whose Total Taxable Gains and Income are more than the Band Limit will normally be subject to CGT at a rate of 10 per cent. in respect of any gain arising on the sale of his or her Ordinary Shares (to the extent that, when added to the Shareholder's other taxable gains and income, the gain is less than or equal to the Band Limit) and at a rate of 20 per cent. in respect of the remainder of the gain arising on the sale of his or her Ordinary Shares.

However, no tax will be payable on any gain arising on the sale of Ordinary Shares if the amount of the chargeable gain realised by a Shareholder in respect of the sale, when aggregated with other chargeable gains realised by that Shareholder in the year of assessment (and after taking into account aggregate losses), does not exceed the annual exemption (£12,300 for 2021/2022 and 2022/2023).

A corporate Shareholder is normally subject to corporation tax on all of its chargeable gains, subject to any relief and exemptions. Corporate Shareholders should be entitled to indexation allowance, calculated only up to and including December 2017.

Transactions in securities

Under the provisions of Part 15 of the Corporation Tax Act 2010, H.M. Revenue & Customs can in certain circumstances counteract corporation tax advantages arising in relation to a transaction or transactions in securities. If these provisions were to be applied by H.M. Revenue & Customs to the Tender Offer, Shareholders who are subject to corporation tax might be liable to corporation tax as if they had received an income amount rather than a capital amount.

No application has been made to H.M. Revenue & Customs for the clearance in respect of the application of Part 15 of the Corporation Tax Act 2010 to the Tender Offer.

Shareholders who are within the charge to corporation tax are advised to take independent advice as to the potential application of the above provisions in light of their own particular motives and circumstances.

Stamp duty and stamp duty reserve tax (“SDRT”)

The sale of Ordinary Shares pursuant to the Tender Offer will not give rise to any liability to stamp duty or SDRT for the selling Shareholder.

Stamp duty at a rate of 0.5 per cent. on the Ordinary Shares repurchased, rounded up to the nearest £5.00 if necessary, will be payable by the Company on its purchase of Ordinary Shares from Morgan Stanley.

2. UNITED STATES OF AMERICA

This discussion applies only to a US Shareholder (as defined below) that holds Ordinary Shares as a capital asset within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the “Code”) (generally, property held for investment). It does not describe all of the US federal tax consequences other than US federal income taxation, such as the estate and gift tax, alternative minimum tax or the Medicare tax on net investment income. In addition, it does not address tax consequences applicable to US Shareholders subject to special rules, such as (i) certain financial institutions, (ii) dealers or traders in securities who use a mark-to-market method of tax accounting, (iii) persons holding Ordinary Shares as part of a hedging transaction, straddle, conversion transaction or other integrated transaction for US federal income tax purposes, (iv) persons whose functional currency for US federal income tax purposes is not the US dollar, (v) entities classified as partnerships for US federal income tax purposes, (vi) tax-exempt entities (vii) persons that own or are deemed to own ten per cent. or more of the Company’s shares, by vote or value, or (viii) persons holding Ordinary Shares in connection with a permanent establishment or fixed base outside of the United States.

If an entity or arrangement treated as a partnership for US federal income tax purposes holds Ordinary Shares, the US federal income tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. An entity or an arrangement treated as a partnership holding Ordinary Shares and partners in such entity or arrangement should consult their tax advisers as to the particular US federal income tax consequences of disposing of the Ordinary Shares. This discussion is based on the Code, administrative pronouncements, judicial decisions, final, temporary and proposed Treasury regulations, all as of the date hereof, any of which is subject to change or differing interpretations, possibly with retroactive effect. No ruling will be sought from the US Internal Revenue Service (the “IRS”) with respect to any statement or conclusion in this discussion, and there can be no assurance that the IRS will not challenge such statement or conclusion in the following discussion or, if challenged, a court will uphold such statement or conclusion.

A “US Shareholder” is a Shareholder who, for US federal income tax purposes, is a beneficial owner of Ordinary Shares and who is: (i) an individual that is a citizen or resident of the United States, (ii) a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia, or (iii) an estate, the income of which is subject to US federal income taxation regardless of its source or (iv) a trust if (x) a court within the United States is able to exercise primary supervision over its administration and one or more United States persons (as defined in the Code Section 7701(a)(30)) have the authority to control all of the substantial decisions of such trust or (y) it has a valid election in effect under applicable US Treasury regulations to be treated as a “United States person.” All US Shareholders should consult with their tax advisers concerning the US federal, state, local and non-US tax consequences of disposing of Ordinary Shares in their particular circumstances.

Passive foreign investment company rules

Under the Code, the Company will be a PFIC for any taxable year in which, after the application of certain “look-through” rules with respect to subsidiaries, either (i) 75 per cent. or more of its gross income consists of “passive income,” or (ii) 50 per cent. or more of the average quarterly value of its assets consist of assets that produce, or are held for the production of, “passive income.”

For purposes of this test, the Company will be treated as owning a proportionate share of the assets and earning a proportionate share of the income of any other corporation of which the Company owns, directly or indirectly, at least 25% (by value) of the stock.

There can be no assurances that the Company will not be considered a PFIC for the current taxable year or has not been a PFIC for any historical taxable year. In addition, it is possible that the IRS may take a contrary position with respect to the Company's determination in any particular year, and therefore, there can be no assurance that the Company will not be classified as a PFIC for the current taxable year or in the future. If the Company were a PFIC for any year during which a US Shareholder held Ordinary Shares, the Company generally would continue to be treated as a PFIC with respect to that US Shareholder for all succeeding years during which the US Shareholder holds the Ordinary Shares, even if it ceased to meet the threshold requirements for PFIC status, unless (i) the Company ceases to be a PFIC, and (ii) the US Shareholder has made a "deemed sale" election under the PFIC rules.

If the Company were a PFIC for any taxable year during which a US Shareholder held Ordinary Shares (assuming such US Shareholder has not made certain elections), gain recognized by a US Shareholder on the disposition of Ordinary Shares pursuant to the Tender Offer would be allocated ratably over the US Shareholder's holding period for those Ordinary Shares. The amounts allocated to the taxable year of the sale or other disposition and to any year before the Company became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, for that taxable year, and an interest charge would be imposed on the tax on such amount. Further, to the extent that any distribution received by a US Shareholder on its Ordinary Shares exceeds 125 per cent. of the average of the annual distributions on the Ordinary Shares received during the preceding three years or the US Shareholder's holding period, whichever is shorter, that distribution would be subject to taxation in the same manner as gain on the disposition of Ordinary Shares if the Company were a PFIC, described immediately above.

If the Company were a PFIC, certain elections may be available that would result in alternative tax consequences (such as mark-to-market treatment and qualified electing fund election) of owning and disposing of the Ordinary Shares. However, the Company has not historically prepared or provided, and does not intend to prepare or provide, the information that would enable US Shareholders to make a qualified electing fund election. US Shareholders should consult their tax advisers to determine whether any of these elections would be available and, if so, what the consequences of the alternative treatments would be in their particular circumstances.

If a US Shareholder owns Ordinary Shares during any year in which the Company is a PFIC, the Shareholder generally must file annual reports containing such information as the US Treasury may require on IRS Form 8621 (or any successor form) with respect to the Company, generally with the Shareholder's federal income tax return for that year. US Shareholders should consult their tax advisers concerning the Company's potential PFIC status and the potential application of the PFIC rules.

Treatment of the Tender Offer as sale of Ordinary Shares

The Company's purchase of Ordinary Shares from a US Shareholder pursuant to the Tender Offer will be treated either as a sale of the Ordinary Shares or as a distribution by the Company.

Such Company's purchase will be treated as a sale of the Ordinary Shares by a US Shareholder if: (i) the purchase completely terminates the US Shareholder's equity interest in the Company, (ii) the receipt of cash by the US Shareholder is "not essentially equivalent to a dividend," or (iii) as a result of the purchase there is a "substantially disproportionate" reduction in the US Shareholder's equity interest in the Company. If none of these tests are met with respect to a particular US Shareholder, then the Company's purchase of Ordinary Shares from that US Shareholder pursuant to the Tender Offer will be treated as a distribution (as described below in "*—Treatment of Tender Offer as Distribution on Ordinary Shares*").

In applying these tests, the constructive ownership rules of Section 318 of the Code apply, subject to certain exceptions. A US Shareholder is treated as owning not only shares of the Company actually owned by the US Shareholder but also such shares actually (and in some cases constructively) owned by others. Under the constructive ownership rules, a US Shareholder will be considered to own shares of the Company owned, directly or indirectly, by certain members of the US Shareholder's family and certain entities (such as corporations, partnerships, trusts and estates) in which the US Shareholder has an equity interest, as well as shares of the Company that the US Shareholder has an option to purchase.

Complete termination. A purchase of Shares pursuant to the Tender Offer will result in a “complete termination” of the US Shareholder’s interest in the Company if, immediately after the sale, either: (a) the US Shareholder owns, actually and constructively, no shares of the Company; or (b) the US Shareholder owns no shares of the Company other than by attribution under Section 318(a)(1) and effectively waives constructive ownership of any constructively owned shares of the Company under the procedures described in Section 302(c)(2) of the Code. If a US Shareholder desires to file such a waiver, the US Shareholder should consult his or her own tax adviser.

Not essentially equivalent to a dividend. A purchase of Ordinary Shares pursuant to the Tender Offer will be treated as “not essentially equivalent to a dividend” if it results in a “meaningful reduction” in the selling US Shareholder’s proportionate interest in the Company. Whether a US Shareholder meets this test will depend on relevant facts and circumstances. In measuring the change, if any, in a US Shareholder’s proportionate interest in the Company, the meaningful reduction test is applied by taking into account all Ordinary Shares that the Company purchases pursuant to the Tender Offer, including Ordinary Shares purchased from other US Shareholders.

The IRS has held in a published ruling that, under the particular facts of that ruling, a small reduction in the percentage share ownership of a small minority shareholder in a publicly and widely held corporation who did not exercise any control over corporate affairs constituted a “meaningful reduction.” US Shareholders should consult their own tax advisers with respect to the application of the test in their particular circumstances.

