

Tullow Oil PLC - Recommended All-Share Combination of Tullow Oil PLC and Capricorn Energy PLC

Part I

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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION.

FOR IMMEDIATE RELEASE

1 June 2022

**RECOMMENDED ALL-SHARE COMBINATION
of
TULLOW OIL PLC AND CAPRICORN ENERGY PLC
to be effected by means of a Scheme of Arrangement of Capricorn Energy PLC
under Part 26 of the Companies Act 2006**

- *Merger of equals creating a leading African energy company with a material and diversified asset base and a portfolio of investment opportunities delivering visible production growth.*
- *Capricorn Shareholders to receive 3.8068 New Tullow Shares for each Capricorn Share held, with Capricorn Shareholders to own 47% and Tullow Shareholders to own 53% of the Combined Group on Completion.*
- *Delivers a Combined Group with robust cash generation and a resilient balance sheet, realising pre-tax net cash cost synergies of \$50 million per annum.*
- *Establishes the basis for a sustainable shareholder returns programme, with a base annual dividend of \$60 million.*
- *Commitment to reducing emissions from within its operating assets, targeting net zero Scope 1 and Scope 2 emissions by 2030, and continuing a proven track record of safe, low-cost operations.*
- *Positions the Combined Group to play a leading role in the African energy sector.*

Summary

The boards of directors of Tullow Oil PLC ("**Tullow**") and Capricorn Energy PLC ("**Capricorn**") are pleased to announce that they have reached agreement on the terms of a recommended all-share combination of Tullow and Capricorn (the "**Combination**") to create the Combined Group.

It is intended that the Combination will be implemented by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act, where Tullow will acquire all of the issued and to be issued Capricorn Shares.

Under the terms of the Combination, each Capricorn Shareholder will be entitled to receive:

for each Capricorn Share: 3.8068 New Tullow Shares

On completion of the Combination, Capricorn Shareholders will hold approximately 47 per cent. of the Combined Group and Tullow Shareholders will hold approximately 53 per cent. of the Combined Group (based on the fully diluted share capital of Capricorn and the fully diluted share capital of Tullow, in each case as at the date of this Announcement).

Compelling strategic and financial rationale

The Boards of Tullow and Capricorn believe the Combination has compelling strategic, operational and financial rationale, with the ability to deliver substantial benefits to shareholders, host nations and other stakeholders. The Combination represents a unique opportunity to create a leading African energy company, listed in London, with the financial flexibility and human resource capability to access and accelerate near-term organic growth, add new reserves and resources cost-effectively, generate significant future returns for shareholders, and pursue further consolidation. The Combined Group is committed to building a sustainable future through responsible oil and gas development, in close partnership and collaboration with joint venture partners and host governments.

The Boards of Tullow and Capricorn believe this Combination:

- (a) *Creates a leading African energy company with a material and diversified asset base and a portfolio of investment opportunities delivering visible production growth.*
- The Combined Group provides shareholders with a diversified pan-African upstream portfolio underpinned by low-cost producing assets, with a deep portfolio of incremental high return investment opportunities in Ghana, Egypt, Gabon and Côte d'Ivoire.
 - Capricorn's Egypt portfolio provides significant opportunity to deliver self-funded growth production via infill drilling and low-cost exploration to sustain the resource base over time, whilst championing electrification and decarbonisation initiatives.
 - The major resource development project in Kenya provides additional growth and value creation optionality.
 - The substantial prospective resource base in Guyana and Mauritania provides material potential upside with limited capital exposure.
 - Pro forma reserves and resources of 343mmboe and 696mmboe with 2021A production of 96kboe/d positions the Combined Group as one of the largest, listed independent African focused energy companies today.
- (b) *Delivers a Combined Group with robust cash generation and a resilient balance sheet and realises meaningful cost synergies.*
- The Combined Group will have a resilient balance sheet, with pro forma 2021A leverage of 1.5x and \$1.8bn of liquidity. Expected leverage of <1x at year end 2022 with rapid future deleveraging anticipated.
 - The Combined Group is expected to realise pre-tax net cash cost savings of \$50 million on an annual run-rate basis by the second anniversary of the completion of the Combination through the reduction of duplicate costs across Board, Corporate and Group operational and technical functions and administrative functions including consolidation of office space and rationalisation of IT spend.
- (c) *Establishes a sustainable capital return programme for shareholders underpinned by robust cash generation.*
- Stable, low-cost production delivering forecast cumulative pre-financing free cash flows of \$2.4 billion over the 2022-2025 period at a flat nominal Brent price of \$75/bbl.
 - Visible and robust cash generation, cost savings, a strengthened balance sheet and disciplined capital allocation create a platform for sustainable shareholder returns through a fixed plus variable returns framework:

- Base annual dividend of \$60 million, with additional returns driven by a disciplined, value-driven capital allocation framework.
 - Tullow currently has no distributable reserves and is therefore currently unable to pay dividends or make other distributions to shareholders. The Tullow Board intends to address this issue by taking such steps, which may include a capital restructuring of the Tullow Group or (as the case may be) the Combined Group and/or the upstreaming of dividends/distributions from other members of the Tullow Group or (as the case may be) the Combined Group, as may be required to achieve the dividend policy outlined above.
- (d) *Creates a stronger, more resilient business with a deep commitment to environmental stewardship, social investment, development of local content and our national workforces.*
- The Combined Group is committed to achieving net zero Scope 1 and 2 emissions by 2030. This is planned to be achieved through comprehensive emissions reduction programmes underway in Ghana, Gabon, Côte d'Ivoire and Egypt and by offsetting hard to abate emissions through company-run nature-based solutions.
 - The Combined Group will be an important supplier of gas in Egypt and in Ghana – supporting the industrial development in these countries.
- (e) *Positions the Combined Group to play a leading role in the African energy sector.*
- (f) *Commits to environmental, social and corporate governance standards, established stakeholder relationships, alongside a proven track record of safe, low-cost operations and a strong balance sheet.*

The Combined Group

The board of directors and management of the Combined Group will comprise a mixture of individuals from Tullow and Capricorn, drawing upon the best expertise and talent of both companies to deliver value for the Combined Group's shareholders and partners. Upon completion of the Combination, it is intended that:

- Phuthuma Nhleko, currently Chair of Tullow, will become Chair of the board of the Combined Group;
- Nicoletta Giadrossi, currently Chair of Capricorn, will become Senior Independent Director of the Combined Group;
- Rahul Dhir, CEO of Tullow, will become CEO of the Combined Group;
- James Smith, CFO of Capricorn, will become CFO of the Combined Group.

The Board of the Combined Group will include a further 5 Non-executive Directors drawn from both companies, with 2 to be current Tullow Non-executive Directors and 3 to be current Capricorn Non-executive Directors. The Board composition as outlined will be finalised by agreement amongst the parties at Completion. The Board of the Combined Group is likely to evolve over time, to ensure a balance of skills and diversity including meaningful representation of the geographies in which the Combined Group will operate.

After almost 11 years as CEO of Capricorn, Simon Thomson will step down as CEO on Completion and will become Chair of the Integration Steering Committee to help with the integration of the two companies.

It is intended that, following completion of the Combination, the headquarters of the Combined Group will be at Tullow's existing offices in London and it is intended that the Combined Group will also retain premises in Edinburgh and through the application of a flexible work policy enable employees to operate from both premises. The Combined Group will comply with any obligations to inform and consult with employees and their representatives in respect of these intentions.

Tullow's shares will continue to be listed on the premium listing segment of the Official List of the Financial Conduct Authority (the "FCA") and on the First Official List of the Ghana Stock Exchange, and will continue to trade on the London Stock Exchange's main market for listed securities and on the Ghana Stock Exchange. Tullow's shares are also currently listed on the secondary listing

segment of the Official List of The Irish Stock Exchange PLC, trading as Euronext Dublin ("Euronext Dublin") as an overseas company and trade on the Euronext Dublin Market operated by Euronext Dublin. Tullow intends to review the appropriateness of a continued listing of its shares on the secondary listing segment of the Official List of Euronext Dublin and to trading on the Euronext Dublin Market in light of the volume of trading of its shares on the Euronext Dublin Market and the costs related to such listing and admission to trading. Accordingly, at Completion Tullow's shares may not be listed on the secondary listing segment of the Official List of Euronext Dublin and admitted to trading on the Euronext Dublin Market operated by Euronext Dublin.

Financial benefits and effects of the Combination

The Tullow Board is confident that as a direct result of the Combination, the Combined Group will generate meaningful cost synergies and create additional shareholder value. The Tullow Board, having reviewed and analysed the potential cost synergies of the Combination, and taking into account the factors it can influence, believes the Combination will result in \$50 million of pre-tax net cash cost synergies on an annual run-rate basis by the second anniversary of the completion of the Combination.

