NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF THAT JURISDICTION.

THIS LETTER AND THE ACCOMPANYING FORM OF INSTRUCTION ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the contents of this document or the action which you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, solicitor, accountant, bank manager or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if you are not so resident, from another appropriately authorised independent financial adviser.

This letter should be read in conjunction with the scheme circular to shareholders of Capricorn Energy PLC dated 21 July 2026 containing, inter alia, the Scheme of Arrangement (the **Scheme Document**) which is available to view and download on Capricorn's website at www.capricornenergy.com/investors/recommended-cash-acquisition-of-capricorn-energy-plc-by-genel-energy-no-9-limited/ and on Genel's website at https://genelenergy.com/offer/. Words and expressions defined in the Scheme Document have the same meaning in this letter unless the context otherwise requires.

Capricorn Energy PLC (Capricorn)	**Genel Energy No.9 Limited (Bidco)**
(a public limited company limited by shares incorporated in Scotland with registered number SC226712)	(*a private limited company limited by shares incorporated in England and Wales with registered number 17230221, a company indirectly owned by Genel Energy Plc*)
Registered Office:	Registered Office:
Quartermile Two, 2 Lister Square, Edinburgh, EH3 9GL, United Kingdom	5th Floor, 36 Broadway, Victoria, London, SW1H 0BH, United Kingdom

To: Participants holding nil-cost options over Capricorn Shares granted under the Deferred Bonus Plan (the **DBP**)

21 July 2026

Dear Participant,

RECOMMENDED CASH ACQUISITION OF CAPRICORN BY BIDCO: EFFECT ON YOUR OPTIONS UNDER THE DBP

1. INTRODUCTION

On 2 July 2026, the boards of Capricorn and Bidco announced that they had reached agreement on the terms of a recommended cash offer pursuant to which Bidco will acquire the entire issued and to be issued share capital of Capricorn (the **Acquisition**). The Acquisition is to be implemented by way of a scheme of arrangement under Part 26 of the Companies Act 2006 (the **Scheme**) which requires the approval of Capricorn Shareholders and the sanction of the Court (**Court Sanction**). The Acquisition and the Scheme are described in more detail in the Scheme Document.

You currently hold nil-cost options over Capricorn Shares under the DBP (your **Options**). You will find details of your Options in the letter(s) of award and option certificate(s) provided to you at the time your Options were granted.

We are writing to explain the effect of the Acquisition on your Options, and the proposal being made to you in connection with your Options (the **Option Proposal**).

This letter does not apply to any Capricorn Shares you already own (either as a result of the exercise of prior Options under the DBP or otherwise). For the terms and conditions in relation to those shares, please refer to the Scheme Document.

2. TERMS OF THE SCHEME OF ARRANGEMENT

If the Scheme becomes Effective, Capricorn Shareholders whose shares are subject to the Scheme will receive, in aggregate, US$4.74 in cash per Capricorn Share (the **Cash Consideration**) comprised of:

- US$3.75 in cash per Capricorn Share (the **Acquisition Price**); plus
- US$0.99 per Capricorn Share by way of a special dividend which is intended and expected to be declared prior to the Effective Date (the **Permitted Dividend**).

To become Effective, the Scheme must be approved by the Scheme Shareholders (as set out in the Scheme Document), who will vote on the Scheme at the Court Meeting and the General Meeting scheduled to be held on 18 August 2026, and certain other conditions must be satisfied.

The Scheme also requires Court Sanction which will be sought at a hearing which is expected to take place in the second half of 2026. The Scheme is expected to become Effective two days (excluding any non-working days) after the Court sanctions the Scheme. If the timetable changes, we will update you.

3. EFFECT OF THE SCHEME ON YOUR OPTIONS

If the Scheme is sanctioned by the Court, your Options will vest in full and become exercisable as set out below.

4. THE OPTION PROPOSAL

The Option Proposal is that you use the enclosed Form of Instruction to exercise your Options to the maximum extent possible with effect from the Court Sanction Date.

If you accept the Option Proposal, you will agree to exercise your Options and acquire Capricorn Shares following Court Sanction (but before the Scheme Record Time) and the terms of the Scheme will apply to the Capricorn Shares you acquire on the exercise of your Options. This means that the Capricorn Shares you receive on the exercise of your Options will participate in the Acquisition in the same way as all other Capricorn Shares and in return you will receive the Cash Consideration for each Capricorn Share in accordance with the terms set out in the Scheme Document and this letter (see in particular section 5 below). The Capricorn Shares you acquire on exercise of your Options will be held by a nominee (the **Nominee**) until the Effective Date. The Nominee will arrange for the Cash

Consideration due to you to be paid to you through the next practicable payroll following the Effective Date, subject to the withholdings referred to in section 7 below.