Substantially disproportionate. A purchase of Ordinary Shares pursuant to the Tender Offer will be “substantially disproportionate” as to a US Shareholder if (i) the percentage of the then outstanding common stock (voting or non-voting) actually and constructively owned by such US Shareholder immediately after the purchase is less than 80 per cent. of the percentage of the outstanding common stock (voting or non-voting) actually and constructively owned by such US Shareholder immediately before the purchase, and (ii) the percentage of the outstanding voting stock of the Company actually and constructively owned by such US Shareholder immediately after the purchase is less than 80 per cent. of the percentage of the outstanding voting stock of the Company actually and constructively owned by such US Shareholder immediately before the purchase. Shareholders should consult their own tax advisers with respect to the application of the “substantially disproportionate” test in their particular circumstances.

It may be possible for a tendering US Shareholder to satisfy one of these three tests by contemporaneously selling or otherwise disposing of all or some of the shares that such US Shareholder actually or constructively owns that are not purchased pursuant to the Tender Offer.

Correspondingly, a tendering US Shareholder may not be able to satisfy one of these three tests because of contemporaneous acquisitions of shares of the Company by such US Shareholder or a related party whose shares are attributed to such US Shareholder. Shareholders should consult their own tax advisers regarding the tax consequences of such sales or acquisitions in their particular circumstances.

The Company cannot predict whether or the extent to which the Tender Offer will be undersubscribed or oversubscribed. If the Tender Offer is oversubscribed, proration of tenders pursuant to the Tender Offer will cause the Company to accept fewer Ordinary Shares than are tendered. Consequently, the Company can give no assurance that a sufficient number of any US Shareholder’s Ordinary Shares will be purchased pursuant to the Tender Offer to ensure that such purchase will be treated as a sale, rather than as a distribution, for US federal income tax purposes under the rules discussed above.

If the purchase of Ordinary Shares from a US Shareholder is treated as a sale, the US Shareholder will recognise gain or loss equal to the difference between the amount of cash received by the US Shareholder and the US Shareholder’s adjusted tax basis in the Ordinary Shares sold. The gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Ordinary Shares were held for more than one year. In general, long-term capital gains recognised by a non-corporate US Shareholder (including an individual) are subject to a lower tax rate under current law. The deductibility of capital losses is subject to limitations.

If the consideration received from the Tender Offer is paid in foreign currency, the amount realized will be the US dollar value of the payment received, translated at the spot rate of exchange on the date of taxable sale, exchange or disposition. If Ordinary Shares are treated as traded on an established securities market, a cash basis US Shareholder and an accrual basis US Shareholder who has made a special election

(which must be applied consistently from year to year and cannot be changed without the consent of the IRS) will determine the US dollar value of the amount realized in foreign currency by translating the amount received at the spot rate of exchange on the settlement date of the sale. An accrual basis US Shareholder that does not make the special election will recognise exchange gain or loss to the extent attributable to the difference between the exchange rates on the sale date and the settlement date, and such exchange gain or loss generally will constitute ordinary income or loss.

The gain or loss will be US-source for foreign tax credit purposes. In the event any non-US tax is imposed upon the proceeds from the disposition of Ordinary Shares pursuant to the Tender Offer, a US Shareholder may not be able to utilise a foreign tax credit unless such US Shareholder has foreign-source income or gain in the same category from other sources. The relevant rules are complex, and US Shareholders should consult their tax advisers to determine whether a foreign tax credit or itemized deduction (in lieu of the foreign tax credit) would be available in their particular circumstances.

Treatment of Tender Offer as distribution on Ordinary Shares

If Tender Offer does not satisfy any of the tests listed above and, as a result, the purchase of Ordinary Shares from a US Shareholder is treated as a distribution by the Company, the full amount of cash received by the US Shareholder for the Ordinary Shares (without any offset for the US Shareholder's tax basis in the purchased Ordinary Shares) will be treated as a dividend to the extent of the Company's current and accumulated earnings and profits allocable to the distribution. The tax basis of the US Shareholder's sold Ordinary Shares will be added to the tax basis of his or her remaining shares of the Company, if any. To the extent, if any, that payments made by the Company exceed a US Shareholder's allocable share of the Company's current and accumulated earnings and profits, the distribution will first be treated as a non-taxable return of capital, causing a reduction in the US Shareholder's adjusted basis in his or her Ordinary Shares, and thereafter as capital gain. Because the Company does not currently maintain calculations of earnings and profits for US federal income tax purposes, it is expected that the distributions with respect to the Ordinary Shares will generally be reported as dividends even if that distribution would otherwise be treated as a non-taxable return of capital or as capital gain under the rules described above. For non-corporate US Shareholders, such dividends may be "qualified dividend income" that is taxed at the lower applicable capital gains rate provided that certain conditions are satisfied, including certain holding period requirements. However, if the Company were a PFIC or, with respect to a particular US Shareholder, were treated as a PFIC for the taxable year in which the Company paid a dividend or for the prior taxable year, such qualified dividend income treatment would not apply. In the case of a corporate US Shareholder, if cash received pursuant to the Tender Offer is treated as a dividend, the resulting dividend income will not qualify for the dividends-received deduction otherwise generally available to corporate US Shareholders.

Assuming that the Company is not a "United-States-Owned Foreign Corporation" for US federal income tax purposes, the dividend will generally be income from sources outside the United States and will generally be "passive" income, in each case for purposes of computing the foreign tax credit allowable to a US Shareholder. US Shareholders should consult their own tax advisers concerning the rules discussed in this paragraph in their particular circumstances.

Consequences to US Shareholders who do not sell Ordinary Shares pursuant to the Tender Offer

US Shareholders who do not sell Ordinary Shares pursuant to the Tender Offer will not incur any US federal income tax liability as a result of the consummation of the Tender Offer.

US information reporting and backup withholding

A US Shareholder may be subject to information reporting on amounts received by such Shareholder from sales of Ordinary Shares pursuant to the Tender Offer which are not considered to be effected at an office outside the US or are conducted through certain US-related financial intermediaries under US Treasury regulations. In addition, a backup withholding tax at the rate of 24 per cent. may be deducted from amounts described in the preceding sentence if the relevant Shareholder fails to provide a taxpayer identification number, make other required certifications and otherwise comply with the requirements of the backup withholding rules.

A sale of Ordinary Shares pursuant to the Tender Offer should be considered to be effected at an office outside the US for these purposes (and consequently payments in respect of them not be subject to US

information reporting and backup withholding) unless: (i) the proceeds of sale by the relevant Shareholder are paid to an account maintained in the United States, (ii) the proceeds of sale are despatched to the relevant Shareholder at an address in the United States, (iii) the relevant Shareholder has accepted the Tender Offer from within the United States (by, for example, mailing the completed and signed Tender Form from within the United States), or (iv) a confirmation of sale is sent to the relevant Shareholder at an address within the United States.

To prevent the imposition of the backup withholding tax, Shareholders whose sale of their Ordinary Shares would not be considered to be effected at an office outside the United States should return the appropriate IRS Form W-9 or Form W-8 with the acceptance of the Tender Offer. If they are a US Shareholder, they should submit a duly executed IRS Form W-9. If they are not a US Shareholder, they should submit a duly executed IRS Form W-8BEN or other IRS Form W-8, as appropriate. Copies of IRS Form W-9 and Form W-8 are available on the IRS's website at www.irs.gov/forms-instructions.

Notwithstanding the foregoing, certain Shareholders may be exempt from US information reporting and backup withholding even though the appropriate tax form has not been returned. In addition, certain Shareholders that own their Ordinary Shares through a custodian, nominee or trustee may be able to avoid the imposition of backup withholding by providing an appropriate IRS Form W-9 or Form W-8 to the applicable custodian, nominee or trustee. Shareholders should consult their tax advisers as to their qualification for these exemptions.

Copies of the information returns filed with the IRS may be made available to the tax authorities in the country in which the relevant Shareholder resides.

The backup withholding tax is not an additional tax. A Shareholder may generally obtain a refund or credit of any amounts withheld under the backup withholding rules that exceed its US federal income tax liability, if any, provided that the required information is filed with the IRS in a timely manner.

Additional information reporting requirements

Certain US Shareholders who are individuals (and certain entities) that hold an interest in "specified foreign financial assets" (which may include the Ordinary Shares) are required to report information relating to such assets, subject to certain exceptions (including an exception for ordinary shares held in accounts maintained by certain financial institutions). Penalties can apply if US Shareholders fail to satisfy such reporting requirements. US Shareholders should consult their tax advisers regarding the applicability of these requirements to their ownership and disposition of Ordinary Shares.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PARTICULAR INVESTOR. EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS OWN TAX ADVISER ABOUT THE TAX CONSEQUENCES TO IT OF AN INVESTMENT IN ORDINARY SHARES IN LIGHT OF THE INVESTOR'S OWN CIRCUMSTANCES.

PART VII

QUESTIONS AND ANSWERS ON THE RETURN OF VALUE

This document explains the proposed Return of Value of up to approximately US\$500 million that Capricorn proposes to make to its Shareholders. To help you understand what is proposed we have prepared the summary below in the questions with answers. These questions and answers are aimed particularly at Shareholders who are individuals. **You should read the whole of this document carefully and not rely solely on the summary information below.**

Part I (*Letter from the Chair of Capricorn Energy PLC*) of this document contains a letter from the Chair of the Company in relation to the Return of Value and Part IV (*Details of the Tender Offer*) of this document sets out the detailed terms and conditions of the Tender Offer. In the event of any inconsistency between the contents of this Part VII and the terms and conditions set out in Part IV (*Details of the Tender Offer*) of this document, the terms and conditions set out in Part IV shall prevail.

If, having read the summary below and the rest of this document, you still have any questions, you may call the Shareholder helpline on 0333-207-6505 (from within the United Kingdom) or +44 333-207-6505 (if calling from outside the United Kingdom) between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (excluding English and Welsh public holidays). Calls to +44 333-207-6505 from outside the United Kingdom are charged at applicable international rates. Calls to these numbers may be monitored or recorded for security and training purposes. Please note that, for legal reasons, the Shareholder helpline will not be able to provide advice on the merits of the Resolutions to be proposed at the General Meeting or the Return of Value or give personal, legal, financial or tax advice.

All dates stated below are subject to change. The questions with answers below assume you do not hold your shares through CREST unless CREST is specifically mentioned. If you hold your shares through CREST and would like some further information on the Tender Offer, please contact the Shareholder helpline.