The Tullow Board expects approximately 71% of these anticipated quantified net cash cost synergies to be achieved by the end of the first twelve month period following completion of the Combination.

The Tullow Board estimates that realisation of these net cash cost synergies will give rise to one-off costs of approximately \$45 million incurred in the two years post-completion of the Combination. The Tullow Board has considered potential areas of dis-synergy and these were determined to be immaterial for the analysis.

These anticipated net cash cost synergies will accrue as a direct result of the Combination and would not be achieved on a standalone basis.

Please refer to Appendix 4 to this Announcement for further details on these anticipated synergies. The Quantified Financial Benefits Statement set out above has been reported on under the Code by KPMG, and by Tullow's lead financial adviser, PJT Partners. References to those anticipated synergies should be read in conjunction with Appendix 4.

As of the date of this Announcement, Capricorn has suspended its previously announced \$200 million share buyback programme (other than in respect of the \$25 million tranche announced on 7 April 2022, which is being conducted by JP Morgan Securities PLC on a non-discretionary basis and will end no later than 6 July 2022).

Recommendations and irrevocable undertakings

Capricorn Directors' recommendation and irrevocable undertakings

The Capricorn Directors, who have been so advised by Morgan Stanley as to the financial terms of the Combination, consider the terms of the Combination to be fair and reasonable. The Capricorn Directors have also received financial advice on the Combination from Rothschild & Co. In providing its financial advice to the Capricorn Directors, Morgan Stanley and Rothschild & Co have each taken into account the commercial assessments of the Capricorn Directors.

Accordingly, the Capricorn Directors intend to recommend, unanimously, that Capricorn Shareholders vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the Capricorn General Meeting, as the Capricorn Directors who hold Capricorn Shares have irrevocably undertaken to do in respect of their own beneficial holdings of Capricorn Shares, representing approximately 0.2 per cent. of Capricorn's issued share capital as at 31 May 2022 (being the last Business Day prior to the date of this Announcement).

Tullow Directors recommendation and irrevocable undertakings

The Combination constitutes a "Class 1" transaction for Tullow for the purposes of the Listing Rules. Accordingly, the Combination will be conditional on the approval of the Tullow Shareholders at the Tullow General Meeting.

The Tullow Directors consider the Combination to be in the best interests of the Tullow Group and the Tullow Shareholders as a whole and intend unanimously to recommend that Tullow Shareholders vote in favour of the Tullow Resolutions at the Tullow General Meeting which will be convened in connection with the Combination, as the Tullow Directors who hold Tullow Shares have irrevocably

undertaken to do in respect of their own beneficial holdings of Tullow Shares, representing approximately 0.1 per cent. of Tullow's issued share capital as at 31 May 2022 (being the last Business Day prior to the date of this Announcement).

The Tullow Directors have received financial advice from PJT Partners and Barclays in relation to the Combination. In providing their financial advice to the Tullow Directors, PJT Partners and Barclays have relied upon the Tullow Directors' commercial assessments of the Combination.

Transaction Structure and Timetable

It is intended that the Combination will be implemented by way of a Court-sanctioned scheme of arrangement of Capricorn under Part 26 of the Companies Act, further details of which are contained in the full text of this Announcement and full details of which will be set out in the Scheme Document. However, Tullow reserves the right, subject to the terms of the Co-operation Agreement and with the consent of the Panel, to implement the Combination by way of a Takeover Offer.

The Combination will be subject to, amongst other things, the receipt of any necessary antitrust or regulatory consents, any necessary governmental approvals or consents, waivers or non-exercise of any material termination rights, material pre-emption rights or similar rights in the jurisdictions in which the Tullow Group and the Capricorn Group operate, including (where required) in Egypt, Ghana, Mexico and Mauritania, in each case given on terms or subject to conditions which are satisfactory to Tullow and Capricorn. The Combination will also be subject to such other conditions as are set out in Part II and Appendix 1 to this Announcement, and to the full terms and conditions which will be set out in the Scheme Document, including the approval of the Scheme by the Scheme Shareholders, the sanction of the Scheme by the Court, the passing of the Tullow Resolutions at the Tullow General Meeting and the Admission of the New Tullow Shares to listing on the relevant stock exchanges.

The Scheme Document will include full details of the Scheme and the Combination, together with notices of the Court Meeting and the Capricorn General Meeting and the expected timetable of the Scheme, and will specify the action to be taken by Capricorn Shareholders. It is intended that the Scheme Document will be despatched to Capricorn Shareholders following receipt (where required) of the consents, approvals or waivers referred to above and in or around the fourth quarter of 2022 (unless otherwise agreed by the Panel, Tullow and Capricorn) and a further announcement regarding the publication of the Scheme Document will be made in due course.

It is expected that the Prospectus, containing information about the Combined Group and the New Tullow Shares, will be published at or around the same time as the Scheme Document is posted to Capricorn Shareholders. It is also expected that the Circular, containing details of the Combination and notice of the Tullow General Meeting, will be posted to Tullow Shareholders at or around the same time as the Scheme Document is posted to Capricorn Shareholders, such that the Tullow General Meeting will be held at or around the same time and on the same date as the Court Meeting and/or the Capricorn General Meeting. Following publication, the Prospectus and the Circular will be made available by Tullow on its website at <https://www.tulloil.com/> and by Capricorn on its website at <https://www.capricornenergy.com/all-share-combination>.

The Scheme is expected to become Effective during the fourth quarter of 2022, subject to the satisfaction or, where applicable, waiver of the Conditions and certain further terms set out in Appendix 1 to this Announcement.

Commenting on the Combination, Simon Thomson, Chief Executive Officer of Capricorn said:

"The combination of our businesses will create a leading African energy company, with significant scale and opportunities for growth. Our two companies share a track record and continued vision of responsible energy production to support the economic and social development of our host communities. This combination will allow the two companies to accelerate investment in new opportunities across the continent, while retaining a resilient balance sheet and delivering attractive returns to shareholders."

Commenting on the Combination, Rahul Dhir, Chief Executive Officer of Tullow said:

"Our two companies are a perfect fit and this combination draws on the proud heritage of both Tullow and Capricorn to create a leading African energy company. With renewed focus and ambition, the Combined Group will have the financial flexibility to accelerate organic growth and pursue further

opportunities as they arise, while creating value for shareholders and host countries alike. Together, we are committed to building a better future through responsible energy development."

Analyst and investor presentation

There will be an analysts' briefing at The Lincoln Centre, 18 Lincoln's Inn Fields, London WC2A 3ED today at 9.00 a.m. There will also be a live webcast of this briefing. Information on how to access the live webcast can be found in the 'Investors' section of the Tullow website at <https://www.tulloil.com/investors/> and Capricorn website at <https://www.capricornenergy.com/all-share-combination>.

The recorded webcast (together with the accompanying slides) will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, in due course on Tullow's website at <https://www.tulloil.com/> and on Capricorn's website at <https://www.capricornenergy.com/all-share-combination>. The contents of the websites referred to in this Announcement are not incorporated into and do not form part of this Announcement.

This summary should be read in conjunction with, and is subject to, the full text of this Announcement including the Appendices.

The Combination will be subject to the satisfaction or, where applicable, waiver of the Conditions and certain further terms of the Combination are set out in Appendix 1 to this Announcement and to the full terms and conditions to be set out in the Scheme Document. Appendix 2 contains bases and sources of certain information contained within this Announcement. Appendix 3 contains details of the irrevocable undertakings given to Capricorn and Tullow in relation to the Combination. Appendix 4 contains further details and reports on the Quantified Financial Benefits Statement. Appendix 5 contains the definitions of certain terms used in this Announcement.

For the purpose of Rule 28 of the Code, the Quantified Financial Benefits Statement contained in Part A of Appendix 4 to this Announcement is the responsibility of Tullow and the Tullow Directors and not of the Capricorn Directors. Any statement of intention, belief or expectation for the Combined Group following the Effective Date is an intention, belief or expectation of the Tullow Directors and not of the Capricorn Directors.

The person responsible for making this Announcement on behalf of Capricorn is Anne McSherry, Company Secretary.

The person responsible for making this Announcement on behalf of Tullow is Adam Holland, Company Secretary.

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Herbert Smith Freehills LLP is acting as legal adviser to Tullow in connection with the Combination.

Slaughter and May and Shepherd and Wedderburn LLP are acting as legal advisers to Capricorn in connection with the Combination.

