



Presentation of 2022 Full Year Results and Strategic Review Update

27th April 2023



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Capricorn

Overview

Craig van der Laan
Chair



Introducing the new Board



Craig van der Laan
Independent
Non-Executive Chair



Chris Cox
Interim Chief Executive



Hesham Mekawi
Independent
Non-Executive Director



Richard Herbert
Senior Independent Director



Maria Gordon
Independent
Non-Executive Director



Tom Pitts
Independent
Non-Executive Director



Catherine Krajicek *
Independent
Non-Executive Director



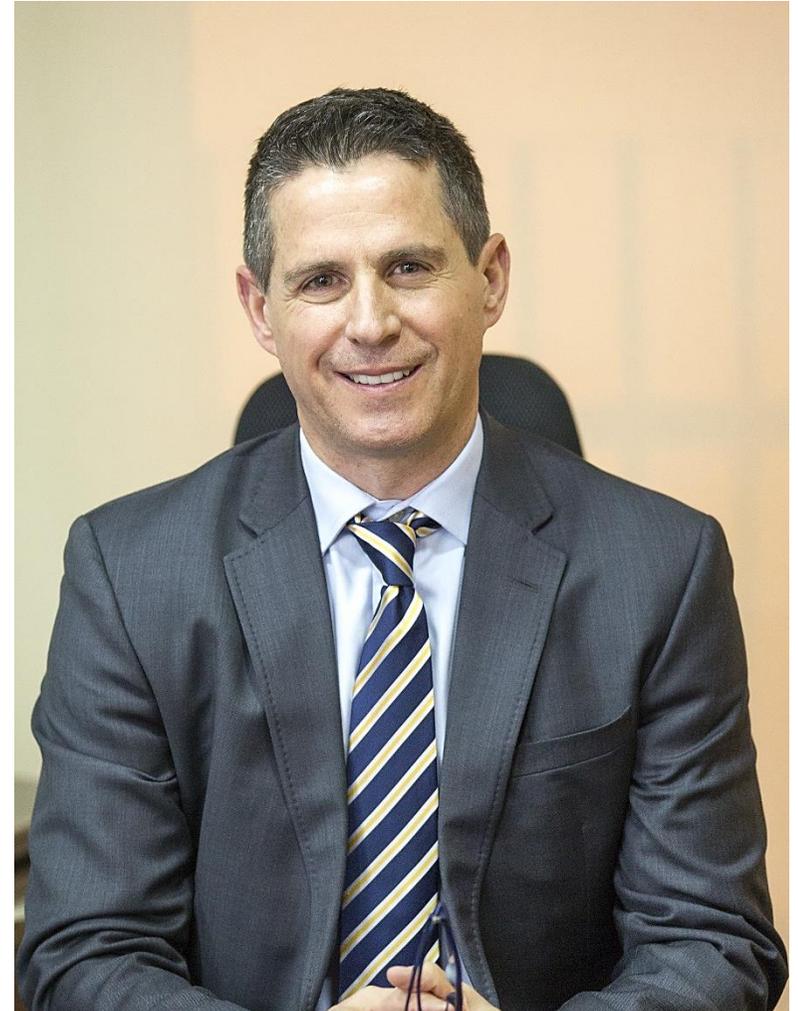
Erik B. Daugbjerg *
Independent
Non-Executive Director

* Catherine Krajicek and Erik B. Daugbjerg will retire from the Board at the Capricorn 2023 AGM

New Chief Executive

Randy Neely joins Capricorn on 1 June 2023

- Previously President and CEO of TransGlobe Energy Corporation; a very successful Egypt-focused business, including assets in the Western Desert
- Highly experienced industry leader, delivering high-performing operations in Egypt
- Background of successful strategic execution, knowledge of host country and a track record of effectively managing relationships to deliver results
- Randy led negotiations which resulted in an amended, extended and consolidated Production Sharing Contract with EGPC in Egypt
- Creating shareholder value; leading merger between TransGlobe and VAALCO Energy



2022 in Review

India Tax Refund

- Resolution of Indian tax dispute
- Tax refund of **US\$1.06bn** received February 2022

Shareholder Returns

- **US\$529m** returned to shareholders via tender offer and share buyback programme