Once you have submitted a Form of Instruction, it will be irrevocable and you do not need to take any further action: the terms of the Scheme will apply to the Capricorn Shares you acquire prior to the Scheme Record Time on the exercise of your Options.

Please refer to the recommendation of the Capricorn Directors in section 10 below.

The exercise of your Options under the Option Proposal is conditional on Court Sanction. If the Court does not sanction the Scheme, your exercise will not be effective and your Options will not lapse; they will remain or become exercisable in accordance with the usual exercise provisions that apply to those Options under the rules of the DBP and the terms of your Options.

You do not have to accept the Option Proposal – see section 9 below for other choices available to you.

5. ACQUISITION PRICE PAYABLE IN STERLING

The Acquisition Price payable under the Acquisition is expressed in US dollars. The US dollar denominated Acquisition Price reflects the underlying characteristics of Capricorn's business activities, which are largely denominated in US dollars. On the basis of the Announcement Exchange Rate, the Acquisition Price (US$3.75) represents a price of 282 pence per Capricorn Share. Scheme Shareholders are being offered the option to elect to receive the Acquisition Price in Sterling.

If you accept the Option Proposal, you may instruct the Nominee to receive the Acquisition Price in US dollars or Sterling (by ticking the relevant box in the Form of Instruction). If the election is made to receive the Acquisition Price in Sterling, the amount received by you may therefore be below or above 282 pence per Capricorn Share depending on the applicable market exchange rate that is applied and the deduction of any transaction or dealing costs (including any taxes) associated with the currency conversion.

Equiniti, in its capacity as FX Agent will determine the amount of Sterling by determining the Prevailing Market Exchange Rate. The number of transactions, time period required, exchange rate obtained and level of transaction and dealing costs associated with the conversion will depend on market conditions and the number of Scheme Shares in respect of which a valid Currency Election is made. You will receive the same gross amount of Sterling for your Capricorn Shares as Scheme Shareholders who have made a valid Currency Election.

Any amount due to you in respect of the Permitted Dividend shall be satisfied in Sterling.

As mentioned in section 4 above, the Cash Consideration due to you will be paid to you through the next practicable payroll after the Effective Date.

6. TIMETABLE AND PROCEDURE FOR ACCEPTING THE OPTION PROPOSAL

If you wish to accept the Option Proposal and exercise your Options with effect from the Court Sanction Date, you must act promptly. **You must:**

- **complete, SIGN AND HAVE WITNESSED BY AN INDEPENDENT PARTY the enclosed Form of Instruction (see note 4 of the Form of Instruction); and**
- **email a scanned copy to Claire.Busby@capricornenergy.com as soon as possible but in any event by NOT LATER THAN 5pm UK time on 18 August 2026. Please also send the duly completed original Form of Instruction to Capricorn plc at Quartermile Two, 2 Lister Square, Edinburgh, EH3 9GL, United Kingdom for the attention of Claire Busby.**

If you accept the Option Proposal, your acceptance cannot subsequently be revoked. It will, however, be of no effect if the Scheme is not approved by Scheme Shareholders and sanctioned by the Court, or your Options lapse prior to the Court Sanction Date.

7. WITHHOLDING

Under the rules of the DBP, you are obliged to settle any income tax and employee social security contribution liabilities that arise on exercise of your Options / receipt of Capricorn Shares for which a member of the Capricorn Group is liable to make payment to the relevant tax authorities.

Accordingly, Capricorn will make arrangements to withhold a sufficient portion of your Cash Consideration to meet the income tax and employee social security contribution withholding liabilities due on exercise of your Options / receipt of Capricorn Shares (which will be remitted to the relevant tax authorities).

8. TAX TREATMENT

A summary of the tax consequences for UK-resident holders of Options arising on exercise of the Options/receipt of Capricorn Shares and receipt of the Permitted Dividend is set out in the schedule to this letter. If you are in any doubt as to your tax position, or if you are not resident in the UK, you should consult an appropriate independent professional adviser immediately.

9. WHERE THE OPTION PROPOSAL IS NOT ACCEPTED

If you do not accept the Option Proposal, you may still exercise your Options on their normal terms under the rules of the DBP following the Court Sanction Date, although the Capricorn Shares you acquire will not then form part of the Scheme. You should also note that a resolution is proposed at the General Meeting to amend Capricorn's articles of association. As a result of that amendment, any Capricorn Shares issued at or after the Scheme Record Time following the exercise of Options will be automatically transferred to Bidco for the same Acquisition Price as you would have received had you participated in the Scheme (see section 2 above).