Further information

This Announcement is for information purposes only and is not intended to and does not constitute, or form part of, an offer, invitation or the solicitation of an offer or invitation to purchase or otherwise acquire, subscribe for, exchange, sell, or otherwise dispose of, any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Combination or otherwise, nor shall there be any sale, issuance, exchange, or transfer of securities of Tullow or Capricorn pursuant to the Combination or otherwise in any jurisdiction in contravention of applicable laws.

The Combination will be implemented solely pursuant to the terms of the Scheme Document (or, in the event that the Combination is to be implemented by means of a Takeover Offer, the Offer Document), which, together with the Forms of Proxy, will contain the full terms and conditions of the Combination, including details of how to vote in respect of the Combination. Any decision by Capricorn Shareholders in respect of, or other response to, the Combination (including any vote in respect of the resolutions to approve the Combination, the Scheme or related matters), should be made only on the basis of the information contained in the Scheme Document (or, if the Combination is implemented by way of a Takeover Offer, the Offer Document).

Capricorn will prepare the Scheme Document to be distributed to Capricorn Shareholders. Tullow will prepare the Circular to be distributed to Tullow Shareholders and will also publish the Prospectus containing information on the New Tullow Shares and the Combined Group. Capricorn urges Capricorn Shareholders to read the Scheme Document and the Prospectus carefully when they become available because they will contain important information in relation to the Scheme, the New Tullow Shares and the Combined Group. Tullow urges Tullow Shareholders to read the Prospectus and the Circular carefully when they become available because they will contain important information in relation to the Combination, the Scheme, the New Tullow Shares and the Combined Group. Any vote in respect of resolutions to be proposed at the Court Meeting, the Capricorn General Meeting or the Tullow General Meeting to approve the Combination, the Scheme or related matters,

should be made only on the basis of the information contained in the Scheme Document, the Prospectus and, in the case of Tullow Shareholders, the Circular.

This Announcement does not constitute a prospectus or an exempt document for the purposes of Article 1(4) or (5) of the UK Prospectus Regulation.

The Combination will be subject to the applicable requirements of the Code, the Panel, the FCA and the London Stock Exchange.

Please be aware that addresses, electronic addresses and certain other information provided by Capricorn Shareholders, persons with information rights and other relevant persons in connection with the receipt of communications from Capricorn may be provided to Tullow during the offer period as required under Section 4 of Appendix 4 of the Code.

Important Notices relating to the Financial Advisers

PJT Partners, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for Tullow and no-one else in connection with the Combination and will not be responsible to anyone other than Tullow for providing the protections afforded to clients of PJT Partners nor for providing advice in relation to the Combination. Neither PJT Partners nor any of its subsidiaries, branches or 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 PJT Partners in connection with this Announcement, any statement contained herein or otherwise.

Morgan Stanley, which is authorised by Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority in the United Kingdom, is acting for Capricorn and no-one else in connection with the Combination and will not be responsible to anyone other than Capricorn for providing the protections afforded to clients of Morgan Stanley nor for providing advice in relation to the Combination. Neither Morgan Stanley nor any of its subsidiaries, branches or 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 Morgan Stanley in connection with this Announcement, any statement contained herein or otherwise.

Rothschild & Co, which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively for Capricorn and no one else in connection with the matters described in this Announcement and will not be responsible to anyone other than Capricorn for providing the protections afforded to clients of Rothschild & Co nor for providing advice in connection with any matter referred to herein. Neither Rothschild & Co nor any of its affiliates (nor their respective directors, officers, employees or agents) 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 Rothschild & Co in connection with this Announcement, any statement contained herein or otherwise.

Barclays, which is authorised by the Prudential Regulation Authority and regulated in the United Kingdom by the Financial Conduct Authority and the Prudential Regulation Authority, is acting exclusively for Tullow and no one else in connection with the matters referred to in this Announcement and will not be responsible to anyone other than Tullow for providing advice in relation to the Combination or any other matters referred to in this Announcement.

In accordance with the Code, normal United Kingdom market practice and Rule 14e-5(b) of the Exchange Act, Barclays and its affiliates will continue to act as exempt principal trader in Tullow securities on the London Stock Exchange. These purchases and activities by exempt principal traders which are required to be made public in the United Kingdom pursuant to the Code will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at www.londonstockexchange.com. This information will also be publicly disclosed in the United States to the extent that such information is made public in the United Kingdom.

Overseas jurisdictions

The availability of the Combination and/or the New Tullow Shares in, and the release, publication or distribution of this Announcement in or into jurisdictions other than the United Kingdom may be

restricted by law and therefore any persons into whose possession this Announcement comes who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe any applicable legal or regulatory requirements or restrictions. In particular, the ability of persons who are not resident in the United Kingdom to vote their Capricorn Shares with respect to the Scheme at the Court Meeting, to execute and deliver Forms of Proxy appointing another to vote at the Court Meeting on their behalf, or to hold and vote Tullow Shares at the Tullow General Meeting, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Combination disclaim any responsibility or liability for the violation of such restrictions by any person. This Announcement has been prepared for the purpose of complying with Scots law, English law, the Code, the UK Market Abuse Regulation and the Disclosure Guidance and Transparency Rules and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.

Unless otherwise determined by Tullow or required by the Code, and permitted by applicable law and regulation, the New Tullow Shares to be issued pursuant to the Combination to Capricorn Shareholders will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Combination by any such use, means, instrumentality or form within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this Announcement and any formal documentation relating to the Combination are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction or any other jurisdiction where to do so would constitute a violation of the laws of that jurisdiction, and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send such documents in or into or from any Restricted Jurisdiction. If the Combination is implemented by way of a Takeover Offer (unless otherwise permitted by applicable law and regulation), the Takeover Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Takeover Offer will not be capable of acceptance by any such use, means, instrumentality or facilities or from within any Restricted Jurisdiction.

The availability of the Combination, New Tullow Shares pursuant to the Combination and/or this Announcement to Capricorn Shareholders who are not resident in the United Kingdom or the ability of those persons to hold such New Tullow Shares may be affected by the laws or regulatory requirements of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements. Capricorn Shareholders who are in any doubt about such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction.

The New Tullow Shares may not be offered, sold or delivered, directly or indirectly, in, into or from any Restricted Jurisdiction or to, or for the account or benefit of, any Restricted Overseas Persons except pursuant to an applicable exemption from, or in a transaction not subject to, applicable securities laws of those jurisdictions, or otherwise permitted under applicable securities laws of those jurisdictions.

Further details in relation to Capricorn Shareholders in overseas jurisdictions will be contained in the Scheme Document.

Notes to U.S. investors in Capricorn

Capricorn Shareholders in the United States should note that the Combination relates to the shares of a Scottish company and is proposed to be made by means of a scheme of arrangement provided for under the Companies Act as it applies to Scottish companies. Neither the proxy solicitation nor the tender offer rules under the U.S. Securities Exchange Act, will apply to the Scheme. Moreover, the Scheme will be subject to the disclosure requirements and practices applicable in the UK to schemes of arrangement, which differ from the disclosure requirements of the U.S. proxy solicitation

rules and tender offer rules. Financial information included in this Announcement and the Scheme Document has been or will be prepared in accordance with accounting standards applicable in the UK and may not be comparable to financial information of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. If Tullow exercises its right to implement the Combination by way of a Takeover Offer in accordance with the terms of the Co-operation Agreement and determines to extend the offer into the United States, such offer will be made in compliance with applicable United States securities laws and regulations, including to the extent applicable, the U.S. Securities Act and Section 14(E) of the U.S. Exchange Act and Regulation 14E thereunder. Such Takeover Offer would be made in the United States by Tullow and no one else.

In accordance with normal UK practice and pursuant to Rule 14e-5(b) of the U.S. Exchange Act, Tullow or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase Capricorn Shares outside of the United States, other than pursuant to the Combination, until the date on which the Combination becomes Effective, lapses or is otherwise withdrawn. Any such purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the UK, will be reported to the Regulatory Information Service of the London Stock Exchange and will be available on the London Stock Exchange website at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

Capricorn is organised under the laws of Scotland and Tullow is organised under the laws of England. Some or all of the officers and directors of Capricorn and Tullow are residents of countries other than the United States. It may not be possible to sue Capricorn and Tullow in a non-US court for violations of U.S. securities laws. It may be difficult to compel Capricorn, Tullow and their respective affiliates to subject themselves to the jurisdiction and judgment of a U.S. court.

This Announcement does not constitute or form a part of any offer to sell or issue, or any solicitation of any offer to purchase, subscribe for or otherwise acquire, any securities in the United States.