1. What is being proposed?

Capricorn intends to return up to an amount equal to approximately US\$500 million to Shareholders by means of a Tender Offer and, if appropriate a further stage involving a Special Dividend. The Special Dividend may be accompanied by a Share Consolidation with the objective of ensuring that the price of an Ordinary Share stays about the same immediately before and after the Special Dividend, subject to normal market movements.

Independently of, and in addition to, the Tender Offer and any potential Special Dividend to effect the Return of Value, prior to the commencement and following the expiration of the Tender Offer, the Company intends to continue its current Share Buyback Programme with the objective of returning up to a further US\$200 million to Shareholders by seeking the authority to make market purchases annually at its AGM. The current authority for the Share Buyback Programme is under the AGM Buyback Authority granted at the 2021 AGM.

2. Why is Capricorn returning this cash?

On 24 February 2022, Capricorn announced that its expected tax refund of approximately INR79 billion had been paid by the Government of India and that net proceeds of approximately US\$1.06 billion had been received by the Group. The Board believes it is appropriate to return approximately US\$500 million of that cash to Shareholders. The Board has taken full account of the Group's development and growth plans and access to funding in reaching its decision that up to US\$500 million was an appropriate amount to return to Shareholders, with the potential for a further US\$200 million to be returned through the ongoing Share Buyback Programme.

The remainder of the Indian Tax Refund will be retained to augment working capital and to assist with the further expansion of the Group's low cost, sustainable production base.

3. How is this being done?

After consultation with certain Shareholders, we have chosen the Tender Offer as the principal method of returning an amount up to the Value Limit to Eligible Shareholders. We believe that this is the best option for returning value as:

- it is available to all Eligible Shareholders regardless of the size of their holdings;

- it provides Eligible Shareholders who wish to reduce their holdings of Ordinary Shares with an opportunity to do so at a market-driven price at premium of between 1% and 5% over the volume-weighted average price of an Ordinary Share; and
- it permits Shareholders who wish to retain their current investment in Capricorn and their Ordinary Shares to do so, and no Shareholder is required to participate in the Tender Offer.

In addition to the Tender Offer and any potential Special Dividend to effect the Return of Value, prior to the commencement and following the expiration of the Tender Offer, the Company intends to continue its current Share Buyback Programme with the objective returning up to a further US\$200 million to Shareholders by seeking the authority to make market purchases annually at its AGM.

4. **Is there a meeting to approve the Tender Offer and, if so, how do I vote?**

As the Tender Offer requires the approval of Shareholders, a general meeting of the Company has been convened for 10.00 a.m. on 25 March 2022 at 50 Lothian Road, Edinburgh EH3 9BY. The notice of the General Meeting is set out at the end of this document. The resolution to approve the Tender Offer, being Resolution 1 in the notice of the General Meeting, will be proposed as a special resolution. This means that, in order to be passed, the resolution requires a majority of 75 per cent. or more of the votes cast to vote in favour.

All Shareholders are entitled to attend and vote at the General Meeting. Shareholders have a choice whether to attend the meeting and, in that context, we would ask you to consider the prevailing public health guidance and law in place at the time of the General Meeting as a result of the COVID-19 pandemic. If you choose not to attend, we would encourage you to exercise your right to vote at the meeting either (if applicable) by signing and returning the enclosed Form of Proxy or by submitting an electronic proxy appointment via the internet at www.sharevote.co.uk or (if you hold your Ordinary Shares in uncertificated form) by completing and transmitting a CREST Proxy Instruction to the Registrar, Equiniti (CREST Participant ID RA19). For your convenience, the address of the Registrar is printed on the back of the Form of Proxy and postage is pre-paid from within the United Kingdom. To be valid, the completed Form of Proxy or proxies submitted electronically must be sent as soon as possible and in any event so as to be received by Equiniti by no later than 10.00 a.m. on 23 March 2022.

5. **Do I need to vote at the General Meeting?**

You are not obliged to vote at the General Meeting, but if you fail to do so the Return of Value may not take place, as it requires the approval of Shareholders.

6. **Should I tender my Ordinary Shares?**

You should make your own decision as to whether or not you participate in the Tender Offer and are recommended to consult an appropriate independent adviser. The Board makes no recommendation to Shareholders in relation to participation in the Tender Offer itself. Whether or not you decide to tender all or any of your Ordinary Shares will depend on, among other things, your view of Capricorn's prospects and your own individual circumstances, including your tax position.

7. **What do I need to do next?**

First, we would encourage you either (if applicable) to sign and return the enclosed Form of Proxy or to submit an electronic proxy appointment or (if you hold your Ordinary Shares in uncertificated form) to take the necessary steps within CREST to vote at the General Meeting.

Secondly, you should consider whether you want to tender all or any of your Ordinary Shares.

If you do decide to tender Ordinary Shares and you hold those Ordinary Shares in certificated form, you will need to return the completed Tender Form together with your Capricorn share certificate(s) and/or other document(s) of title or (where applicable) a satisfactory indemnity in lieu thereof in respect of the tendered Ordinary Shares. Completed Tender Forms (along with your share certificate(s) and/or other document(s) of title) should be submitted to the Receiving Agent at Equiniti, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA so as to be received by not later than 1.00 p.m. on 5 April 2022, as set out in paragraph 3.2 of Part IV (*Details of the Tender Offer*) of this document.

If you decide to tender Ordinary Shares and you hold those shares in uncertificated form – that is, through CREST – you should read paragraph 3.3 of Part IV (*Details of the Tender Offer*) of this document which details specific procedures applicable to the holders of uncertificated Ordinary Shares.

8. Am I obliged to tender my Ordinary Shares and what happens if I do not tender?

No, you are not obliged to tender any of your Ordinary Shares. If you choose not to tender your Ordinary Shares under the Tender Offer, your holding will be unaffected, save for the fact that the cancellation of the Ordinary Shares which are bought under the Tender Offer will mean that, subsequent to that cancellation, you will own a greater percentage of the Company than you did before the Tender Offer, as there will be fewer Ordinary Shares in issue. The same would apply if you tender Ordinary Shares unsuccessfully.

Non-participation in the Tender Offer will not stop you from participating in any potential further stage of the Return of Value. There may not, however, be a further stage of the Return of Value in certain circumstances, including where the Tender Offer is fully subscribed, where any requisite shareholder approval is not obtained or where the decision is made not by the Board to undertake any further stage. In these circumstances, those Shareholders who do not successfully tender any of their Ordinary Shares under the Tender Offer will not participate in the Return of Value. The Board has reserved the right not to proceed with, or to modify, any further stage of the Return of Value if it determines that it would be in the interests of Shareholders as a whole to do so.

9. Will I be entitled to trade my Ordinary Shares during the Tender Offer period?

(A) *If you do not tender any of your Ordinary Shares:* You will be free to trade your Ordinary Shares in the normal way during the Tender Offer period.

(B) *If you tender all of your Ordinary Shares (whether in certificated or uncertificated form):* Once you have submitted your tender, you should not trade any of your Ordinary Shares during the Tender Offer period.

(C) *If you tender some but not all of your Ordinary Shares (whether in certificated or uncertificated form):* Once you have submitted your tender, you should only trade in the normal way during the Tender Offer period those Ordinary Shares which have not been tendered pursuant to the Tender Offer.

10. Which Shareholders are eligible to participate in the Tender Offer?

The Tender Offer is open to both private and institutional Shareholders alike who are on the Register of Members at the Record Date. For legal and regulatory reasons we are unable to make the opportunity to participate in the Tender Offer available to Shareholders who are resident in the Restricted Jurisdictions, and these Shareholders are excluded from the term “**Eligible Shareholders**” used in this document.

Shareholders resident outside the UK, or who are nationals or citizens of jurisdictions other than the UK, should read the information set out in paragraph 6 of Part IV (*Details of the Tender Offer*) of this document. In addition, the attention of Shareholders who are resident in the United States is drawn to the Notice for US Shareholders on page 4 of this document. The Tender Offer will not be extended to holders of American Depositary Shares representing Ordinary Shares, nor for American Depositary Receipts evidencing such American Depositary Shares.

11. What are my options for participation in the Tender Offer?

As stated above, you are not obliged to tender any of your Ordinary Shares if you do not wish to do so. Eligible Shareholders who do wish to participate in the Tender Offer can tender their Ordinary Shares in the following ways:

(A) submit a tender at whichever of the prices within the Price Range is ultimately determined to be the Strike Price (referred to as a “**Strike Price Tender**”), that is a tender which is not made at one of the specified prices within the Price Range;

(B) submit a tender at a single specified price within the Price Range; or

(C) submit a tender at more than one of the prices within the Price Range (which could include a Strike Price Tender).

The total number of Ordinary Shares that you tender must not exceed the total number of Ordinary Shares registered in your name at the Record Date. As described in the answer to Question 14 below, there can be

no certainty that any or all of the Ordinary Shares that you tender will be accepted for purchase in the Tender Offer.

12. What pricing formula will be used for the Tender Offer?

Eligible Shareholders will be able to select the price at which they wish to tender their Ordinary Shares for purchase within a range of prices which are based on and expressed by reference to the average market price at which the Ordinary Shares trade (known as the “**volume-weighted average price**” or “**VWAP**”) in the five Trading Days up to and including the Closing Date. The VWAP-based prices in the Price Range extend from a price that is equal to VWAP to a price that is a five per cent. premium over the VWAP-based price (in each case rounded down to the nearest whole penny).

The reason for using an average market price in the five Trading Days up to and including the Closing Date as the base for each price in the Price Range is to ensure that, as far as possible, the pricing of the Tender Offer remains connected to the then-market price of the Ordinary Shares. Setting a fixed price, or a fixed range, in pence per Ordinary Share at the outset of the Tender Offer would risk the tender price or range becoming disconnected from the prevailing market price, i.e. higher or lower than the market price at the time of the Tender Offer closing, which could mean that (where the market price is above the tender price or range) the offer would not be generally attractive to Shareholders and take-up would likely be low, or (where the market price is well below the tender price or range) the tendered shares would be purchased at a material premium to the prevailing market price, effectively at the expense of those Shareholders who choose not to tender. By contrast, this risk should be reduced by the dynamic pricing structure where the base for each price in the Price Range is set by taking an average of the actual VWAP trading prices over a five-day trading period up to and including the Closing Date. While we expect the Price Range to track the market price of an Ordinary Share. However, in order to comply with applicable law, it is also a term of the Tender Offer that no Ordinary Shares will be acquired at a price that exceeds £10. Tenders at prices that exceed £10 will be disregarded for the purpose of the Tender Offer.