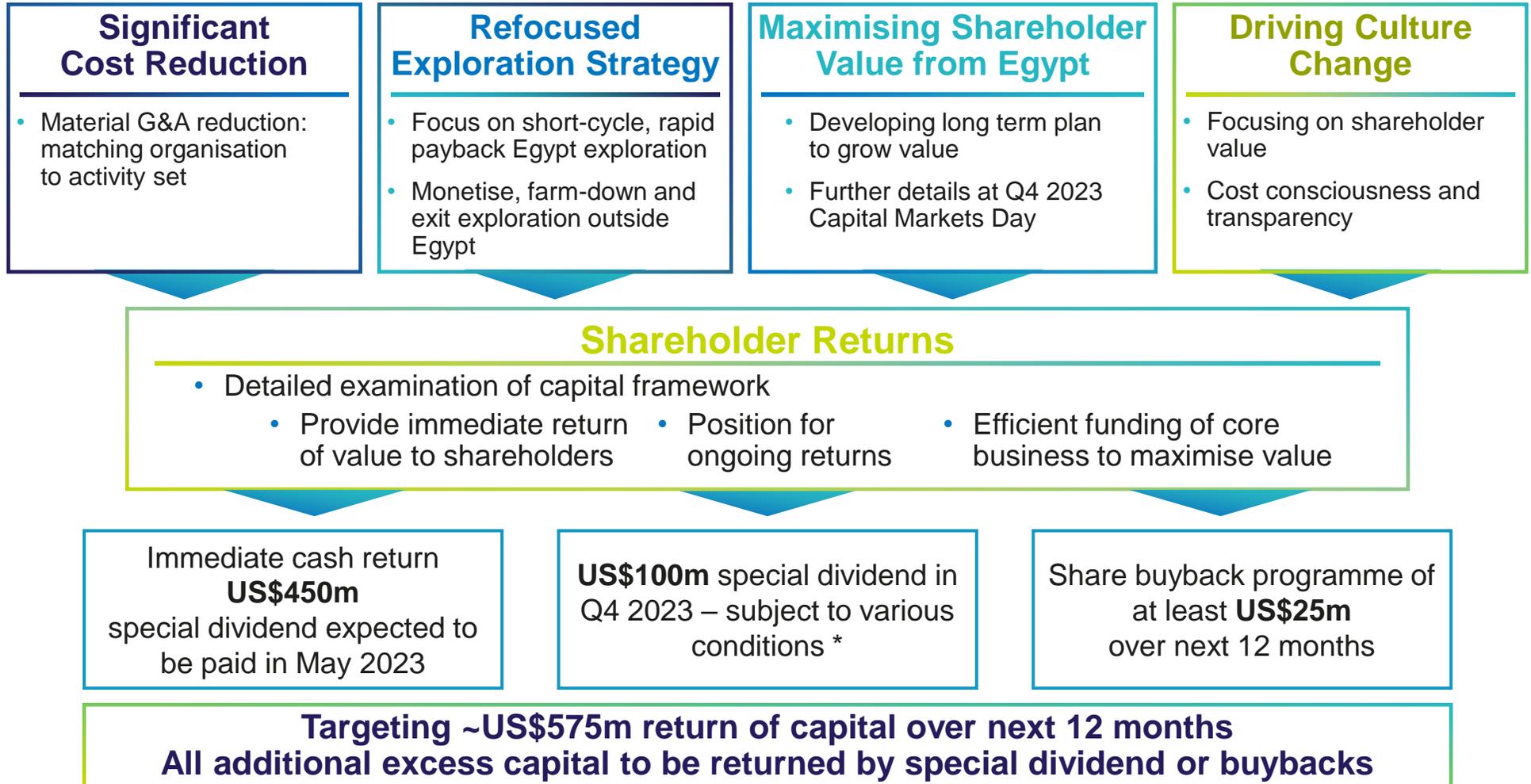
Corporate Activity

- Tullow combination: Announced 1 June 2022; terminated 28 October 2022
- NewMed combination: Announced 29 September 2022; terminated 15 February 2023
- New board appointed 1 February 2023; strategic review significantly advanced

Year End Cash

- Year end gross cash of **US\$757m**
- Year end net cash of **US\$597m** after debt drawn of **US\$160m**

Strategic Review Priorities: First 85 Days



* The US\$100m special dividend in Q4 2023 is dependent on a number of factors including: addressing our receivables position in Egypt; the outcome of conversations with stakeholders in Egypt around licence extensions and renegotiation of terms; actual oil and gas prices outcomes for the remainder of 2023; and the conclusions of our strategic review as it relates to further cost actions and future investment in the Egypt business

Work in Progress – Updates to Come

- Receivables position in Egypt
- Egypt licence extensions and renegotiation of terms
- Potential to address trapped cash
- Review of business plan for Egypt
- Final conclusions of strategic review
- Capital Markets Day in Q4 2023

Agenda

2022 Update and 2023 Guidance

Clare Mawdsley – Acting CFO

Nathan Piper – Commercial Director

Strategic Review Update

Nathan Piper – Commercial Director

Capital Return and Summary

Craig van der Laan – Chair



2022 Update and 2023 Guidance

Clare Mawdsley
Acting CFO

Nathan Piper
Commercial Director

2022 Financial Performance*

Production

- 2022 production: ~34,200 boepd average WI production
- 42% of production in respect of liquids

Revenue

- 2022 revenues from Egypt production: US\$229m
- 79% of revenue generated from liquids production
- 2022 realised oil price: US\$98.8/boe; realised gas price: US\$2.9/mscf

Opex

- 2022 Egypt production costs: US\$71m / ~US\$5.7/boe

Capex

- 2022 Egypt D&P capex: US\$79m; including US\$7m appraisal / NFE (Near Field Extension)
- 2022 E&A capex: US\$83m, principally in the UK, Egypt and Mexico