Neither the U.S. Securities and Exchange Commission nor any securities commission of any state or other jurisdiction of the United States has approved the Combination, passed upon the fairness of the Combination, or passed upon the adequacy or accuracy of this Announcement. Any representation to the contrary is a criminal offence in the United States.

The receipt of consideration by a U.S. holder for the transfer of its Capricorn Shares pursuant to the Combination may be a taxable transaction for United States federal income tax purposes and under applicable United States state and local, as well as overseas and other, tax laws. Each Capricorn Shareholder is urged to consult their independent professional adviser immediately regarding the tax consequences of the Combination applicable to them, including under applicable United States federal, state and local, as well as overseas and other, tax laws.

Notes regarding New Tullow Shares

The New Tullow Shares to be issued pursuant to the Scheme have not been and will not be registered under the U.S. Securities Act of 1933 (as amended) or under the relevant securities laws of any state or territory or other jurisdiction of the United States. Accordingly, the New Tullow Shares are not being, and may not be, offered, sold, resold, delivered or distributed, directly or indirectly in or into a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of relevant laws of, or require registration thereof in, such jurisdiction (except pursuant to an exemption, if available, from any applicable registration requirements or otherwise in compliance with all applicable laws).

It is expected that the New Tullow Shares will be issued in reliance upon the exemption from the registration requirements of the U.S. Securities Act of 1933 (as amended) provided by Section 3(a)(10) thereof. For the purpose of qualifying for the exemption provided by Section 3(a)(10) of the U.S. Securities Act, Tullow will advise the Court that its sanctioning of the Scheme will be relied on by Tullow for the purposes of a Section 3(a)(10) exemption following a hearing on the fairness of the Scheme to Capricorn Shareholders. Securities issued pursuant to the Scheme will not be registered under any laws of any state, district or other jurisdiction of the United States, and may only be issued to persons resident in such state, district or other jurisdiction pursuant to an exemption from the registration requirements of such laws.

Disclosure requirements

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Forward-looking statements

This Announcement contains certain forward-looking statements, including statements regarding Tullow's and Capricorn's plans, objectives and expected performance. Such statements relate to events and depend on circumstances that will occur in the future and are subject to risks, uncertainties and assumptions. There are a number of factors which could cause actual results and developments to differ materially from those expressed or implied by such forward looking statements, including, among others the enactment of legislation or regulation that may impose costs or restrict activities; the re-negotiation of contracts or licences; fluctuations in demand and pricing in the energy or oil and gas industry; fluctuations in exchange controls; changes in government policy and taxations; industrial disputes; war and terrorism. These forward-looking statements speak only as at the date of this Announcement.

Neither Tullow nor Capricorn assumes any obligation to update or correct the information contained in this Announcement (whether as a result of new information, future events or otherwise), except as required by applicable law.

No profit forecasts or estimates

Nothing in this Announcement (including any statement of estimated costs savings or synergies) is intended as a profit forecast or estimate for any period and no statement in this Announcement should be interpreted to mean that earnings or earnings per share or dividend per share for Tullow or Capricorn, as appropriate, for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share or dividend per share for Tullow or Capricorn, as appropriate.

Quantified Financial Benefits Statement

Appendix 4 sets out the Quantified Financial Benefits Statement and contains details of, and bases of calculation of, the anticipated financial benefits of the Combination, together with the related reports from Tullow's reporting accountant, KPMG, and Tullow's lead financial adviser, PJT Partners, as required under Rule 28.1(a) of the Code, and provides underlying information and bases for the accountant's and adviser's respective reports. PJT Partners, as lead financial adviser to Tullow, has provided such report for the purposes of the Code stating that, in its opinion and subject to the terms of the report, the Quantified Financial Benefits Statement, for which the Tullow Directors are responsible, has been prepared with due care and consideration. Each of KPMG and PJT Partners has given and not withdrawn its consent to the publication of its report in this Announcement in the form and context in which it is included.

The statements in the Quantified Financial Benefits Statement relate to future actions and circumstances which, by their nature, involve risks, uncertainties and contingencies. As a result, the cost savings and synergies referred to may not be achieved, may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated.

No statement in the Quantified Financial Benefits Statement, or this Announcement generally, should be construed as a profit forecast or interpreted to mean that the Combined Group's earnings in the first full year following the Effective Date, or in any subsequent period, would necessarily match or be greater than or be less than those of Tullow and/or Capricorn for the relevant preceding financial period or any other period. For the purposes of Rule 28 of the Code, the Quantified Financial Benefits Statement contained in this Announcement is the responsibility of Tullow and the Tullow Directors. Any statement of intention, belief or expectation for the Combined Group following the Effective Date is an intention, belief or expectation of the Tullow Directors and not of the Capricorn Directors.

Publication of this Announcement

A copy of this Announcement will be available subject to certain restrictions relating to persons resident in Restricted Jurisdictions on Tullow's website at <https://www.tulloil.com> and Capricorn's website at <https://www.capricornenergy.com/all-share-combination>.

The contents of Tullow's website and Capricorn's website are not incorporated into and do not form part of this Announcement.

Tullow Shareholders may request a hard copy of this Announcement by: (i) contacting Adam Holland at 9 Chiswick Park, 566 Chiswick High Road, London, W4 5XT or by telephoning +44 20 3249 9000 or by emailing companysecretary@tulloil.com. If you have received this Announcement in electronic form or by it being published on Tullow's website, you will not receive a hard copy of this Announcement unless you so request. You may also inform Adam Holland that you wish all future documents, announcements and information in relation to the Combination be sent to you in hard copy.

Capricorn Shareholders may request a hard copy of this Announcement by: (i) contacting Anne McSherry at 50 Lothian Road Edinburgh EH3 9BY or by telephoning +44 (0)131 475 3000 or by emailing IR.Mailbox@capricornenergy.com. If you have received this Announcement in electronic form or by it being published on Capricorn's website, you will not receive a hard copy of this Announcement unless you so request. You may also inform Anne McSherry that you wish all future documents, announcements and information in relation to the Combination be sent to you in hard copy.

If you are in any doubt about the contents of this Announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant, fund manager or from an independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are in the United

Kingdom, or, if you are resident in Ireland, from a person, organisation or firm authorised or exempted pursuant to the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) of Ireland or the Investment Intermediaries Act 1995 of Ireland, or, if you are resident in a territory outside of the United Kingdom or Ireland, from another appropriately authorised independent financial adviser.

Rounding

Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of figures that precede them.

Rule 2.9 of the Code

For the purposes of Rule 2.9 of the Code, Capricorn confirms that, as at 31 May 2022 (being the last Business Day prior to the date of this Announcement), it had in issue 316,338,439 ordinary shares of 21/13 pence each. The ISIN for the shares is GB00BN0SMB92.

For the purposes of Rule 2.9 of the Code, Tullow confirms that, as at 31 May 2022 (being the last Business Day prior to the date of this Announcement), it had in issue 1,437,999,835 ordinary shares of 10 pence each. The ISIN for the shares is GB0001500809.

Part II

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

THE FOLLOWING ANNOUNCEMENT IS AN ADVERTISEMENT AND NOT A PROSPECTUS OR PROSPECTUS EQUIVALENT DOCUMENT AND INVESTORS SHOULD NOT MAKE ANY INVESTMENT DECISION IN RELATION TO THE NEW TULLOW SHARES EXCEPT ON THE BASIS OF THE INFORMATION IN THE SCHEME DOCUMENT, THE PROSPECTUS AND THE CIRCULAR WHICH ARE PROPOSED TO BE PUBLISHED IN DUE COURSE.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION.

FOR IMMEDIATE RELEASE

1 June 2022

RECOMMENDED ALL-SHARE COMBINATION

of

TULLOW OIL PLC AND CAPRICORN ENERGY PLC

to be effected by means of a Scheme of Arrangement of Capricorn Energy PLC

under Part 26 of the Companies Act 2006

1. Introduction

The boards of Tullow Oil PLC ("**Tullow**") and Capricorn Energy PLC ("**Capricorn**") are pleased to announce that they have reached agreement on the terms of a recommended all-share combination of Tullow and Capricorn (the "**Combination**") to create the Combined Group.

2. The Combination

Under the terms of the Combination, which will be subject to the Conditions and certain further terms set out in Appendix 1 and to the full terms and conditions which will be set out in the Scheme Document, each Capricorn Shareholder will be entitled to receive:

for each Capricorn Share: 3.8068 New Tullow Shares

On completion of the Combination, Capricorn Shareholders will hold approximately 47 per cent. of the Combined Group and Tullow Shareholders will hold approximately 53 per cent. of the Combined Group (based on the fully diluted share capital of Capricorn and the fully diluted share capital of Tullow, in each case as at the date of this Announcement).

