

FOR IMMEDIATE RELEASE

8 May 2025

**CAPRICORN ENERGY PLC ("Capricorn" or "the Company")**

**Agreement reached to consolidate, extend and improve Western Desert concessions**

Capricorn announces that it has been informed by the Egyptian General Petroleum Corporation ("EGPC") that it has approved the consolidation of eight of the Company's existing Egyptian concession agreements, in which it has a 50% participating interest held jointly with Cheiron Oil and Gas Limited ("Cheiron" or "the Operator"), into a new, single integrated concession agreement. The integrated concession agreement is subject to Egyptian Parliamentary ratification which is expected to take place in 2025.

The new concession agreement includes improved commercial terms<sup>[1]</sup> and a refreshed primary development term to support increased investment, for the benefit of all parties.

**Key elements of the merged concession**

- The Badr El Din (BED), Obaiyed, North Alam El Shawish, North Matruh, Sitra, BED 3, and BED 2 and BED 17 development concessions, along with the North Um Baraka exploration concession, will be consolidated into a single integrated concession providing up to a 20-year life through an initial 10-year term, plus two five-year extensions for the development areas.
- Improved fiscal terms to promote increased production of both oil and gas through investment, including:
  - profit share<sup>[2]</sup> of 27-29%,
  - a merged single cost pool,
  - 40% cost recovery over four years, and
  - excess cost recovery of 20%.
- An improved gas price of 4.25/mmbtu for incremental gas produced from existing fields and new discoveries agreed to promote increased gas production.
- Four additional blocks will be incorporated into the BED 17 development area.
- The direct award of two open exploration areas adjacent to existing acreage will be added to the integrated concession which will require the drilling of 11 gross exploration wells.
- These integrated concession improvements are expected to increase internally estimated working interest (WI) unrisked best estimate contingent resources volume to 332 mmboe, of which up to approximately 20 mmboe, subject to risking and external audit, are expected to convert to 2P reserves post ratification, with further incremental conversions expected at year end and during our annual reserves reviews going forward.
- In exchange, post-ratification, for its 50% WI share in the integrated concession the Company will pay EGPC a signature bonus of 10m, with two further bonus payments of 5m on the first and second anniversaries of the signature date (total 20m). These bonuses are expected to be paid through the Company's receivables balance with EGPC.
- A commitment to implement a predominantly drilling-based work program in the first five years amounting to ~ 100m, WI share.
- In addition to costs incurred under the new integrated concession, the Company has the right to recover 70% of the carried forward cost pool balance transferred from the original concessions, plus 100% of any unrecovered costs transferred from the original concessions and amortised as per the relevant original concession agreement.

Randy Neely, Chief Executive, Capricorn Energy PLC said: *"This agreement marks a key milestone in unlocking further value in our Egyptian Western Desert asset base. The three partners: EGPC, Cheiron and Capricorn have put in significant time and effort to construct a business case that allows all parties to benefit. With the improved terms and consolidation of the development leases, the joint venture partners will be able to justify increased investment to unlock significant contingent resources, leading to increased production and reserves for the benefit of all stakeholders. The development potential of these assets is fully capable of being funded by cashflows generated in Egypt."*

*With the successful outcome of this milestone in sight, we, along with our partners, will now begin the work to achieve a similar outcome for the Alam El Shawish West (AESW) joint venture.*

*We believe this agreement is a very important step in restoring Capricorn as a premier small-cap energy company. In addition to our achievements in Egypt, we continue to actively evaluate material opportunities in the UK North Sea. Combined, these initiatives will make Capricorn significantly more sustainable as a business and attractive as an*

energy investment."

## Ends

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## About Capricorn Energy PLC

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

For more information, visit [www.capricornenergy.com](http://www.capricornenergy.com).

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<sup>[1]</sup> Compared to the terms disclosed in the 03 May 2024 analyst presentation on our website

<sup>[2]</sup> Based on 60-80/bbl Brent price range, W1 liquids production <15,000 bopd, W1 gas production <300mmscf/d

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