

9 January 2023

Palliser Capital (UK) Ltd  
Palliser House  
Palliser Road  
London  
W14 9EQ

Dear James

Thank you for your letters of 6<sup>th</sup> and 8<sup>th</sup> January.

Capricorn's Board is focused on delivering value for our shareholders and it was with that objective that we undertook a comprehensive review of strategic alternatives for the company, assisted by independent financial and legal advisors. As a result of that review of multiple options, we are recommending the proposed NewMed combination, which we believe will deliver maximum value to Capricorn shareholders.

After you issued your public presentation, we carried out a detailed review of your analysis and your proposed alternative value optimisation plan (with the assistance of independent financial and legal advisors) and met with you several times to discuss this. Following this detailed review and engagement, the Board concluded that the proposed NewMed combination would deliver more value to Capricorn shareholders than your plan. To provide all shareholders insight regarding our assessment of your alternative plan, we issued a detailed analysis of your plan on 5<sup>th</sup> January, including our concerns about some of its key assumptions and data.

We read with interest the statements in your letter of 6<sup>th</sup> January that the purpose of your requisitioned GM resolutions is to create "an opportunity to re-assess the merits and terms of the NewMed transaction" and evaluate it against the alternatives, rather than necessarily to implement your alternative plan as originally indicated in the materials you published on 19<sup>th</sup> December.

We are open to that path forward. We are ready to add a number of your nominees to the Board promptly and well before the general meetings – there is no need to wait until next month. We want to reiterate our offer to meet with your nominees immediately so that we can expeditiously complete our corporate governance processes. We also are prepared to sign confidentiality agreements with your nominees so that they can review additional information.

We stand ready to work together with you on this front. We believe there remains more than enough time to conduct our evaluation so that a number of your nominees, as directors of the company, can assess for themselves the strategic alternatives that have been explored by the Board and evaluate the body of information underpinning our recommendation of the Combination, but to achieve this we need your assistance as soon as possible (including providing contact information for your nominees).

We are proceeding to issue the required notice convening the general meeting requisitioned pursuant to your letter of 19 December 2022, a copy of which letter was deposited at the company's registered office on 21 December 2022. The requisitioned general meeting will be held on 1 February 2023, which falls within the period prescribed by Article 59 of the Company's articles of association. As set out in

**Executive Directors**

S.J. Thomson  
J.D. Smith

**Non-Executive Directors**

N.C.M. Giadrossi (Chair)  
K.G. Lough  
P.S. Kallos  
A.J. Wood  
C.L. Krajicek  
E.B. Daugbjerg  
L.A.G. Araujo



the notice, we will be holding a general meeting asking shareholders to approve the proposed combination with NewMed on or around the same date as the requisitioned general meeting. The Board believes this timing is in best interests of all shareholders in order to ensure that all of the relevant information is available to them to enable them to make a fully informed decision about the future of the company.

We look forward to hearing from you.

A handwritten signature in black ink, appearing to read 'Nicoletta Giadrossi', written in a cursive style.

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For and on behalf of the board of directors of Capricorn Energy PLC  
Nicoletta Giadrossi