The Combination constitutes a "Class 1" transaction for Tullow for the purposes of the Listing Rules. Accordingly, the Combination will be conditional on the approval of the Tullow Shareholders at the Tullow General Meeting.

It is intended that the Combination will be implemented by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act, further details of which are contained in paragraph 12 below.

The New Tullow Shares will be issued credited as fully paid and will rank pari passu in all respects with the Tullow Shares in issue at the time the New Tullow Shares are issued pursuant to the Combination, including, subject as outlined below, the right to receive and retain in full all dividends and other distributions (if any) announced, declared, made or paid, or any other return of value (whether by reduction of share capital or share premium account or otherwise) made, in each case by reference to a record date falling on or after the Effective Date. Applications will be made to the FCA and the London Stock Exchange for the New Tullow Shares to be admitted to the premium listing segment of the Official List of the FCA and to trading on the main market for listed securities of the London Stock Exchange. Applications will also be made to the Ghana Stock Exchange and the Ghana SEC for the

New Tullow Shares to be admitted to a secondary listing on the First Official List of the Ghana Stock Exchange and to trading on the Ghana Stock Exchange. Tullow's shares are also currently listed on the secondary listing segment of the Official List of The Irish Stock Exchange PLC, trading as Euronext Dublin ("Euronext Dublin") as an overseas company and trading on the Euronext Dublin Market operated by Euronext Dublin. Tullow intends to review the appropriateness of a continued listing of its shares on the secondary listing segment of the Official List of Euronext Dublin and to trading on the Euronext Dublin Market operated by Euronext Dublin in light of the volume of trading of its shares on the Euronext Dublin Market and the costs related to such listing and admission to trading. Accordingly, at Completion Tullow's shares may not be listed on the secondary listing segment of the Official List of Euronext Dublin and admitted to trading on the Euronext Dublin Market operated by Euronext Dublin.

The Capricorn Shares will be acquired pursuant to the Combination fully paid and free from all liens, charges, equitable interests, encumbrances and rights of pre-emption and any other interests of any nature whatsoever and together with all rights attaching to them as at the date of this Announcement or subsequently attaching or accruing to them.

3. **Compelling strategic and financial rationale**

The Tullow Board and the Capricorn Board believe the Combination has compelling strategic, operational and financial rationale, with the ability to deliver substantial benefits to shareholders, host nations and other stakeholders. The Combination represents a unique opportunity to create a leading African energy company listed in London, with the financial flexibility and human resource capability to access and accelerate near-term organic growth, add new reserves and resources cost-effectively, generate significant future returns for shareholders, and pursue further consolidation. The Combined Group is committed to building a sustainable future through responsible oil and gas development, in close partnership and collaboration with joint venture partners and host governments.

The Tullow Board and the Capricorn Board believe this Combination:

(a) *Creates a leading African energy company with a material and diversified asset base and a portfolio of investment opportunities delivering visible production growth.*

- The Combined Group provides shareholders with a diversified pan-African upstream portfolio underpinned by low-cost producing assets with a deep portfolio of incremental high return investment opportunities in Ghana, Egypt, Gabon and Côte d'Ivoire.
- Capricorn's Egypt portfolio provides significant opportunity to deliver self-funded growth production via infill drilling and low-cost exploration to sustain the resource base over time, whilst championing electrification and decarbonisation initiatives.
- The major resource development project in Kenya provides additional growth and value creation optionality.
- The substantial prospective resource base in Guyana and Mauritania provides material potential upside with limited capital exposure.
- Pro forma reserves and resources of 343mmboe and 696mmboe with 2021A production of 96kboe/d positions the Combined Group as one of the largest, listed independent African focused Exploration & Production companies today.

(b) *Delivers a Combined Group with robust cash generation and a resilient balance sheet and realises meaningful cost synergies.*

- The Combined Group will have a resilient balance sheet, with pro forma 2021A leverage of 1.5x and \$1.8bn of liquidity. Expected leverage of <1x at year end 2022 with rapid future deleveraging anticipated.
- The Combined Group is expected to realise pre-tax net cash cost savings of \$50 million on an annual run-rate basis by the second anniversary of the completion of the Combination through the reduction of duplicate costs across Board, Corporate

and Group operational and technical functions and administrative functions including consolidation of office space and rationalisation of IT spend.

- (c) *Establishes a sustainable capital return programme for shareholders underpinned by robust cash generation.*
- Stable, low-cost production delivering forecast cumulative pre-financing free cash flows of \$2.4 billion over the 2022-2025 period at a flat nominal Brent price of \$75/bbl.
 - Visible and robust cash generation, cost savings, a strengthened balance sheet and disciplined capital allocation create a platform for sustainable shareholder returns through a fixed plus variable returns framework:
 - Base annual dividend of \$60 million, with additional returns driven by a disciplined, value-driven capital allocation framework.
 - Tullow currently has no distributable reserves and is therefore currently unable to pay dividends or make other distributions to shareholders. The Tullow Board intends to address this issue by taking such steps, which may include a capital restructuring of the Tullow Group or (as the case may be) the Combined Group and/or the upstreaming of dividends/ distributions from other members of the Tullow Group or (as the case may be) the Combined Group, as may be required to achieve the dividend policy outlined above.
- (d) *Creates a stronger, more resilient business with a deep commitment to environmental stewardship, social investment, development of local content and our national workforces.*
- The Combined Group is committed to achieving net zero Scope 1 and 2 emissions by 2030. This is planned to be achieved through comprehensive emissions reduction programmes underway in Ghana, Gabon, Côte d'Ivoire and Egypt and by offsetting hard to abate emissions through company-run nature-based solutions.
 - The Combined Group will be an important supplier of gas in Egypt and in Ghana – supporting the industrial development in these countries.
- (e) *Positions the Combined Group to play a leading role in the African energy sector.*
- (f) *Commits to environmental, social and corporate governance standards, established stakeholder relationships, alongside a proven track record of safe, low-cost operations and a strong balance sheet.*

4. **Financial benefits and effects of the Combination**

The Tullow Board is confident that as a direct result of the Combination, the Combined Group will generate meaningful cost synergies and create additional shareholder value. The Tullow Board, having reviewed and analysed the potential cost synergies of the Combination, and taking into account the factors it can influence, believes the Combination will result in \$50 million of pre-tax net cash cost synergies on an annual run-rate basis by the second anniversary of the completion of the Combination.

The quantified net cash cost synergies are expected to originate from the following areas, subject to any obligations to inform and consult with employees and/or their representatives:

- (i) **Corporate:** approximately 26% of the identified net cash cost synergies are expected to be generated from de-duplication and rationalisation of Board, executive leadership and other costs associated with a listed company;
- (ii) **Central operational and technical functions:** 32% of the identified net cash cost synergies are expected to be generated from consolidation and rationalisation of central operational and technical functions, driven by increased scale and alignment of operating models; and
- (iii) **Administrative functions:** 42% of the identified net cash cost synergies are expected to be generated from consolidation and de-duplication of overlapping administrative functions (including IT) and third-party spend.

The Tullow Board expects approximately 71% of these anticipated quantified net cash cost synergies to be achieved by the end of the first twelve month period following completion of the Combination.

The Tullow Board estimates that realisation of these net cash cost synergies will give rise to one-off costs of approximately \$45 million incurred in the two years post-completion of the Combination. The Tullow Board has considered potential areas of dis-synergy and these were determined to be immaterial for the analysis.

These anticipated net cash cost synergies will accrue as a direct result of the Combination and would not be achieved on a standalone basis.

Please refer to Appendix 4 to this Announcement for further details on the bases of belief supporting the quantified financial benefits statement, including the principal assumptions and sources of information. The Quantified Financial Benefits Statement set out above has been reported on under the Code by KPMG, and by Tullow's lead financial adviser, PJT Partners. References to those anticipated synergies should be read in conjunction with Appendix 4.

For the purposes of Rule 28 of the Code, the Quantified Financial Benefits Statement contained in this Announcement is the responsibility of Tullow and the Tullow Directors.

As of the date of this Announcement, Capricorn has suspended its previously announced \$200 million share buyback programme (other than in respect of the \$25 million tranche announced on 7 April 2022, which is being conducted by JP Morgan Securities PLC on a non-discretionary basis and will end no later than 6 July 2022).

5. **Combined Group dividend policy**

The Combined Group intends to implement a base annual dividend of \$60 million, with a capital return policy outlining the criteria for delivering additional shareholder distributions to be announced in due course.