Therefore, if you exercise your Options after the Court Sanction Date, you will not be able to participate in the Scheme and will therefore only receive the Acquisition Price in respect of your Capricorn Shares in US dollars; you will not be able to make a Currency Election to receive the Acquisition Price in Sterling. You will also not be entitled to receive the Permitted Dividend. You will receive the Acquisition Price later than you would have if you had accepted the Option Proposal; you will receive it (less any applicable deductions or withholdings) as soon as reasonably practicable after you exercise your Options.

You should note that your Options will lapse, at the latest, at the end of the period of four weeks commencing with the Court Sanction Date (unless they lapse on an earlier date in accordance with the DBP rules). If your Options lapse before they are exercised, you will not receive any value for them.

You should also note that if, prior to the exercise of your Options, you cease to be an employee of the Capricorn Group, then depending on the circumstances of your departure, you may lose your right to exercise your Options altogether and this letter would stop being relevant to you.

If you require further details relating to the exercise of your Options outside the Option Proposal and how to instruct this, please contact Claire Busby, by email at **Claire.Busby@capricornenergy.com.**

10. RECOMMENDATION OF THE CAPRICORN DIRECTORS

The Capricorn Directors recommend that you exercise your Options in accordance with the terms of the Option Proposal. The Capricorn Directors, who have been so advised by Canaccord Genuity as to the financial terms of the Option Proposal, consider the terms of the Option Proposal to be fair and reasonable in the context of the Acquisition. In providing their advice to the Capricorn Directors, Canaccord Genuity has taken into account the commercial assessments of the Capricorn Directors. Canaccord Genuity is providing independent financial advice to the Capricorn Directors for the purposes of Rule 15.2 of the Code.

In determining whether to accept the Option Proposal set out in this letter, the Capricorn Directors also recommend that you take your personal circumstances including your tax position, into account.

11. FURTHER ASSISTANCE

If you have any questions about this letter (not involving the giving of financial, legal or tax advice), please contact Claire Busby by email at **Claire.Busby@capricornenergy.com**.

Yours faithfully

Randy Neely	Luke Clements
Chief Executive	Chief Financial Officer of Genel
Capricorn Energy PLC	**Genel Energy No.9 Limited**

Notes:

(i) The Capricorn Directors, whose names are set out in paragraph 2 of Part 7 of the Scheme Document, accept responsibility for the information contained in this letter and the Form of Instruction (including expressions of opinion) other than the information for which the Bidco Directors and the Genel Responsible Persons (as applicable) have taken responsibility pursuant to paragraphs (ii) and (iii) below. To the best of the knowledge and belief of the Capricorn Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this letter and the Form of Instruction for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

(ii) Each Bidco Director, whose names are set out in paragraph 2 of Part 7 of the Scheme Document, accepts responsibility for the information contained in this letter and the Form of Instruction (including expressions of opinion) relating to Bidco, the Bidco Directors and their respective close relatives, related trusts and controlled companies. To the best of the knowledge and belief of the Bidco Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this letter and the Form of Instruction for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

(iii) The Genel Responsible Persons, whose names are set out in paragraph 2 of Part 7 of the Scheme Document, each accept responsibility for the information relating to them (and their close relatives, related trusts and other persons connected with them), Genel and the Genel Group. To the best of the knowledge and belief of the Genel Responsible Persons (who have taken all reasonable care to ensure that such is the case), the information contained in letter and the Form of Instruction (including any expressions of opinion) for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

(iv) Canaccord Genuity, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively as financial adviser and Rule 3 and Rule 15 adviser to Capricorn and no-one else in connection with the Acquisition and will not be responsible to anyone other than Capricorn for providing the protections afforded to clients of Canaccord Genuity nor for providing advice in relation to the Acquisition or for any other matters referred to in this letter and the Form of Instruction. Neither Canaccord Genuity nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Canaccord Genuity in connection with this letter and the Form of Instruction, any statement contained herein or otherwise.

(v) Canaccord Genuity has given and not withdrawn its written consent to the issue of this letter with the inclusion of the references to its name in the form and context in which they appear.

(vi) Nothing in this letter or the Form of Instruction will be construed as investment advice or any investment recommendation given by Capricorn or Bidco.