Cash Flow

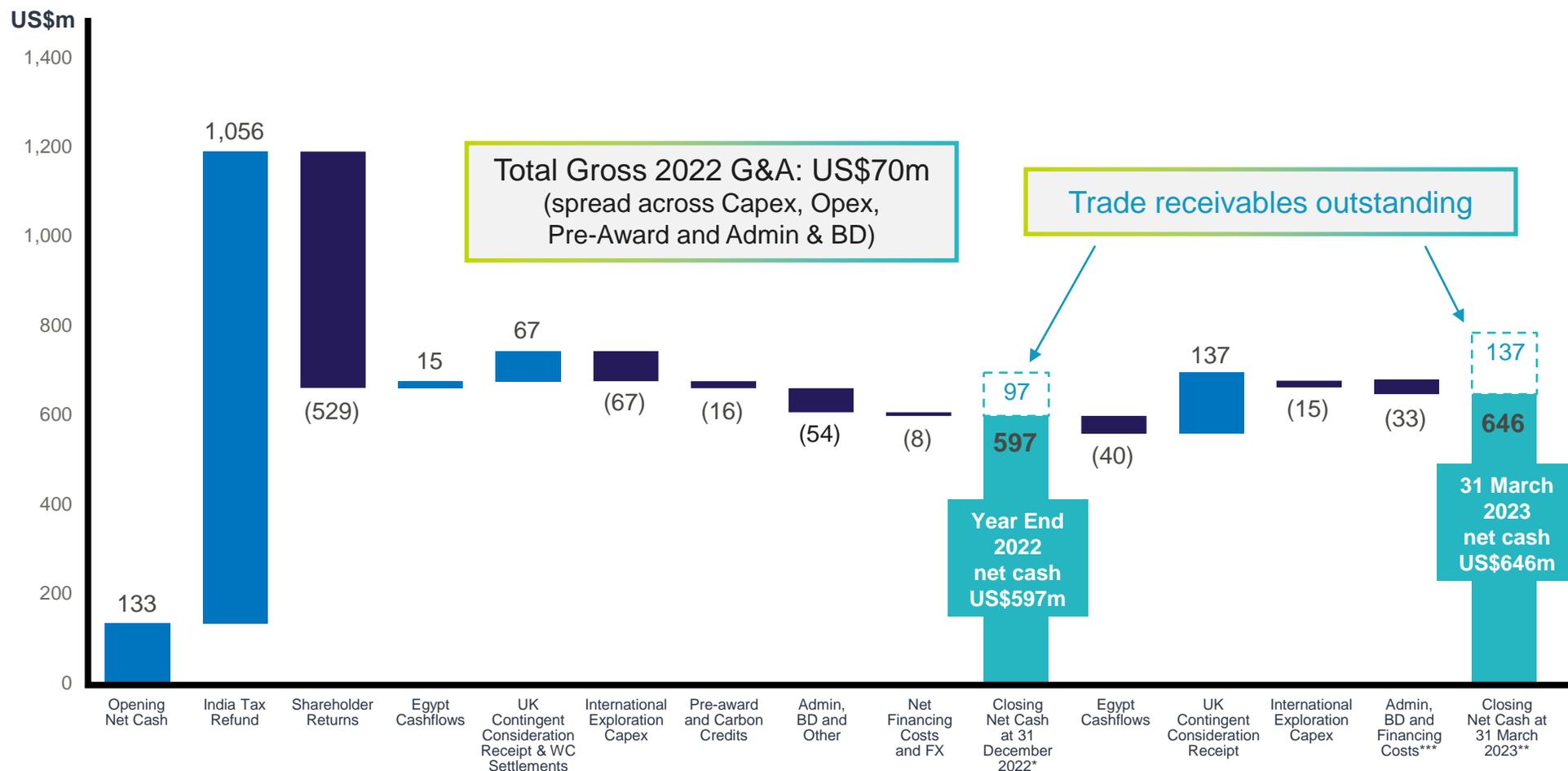
- 2022 Egypt gross profit**: US\$158m
- 2022 net cash inflow from Egypt oil and gas production***: US\$129m
- Year end trade receivables of US\$97m, of which US\$66m due for payment

* Figures stated represent final year end audited numbers and supersede information provided in February 2023 trading update

** Before tax gross-up, depletion and contingent consideration

*** Before contingent consideration payment

2022 / Q1 2023 Cashflows



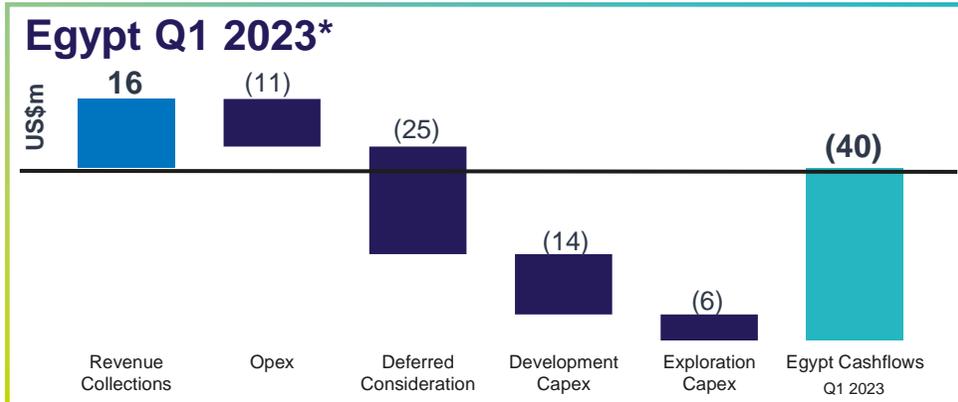
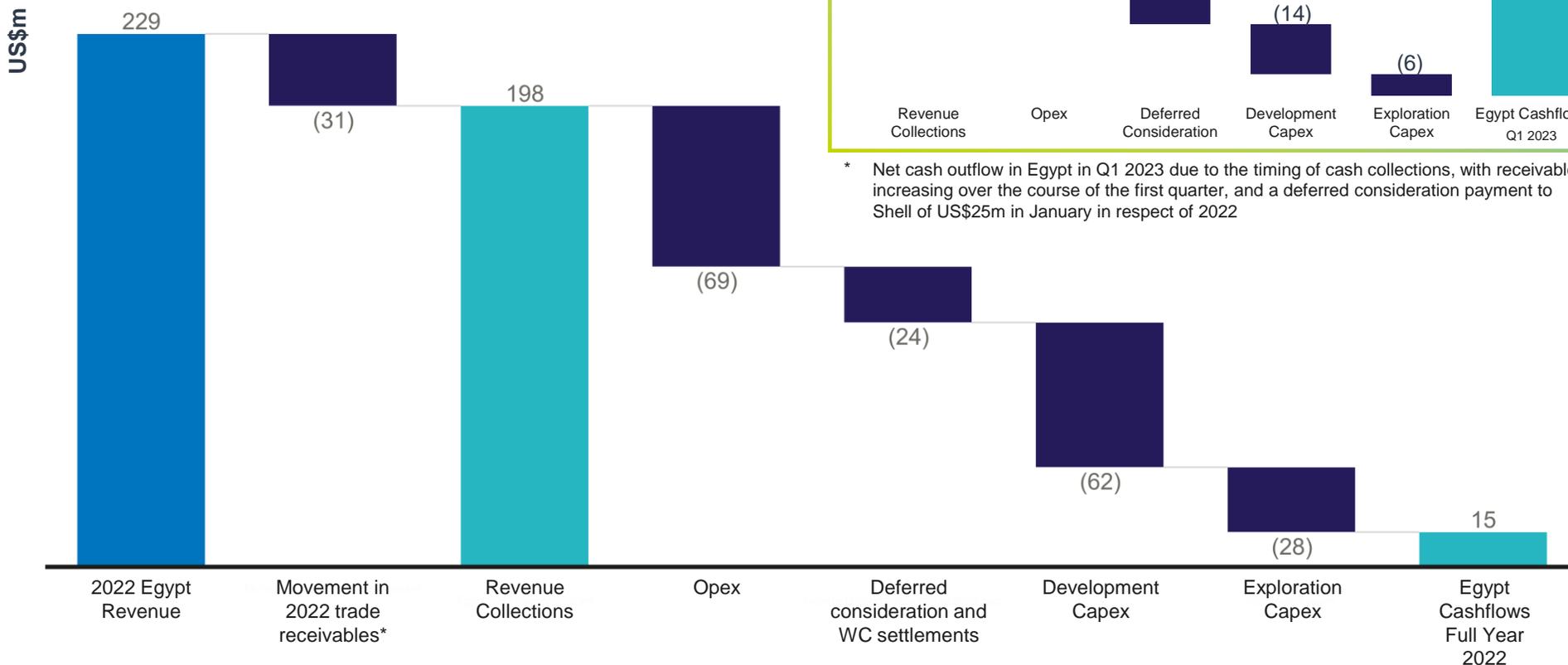
* Gross cash at 31 December 2022 US\$757m before Egypt debt drawn of US\$160m