Tullow currently has no distributable reserves and is therefore unable to pay dividends or make other distributions to its shareholders unless it first takes steps to create distributable reserves. Therefore, unless steps are taken to create distributable reserves, Tullow, as the parent company of the Combined Group, would be unable to pay dividends or make other distributions to its shareholders. The Tullow Board intends to address this issue by taking such steps, which may include a capital restructuring of the Tullow Group or (as the case may be) the Combined Group and/or the upstreaming of dividends/distributions from other members of the Tullow Group or (as the case may be) the Combined Group, as may be required to achieve the dividend policy outlined above. Such steps may be dependent on shareholder and/or court approval, among other things, and therefore there is no guarantee that the required distributable reserves can or will be available to the Tullow Group or (as the case may be) the Combined Group.

6. **Recommendations**

The Capricorn Directors, who have been so advised by Morgan Stanley as to the financial terms of the Combination, consider the terms of the Combination to be fair and reasonable. The Capricorn Directors have also received financial advice on the Combination from Rothschild & Co. In providing its financial advice to the Capricorn Directors, Morgan Stanley and Rothschild & Co have each taken into account the commercial assessments of the Capricorn Directors.

Accordingly, the Capricorn Directors intend to recommend, unanimously, that Capricorn Shareholders vote, at the Capricorn General Meeting and the Court Meeting, in favour of such resolutions as are necessary to approve, implement and give effect to the Scheme (including any such resolutions to amend the articles of association of Capricorn as maybe necessary) (or, in the event that the Combination is implemented by way of a Takeover Offer, to accept or procure the acceptance of such Takeover Offer). The Capricorn Directors who

hold Capricorn Shares have irrevocably undertaken to vote in favour of the relevant resolutions to give effect to the Scheme and the Combination in respect of their entire beneficial holdings of, in aggregate, 744,346 Capricorn Shares representing approximately 0.2 per cent. of Capricorn's issued share capital on 31 May 2022 (being the last Business Day prior to the date of this Announcement). Further details of these irrevocable undertakings are set out in Appendix 3 to this Announcement.

Morgan Stanley has given and not withdrawn its consent to the inclusion in this Announcement of references to its advice to the Capricorn Directors in the form and context in which they appear.

Rothschild & Co has given and not withdrawn its consent to the inclusion in this Announcement of references to its advice to the Capricorn Directors in the form and context in which they appear.

The Combination constitutes a "Class 1" transaction for Tullow for the purposes of the Listing Rules. Accordingly, the Combination will be conditional on, amongst other things, the approval of the Tullow Shareholders at the Tullow General Meeting.

The Tullow Directors have received financial advice from PJT Partners and Barclays in relation to the Combination. In providing their financial advice to the Tullow Directors, PJT Partners and Barclays have relied upon the Tullow Directors' commercial assessments of the Combination.

The Tullow Directors consider the Combination to be in the best interests of the Tullow Group and the Tullow Shareholders as a whole and intend to recommend, unanimously, that Tullow Shareholders vote in favour of the Tullow Resolutions at the Tullow General Meeting which will be convened in connection with the Combination, as those Tullow Directors who hold Tullow Shares have irrevocably undertaken to do in respect of their entire beneficial holdings of, in aggregate, 1,555,824 Tullow Shares, representing approximately 0.1 per cent. of Tullow's issued share capital on 31 May 2022 (being the last Business Day prior to the date of this Announcement).

Each of PJT Partners and Barclays has given and not withdrawn its consent to the inclusion in this Announcement of references to its advice to the Tullow Directors in the form and context in which they appear.

7. **Background to and reasons for the Capricorn Board's recommendation**

Since it was founded in 1980 as Cairn Energy PLC, Capricorn's management and employees have, with the support of its shareholders, transformed the company into a leading oil and gas explorer, developer and producer. Capricorn started with a focus on South Asia where it created significant value for shareholders and stakeholders, particularly through the discovery, development and production of oil in Rajasthan, India (the largest onshore discovery in India for more than 25 years). In 2006 the Indian business, Cairn India Limited (CIL), was listed on the Indian stock exchanges and in 2012, the majority stake in CIL was sold and the cash returned to shareholders. Between 2006 and 2012, \$4.5 billion was returned to shareholders. Capricorn then focused on rebuilding the business to create, add and realise value once again through exploration, development and production. Capricorn made the largest global offshore discovery of 2014 in Senegal and participated in the development of two of the largest projects in the UK North Sea, Catcher and Kraken, which began production in 2017, before interests were subsequently sold in November 2021.

Capricorn's strategy as a responsible energy producer is to ensure maximum financial flexibility through active management of its portfolio.

The strategy is based on five key pillars with all investment decisions assessed against multiple externally assured energy transition scenarios:

- **Sustainable Cash Flow Base:** Capricorn constantly looks to diversify and extend its production base, targeting long-life, full-cycle portfolios with low break-even costs to be in the best position to support future shareholder returns.

- **Balance Sheet Flexibility:** Capricorn maintains a balance sheet that is resilient to periods of volatility and a controllable and flexible capital programme.
- **Selective Exploration:** Exploration remains core to Capricorn's future strategy. New discoveries support future cash flows through organic reserves replacement, with the potential for transformational events to create further shareholder value. Exploration focus is on advantaged resources that can remain competitive through stringent energy transition scenarios and will move quickly to commercialisation.
- **Shareholder Returns:** Capricorn's strong shareholder returns is a key differentiator. Capricorn weighs reinvestment in the business against returning cash to shareholders when considering capital allocation.
- **Portfolio Management:** Proactive portfolio management allows Capricorn to invest in growing, diversifying and sustaining the cash flow-generating asset base.

Ultimately, this strategic focus has enabled Capricorn to differentiate its business, enabling significant capital returns to shareholders. In 2021, Capricorn returned or committed to return nearly \$1 billion, with the \$500 million Tender Offer completing on 6 April 2022 and the share buyback programme of up to \$200 million commencing on 7 April 2022.

While the Capricorn Board considers the standalone prospects for Capricorn to be strong, the Capricorn Board believes that the Combination has particularly compelling strategic logic, strong prospects for accelerating the strategy and the growth of the business and offers high value creation opportunity for Capricorn Shareholders.

The rationale and benefits for the Combination are set out more fully in paragraphs 3 and 4. The Combination merges Capricorn's and Tullow's complementary portfolio, becoming a leading African energy company with significant investment opportunities. The Combined Group will have strong cash flow generation and a resilient balance sheet to accelerate investment for growth and drive greater operational efficiency.

The Combination is expected to result in material value creation for Capricorn Shareholders, with significant synergy potential. Through material scale and a diversified asset base, the Combined Group will have an enhanced cash flow profile and a strong balance sheet that is expected to facilitate the generation of attractive and sustainable returns for shareholders.

The Capricorn Board believes that the terms of the Combination fairly reflect Capricorn's and Tullow's respective standalone businesses and their prospects, and an appropriate sharing of the expected synergies resulting from the Combination.

Accordingly, whilst Capricorn has attractive standalone prospects, following careful consideration of the above factors, the Capricorn Board believes that the Combination is in the best interests of Capricorn Shareholders and intends unanimously to recommend the Combination to Capricorn Shareholders.

8. **Conditions**

The Combination will be subject to, amongst other things, the receipt of any necessary antitrust or regulatory consents, any necessary governmental approvals or consents, waivers or non-exercise of any material termination rights, material pre-emption rights or similar rights in the jurisdictions in which the Tullow Group and the Capricorn Group operate, including (where required) in Egypt, Ghana, Mexico and Mauritania, in each case given on terms or subject to conditions which are satisfactory to Tullow and Capricorn.

In addition to the conditions referred to above, the Combination will be subject to the other Conditions and certain further terms as set out in Appendix 1 to this Announcement, and to the full terms and conditions which will be set out in the Scheme Document, including, amongst other things:

- (i) approval by a majority in number of Capricorn Shareholders representing not less than 75 per cent. in value of Capricorn Shareholders who are on the register of members of Capricorn at the Voting Record Time, present and voting, whether in person or by proxy, at the Court Meeting;

- (ii) all resolutions required to approve and implement the Scheme and to approve certain related matters being duly passed by the requisite majority of Capricorn Shareholders at the Capricorn General Meeting;
- (iii) the sanction of the Scheme by the Court (with or without modification but subject to any modification being on terms acceptable to Capricorn and Tullow) and, following such sanction, the delivery of a copy of the Court Order to the Registrar of Companies by no later than the Long Stop Date;
- (iv) the Tullow Resolutions being duly passed by the requisite majority of Tullow Shareholders at the Tullow General Meeting; and
- (v) Admission becoming effective.

