

14 January 2023

Dear James,

We were concerned by the assertion in your presentation published on 12th January that the proposed timing of the Capricorn general meetings is “*designed to limit shareholder optionality*”. In fact, the timing of the meetings is specifically to facilitate a genuine choice for all shareholders; whereas to separate them would risk denying shareholders a vote on the recommended NewMed combination.

We note from your press release of 12th January that you remain “*committed to both comprehensive board change and a rejection of the NewMed transaction*”. The Board fully supports shareholder democracy and we have duly called your requisitioned general meeting to allow shareholders to vote on your resolutions for board change. It is entirely appropriate that our shareholders should be given the opportunity to vote on this matter with the benefit of the prospectus on the proposed NewMed combination available to them. They will be given a clear choice of either the NewMed combination with its proposed new board, or alternatively the appointment of Palliser’s board nominees to pursue an alternative plan.

That said, we are open to a different route: to reconstitute the board now through agreement with you and your nominees so that a changed board can reassess the NewMed combination against the alternatives, and make a recommendation to shareholders. This would need to happen swiftly and in a controlled way, and we stand ready to engage with all reasonable proposals regarding board composition, strategic review process and timetable.

We have also invited your board nominees to carry out due diligence on the strategic options the Company has reviewed and the proposed NewMed combination, prior to their proposed appointment. We were surprised to read in your presentation of 12th January that “*each of the candidates takes the view that it would be inappropriate and serve little use at this stage*” to do so. This an unusual position for any independent nominee director of a UK public company to take, but our invitation remains open.

The Board’s intention continues to be to resolve this situation in an orderly fashion that ensures that our shareholders can make their own fully informed decisions. We continue to invite you to engage in a constructive dialogue to ensure that this can be delivered for the benefit of all shareholders.

Yours sincerely,



On behalf of the Board of Directors of Capricorn Energy PLC

Nicoletta Giadrossi

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