** Gross cash at 31 March 2023 US\$798m before Egypt debt drawn of US\$152m

*** Includes NewMed deal costs US\$10m

Egypt Cashflows 2022 / Q1 2023

Egypt Cashflows 2022



* Net cash outflow in Egypt in Q1 2023 due to the timing of cash collections, with receivables increasing over the course of the first quarter, and a deferred consideration payment to Shell of US\$25m in January in respect of 2022

* Balance sheet receivables increase of US\$34m less US\$3m non-cash adjustment to acquisition working capital balances

Restricted Cash and Conditions

- As at 31st March 2023 gross cash of US\$798m includes restricted cash of US\$13m outside Egypt and a US\$22m cash balance in Egypt (restricted due to debt covenants)
- Restricted cash balances in Egypt can be used freely to grow the business in country:
 - Debt service
 - General running costs
 - Capex and opex spend in respect of the Egypt producing licences
 - However, it cannot be freely distributed to the wider group unless the distribution conditions are satisfied (as defined below)
 - Under the RBL facility, to be able to make such distributions a minimum debt-service coverage ratio of 1.25:1 and a 12 month forward-looking liquidity test must be satisfied
- At 31st March 2023 the amount drawn under the Senior RBL facility was US\$112m

2023 Full Year Guidance

Production	<ul style="list-style-type: none"> • Overall Production (WI)* • Oil & Condensate (WI)* • Gas Production (WI)** 	<p>32,000 – 36,000 boepd</p> <p>14,000 – 16,000 boepd</p> <p>100 – 112 mmscf/d</p>
Opex	<ul style="list-style-type: none"> • Full year opex guidance 	<p>~US\$5-7/boe</p>
Capex	<ul style="list-style-type: none"> • Egypt Development & Production <ul style="list-style-type: none"> • Multiple rig programme in 2023 (drilling: 50-60% of total D&P capex) and Teen pilot project • Egypt Exploration <ul style="list-style-type: none"> • Commitment wells targeted at sustaining the resource base over time • International Exploration*** <ul style="list-style-type: none"> • Including ~US\$25m costs associated with Mexico including Yatzil well drilled Q1 2023: final international commitment well outside Egypt 	<p>US\$100-\$120m</p> <p>~US\$25m</p> <p>Up to US\$30m</p>

* Working interest reflects Capricorn's equity interest in the licences before reduction of production share owed to the Egyptian Government

** Sales gas is ~90% of WI volume

*** Minimising exploration spend in 2023; no committed International exploration spend in 2024



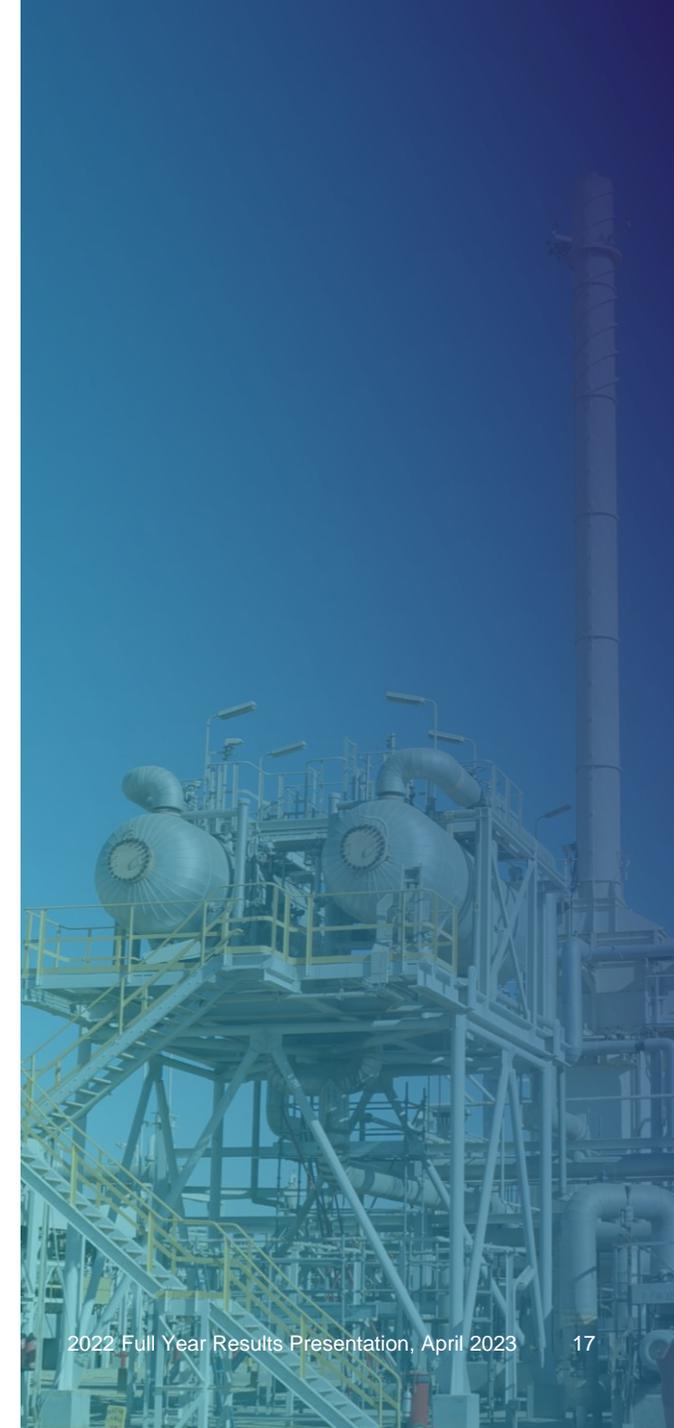
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Strategic Review Update