9. **Irrevocable undertakings to vote in favour of the Combination**

Court Meeting and Capricorn General Meeting

Tullow and Capricorn have received irrevocable undertakings from each of the Capricorn Directors who hold Capricorn Shares in respect of their own legal and/or beneficial holdings of Capricorn Shares to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the Capricorn General Meeting, in respect of a total of 744,346 Capricorn Shares representing, in aggregate, approximately 0.2 per cent. of Capricorn's issued share capital as at 31 May 2022 (being the last Business Day prior to the date of this Announcement).

Tullow General Meeting

Those Tullow Directors who hold Tullow Shares have irrevocably undertaken to vote in favour of the Tullow Resolutions at the Tullow General Meeting which will be convened in connection with the Combination, in respect of a total of 1,555,824 Tullow Shares representing, in aggregate, approximately 0.1 per cent. of Tullow's issued share capital as at 31 May 2022 (being the last Business Day prior to the date of this Announcement).

Further details of the irrevocable undertakings described above are set out in Appendix 3.

10. **Directors, management, employees, pensions and locations**

Tullow and Capricorn recognise the skills and experience of their respective management and employees and intend the management teams of both Tullow and Capricorn to play a leading role in the Combined Group. Tullow intends that employees will have the potential to benefit from the broader opportunities arising from being part of the larger Combined Group following Completion.

The management team of the Combined Group will comprise Rahul Dhir, CEO of Tullow, James Smith, CFO of Capricorn, along with members from the existing Tullow and Capricorn leadership teams and will be responsible for the day-to-day management and operation of the Combined Group.

The Board of the Combined Group will have a clearly defined governance structure, with Phuthuma Nhleko, the Chairman of Tullow, becoming the Chairman of the Combined Group and Nicoletta Giadrossi, the Chair of Capricorn, becoming the Senior Independent Director of the Combined Group. In addition, the Board of the Combined Group will comprise the CEO, the CFO and 5 further Non-executive Directors, with 2 expected to be current Tullow Directors and 3 expected to be current Capricorn Directors.

After almost 11 years as CEO of Capricorn, Simon Thomson will step down as CEO on Completion and will become Chair of the Integration Steering Committee to help with the integration of the two companies.

The composition of the Board of the Combined Group is expected to comply with the UK Corporate Governance Code and have an effective balance of skills, experience, independence and diversity.

Management, employees and head office

For the employees of the Combined Group, Tullow intends that the management team of the Combined Group will aim to retain the best talent of Tullow and Capricorn.

In order to achieve the expected benefits of the Combination, a detailed review of the business and operations of the Combined Group will be carried out following Completion. Tullow expects that this review will be completed within approximately 3 to 6 months following completion of the Combination. The Combined Group intends to seek material operating cost benefits derived from the rationalisation of the board and senior management and consolidation of administrative and central technical and operational functions, including third party costs across the Combined Group.

The synergy work carried out to date has identified the potential to generate operating costs benefits for the Combined Group through corporate and administrative efficiencies. The synergies assume a potential headcount reduction of approximately 25% of the total Combined Group workforce. However, at this stage, there are no fully developed proposals as to how and where such headcount reductions will be implemented. Headcount reductions are expected in areas where there is overlap such as in corporate service functions. Any redundancies will be carried out in accordance with applicable information and consultation processes. No changes are expected in the operating asset organisations across the Combined Group: Ghana, Egypt, Gabon, Côte d'Ivoire and Kenya.

The finalisation and implementation of any workforce reductions will be subject to comprehensive planning and appropriate engagement and (if applicable) consultation with relevant stakeholders.

After Completion, a detailed review of the business will be undertaken to ensure the organisation has the skillset, structure and is sized correctly for the combined business, with the aim of retaining and motivating the best talent across the Combined Group.

Save as set out above, it is not envisaged that there will be any material change to the balance of skills and functions of the employees and management in the Combined Group.

Tullow has confirmed that the Combined Group will fully safeguard the existing statutory and contractual employment rights of both Capricorn and Tullow employees. Subject to the detailed review of the business, relocation of the headquarters and any changes in respect of working location and flexible working arrangements as referred to in this paragraph 10 (which in each case will be subject to all necessary information and consultation processes with employees and their representatives), Tullow does not envisage making any material changes in the conditions of employment of the Capricorn employees in the period of 12 months following Completion.

Tullow has not entered into any, and has not held any discussions in respect of the remuneration or incentive arrangements that may apply following completion of the Combination with any of the Capricorn Directors, save for in connection with the Co-operation Agreement and as disclosed in paragraph 11 and the immediately following paragraphs below.

The Co-operation Agreement contains provisions that will apply in respect of the Capricorn Share Plans and certain other employee arrangements. In particular:

- (A) options and awards under the Capricorn Share Plans will be treated as outlined in paragraph 11 below;
- (B) subject to any necessary consents, Tullow and Capricorn have agreed that cash retention awards may be made to certain key employees (including Executive Directors and other senior executives) of Capricorn, following and conditional on completion of the Combination (the “**Employee Retention Arrangements**”). The aggregate maximum quantum that may be awarded under the Employee Retention Arrangements is £4 million, of which a maximum of £1,007,231 may be awarded to Executive Directors; and
- (C) prior to Completion, Tullow and Capricorn will agree a policy under which the Combined Group will offer enhanced redundancy payments and related arrangements to employees whose roles become redundant during the period of 18

months following Completion, and who, if requested at the relevant time by Tullow, sign an appropriate settlement agreement. The details of the policy are yet to be determined and will be made available to staff after the policy is finalised;

- (D) as stated in this paragraph 10 above, it has been agreed that Simon Thomson's appointment as Chief Executive Officer, and as a director, of Capricorn will end on the Effective Date, following which he will be engaged by Tullow for a period of up to 12 months to facilitate the integration of Capricorn and Tullow, including through chairing the Integration Committee. As at the date of this Announcement, no incentivisation arrangements have been entered into with Mr Thomson by Tullow in relation to that role, and Tullow has not reached an advanced stage of discussions with Mr Thomson in relation to the terms on which he might hold such a role.

As required by, and solely for the purposes of, Rule 16.2 of the Code, Morgan Stanley has (in its capacity as independent adviser to the Capricorn Directors for the purposes of Rule 3 of the Code) reviewed the terms of the Employee Retention Arrangements and the proposed transition and integration role for Mr Thomson and has confirmed that, in its opinion, the Employee Retention Arrangements set out above are fair and reasonable as far as Capricorn's Shareholders are concerned. In providing this advice to the Capricorn Directors, Morgan Stanley has taken into account the commercial assessments of the Capricorn Directors.

While each of Tullow and Capricorn currently has their own headquarters, it is the intention of the Combined Group to rationalise its UK office space as soon as possible following Completion. Tullow intends that the Combined Group will retain premises in London and Edinburgh and, through the application of a flexible work policy, enable employees to operate from both premises. Immediately following Completion, the headquarters of the Combined Group will be Tullow's office in London, subject to any obligations to inform and consult with affected employees and/or their representatives. The Combined Group does not otherwise envisage any redeployment of Capricorn's fixed asset base.

Owing to the nature of its business, Capricorn has no research and development function and Tullow has no intentions in this regard.

Tullow intends that the Combined Group will not make any changes with regard to the agreed employer contributions to either Tullow's or Capricorn's existing defined contribution pension schemes or the accrual of benefits to existing members or the admission of new members to such pension schemes.

Listing and re-registration

Following Completion, the Combined Group will retain Tullow's listing of Tullow Shares on the Official List and admission to trading on the London Stock Exchange.

The Capricorn Shares are currently listed on the Official List and admitted to trading on the London Stock Exchange. As set out in paragraph 16, applications will be made for the cancellation of the listing of the Capricorn Shares on the Official List and the cancellation of trading of the Capricorn Shares on the London Stock Exchange. Tullow intends to re-register Capricorn as a private company as soon as it is appropriate to do so under the provisions of the Companies Act.

Change of name

A name change is intended to take effect upon completion of the Combination, and a further update will be provided in due course. The new name will not include the words "Tullow" or "Capricorn". Tullow and Capricorn will consult with key stakeholders as the new corporate name for the Combined Group is considered.

No statements in this paragraph 10 constitute "post-offer undertakings" for the purposes of Rule 19.5 of the Code.

11. Capricorn Share Plans

Participants in the Capricorn Share Plans will be contacted regarding the effect of the Combination on their options and awards under the Capricorn Share Plans.