The use of a dynamic VWAP-based pricing structure means that the absolute price in pounds and pence per Ordinary Share will not be known until after the Tender Offer has closed for acceptances. The Company will announce the absolute price to be paid to successfully participating Eligible Shareholders as soon as this has been determined, which is expected to be on 6 April 2022, together with the results of the Tender Offer. During the calculation period for Average VWAP, the Company intends to publish on the investor microsite section of its website the Daily VWAP for each of the relevant Trading Days as soon as reasonably practicable on each day following trading closing.

Additional information about the pricing of the Tender Offer is set out in paragraph 4 of Part I (*Letter from the Chair of Capricorn Energy PLC*) and in Part IV (*Details of the Tender Offer*) of this document.

13. If I tender my Ordinary Shares, what price will I receive for each share I sell?

A single price per Ordinary Share, known as the Strike Price, will be paid in respect of all Ordinary Shares purchased by Morgan Stanley pursuant to the Tender Offer. The Strike Price will be set once the VWAP-based prices in the Price Range have been calculated and once tenders received have been reviewed.

Accordingly, once the relevant calculations to determine the prices in the Price Range in pence per Ordinary Share have been finalised following the Closing Date.

The Strike Price will be:

- (A) the lowest price per Ordinary Share in the Price Range at which any valid tender is made (but excluding tenders made at levels that are above £10, known as “**Excluded Prices**”) which would enable the greatest number of Ordinary Shares to be purchased for a total cost equal to at the Value Limit;
- (B) if the aggregate value at the highest price of any valid tender (excluding tenders at Excluded Prices) of all Ordinary Shares validly tendered by Shareholders is less than the Value Limit, the highest price of any valid tender (excluding tenders at Excluded Prices); or
- (C) if no valid tenders are made other than Strike Price Tenders, the Minimum Price (save where the Minimum Price is an Excluded Price, in which case no Ordinary Shares will be acquired under the Tender Offer),

save that if the aggregate value at the Strike Price (as determined pursuant to paragraph (A) above) of all Ordinary Shares validly tendered at a price below the Strike Price (as determined pursuant to such paragraph) or tendered as Strike Price Tenders would exceed the Value Limit, then the Strike Price shall instead be set at the preceding price in the Price Range (rather than at the price determined pursuant to paragraph (A)) such that the Value Limit is not exceeded. In addition, the Strike Price will in no circumstances exceed £10.

Once the Strike Price is set, the scaling-down arrangements set out in paragraphs 2.16 to 2.17 of Part IV (*Details of the Tender Offer*) of this document will apply in circumstances where the aggregate value at the Strike Price of all Ordinary Shares validly tendered by Shareholders would exceed the Value Limit.

All Shareholders who tender Ordinary Shares at a price at or below the Strike Price (including as Strike Price Tenders) will receive the Strike Price for all successful tenders accepted subject, where applicable, to the scaling-down arrangements described in paragraphs 2.16 to 2.17 of Part IV (*Details of the Tender Offer*) of this document.

Shares that you tender above the Strike Price will not be acquired.

14. How many Ordinary Shares can I tender?

There is no limit on how many Ordinary Shares you can tender, save that any Eligible Shareholder should not seek to tender more than the total number of Ordinary Shares registered in the name of that Eligible Shareholder at the Record Date.

There can, however, be no certainty that any or all of the Ordinary Shares that you tender will be accepted for purchase in the Tender Offer. First, your tender may be at a price that exceeds the Strike Price, meaning that it would be rejected. Secondly, even if your tender is at or below the Strike Price there are circumstances in which the terms of the Tender Offer will scale down your tender and, in those circumstances, not all of the Ordinary Shares that you tender will be acquired. This is principally where the Ordinary Shares tendered at or below the Strike Price would exceed the Value Limit. The scaling-down provisions of the Tender Offer are relatively complex and should be read in full. They are set out in detail in paragraphs 2.16 to 2.17 of Part IV (*Details of the Tender Offer*) of this document.

15. What is my Guaranteed Entitlement?

The Guaranteed Entitlement is relevant in certain situations where the Tender Offer is over-subscribed by value at the Minimum Price - that is where the Value Limit would be exceeded. In those situations, the Guaranteed Entitlement ensures that each Eligible Shareholder has some protected level of participation (expressed as a percentage of an Eligible Shareholder's shareholding on the Record Date) in the Tender Offer. If it becomes relevant, the level of that guaranteed participation will be calculated by the Company and announced at the same time as the Strike Price and the results of the Tender Offer (expected to be 6 April 2022). Like the scaling-down provisions referred to in the answer to Question 14 above, these arrangements are relatively complex and should be read in full. They are set out in full in paragraphs 2.16 to 2.17 of Part IV (*Details of the Tender Offer*) of this document.

16. If I participate in the Tender Offer, when will I receive payment for my shares?

Under the expected timetable of events set out in Part II (*Expected Timetable for the Tender Offer*) of this document, it is anticipated that a cheque would be despatched to certificated Eligible Shareholders on 19 April 2022. CREST account holders would have their CREST accounts credited on 11 April 2022.

Certain payments made in connection with the Tender Offer may be subject to US backup withholding. All Eligible Shareholders who choose to participate in the Tender Offer are referred to the guide to certain aspects of the US information reporting and backup withholding rules and the relevant forms required to be completed, if any, set out under the heading "US information reporting and backup withholding" in paragraph 2 of Part VI (*Taxation*) of this document.

17. What do I do if I have sold or transferred all of my Ordinary Shares?

Please forward this document, together with the accompanying documents (but not any personalised Form of Proxy or Tender Form), at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. Those documents should not, however, be forwarded to or sent in or into any Restricted Jurisdiction.

18. What is the impact of the Tender Offer on the Capricorn Share Schemes?

Share options and awards which remain outstanding under the Capricorn Share Schemes (other than the SIP) at the Record Date do not entitle the holders of such options and awards to participate in the Tender Offer. The Tender Offer will not affect the legal rights of the holders of such options and awards.

An individual that is the beneficial owner of Ordinary Shares held in the SIP will be able to instruct the trustee of that arrangement to participate in the Tender Offer, but only in respect of such of those shares (if any) as are not subject to a “holding period” under the SIP’s rules as at the Unconditional Date.

19. What happens if I have lost my share certificate(s) or other documents(s) of title but wish to participate in the Tender Offer?

If you hold 500 or more Ordinary Shares in certificated form in total as at the Record Date and you have lost the share certificate(s) in relation to any or all of your tendered Ordinary Shares, you will need to provide a letter of indemnity to the Company, a template for which can be obtained by writing to the Registrar, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA or by contacting the Shareholder Helpline, details of which are set out at the front of this document. You will then need to return the letter of indemnity, duly completed, to Equiniti with your Tender Form, so as to be received by Equiniti not later than 1.00 p.m. on 5 April 2022.

If you hold fewer than 500 Ordinary Shares in certificated form in total as at the Record Date and you have lost the share certificate(s) in relation to any or all of your tendered Ordinary Shares, there is no need to provide a letter of indemnity or any other documentation relating to the lost share certificate(s). Please be aware that, if, following submission of your Tender Form and prior to the Record Date, you acquire further Ordinary Shares which bring your total holding of Ordinary Shares in certificated form to 500 or more, but you have not provided a letter of indemnity relating to your lost share certificate(s), your tender may be rejected as an invalid tender.

20. What if I am resident outside the UK?

Shareholders resident outside the UK, or who are nationals or citizens of jurisdictions other than the UK, should read the additional information set out in paragraph 6 of Part IV (*Details of the Tender Offer*) of this document as there may be legal and regulatory restrictions on such Shareholders participating in the Tender Offer.

For legal and regulatory reasons we are unable to offer Shareholders who are resident in a Restricted Jurisdiction the ability to participate in the Tender Offer. Shareholders in the United States should read the information in the Notice for US Shareholders on page 4 of this document and the information in paragraph 6 of Part IV (*Details of the Tender Offer*) and paragraph 2 of Part VI (*Taxation*) of this document. The Tender Offer will not be extended to holders of American Depositary Shares representing Ordinary Shares, nor for American Depositary Receipts evidencing such American Depositary Shares.

21. What happens if the Tender Offer does not return the full US\$500 million subject to the Return of Value proposals?

If a material amount of US\$500 million is not returned to Shareholders through the Tender Offer, the Board will consider whether and how best to return such balance to Shareholders in light of the circumstances prevailing following completion of the Tender Offer, including the level of take up of the Tender Offer, the extent of any amount not returned to Shareholders, the relative cost and convenience of available methods of returning the balance and any more value-creating alternative uses for the cash. As stated in Part V (*Potential Further Stage of the Return of Value*) of this document, the Board considers it likely that part or all of any balance remaining of the proposed Return of Value not returned to Shareholders through the Tender Offer will be the subject of a further stage of the Return of Value by payment of one or more Special Dividends paid to all Shareholders pro rata to the size of their holdings of Ordinary Shares.

Please note that, unlike the Tender Offer, if a Special Dividend is paid as part of the Return of Value, it will not be possible for a Shareholder to decline to participate in the Special Dividend.

22. What is United States Information Reporting and Backup Withholding? Do I need to fill out any forms?

As set out under the heading “US information reporting and backup withholding” in paragraph 2 of Part VI (*Taxation*) of this document, US information reporting and backup withholding may apply to payments made in respect of sales of Ordinary Shares pursuant to the Tender Offer. In particular, where such payments are not considered to be effected at an office outside the US or are conducted through certain US-related financial intermediaries under US Treasury Regulations, backup withholding at a rate of 24 per cent. may apply to the gross proceeds unless the relevant Shareholder provides a properly completed IRS Form W-9 (in the case of a US Shareholder) or an appropriate IRS Form W-8 (in the case of a Shareholder other than a US Shareholder), or otherwise establishes an exemption from information reporting and backup withholding. Shareholders should return the appropriate IRS Form W-9 or Form W-8 with the acceptance of the Tender Offer. Copies of IRS Form W-9 and Form W-8 are available on the IRS’s website at www.irs.gov/forms-instructions.

Notwithstanding the foregoing, certain Shareholders may be exempt from US information reporting and backup withholding even though the appropriate tax form has not been returned. In addition, certain Shareholders that own their Ordinary Shares through a custodian, nominee or trustee may be able to avoid the imposition of backup withholding by providing an appropriate IRS Form W-9 or Form W-8 to the applicable custodian, nominee or trustee.