Nathan Piper
Commercial Director

Cost Reduction – Initial Conclusions

- Matching cost base to activity set on an ongoing basis
- Identified G&A reduction of at least US\$35m
- >50% reduction on 2022 spend
 - Central costs
 - UK headcount reduction:
Reducing from ~160 to ~40 employees
 - Rationalised senior management positions
- One-off restructuring costs offset by 2023 saving
- Lean HQ supporting Egypt
- New office move cancelled



Initial G&A Savings Identified to Date

G&A savings of at least US\$35m (>50% of 2022 gross G&A spend) have been identified:

- Full impact of benefit in 2024
- 2023 costs to be inline with 2022: cost savings offset by restructuring and transition costs in year
- UK headcount consultation process ongoing
- Continuing to be sharply focused on cost

	2022 (US\$m)	Post 2023 Run Rate* (US\$m)	Minimum Cash Saving* (US\$m)
UK			
People Costs	35.1	13.6	21.5 (61%)
Professional Fees & Consultancy	7.6	5.9	
Office Costs	3.7	1.1	
Information Systems & Data Management	11.3	5.0	
Other Administrative Expenses	4.4	1.7	
Total UK gross office costs	62.1	27.3	34.8 (56%)
Egypt gross office costs	5.4	7.7	
Mexico gross office costs	2.2	0.0	
Other gross office costs	0.3	0.0	
Total gross G&A**	70.0	35.0	35.0 (50%)

* Represents maximum forecast G&A resulting in a cash saving of at least US\$35m (50%)

** Total gross G&A on a cash basis, excluding depreciation and share based payments
Gross G&A is allocated across opex, capex, pre-award and admin expenses after JV partner recoveries in respect of operated assets

Exploration – Refocus Strategy on Egypt; Minimal International Spend

Focus on rapid payback, lower cost onshore Egypt

- Lower capital
- Energy hungry market
- Matches organisational capability
- Satisfy existing exploration commitments

Monetise, farm-down or exit rest of portfolio

- Mauritania (90% WI) / Suriname (100% WI)
 - Prospective blocks in prolific new basins
 - Seeking partners for full carry on next phase of activity to maintain optionality
- Mexico
 - Exit Mexico
- UK North Sea
 - Process commenced for potential sale of UK assets
- Exploration organisation
 - Minimise G&A with Egypt team based in Cairo and small support team in Edinburgh

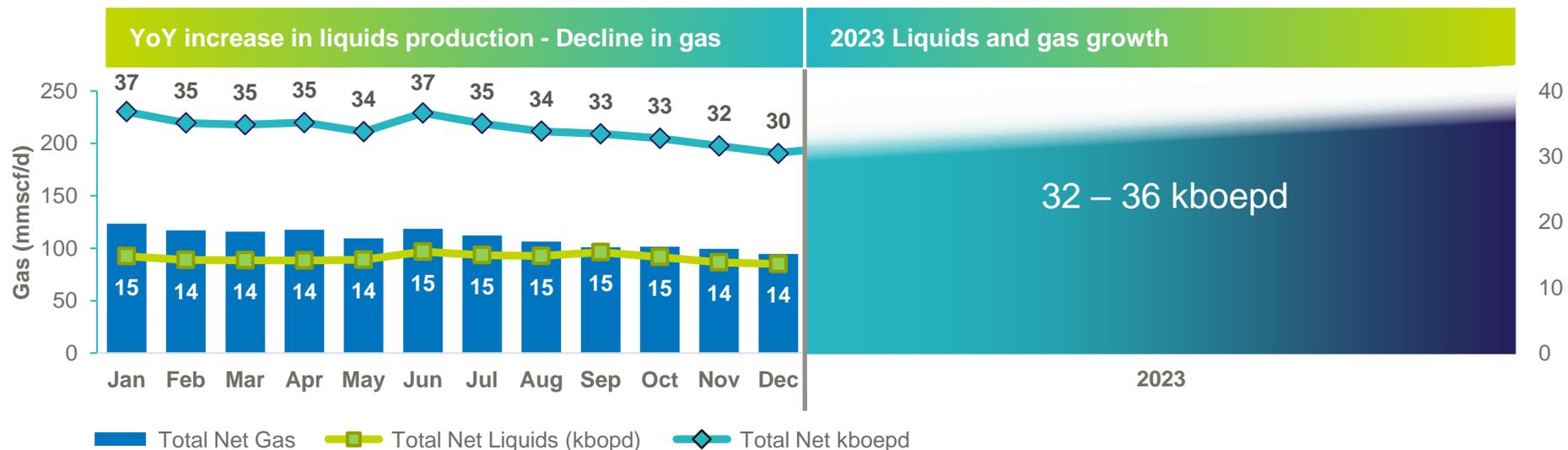
Egypt – Initial Observations

- Advantaged asset base in an energy hungry domestic and regional market
 - Supportive jurisdiction for oil and gas development
 - Low cost onshore production
 - Diversified portfolio
 - Development and short-cycle exploration growth potential
- Value optimisation
 - Appraisal / NFE success in 2023
 - Targeting liquids production growth
 - Operational efficiency and five rig development drilling schedule
 - Significant 2C contingent resource prize: potential to double reserves base
- Next steps
 - Address receivables and restricted cash
 - Build relationships
 - Optimise cash consumption and returns



