

FOR IMMEDIATE RELEASE

25 January 2024

CAPRICORN ENERGY PLC (“Capricorn” or “the Company”)

Pre-close update

In advance of announcing its full-year results for the year to 31 December 2023 on 14 March 2024, Capricorn provides the following update on operations and trading performance together with guidance for 2024. This information is unaudited and subject to further review.

Randy Neely, Chief Executive, Capricorn PLC said:

“Capricorn enters 2024 having made significant progress on the key commitments set out in our strategic review: returning significant funds to shareholders, right-sizing the organisation, exiting non-core businesses and maximising the value of the Company’s remaining assets.

We continue to work to maximise the potential of our assets in Egypt, focusing on production optimisation and development opportunities to provide the best returns, and on deepening our relationships with our Partner, EGPC and the Egyptian Government. However, the pace at which this can be achieved must reflect the availability of funds generated in country.

We successfully amended our UK North Sea contingent payment arrangement late in the year with Waldorf Production UK, resulting in the key achievements of accelerated cash receipts and the acquisition of a cash flow generative non-operated asset in the UK Central North Sea.

Following the year end we also added deep financial and operational talent to our executive team with the appointment this month of Geoff Probert as COO, and Eddie Ok, who has agreed to take up the role of CFO.”

Corporate and Finance Highlights

- Financial performance for the year ended 31 December 2023
 - Revenues of \$202m; provisional entitlement sales volumes of 4.4 mmbœ (47% liquids), production costs of \$59m (\$5.4/boe) with average oil price of \$85.3boe and gas price of \$2.95/mmscf
 - Capex of ~\$120m
 - Net cash outflows of \$5m from Egypt operations, post capex
 - Group net cash of \$76m; comprising \$190m cash and \$114m debt

- Receivables of \$173m after expected credit loss adjustments
- Gross G&A of ~\$70m inclusive of restructuring costs
- Delivery on our shareholder return commitment set out in the strategic review, with \$550m paid to shareholders in 2023
- Solid progress with ongoing \$25m share buyback programme with ~\$18m repurchased at the end of 2023. Pace of the buyback is limited by reduced trading volumes
- \$48m payment received in December in settlement of UK contingent payment with a further \$24.5m to be received over the next 12 months
- Confirmation of Senegal FPSO sailing late December, an important milestone with respect to Capricorn's potential entitlement to a contingent payment of between US\$25m and US\$50m if first oil is achieved in the first half of 2024 and the average Brent oil price during the first six months of production exceeds the \$55/bbl or \$60/bbl thresholds contained in the sale and purchase agreement
- \$240k (\$100k from Capricorn) social investment programme delivered in partnership with EGPC, the AI Orman Association and supported by the Egyptian Ministry
- MSCI classification upgraded from AA to AAA status
- Exited legacy non-core exploration positions in Mauritania, Mexico and Suriname

Operational update

- FY 2023 WI Production of 30,222 boepd (47% liquids)
- Teen and Badr El Din (BED) LLP projects are now complete and beginning to ramp up

Outlook

- Capricorn is working with its Partner in Egypt to ensure the appropriate scale of rig fleet is deployed to enable effective exploitation of the asset base, in alignment with our strategic review commitments. At this time, drilling activity in Egypt is expected to be lower in 2024. This will support the delivery of the most efficient drilling campaign to optimise reservoir management and better align capital activity to accessible funds generated in country. While timing uncertainty around collections continues, the Company is managing its Egyptian business obligations and expects to collect the amount outstanding in full
- Once there is clarity around availability of funds in country, Capricorn will be able to provide an approved budget to define its 2024 capex, opex and production guidance. In the absence of development drilling, average production is expected to decline by 20-30% over the year
- The Company is currently committed to spend ~ \$10m in 2024 comprising up to five non-operated exploration wells, including activity to de-risk the potentially extensive Abu Roash F unconventional play. At this time the Company intends to seek at least a partial deferment of these expenditures into 2025 from EGPC
- Capricorn expects to complete acquisition of 25% WI in the Columbus gas condensate field in Q1/24

- The Company is currently seeking to defer amounts due under its remaining obligations on the acquisition of its Egyptian assets

Egypt Production

WI production in 2023 across the four main concession areas of Obaiyed (Capricorn 50% WI), BED (Capricorn 50% WI), North East Abu Gharadig (Capricorn 26% WI) and Alam El Shawish West (Capricorn 20% WI) averaged 30,222 boepd (47% oil) for the year. As previously disclosed, this was below the low end of the original FY23 32-36,000 boepd guidance, largely impacted by the timing of the delivery of key projects at Teen and in the BED area, along with lower than expected contributions from new wells.