Shareholders are strongly advised to consult with their tax advisers as to the application of the information reporting and backup withholding rules to their individual situations.

23. Why are Shareholders also being asked to approve a Share Consolidation?

If a material amount of the US\$500 million is not returned through the Tender Offer, the Board will at that point consider whether and how best to return such balance to Shareholders, which is expected to take the form of a Special Dividend.

We are therefore also taking the opportunity at the General Meeting to seek Shareholder approval of a resolution authorising the Board to effect a Share Consolidation, if appropriate following payment of a Special Dividend. The purpose of the Share Consolidation would be to ensure that the price of an Ordinary Share stays about the same immediately before and after the Special Dividend (subject to normal market movements following the date of this document) by reducing the total number of shares owned by all Shareholders. The terms of the resolution seeking authority for the Share Consolidation only allow the Board to use the authority to effect a Share Consolidation in connection with any Special Dividend(s) paid for the purposes of any further stage of the Return of Value.

By requesting this authority now, the Board is seeking to ensure that the Company will be able to act quickly and without the delay and cost of convening a further general meeting at a later stage, if the Board does subsequently decide to use a Special Dividend to return some or all of any surplus from the up to US\$500 million not returned by the Tender Offer. Further information about the Share Consolidation is set out in Part V (*Potential further stage of the Return of Value*) of this document.

24. If there is a Share Consolidation, what happens to my Ordinary Shares?

As stated above, if the Return of Value involves payment of a Special Dividend, this might also involve a consolidation of Ordinary Shares to reduce the number of Ordinary Shares that you and all other Shareholders hold. These New Ordinary Shares would have a higher nominal value to reflect the lower number of Ordinary Shares in issue. If we were to do nothing more than return the cash to Shareholders through the Special Dividend, this would have an effect on the price of Ordinary Shares, reflecting the value being returned to Shareholders. Therefore, to help ensure that the share price stays about the same immediately before and after the Special Dividend (subject to normal market movements following the date of this document), we intend to reduce the total number of shares owned by all Shareholders.

As a result of the Share Consolidation, you may be left with a fractional entitlement to a New Ordinary Share. Please see the answer to question 25 below for guidance on how this fractional entitlement will be treated.

In the event of a Share Consolidation, you will continue to own the same proportion of Ordinary Shares immediately after the Share Consolidation as you did before, subject to fractional entitlements arising on the Share Consolidation, which will be sold in the market as described in more detail in the answer to question 25 below. The value of any one Shareholder’s fractional entitlement will not exceed the value of one New Ordinary Share.

Further information about the impact that a Special Dividend and any associated Share Consolidation will have on outstanding entitlements granted under the Capricorn Share Schemes is set out in paragraph 9 of Part I (*Letter from the Chair of Capricorn Energy PLC*) of this document.

25. If there is a Share Consolidation, what if the number of Capricorn shares I hold does not divide exactly by the denominator of the relevant consolidation ratio?

If, immediately before the Share Consolidation, your holding of Capricorn shares does not divide exactly by the denominator of the relevant consolidation ratio, you will be left with a fractional entitlement to a New Ordinary Share. So, for example, in a Share Consolidation with 10:13 ratio (that is, 10 New Ordinary Shares for every 13 existing Ordinary Shares held), a Shareholder with 100 Existing Ordinary Shares would, after the Share Consolidation, be entitled to 76 New Ordinary Shares and a fractional entitlement to 0.923 of a New Ordinary Share. Capricorn will combine all the fractions and arrange to have them sold in the market. The value of any one Shareholder's fractional entitlement will not exceed the value of one New Ordinary Share.

26. If there is a Share Consolidation, what happens to my CREST Account and/or my current share certificate(s)?

If there is a Share Consolidation and you hold Ordinary Shares in uncertificated form, your CREST account will be automatically credited with New Ordinary Shares as soon as practicable after it takes effect, under ISIN GB00BN0SMB92.

If there is a Share Consolidation and you currently hold your Ordinary Shares in certificated form, the share certificate that you hold for your existing Ordinary Shares will not be valid after the New Ordinary Shares have been listed on the London Stock Exchange. Accordingly, when you receive your New Ordinary Share certificate you should destroy the one that you currently hold as it will be worthless.

27. Could you provide a practical example of a Share Consolidation?

For illustrative purposes only, in the event that the Board pays a Special Dividend of 15 pence per Ordinary Share and proposes a 9 to 8 Share Consolidation, the example below sets out the number of Ordinary Shares and the cash payment received in respect of a specified holding of Ordinary Shares:

<u>Number of Ordinary Shares</u>	<u>Number of New Ordinary Shares you will receive</u>	<u>Fractional entitlement*</u>	<u>Special Dividend</u>
5	4	0.444	£ 0.75
10	8	0.889	£ 1.50
50	44	0.444	£ 7.50
100	88	0.889	£15.00
200	177	0.778	£30.00

* Any net proceeds of sale of fractional entitlements less than £3.00 per individual Shareholder will be retained by the Company or, at the Board's discretion, donated to charity.

28. What is my tax position in relation to any Special Dividend and Share Consolidation?

As the requirement for and timing of a Special Dividend and Share Consolidation is uncertain at the moment, we have not included in this document a summary of the UK tax position in anticipation of a potential future Special Dividend and Share Consolidation. The Company would expect to include such a summary in any announcement of such a Special Dividend and Share Consolidation through a Regulatory Information Service. In any event, you are urged to consult an appropriate professional adviser in respect of your tax position.

Shareholders who are not tax resident in the United Kingdom or who are otherwise taxable outside of the United Kingdom should consult their own professional advisers on the possible application of taxation laws in their individual countries of residence.

29. What is the effect if I hold my Capricorn shares in an ISA?

If a Share Consolidation takes place and you hold your existing Ordinary Shares in an ISA, you should be able to hold the New Ordinary Shares which you receive in place of your existing Ordinary Shares in an ISA (subject to the terms and conditions of your ISA). You should contact your plan manager who will be able to advise you of the procedure for voting on the Resolutions to be proposed at the General Meeting.

30. Why have I been sent so much paperwork?

Capricorn is required by law and the Listing Rules to provide all Shareholders with full details of the Tender Offer and to obtain Shareholder approval of the Tender Offer and any potential Share Consolidation associated with a Special Dividend. This document contains important information and we recommend that you read it carefully as you have a right to vote on the Return of Value.

31. What if I have any more questions?

If you have read this document and have any further questions, you may telephone the Shareholder helpline, which is available between the hours of 8.30 a.m. and 5.30 p.m. Monday to Friday (excluding English and Welsh public holidays). The Shareholder helpline numbers are: 0333-207-6505 (from inside the UK) or +44 333-207-6505 (if calling from outside the UK). Calls to the Shareholder helpline from outside the United Kingdom will be charged at the applicable international rates. Calls to these numbers may be monitored or recorded for security and training purposes.

For legal reasons the Shareholder helpline will be unable to give advice on the merits of the Resolutions to be proposed at the General Meeting, the Return of Value, or give personal, legal, financial or tax advice to Shareholders. Shareholders are recommended to consult their own independent professional adviser.

PART VIII

ADDITIONAL INFORMATION

1. DIRECTORS AND REGISTERED OFFICE

The names and principal functions of the Directors are as follows:

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)
Simon Thomson	(Chief Executive)
James Smith	(Chief Financial Officer)

The Company was incorporated and registered in Scotland on 7 January 2002 as a private company limited by shares with registered number SC226712 with the name of “Randotte (No. 507) Limited”. On 5 December 2002 the Company was re-registered as a public limited company and changed its name to “New Cairn Energy PLC”. The Company changed its registered name to “Cairn Energy PLC” on 19 February 2003 and subsequently to “Capricorn Energy PLC” on 10 December 2021.

The principal legislation under which the Company was formed and under which the Company operates is the Companies Act 1985 and the Companies Act 2006 respectively. The Company is domiciled in the United Kingdom.

The registered office of the Company is 50 Lothian Road, Edinburgh EH3 9BY and its telephone number is +44 (0)131 475 3000. The Company is the ultimate holding company of the Group, and its principal activity is the extraction of crude petroleum.

2. OPTIONS AND WARRANTS

As at the Latest Practicable Date, the total number of outstanding options to subscribe for Ordinary Shares, and the proportions of the Issued Ordinary Share Capital that they currently represent and that they will represent if the full authority to buy back shares is used pursuant to the Tender Offer, are set out in the table below:

<u>Number of Ordinary Shares under option</u>	<u>Percentage of Issued Ordinary Share Capital as at the Latest Practicable Date</u>	<u>Percentage of Issued Ordinary Share Capital if the maximum permitted number of Ordinary Shares is purchased pursuant to the Tender Offer (see note)</u>
1,752,142	0.354%	56.608%

Notes:

- (1) The table set out above includes only those options granted under the 2009 Option Plans which were outstanding as at the Latest Practicable Date. Entitlements under the other Capricorn Share Schemes are currently satisfied utilising existing Ordinary Shares previously purchased in the market by the Company’s employee benefit trust.

As at the Latest Practicable Date, the number of Ordinary Shares repurchased pursuant to the AGM Buyback Authority was 4,432,805 and the number of Ordinary Shares which could be repurchased pursuant to the remaining authority under the AGM Buyback Authority was 45,493,960.

As at the Latest Practicable Date, there are no outstanding warrants to subscribe for Ordinary Shares.

3. OPTION AGREEMENT

On 7 March 2022, the Company entered into the Option Agreement with Morgan Stanley. Pursuant to the terms of the Option Agreement, and conditional on the Tender Offer becoming unconditional in all respects and not lapsing or terminating in accordance with its terms and on Morgan Stanley being registered as the holder of the

Ordinary Shares purchased by Morgan Stanley pursuant to the Tender Offer, the Company has granted a put option to Morgan Stanley which, on exercise, obliges the Company to purchase from Morgan Stanley at a price equal to the Strike Price the Ordinary Shares purchased by Morgan Stanley pursuant to the Tender Offer. Also under the Option Agreement, Morgan Stanley has granted the Company a call option which, on exercise, obliges Morgan Stanley to sell to the Company, at a price equal to the Strike Price, the Ordinary Shares purchased by Morgan Stanley pursuant to the Tender Offer.