Egypt – 2023 Production Forecast: Targeting Growth

2022 Actuals and 2023 Production Forecast



Plan for Growth in 2023

- Targeting ~20% production increase YE2022 exit to YE2023 exit
- 5 rigs dedicated to D&P and appraisal / NFE wells
- 42 wells; 20 oil producers, 5 gas producers, 9 water injectors and 8 appraisal / NFE
- Further additions to 2P liquids by appraisal / NFE drilling and delivering new projects

2023 Guidance

	Liquids (bopd)	Gas (mmscf/d)	BOE (kboe)
Low	14,000	100	32
Mid	15,000	106	34
High	16,000	112	36

Egypt – 2022 Reserves and Upsides: Material Future Upside Identified

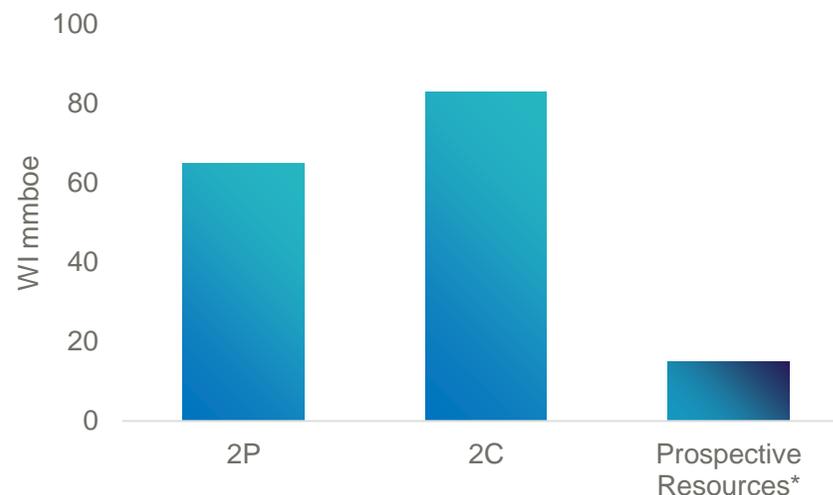
2P Reserves ~65 mmboe (WI) / 27.2 mmboe (EI)

- Reserves at year-end 2022 after -4.7 mmboe production and -5.5 mmboe technical revisions
- Increase in liquids +0.7 mmboe (EI) primarily due to drilling activity in BED concession
- Decreased gas reserves -6.1 mmboe (EI) primarily due to Obaiyed and AESW production performance, but opportunity for 2C to 2P upgrades
- Opportunity to add reserves from improved reservoir management and drilling technology

Large 2C resources opportunity ~83 mmboe

- Licence extensions required ~10 mmboe (WI)
- Tight gas resources: require new terms to unlock ~40 mmboe (WI)