(vii) Accidental omission to despatch this letter or the Form of Instruction to, or any failure to receive the same by, any person to whom the Option Proposal is made, or should be made, will not invalidate the Option Proposal in any way.

(viii) All acceptances and decisions made in respect of the Option Proposal will be irrevocable.

(ix) Receipt of documents will not be acknowledged. All documents sent by or to a participant in the DBP will be sent at the individual's own risk. If a participant in the DBP has received this letter and the Form of Instruction in electronic form, they may request that copies of those documents be sent to them in hard copy form and that all future documents be sent to them in hard copy form. Requests should be submitted to Capricorn's registrar, Equiniti at Highdown House, Yeoman Way, Worthing, West Sussex, United Kingdom, BN99 6DA or call on +44 (0) 330 123 0027, between 8.30am and 5.30pm Monday to Friday (excluding public holidays in England and Wales). Calls are charged at the standard geographical rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 8.30am and 5.30pm (London time), Monday to Friday (excluding public holidays in England and Wales). Please note that Equiniti cannot provide any financial, legal or tax advice. Calls may be recorded and monitored for security and training purposes.

(x) If there is any conflict between the terms of this letter and the terms of the Options or any applicable legislation, the terms of the Options or any applicable legislation will take precedence.

(xi) This letter and the Form of Instruction will be governed by and construed in accordance with the laws of Scotland.

SCHEDULE

United Kingdom Taxation

THIS SCHEDULE CONTAINS A GENERAL GUIDE TO UK TAXATION ISSUES IN RELATION TO YOUR OPTIONS GRANTED UNDER THE DBP. THE GUIDE IS WRITTEN ON THE ASSUMPTION THAT YOU ARE RESIDENT FOR TAX PURPOSES SOLELY IN THE UK.

The information contained below is for guidance only and is based on the tax legislation in force, and published HM Revenue & Customs (**HMRC**) guidance, as at the date of this letter. It is not a full description of all the circumstances in which a tax liability may occur and only considers the implications for you of accepting the Option Proposal. **If you are in any doubt as to your tax position or if you are not solely tax resident in the UK, you should consult an appropriate independent professional adviser immediately.**

1. **TAXATION OF OPTIONS**

1.1 **Income tax and National Insurance contributions (NICs) on exercise of Options on the Court Sanction Date**

An income tax and NICs charge will arise on the exercise of your Options when you acquire Capricorn Shares.

This charge will be calculated on the total market value of the Capricorn Shares acquired on the date of exercise of the Options.

Capricorn is required to withhold certain prescribed amounts of income tax and employee NICs liabilities arising on the exercise of your Options and acquisition of Capricorn Shares, and these will be deducted from the Cash Consideration you receive under the Scheme in respect of your Capricorn Shares and accounted for to HMRC. To the extent that the amounts deducted prove to be lower than your actual income tax and NICs liabilities arising on exercise, you will be required to make further payments to Capricorn or HMRC.

1.2 **Capital Gains Tax (CGT) on disposal of Capricorn Shares acquired on exercise of Options on the Court Sanction Date**

As you are required to pay income tax on the exercise of your Options, and assuming you hold no other Capricorn Shares, it is likely that you will have no liability to pay CGT as a result of the disposal in the Acquisition of the Capricorn Shares you acquire on exercise of your Options. Please note, however, that special rules apply to determine your liability to CGT where you hold other Capricorn Shares (however acquired). If you are in any doubt as to your tax position you should consult an appropriate independent professional adviser.

2. **TAXATION OF PERMITTED DIVIDEND**

The Permitted Dividend that you receive in respect of your Capricorn Shares will be taxed as income at the applicable marginal rate of dividend tax based on your overall income and applicable tax rates. For the 2026/2027 tax year, the tax-free dividend allowance is £500 and the applicable marginal rates of dividend tax for dividends received in excess of the allowance are 10.75% (basic rate), 35.75% (higher rate) and 39.35% (additional rate). You must report the dividends you receive to HMRC either on your self-assessment tax return, or otherwise, if your total dividend income exceeds the dividend allowance.

3. **TAX RETURNS**

3.1 Your tax return must be submitted to HMRC and tax (if any) paid by the usual filing date for the 2026/2027 tax year (the tax year in which your Options are expected to be exercised and the Permitted Dividend is expected to be paid).

3.2 You may be required to notify HMRC and pay tax even if you do not automatically receive a tax return. You may, therefore, need to complete and submit a self-assessment tax return to HMRC. If you do not receive a tax return, you may need to ask HMRC to send you one, including pages relating to employee share schemes.