4. TAKEOVER CODE

Rule 9 of the Takeover Code (“**Rule 9**”) requires, except with the consent of the Panel, that when (a) any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company; or (b) any person, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of a company but does not hold shares carrying more than 50 per cent. of such voting rights and such person, or any person acting in concert with him, acquires an interest in any shares which increases the percentage of shares carrying voting rights in which he is interested, such person to extend offers to the holders of any class of equity share capital whether or non-voting and also to holders of any other class of transferable securities carrying voting rights.

When a company purchases its own voting shares, any resulting increase in the percentage of voting rights held by a shareholder, or group of shareholders acting in concert, will be treated as an acquisition for the purpose of Rule 9.

The Tender Offer is to be effected by Morgan Stanley, acting as principal and not as agent, nominee or trustee, purchasing Ordinary Shares from Eligible Shareholders, and therefore, depending on the level of participation by Eligible Shareholders in the Tender Offer, this could result in Morgan Stanley owning over 30 per cent of the Issued Ordinary Share Capital. Accordingly, Morgan Stanley could become subject to a requirement to make a general offer under Rule 9.

Pursuant to the terms of the Option Agreement, Morgan Stanley has the right to require the Company to purchase from it, and can be required by the Company to sell to it, such Ordinary Shares at the Strike Price. Shortly after the purchase of the Ordinary Shares from Shareholders under the Tender Offer, Morgan Stanley will exercise this right under the Option Agreement and sell such Ordinary Shares to the Company, which will then be cancelled. Morgan Stanley will not exercise any of the voting rights attached to the Ordinary Shares acquired by it pursuant to the Tender Offer.

Accordingly, following discussions between Morgan Stanley and the Panel on Takeovers and Mergers (the “**Panel**”) in respect of the application of Rule 9, the Panel has agreed that Morgan Stanley will not be required to make an offer under Rule 9 as a result of purchasing Ordinary Shares from Eligible Shareholders pursuant to the Tender Offer.

5. TREND INFORMATION

On 25 January 2022, the Company released an update on its operations and trading containing, *inter alia*, the following statements:

Corporate and Finance Highlights

- “Group net cash at year end was US\$133m, comprising US\$314m cash and US\$181m debt drawn to fund the Egypt acquisition
- Special dividend of US\$257m paid following completion of Senegal sale
- Net cash outflow in year of US\$133m on acquisition of Egypt with a further US\$21m to be settled in Q1 2022
- Oil and gas revenue in Egypt from acquisition completion on 23 September to 31 December was US\$56m, from net entitlement production of 1.5 mmmboe of which ~38% was liquids. Oil sales averaged US\$77.5/boe and gas sales averaged US\$2.9/mcf. Production costs over the period were ~US\$22m, or ~US\$6/boe (on a WI basis)
- Group capital expenditure on continuing operations during the year was ~US\$75m, below guidance, including US\$20m post acquisition expenditure in Egypt
- Net cash inflow from UK producing assets of US\$296m, comprising US\$213m net cashflow generated during the year, US\$53m received on completion of sale and US\$30m realised on sale of bonds issued by the purchaser as consideration
- Cash outflows in respect of capital activity totalled US\$65m (producing assets ~US\$25m, exploration and appraisal activities ~US\$40m)

- Current estimates of 2022 capital expenditure total approximately US\$200m, including:
 - Egypt production and development expenditure of US\$90-110m targeted at delivering substantial production growth during 2022
 - Egypt exploration expenditure of US\$30-35m to sustain the resource base over time
 - UK infrastructure-led exploration expenditure of ~US\$40m, predominantly on the Jaws and Diadem wells, with no further well commitments beyond 2022
 - Other international exploration of US\$30-35m, principally in Mexico, with no further commitments beyond 2022 and any further investment contingent on farm-downs”

Production: Egypt

- “Working interest production across the four main concession areas of Obaiyed (Capricorn 50% WI), Badr El Din (Capricorn 50% WI), North East Abu Gharadig (Capricorn 26% WI) and Alam El Shawish West (Capricorn 20% WI) averaged ~36,300 boepd during the period from acquisition completion on 23 September to year end 2021, with ~38% of the production mix comprising oil and condensate. This was within the guidance range for WI production of 33,000-38,000 boepd announced in March 2021.
- Across the operations, a full assessment of emissions reduction opportunities is being developed. As well as agreement to undertake an emissions baseline study and reduction strategy, several decarbonisation projects are already underway including gas replacement for diesel, centralisation of power and electrification. The application of renewable power in-field is under consideration and good progress is being made on identifying flare reduction opportunities.
- During H1 2022, an additional three drilling rigs are expected to be contracted to further support early production ramp-up activities. The first of these additional rigs is undergoing acceptance and is in the field preparing for operations. Up to 40 new production or injection wells are scheduled for drilling and completion in 2022, with a number of field extension well opportunities also identified.”

Production: UK North Sea

- “Capricorn announced completion of the sale of its UK North Sea production interests to Waldorf Production in November 2021. Estimated 2021 annual production from these interests was approximately 18,300 bopd, towards the upper end of our original guidance of 16,000 – 19,000 bopd. Under earn-out provisions, based on 2021 production levels and average oil prices, a payment of ~US\$76m is due to be made by Waldorf to Capricorn in Q2 2022.
- Uncapped further earn-out consideration will be payable in respect of calendar years 2022 to 2025, based on meeting minimum production volumes and average oil prices.”

Exploration

- “In Egypt, the prospect portfolio has been matured with drilling targets identified. The first of three Capricorn-operated wells (Capricorn 50% WI) to be drilled in 2022 is expected to be in the South Abu Sennan concession, commencing in H2 2022.
- In Mexico, Block 10 (Capricorn 15% WI) operations were completed in Q4 2021 on the Eni-operated Saasken-2DEL appraisal well. The well has been temporarily plugged and abandoned with the acquired data being evaluated as part of the ongoing Saasken Evaluation Programme. The Eni-operated Yatzil exploration well in Block 7 Offshore Mexico (Capricorn 30% WI) is planned for H2 2022.
- In the UK, the Jaws exploration well (Capricorn 50% WI) spudded in November 2021. Drilling operations continue with well results expected later in Q1 2022. In the Southern North Sea, the acquisition of 3D seismic data over licence P2428 (60% Capricorn WI) has concluded. Final processed data due in Q2 2022 will enable Capricorn and its JV partner Deltic Energy to fast-track an assessment of prospectivity in the licence area.
- In addition, preparations continue on the Capricorn operated licence P2379 (Capricorn 50% WI) targeting drilling of the Diadem exploration well in Q2 2022.”

On 24 February 2022, the Company published an update in relation to the tax refund from the Indian Government, reported extensively in various public announcements recently. The announcement contained the following statements:

- Capricorn is pleased to confirm that the expected Indian tax refund of INR79 billion has now been paid and net proceeds of US\$1.06 billion have been received.

- A circular is expected to be issued in early March detailing the shareholder resolutions required in connection with the proposed shareholder return of up to US\$700 million, comprising a US\$500 million tender offer and US\$200 million ongoing share repurchase programme.

6. DIRECTORS' AND SENIOR MANAGEMENT'S INTERESTS IN SHARES

Save as set out below, none of the Directors or other persons discharging managerial responsibilities (“PDMRs”) has any interest in the share capital of the Company or any of its subsidiary undertakings.

The interests (all of which are beneficial) of the Directors, of their respective immediate families and (so far as is known or could with reasonable diligence be ascertained by the relevant Director) of any person connected with a Director in the share capital of the Company as at the Latest Practicable Date are as follows:

<u>Director</u>	<u>Number of Shares</u>	<u>Percentage of issued ordinary share capital*</u>
Nicoletta Giadrossi	0	0.000%
Keith Lough	0	0.000%
Peter Kallos	9,292	0.002%
Alison Wood	0	0.000%
Cathy Krajicek	0	0.000%
Erik Daugbjerg	0	0.000%
Simon Thomson ⁽³⁾	1,150,319	0.232%
James Smith ⁽³⁾	27,433	0.006%

* (rounded to the nearest third decimal place)

Notes:

- (1) The table set out above assumes no dealings by the Directors or their connected persons and that no further Shares are issued, whether pursuant to the exercise of options or otherwise, in each case after the Latest Practicable Date.
- (2) The interests of the Directors in Shares together represent 0.240% (rounded to the nearest third decimal place) of the Issued Ordinary Share Capital as at the Latest Practicable Date.
- (3) The interests of the Executive Directors include Shares awarded to them under the SIP. These awards consist of “partnership shares” purchased using deductions from the relevant Director’s salary and also “free shares” and free “matching shares” awarded by the Company. These shares are beneficially owned by the Director from the date of purchase/award and, as a consequence, are included in the numbers of Shares shown above.

The interests (all of which are beneficial) of the PDMRs (other than the Directors) in the share capital of the Company as at the Latest Practicable Date are as follows:

<u>PDMR</u>	<u>Number of Shares</u>	<u>Percentage of Issued Ordinary Share Capital*</u>
Eric Hathon, Director of Exploration ⁽²⁾ . . .	47,496	0.010%
Paul Mayland, Chief Operating Officer ⁽²⁾	45,464	0.009%

* (rounded to the nearest third decimal place)

Notes:

- (1) The table set out above assumes no dealings by the PDMRs or their connected persons and that no further Shares are issued, whether pursuant to the exercise of options or otherwise, in each case after the Latest Practicable Date.
- (2) The interests of these PDMRs include Shares awarded to them under the SIP. These awards consist of “partnership shares” purchased using deductions from the relevant PDMR’s salary and also “free shares” and free “matching shares” awarded by the Company.

As at the Latest Practicable Date, the Directors and other PDMRs held the following outstanding rights to acquire Shares under the 2017 LTIP:

	Outstanding awards under the 2017 LTIP (Shares)	
	Unvested Awards still subject to performance conditions	Vested but unexercised Awards ⁽¹⁾
Director		
Simon Thomson	2,569,262	629,600
James Smith	1,671,063	409,496
PDMR		
Eric Hathon	1,376,551	337,324
Paul Mayland	1,427,817	352,055

Notes:

(1) This column includes all outstanding Awards that have vested following the expiry of the applicable performance period, regardless of whether or not they are currently capable of being exercised under the rules of the 2017 LTIP.