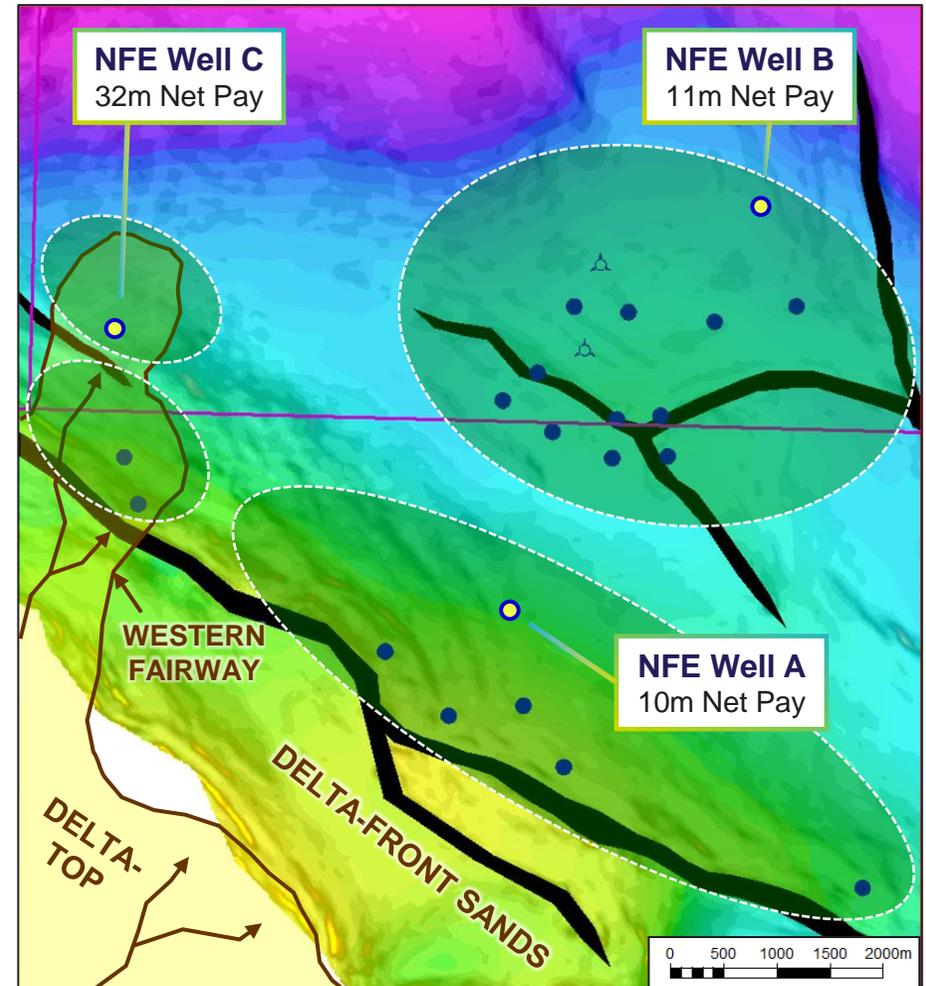
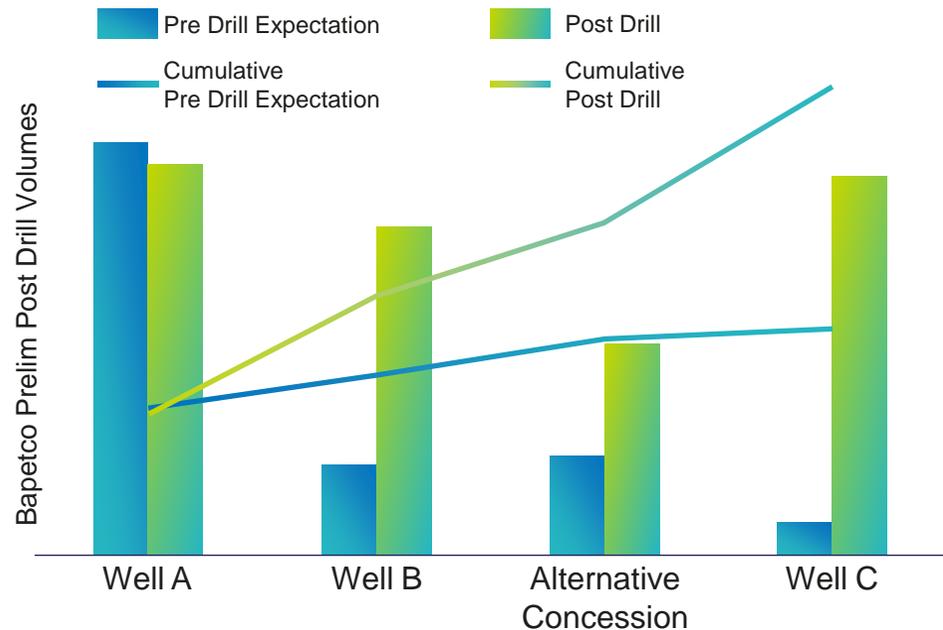
	2P Reserves (mmboe)		2C Contingent Resources (mmboe)	
	Working Interest	Net Entitlement	Working Interest	Net Entitlement
Opening Balance at 1 Jan 2022	91.0	37.4	70.2	28.7
Production	-12.5	-4.7	0.0	0.0
Technical Revisions	-13.5	-5.5	12.4	6.1
Closing Balance at 31 Dec 2022	65.0	27.2	82.6	34.8



* Committed exploration wells in Egypt

2023 Near Field Extension – Surpassing Pre-drill Expectations

- Early year 2023 appraisal / NFE Wells exceeding expectations and reserve additions to be quantified at year end
- Pay encountered at multiple levels in new wells
- Encountering untapped deeper oil
- Competitive short-cycle returns



Egypt – Key Priorities

Stronger Cash Flow

- Firmly establish Egypt as a business providing stronger cashflows to the Group

Production Growth

- Grow liquids, gas and boe production and strong reserves replacement for sustained growth

Optimisation of Capex and Capital Efficiency

- Sustainable improvements in drilling
- Project execution: first hydrocarbons from Teen pilot project
- Reach stable and high operational performance with increased activity levels
- Technology improvements in reservoir management and drilling

Progress Enhanced Terms

- Progress the conversion of 2C to 2P by unlocking new concession terms and gas pricing



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Summary

Craig van der Laan
Chair

Summary

Initial Conclusions and Actions: First 85 Days

Significant identified G&A reduction to ensure ongoing cost base matched to activity set

Exploration to be focused on Egypt short-cycle, rapid payback opportunities

Clear plan to create a lean, high performing organisation focused on optimising Egypt operations and maximising shareholder value

Committed to shareholder returns: significant capital return announced today

~US\$575m Return of Capital

- Special dividend of ~US\$450m announced today
 - Expected to be returned to shareholders in May 2023
 - Company will seek to consolidate its share capital concurrent with the return
 - Circular, seeking shareholder approval, for the special dividend and share consolidation to be posted shortly
- US\$100m special dividend in Q4 2023 – subject to various conditions *
- Buyback of at least US\$25m to be effected over next 12 months
- Additional excess capital to be returned via buybacks or special dividends over time

* The US\$100m special dividend in Q4 2023 is dependent on a number of factors including: addressing our receivables position in Egypt; the outcome of conversations with stakeholders in Egypt around licence extensions and renegotiation of terms; actual oil and gas prices outcomes for the remainder of 2023; and the conclusions of our strategic review as it relates to further cost actions and future investment in the Egypt business