Drilling activity at the end of 2023 was focused on the Abu Roash reservoir targets in the Badr El Din concession, where continued step-out and delineation wells have seen positive results. In both the BED15 and BEDC6 fields we saw reservoir net pay outcomes at the higher end of expectations, also extending the limit of the fields. Incremental step-out drilling on these fields is an area of success for Capricorn since acquisition. These wells will now be tested ahead of coming online in Q1/24. Results will now be integrated into field models to inform future development activity.

A number of facilities projects were completed towards the end of 2023 at BED, Teen and Karam. These projects focused on optimising gas production with compression and low-pressure production optimisation, with production impact to be assessed in Q1/24. There are no major projects planned in 2024.

Egypt Exploration

Capricorn has a non-operated participation in three exploration concessions in the Western Desert. The Company is working with its Partner to negotiate with EGPC an extension to the concession timeline, allowing a partial deferment of some of this exploration activity into at least 2025.

Notwithstanding the intent to seek a partial deferment, once the Company has clarity on the availability of funds from Egypt operations in 2024, exploration activity is expected to include: i) up to three wells in the West El Fayoum (WEF) concession in H1/24 to meet the original minimum work obligation; ii) a work programme to de-risk and develop our understanding of the emerging unconventional Abu Roash F formation; iii) a well in the South East Horus concession targeting the Rizk NW opportunity, a structure offset from an existing field; and iv) drilling activity commencing towards the end of 2024 in the North Um Baraka concession, where there is a two well commitment. Prospect selection will follow the receipt of 3D seismic data in early 2024.

UK North Sea Contingent Payment Settlement

In Q1/24, Capricorn expects to complete its acquisition of Waldorf's 25% non-operated WI in the Columbus gas field located in the UK Central North Sea. The interest will be transferred into an existing

Capricorn UK subsidiary and should deliver consistent cash flows from a 1 January 2024 effective date, with approximately 80% of production exposed to the UK gas price. In addition, the acquisition of the Columbus field allows the Company to maintain its presence in the UK North Sea where it has been active over the last decade through continuous exploration and production activities. As part of the settlement, Capricorn received \$48m in December with a further \$24.5m to be paid over the next 12 months. The Company continues to explore ways of creating value for shareholders in the UK North Sea.

Senegalese Tax Authority Notice Update

Further to our announcement of 15 November 2023, the Senegalese Tax Authority has now agreed that real estate capital gains tax (\$14.5m including interest and penalties originally claimed) was not due on the sale of our interests to Woodside Energy. However, the tax process is ongoing with respect to the matter of Senegalese registration duty (\$29.3m including interest and penalties). Capricorn's position remains that no Senegalese registration duty is payable, based on analysis at the time of the transaction, and will continue to vigorously defend its position on this matter.

CFO & COO Appointment

We have recently strengthened the executive team in 2024 by welcoming our new Chief Operating Officer, Geoff Probert and Chief Financial Officer, Edward Ok. These appointments bring deep industry experience and strong relationships in Egypt, coupled with strategic, financial and operational leadership to drive the delivery of profitable growth as the business evolves.

Ends

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Capricorn Energy

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

For more information on Capricorn visit: <https://www.capricornenergy.com>

Glossary

| | |
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| boe | barrels of oil equivalent |
| boepd | barrels of oil equivalent per day |
| bbl | barrel of oil |
| FPSO | floating production storage and offloading vessel |
| k | thousand |
| LLP | low low pressure |
| m | million |
| mmboe | million barrels of oil equivalent |
| mmscf | million standard cubic feet |
| WI | working interest |