As at the Latest Practicable Date the aggregate number of Shares in respect of which options or other rights to subscribe had been granted by the Company was 1,752,142 (representing approximately 0.354% of the Issued Ordinary Share Capital at that date).

7. MAJOR SHAREHOLDERS

Other than the interests of the Directors and members of the senior management disclosed in paragraph 6 of this Part VIII (*Additional Information*), as at the Latest Practicable Date the Company had been notified of the following holdings in the Issued Ordinary Share Capital pursuant to DTR 5 (each, a “**Notifiable Interest**”):

Shareholder	Number of Shares	Percentage of voting rights attached to the Shares as at the Latest Practicable Date ⁽¹⁾
MFS Investment Management	67,822,144	13.687%
BlackRock	46,895,888	9.464%
abrdn	27,481,042	5.546%
Vanguard Group	17,389,093	3.509%

Notes:

(1) Calculated by reference to the issued share capital of the Company as at the Latest Practicable Date.

Save as set out above, the Company is not aware of any other Notifiable Interests.

8. WORKING CAPITAL

The Company is of the opinion that, on the assumption that the authority sought by Resolution 1 will be used in full (at the Maximum Price) and taking into account the Indian Tax Refund to be retained by the Company and the loan facilities available to the Group, the Group has sufficient working capital for its present requirements, that is, for at least the next 12 months from the date of publication of this document.

9. SIGNIFICANT CHANGE

Save as set out below, there has been no significant change in the financial position or the financial performance of the Group since 30 June 2021, being the date to which the last unaudited published financial information for the Capricorn Group was published.

- On 24 September 2021, Capricorn announced the completion of the acquisition of a portfolio of upstream oil and gas production, development and exploration interests in the Western Desert, the Arab Republic of Egypt, from Shell Egypt NV and Shell Austria GmbH. The acquisition was part funded through the drawdown of US\$181.0 million from the Acquisition RBL Facility and the Junior Debt Facility, both new debt finance facilities entered into jointly with Cheiron Energy for this purpose.

- On 2 November 2021, Capricorn announced the completion of the sale of its interests in the UK Catcher and Kraken Fields to Waldorf Production Limited. The firm consideration payable to Capricorn was US\$53m, following adjustments for working capital and interim period cashflows from the economic date of 1 January 2020, with additional uncapped contingent consideration when Brent exceeds US\$52/bbl on average in any of the five years 2021 to 2025.
- On 15 November 2021, Capricorn announced the commencement of an initial share repurchase programme of its ordinary shares of 21/13 pence each of up to £20m.
- On 25 January 2022, Capricorn released an update on its operations and trading.

On 24 February 2022, Capricorn confirmed receipt of net proceeds from the Government of India in relation to its tax refund of US\$1.06 billion

10. CONSENTS

Rothschild & Co, which has acted as sponsor and joint financial adviser to Capricorn in connection with the Return of Value, has given and has not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which it appears.

J.P. Morgan Cazenove, which has acted as joint financial adviser and joint corporate broker to Capricorn in connection with the Tender Offer, has given and has not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which it appears.

Morgan Stanley, which has acted as joint financial adviser and joint corporate broker to Capricorn in connection with the Tender Offer and Return of Value, has given and has not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which it appears.

DEFINITIONS

The following definitions apply throughout this document and in the accompanying Form of Proxy and (if one is enclosed) Election Form, unless the context requires otherwise:

“2009 Option Plans”	the Capricorn Energy PLC Approved Share Option Plan (2009) and the Capricorn Energy PLC Unapproved Share Option Plan (2009);
“2017 LTIP”	the Capricorn Energy PLC Long Term Incentive Plan (2017);
“2021 AGM”	the annual general meeting of the Company held on 11 May 2021;
“ADR”	American depositary receipt;
“ADS”	American depositary share;
“AGM”	annual general meeting;
“AGM Buyback Authority”	the existing general and unconditional authority of the Company to make market purchases of up to 49,926.765 Ordinary Shares granted by Shareholders by resolution 16, passed at the 2021 AGM;
“Articles of Association”	the articles of association of the Company from time to time;
“Average VWAP”	the arithmetic average of the Daily VWAPs for the Trading Days comprising the Relevant Trading Period, as determined by Morgan Stanley (acting reasonably and on the basis of industry standard metrics and information);
“Board” or “Directors”	the board of directors of Capricorn from time to time, or, where appropriate, any duly authorised committees of it;
“Business Day”	a day (not being a Saturday, Sunday or public holiday) on which the banks are open for normal banking business in London;
“Capricorn Share Schemes”	the 2009 Option Plans, the Capricorn Energy PLC Long Term Incentive Plan (2009), the SIP, the Capricorn Energy PLC Employee Share Award Scheme (2015) and the 2017 LTIP;
“Closing Date”	5 April 2022 or such other date as may be determined in accordance with paragraph 2.24 of Part IV (<i>Details of the Tender Offer</i>) of this document;
“Companies Act”	the Companies Act 2006 (as amended);
“Company” or “Capricorn”	Capricorn Energy PLC (formerly Cairn Energy PLC), a company incorporated in Scotland with registered number SC226712;
“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;
“CTA 2010”	Corporation Tax Act 2010;

“Daily VWAP”	the daily volume-weighted average price per Ordinary Share for a particular Trading Day as derived from the trading in the Ordinary Shares on the Main Market on the relevant Trading Day and taken from Bloomberg page VWAP (or such other Bloomberg page that may replace it from time to time) with Custom Condition Codes referencing all electronically matched trades automatically executed on the Main Market, including all trades executed during the opening and closing auctions on the Main Market but excluding any off-order book transactions (and where any such matters require the exercise of discretion, such discretion shall be exercised by Morgan Stanley (acting reasonably and on the basis of industry standard metrics and available information));
“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;
“Eligible Shareholders”	Shareholders other than those with a registered address in any of the Restricted Jurisdictions;
“Equiniti”	Equiniti Limited, a limited company incorporated in England and Wales with registered number 6226088 and having its registered office at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA;
“Escrow Agent”	Equiniti, in its capacity as escrow agent;
“Euroclear”	Euroclear UK & International Limited (formerly Euroclear UK & Ireland Limited), the operator of CREST;
“FCA”	the Financial Conduct Authority of the United Kingdom;
“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 50 Lothian Road, Edinburgh EH3 9BY at 10.00 a.m. on 25 March 2022, notice of which is set out at the end of this document;
“Group”	the Company and its subsidiary undertakings;
“Guaranteed Entitlement”	has the meaning given to that term in paragraph 5.4 of Part I (<i>Letter from the Chair of Capricorn Energy PLC</i>) of this document;
“Indian Tax Refund”	has the meaning given to that term in the introduction to Part I (<i>Letter from the Chair of Capricorn Energy PLC</i>) of this document;
“INR”	Indian Rupees;
“ISA”	UK individual savings account;
“ISIN”	International Security Identification Number;
“Issued Ordinary Share Capital”	the Company’s issued ordinary share capital, excluding any shares held in treasury;
“ITA 2007”	Income Tax Act 2007;

“J.P. Morgan Cazenove”	J.P. Morgan Securities plc (which conducts its UK banking business as J.P. Morgan Cazenove);
“Latest Practicable Date”	3 March 2022, being the latest practicable date prior to the publication of this document;
“Listing Rules”	the listing rules made by the FCA for the purposes of Part VI of FSMA from time to time;
“London Stock Exchange”	London Stock Exchange plc;
“Main Market”	the main market for listed securities maintained by the London Stock Exchange;
“Market Abuse Regulation”	Regulation (EU) 596/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018;
“Maximum Price”	an amount (in pence per Ordinary Share) equal to Average VWAP plus an amount equal to five per cent. of Average VWAP (rounded down to the nearest whole penny);
“Minimum Price”	an amount (in pence per Ordinary Share) equal to Average VWAP (rounded down to the nearest whole penny);
“Morgan Stanley”	Morgan Stanley & Co. International plc;
“New Ordinary Shares”	the ordinary shares in the capital of the Company following any Share Consolidation;
“Official List”	the official list maintained by the FCA for the purposes of Part VI of FSMA;
“Ordinary Shares”	ordinary shares with a nominal value of $2\frac{1}{13}$ pence each in the capital of the Company currently admitted to the premium segment of the Official List under the ISIN GB00BN0SMB92 (or, where the context requires, with such other nominal value as an ordinary share in the Company may have following any Share Consolidation);
“Panel”	the Panel on Takeovers and Mergers;
“PRA”	the Prudential Regulation Authority of the United Kingdom;
“Price Range”	has the meaning given to that term in paragraph 5.2 of Part I (<i>Letter from the Chair of Capricorn Energy PLC</i>) of this document;
“Receiving Agent”	Equiniti;
“Record Date”	the record time for the Tender Offer, being 6.00 p.m. on 5 April 2022 (or such other time as the Directors may determine);
“Register of Members”	the register of members of the Company;
“Registrar”	Equiniti;
“Regulatory Information Service”	a regulatory information service as defined by the Listing Rules;
“Relevant Trading Period”	the period of five Trading Days up to and including the Closing Date;
“Resolutions”	the Resolution 1 and Resolution 2 to be proposed at the General Meeting, as set out in the notice of General Meeting, which is set out at the end of this document;