Egypt Western Desert

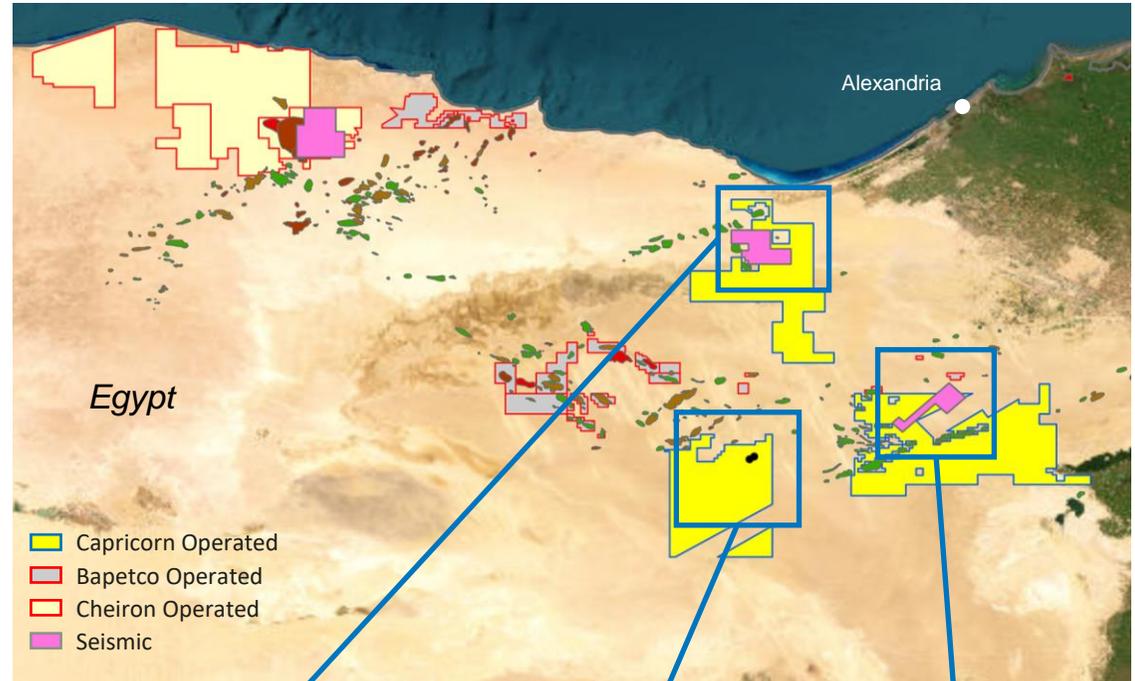
Information Pack:
FY 2022 Actuals and FY 2023 Guidance

April 2023



Egypt – Delivery of Drilling and Seismic Programme Commitments

- Six well campaign started across three operated concessions in 2023
 - Seman-1 drilling in SAS
 - Saqr-1 P&A with good sands but wet
- 1,500 km² of new wide azimuth broadband 3D seismic acquired in 2022
 - Ongoing processing, will de-risk future locations
- Diverse exploration portfolio across multiple basins
- Low-cost (Saqr-1X well cost <US\$3m), modest targets, near infrastructure; accelerating progress from discovery to production



South East Horus	South Abu Sennan	West El Fayium
<ul style="list-style-type: none"> • New 500 km² WAZ 3D seismic in processing • Sayadeya, Blaqawa wells to follow Seman-1 • Targeting 10 mmboc gross unrisks 	<ul style="list-style-type: none"> • Two well programme • Saqr-1 P&A • Seman-1 drilling • Targeting remaining 2.2 mmboc gross unrisks 	<ul style="list-style-type: none"> • 9.5 mmboc gross unrisks at Sabriyah next to Samra SE field with follow on potential • New 500 km² WAZ 3D seismic to de-risk 8 mmboc gross unrisks at Phoenix prospect

Egypt FY 2022 Production Actuals

2022 Production Actuals											
		Obaiyed	NUMB	North Matruh	BED	Sitra	NAES	NEAG Tiba	NEAG Ext.	AESW	TOTAL
Production											
Production/day - WI	boepd	10,629	1,013	0	11,017	4,660	97	903	1,327	4,583	34,228
Entitlement production/day	boepd	3,706	413	0	3,986	2,102	38	397	525	1,802	12,969
Opex											
Opex / boe	US\$/boe	3.0	3.6	0.0	6.0	7.6	7.2	11.0	18.6	4.9	5.7
Capex*											
Capex	US\$m	6.2	0.0	2.5	38.1	17.4	0.0	1.2	5.4	8.0	78.9
Total production oil versus gas											
Oil											
Production/day - WI	boepd	1,748	38	0	7,773	2,599	1	355	1,327	700	14,541
Entitlement production/day	boepd	325	16	0	2,560	1,197	0	111	525	293	5,028
Gas											
Production/day - WI	MMscf/d	49,732	5,460	0	18,165	11,541	537	3,068	0	21,744	110,247
Production/day - WI	boepd	8,881	975	0	3,244	2,061	96	548	0	3,883	19,687
Entitlement production/day	boepd	3,381	396	0	1,425	905	38	287	0	1,509	7,941

* Capex includes US\$6.9m of near field exploration reported in the 2022 Financial Statements within Exploration/Appraisal additions of US\$22.5m

Egypt FY 2023 Production Guidance

Indicative split by area based on mid case of 32,000 to 36,000 boepd production and \$100-\$120m capex guidance

2023 Production Guidance											
		Obaiyed	NUMB	North Matruh	BED	Sitra	NAES	NEAG Tiba	NEAG Ext.	AESW	TOTAL
Production											
Production/day - WI	boepd	10,295	727	970	10,485	4,720	0	805	1,272	4,766	34,040
Entitlement production/day*	boepd	3,728	297	372	3,659	2,124	0	355	595	1,882	13,011
									3.7	1.1	
Opex											
Opex / boe	US\$/boe	3.6	4.3	4.4	6.1	5.2	0.0	13.7	15.3	4.6	5.4
Capex**											
Capex	US\$m	27.2	0.4	3.3	50.2	11.7	0.3	1.5	5.5	11.3	111.4
Total production oil versus gas											
Oil											
Production/day - WI	boepd	1,732	31	269	7,962	2,761	0	256	1,272	806	15,088
Entitlement production/day	boepd	716	14	108	2,835	1,271	0	115	595	337	5,989
Gas											
Production/day - WI	MMscf/d	47,953	3,897	3,924	14,130	10,973	0	3,075	0	22,175	106,128
Production/day - WI	boepd	8,563	696	701	2,523	1,960	0	549	0	3,960	18,951
Entitlement production/day	boepd	3,012	283	264	824	853	0	240	0	1,545	7,021

* Entitlement interest calculation based on a ~US\$1.9/bbl oil price discount to an average Brent price of ~\$84.5/bbl for the year, and an average fixed gas price of ~US\$2.9/mcf

** Capex guidance includes ~\$12m of near field exploration



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