“Restricted Jurisdictions”	Australia, Canada, Japan, New Zealand, the Republic of South Africa and the Republic of Ireland and any country, region or territory which is the subject of any comprehensive Sanctions (including, in each case and without limitation, Cuba, Iran, North Korea, Syria, Russia, the Crimea Region of Ukraine, the so-called Donetsk People’s Republic and the so-called Luhansk People’s Republic);
“Return of Value”	the proposed return to Shareholders of approximately US\$500 million through the Tender Offer and, if applicable, a Special Dividend;
“Rothschild & Co”	N. M. Rothschild & Sons Limited;
“Sanctions”	any sanctions administered or enforced by the U.S. Government, (including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State and including, without limitation, the designation as a “specially designated national” or “blocked person”), the United Nations Security Council, the European Union, Her Majesty’s Treasury, or other relevant governmental or regulatory authority, institution or agency which administers economic, financial or trade sanctions;
“Share Buyback Programme”	has the meaning given to that term in paragraph 7 of Part I (<i>Letter from the Chair of Capricorn Energy PLC</i>) of this document;
“Share Consolidation”	has the meaning given to that term in paragraph 6 of Part I (<i>Letter from the Chair of Capricorn Energy PLC</i>) of this document;
“Shareholders”	holders of Existing Ordinary Shares or New Ordinary Shares, as the context may require;
“SIP”	The Capricorn Energy PLC 2010 Share Incentive Plan;
“Special Dividend”	has the meaning given to that term in paragraph 6 of Part I (<i>Letter from the Chair of Capricorn Energy PLC</i>) of this document, and such term shall, if a series of such dividends are to be paid, mean each such dividend;
“Strike Price”	the per share price at which Morgan Stanley will purchase Ordinary Shares pursuant to the Tender Offer, which will be determined in accordance with the provisions set out in Part IV (<i>Details of the Tender Offer</i>) of this document and which in any event shall not exceed £10;
“Strike Price Tender”	has the meaning given to that term in paragraph 5.2 of Part I (<i>Letter from the Chair of Capricorn Energy PLC</i>) of this document;
“Takeover Code”	the City Code on Takeovers and Mergers;
“Tender Form”	the tender form issued with this document to Eligible Shareholders who hold their Ordinary Shares in certificated form;
“Tender Offer”	the invitation by Morgan Stanley to Shareholders to tender Ordinary Shares for purchase by Morgan Stanley on the terms and subject to the conditions set out in this document and also, in the case of certificated Ordinary Shares only, the Tender Form;
“Trading Day”	any day on which the Main Market is scheduled to open for trading during normal market hours;
“TTE Instruction”	a transfer to escrow instruction (as defined by the CREST Manual);

“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“Unconditional Date”	the date on which the Tender Offer becomes unconditional, which is expected to be 6 April 2022;
“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;
“US Exchange Act”	the US Securities Exchange Act of 1934, as amended from time to time
“US Securities Act”	the US Securities Act of 1933, as amended from time to time;
“US Shareholder”	has the meaning given to that term in Part VI (<i>Taxation</i>) of this document;
“Value Limit”	the notional GBP amount that the Company would receive if it exchanged US\$500 million for GBP on the Business Day immediately prior to the Closing Date (as determined by the Company in its discretion); and
“VWAP”	volume weighted average price of the Ordinary Shares.

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 50 Lothian Road, Edinburgh EH3 9BY at 10.00 a.m. on 25 March 2022 for the purposes of considering and, if thought fit, passing the resolutions set out below, of which Resolution 1 will be proposed as a special resolution and Resolution 2 will be proposed as an ordinary resolution.

Unless otherwise defined herein, capitalised terms used in the following resolutions shall have the meaning ascribed to them in the Company’s circular to shareholders dated 7 March 2022 (the “**Circular**”) of which this notice forms part.

RESOLUTION 1: SPECIAL RESOLUTION

1. THAT, in addition to (i) the authority for the purpose of section 701 of the Companies Act 2006 (the “**Act**”) which was approved by special resolution passed at the annual general meeting of the Company held on 11 May 2021 and (ii) any authority pursuant to section 701 of the Act as may be approved at the annual general meeting of the Company in 2022, the Company be and is hereby generally and unconditionally authorised for the purposes of section 701 of the Act to make one or more market purchases (within the meaning of section 693(4) of the Act) of its own ordinary shares of $2\frac{1}{13}$ pence each in the capital of the Company (“ordinary shares”) pursuant to, for the purposes of, or in connection with a tender offer for ordinary shares on the terms and in accordance with the arrangements set out or referred to in the Circular (a copy of which is produced to the meeting and signed for identification purposes by the chair of the meeting) or otherwise as contemplated by arrangements set out or referred to in the Circular, provided that:
 - (A) the maximum number of ordinary shares hereby authorised to be purchased is 492,422,932;
 - (B) the minimum price, exclusive of all expenses, which may be paid for an ordinary share is the nominal value of an ordinary share;
 - (C) the maximum price, exclusive of all expenses, which may be paid for an ordinary share is £10; and
 - (D) the authority conferred by this resolution shall expire on 31 December 2022, save that the Company may before the expiry of such authority make a contract to purchase ordinary shares which will or may be executed wholly or partly after such expiry and the Company may make a purchase of such ordinary shares after such expiry pursuant to such contract.

RESOLUTION 2: ORDINARY RESOLUTION

2. THAT, in connection with any Special Dividend paid or proposed to be paid by the Company, the Company and its directors be authorised to, on one or more than one occasion:
 - (A) (i) consolidate each of the ordinary shares from time to time in the capital of the Company into one or more (such number being at the discretion of the directors) ordinary shares in the capital of the Company (such share or shares being “intermediate share(s)”), and (ii) immediately after such consolidation, divide or sub-divide the intermediate share(s) into new ordinary shares in the capital of the Company of such nominal value as the directors may determine; or
 - (B) (i) sub-divide each of the ordinary shares from time to time in the capital of the Company into such number of ordinary shares in the capital of the Company as the directors may determine (such shares being “intermediate shares”), and (ii) immediately after such sub-division, consolidate the intermediate shares into new ordinary shares in the capital of the Company of such nominal value as the directors may determine,on the basis that:
 - (1) the directors shall have discretion to determine the record date and time by reference to which any such consolidation and/or division or sub-division shall take place;

- (2) the directors shall have discretion to make any arrangements which they consider necessary, appropriate or expedient (i) to deal with fractions, rounding or other practical problems or matters which may result from any such consolidation and/or division or sub-division, or (ii) for the purpose of giving effect to any such consolidation and/or division or sub-division; and
- (3) in particular and without prejudice to the general discretion of the directors under paragraph (2) above, where any such consolidation and/or division or sub-division would result in any shareholder being entitled to a fraction of a new ordinary share, such fraction shall, so far as possible, be aggregated with the fractions of a new ordinary share (if any) to which other shareholders of the Company would be similarly so entitled and the directors of the Company be and are hereby authorised to sell (or appoint any other person to sell) to any person all the new ordinary shares representing such fractions in the open market at the price prevailing at the time of sale to any person(s), and to distribute the proceeds of sale (net of expenses) in due proportion among the relevant shareholders who would otherwise be entitled to the fractions so sold, save that (i) any fraction of a penny (or equivalent) which would otherwise be payable shall be rounded up or down in accordance with the usual practice of the registrar of the Company and (ii) any due proportion of such proceeds that would pursuant to the foregoing fall for distribution to any shareholder which is an amount that is less than £3.00 (net of expenses) shall be retained by the Company (or, at the discretion of the directors, donated to charity) and the relevant shareholder shall not be entitled thereto (and in order to implement the provisions of this paragraph, any director (or any person appointed by the directors) shall be and is hereby authorised to execute one or more instrument(s) of transfer in respect of such new ordinary shares on behalf of the relevant shareholder(s) and to do all acts and things the directors consider necessary or desirable to effect the transfer of such new ordinary shares to, or in accordance with the directions of, any buyer of such new ordinary shares).

By Order of the Board

Anne McSherry
Company Secretary
50 Lothian Road
Edinburgh EH3 9BY

7 March 2022

Shareholder Notes:

1. As at 3 March 2022 (being the last practicable date prior to the publication of the circular of which this notice of General Meeting forms part), there are only limited restrictions on public gatherings in Scotland as a consequence of the COVID-19 pandemic. This means that Capricorn is able to facilitate the attendance of Shareholders in person at the General Meeting, although face coverings will be required to be worn indoors in line with current Scottish restrictions. Whilst attendance in person at the General Meeting is possible, in order to minimise public health risks, refreshments will not be served, and the Directors may not be available to meet with Shareholders, before or after the General Meeting. Should Shareholders wish to attend the General Meeting in person, they are requested to pre-register by sending an email to IR.Mailbox@capricornenergy.com. Shareholders are responsible for understanding and complying with any restrictions applicable to their own journey and should bear in mind that at the time of the General Meeting these rules may differ between different parts of the UK. Capricorn will continue to monitor the situation and, in particular, any changes to the applicable law or guidance in force as a consequence of the COVID-19 pandemic. If circumstances change such that it is necessary to change the arrangements for the General Meeting, Capricorn will communicate such change via its website and (where appropriate) through the release of an announcement to a Regulatory Information Service. Shareholders are therefore encouraged to check Capricorn's website and the latest Scottish and UK Government guidance before finalising their travel arrangements to attend the General Meeting.
2. 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 registrar, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA (the "**Registrar**") or received via the Sharevote service (see Note 3 below) or lodged using the CREST proxy voting service (see Note 4

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 Registrar on 0333-207-6505 (for calls from within the United Kingdom) and +44 333-207-6505 (for calls from outside the United Kingdom) between 8.30 a.m. and 5.30 p.m. Monday to Friday (excluding English and Welsh public holidays). Calls to +44 333-207-6505 from outside the United Kingdom are charged at applicable international rates.

3. 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.
4. 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 25 March 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.
5. 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 Registrar (ID RA19) by no later than 10.00 a.m. on 23 March 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.
6. 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.
7. You may appoint more than one proxy provided that each proxy is appointed to exercise rights attached to different Shares. You may not appoint more than one proxy to exercise rights attached to any one Share. To appoint more than one proxy, please contact the Registrar on 0333-207-6505 (for calls from within the United Kingdom) and +44 333-207-6505 (for calls from outside the United Kingdom) between 8.30 a.m. and 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. Calls from outside the United Kingdom are charged at applicable international rates.
8. 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.

9. 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 Shares.
10. 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 23 March 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 of the Company after the relevant deadline shall be disregarded in determining the rights of any person to vote at the meeting.
11. On 3 March 2022 (being the last practicable prior to the publication of this document), the Company's issued share capital comprised 495,518,171 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 6.00 p.m. on 3 March 2022 was 495,518,171. It is proposed that all votes on the Resolutions 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 (a) votes are counted according to the number of shares held and all votes tendered are taken into account, and (b) only a limited number of Shareholders may be able to attend the General Meeting in person as a result of the current COVID-19 pandemic. The results of the voting will be announced through a Regulatory Information Service and will be published on the Company's website, <http://www.capricornenergy.com>, as soon as reasonably practicable thereafter.
12. 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 <http://www.capricornenergy.com>.
13. 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. In view of the intention to hold the General Meeting as a closed meeting at which Shareholders are not permitted to attend in person, the Company will offer Shareholders the facility to ask questions before the General Meeting by email to IR.Mailbox@capricornenergy.com. 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.
14. 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.