A summary of the effect of the Combination on outstanding options and awards under the Capricorn Share Plans is as follows:

- (A) options granted under the Capricorn Long Term Incentive Plan (2017), the Capricorn Long Term Incentive Plan (2009) and the Capricorn Employee Share Award Scheme (2015) will be automatically “rolled-over” into comparable options over Tullow Shares (unless the relevant option holder does not agree to the rollover, in which case the relevant option will lapse upon the Court Order);
- (B) options granted under the Capricorn Approved Share Option Plan (2009) and the Capricorn Unapproved Share Option Plan (2009) will remain exercisable for a period of no longer than six months after the Court Order is obtained, at the end of which they will lapse. However, as an alternative, Tullow will offer participants in the Capricorn Approved Share Option Plan (2009) and the Capricorn Unapproved Share Option Plan (2009) the opportunity to exchange or “rollover” their options for equivalent options over Tullow Shares; and
- (C) Capricorn Shares held under the Capricorn 2010 Share Incentive Plan at the Scheme Record Time will participate in the Scheme in the same way as other Capricorn Shares.

Details of the proposals will be set out in the Scheme Document or, as the case may be, the Offer Document, and in separate letters to be sent to participants in the relevant Capricorn Share Plans.

The Combination will extend to any Capricorn Shares which are unconditionally allotted or issued before the Scheme Record Time, including those allotted or issued as a result of the exercise of options or vesting of awards under the Capricorn Share Plans.

As the Scheme will not extend to Capricorn Shares issued after the Scheme Record Time, it is proposed to amend Capricorn's articles of association at the Capricorn General Meeting to provide that, if the Combination become effective, any Capricorn Shares issued to any person after the Scheme Record Time (including in satisfaction of an option exercised under one of the Capricorn Share Plans) will be automatically transferred to Tullow in consideration for the issue or transfer by Tullow to such persons of New Tullow Shares for each Capricorn Share so transferred on the same basis as under the Scheme.

As required by, and solely for the purposes of Rule 16.2 of the Code, Morgan Stanley has (in its capacity as independent adviser to Capricorn for the purposes of Rule 3 of the Code) reviewed the terms of the rollover of options under the Capricorn Share Plans, together with other information deemed relevant, and advised Capricorn that the rollover of such options is fair and reasonable so far as the Capricorn Shareholders are concerned. In providing this advice to the Capricorn Directors, Morgan Stanley has taken into account the commercial assessments of the Capricorn Directors.

12. **Structure of the Combination**

It is intended that the Combination will be implemented by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act.

The purpose of the Scheme is to provide for Tullow to become the owner of the entire issued and to be issued share capital of Capricorn. In order to achieve this, the Scheme Shares will be transferred to Tullow under the Scheme. In consideration for this transfer, the Scheme Shareholders will receive New Tullow Shares on the basis set out in paragraph 2. The transfer to Tullow of the Scheme Shares will result in Capricorn becoming a wholly-owned subsidiary of Tullow.

The Combination is subject to the Conditions and further terms set out in Appendix 1 of this Announcement and to be set out in the Scheme Document.

In order for the Scheme to become Effective:

- (a) the Scheme must be approved by Capricorn Shareholders who are on the register of members of Capricorn at the Voting Record Time by the passing of a resolution at the Court Meeting. This resolution must be approved by a majority in number of

such Capricorn Shareholders (or relevant classes thereof) present and voting (and entitled to vote) at the Court Meeting, and any separate class meeting(s) which may be required by the Court either in person or by proxy, representing not less than 75 per cent. in value of such Capricorn Shareholders (or relevant classes thereof);

- (b) resolutions to deal with certain ancillary matters in connection with the Scheme must be passed at the Capricorn General Meeting to be held immediately after the Court Meeting;
- (c) following the Court Meeting, the Scheme must also be sanctioned by the Court; and
- (d) following the sanction by the Court, a copy of the Court Order must be delivered to the Registrar of Companies for registration.

The Scheme will only become Effective if, among other things, the events described in the paragraph immediately above occur no later than the Long Stop Date.

Additionally, the Scheme will lapse if, amongst other things:

- (a) the Court Meeting and Capricorn General Meeting are not held on or before the 22nd day after the expected date of such meetings, which will be set out in the Scheme Document in due course (or such later date as may be agreed by Tullow and Capricorn with the consent of the Panel and, if required, the Court);
- (b) the Court Sanction Hearing is not held on or before the 22nd day after the expected date of such hearing, which will be set out in the Scheme Document in due course (or such later date as may be agreed by Tullow and Capricorn with the consent of the Panel and, if required, the Court); or
- (c) the Scheme does not become Effective on or before the Long Stop Date.

Any Scheme Shareholder is entitled to attend the Court Sanction Hearing in person or through counsel to support or oppose the sanctioning of the Scheme.

Once the Scheme becomes Effective, it will be binding on all Scheme Shareholders, whether or not they voted at the Court Meeting and/or the Capricorn General Meeting and, if they did vote, whether or not they voted in favour of or against the resolutions proposed at those meetings.

The terms of the Scheme will provide that the Capricorn Shares will be acquired under the Scheme fully paid and free from all liens, equitable interests, charges, encumbrances, options, rights of pre-emption and any other third party rights or interests of any nature whatsoever and together with all rights attaching thereto, including the right to receive and retain all dividends and other distributions and returns of value declared, paid or made after the Effective Date.

No dividends or other distributions are intended to be announced, declared, made or paid by Tullow or Capricorn following this Announcement and until the Scheme becomes Effective (or lapses), other than in connection with the \$25 million tranche of the Capricorn share buyback programme announced by Capricorn on 7 April 2022. Notwithstanding the foregoing intention, if after the date of this Announcement and prior to the Effective Date any dividend or distribution is announced, declared, made, paid or becomes payable by Capricorn (other than in connection with the \$25 million tranche of the Capricorn share buyback programme announced by Capricorn on 7 April 2022), Tullow will have the right to reduce the value of the consideration payable for the Capricorn Shares by up to the amount of any such dividend or distribution except where the Capricorn Shares are or will be acquired pursuant to the Scheme on a basis which entitles Tullow to receive the dividend or distribution and to retain it.

Further details of the Scheme, including an indicative timetable for its implementation, will be set out in the Scheme Document. It is intended that the Scheme Document will be despatched to Capricorn Shareholders following receipt (where required) of the consents, approvals or waivers referred to in paragraph 8 above and in or around the fourth quarter of

2022 (unless otherwise agreed by the Panel, Tullow and Capricorn) and a further announcement regarding the publication of the Scheme Document will be made in due course. For the purposes of paragraph 3(a) of Appendix 7 to the Code, the Panel has consented to an extension of the applicable date for posting.

Tullow reserves the right, subject to the prior consent of the Panel and the terms of the Cooperation Agreement, to elect to implement the Combination by way of a takeover offer (as such term is defined in section 974 of the Companies Act). In such event, such takeover offer will be implemented on the same terms (subject to appropriate amendments as described in Part 3 of Appendix 1), so far as applicable, as those which would apply to the Scheme. Furthermore, if such offer is made and sufficient acceptances of such offer are received, when aggregated with Capricorn Shares otherwise acquired by Tullow, it is the intention of Tullow to apply the provisions of section 979 of the Companies Act to acquire compulsorily any outstanding Capricorn Shares to which such offer relates.

13. **Tullow Shareholder approval and Prospectus**

The Combination constitutes a Class 1 transaction for Tullow. Accordingly, Tullow will be required to seek the approval of Tullow Shareholders for the Combination at the Tullow General Meeting.

The Tullow Directors intend to recommend, unanimously, Tullow Shareholders to vote in favour of the relevant resolutions at the Tullow General Meeting which will be convened in connection with the Combination, as the Tullow Directors who hold Tullow Shares have irrevocably undertaken to do in respect of their entire beneficial holdings of, in aggregate, 1,555,824 Tullow Shares, representing approximately 0.1 per cent. of Tullow's issued share capital on 31 May 2022 (being the last Business Day prior to the date of this Announcement).

Tullow will prepare and send to Tullow Shareholders the Circular summarising the background to and reasons for the Combination which will include a notice convening the Tullow General Meeting. The Combination is conditional on, among other things, the Tullow Resolutions being passed by the requisite majority of Tullow Shareholders at the Tullow General Meeting (but not, for the avoidance of doubt, any other resolutions to be proposed at the Tullow General Meeting which shall not be Conditions to the Combination).

Tullow will also be required to produce the Prospectus in connection with the issue of the New Tullow Shares and Admission. The Prospectus will contain information relating to the Combined Group and the New Tullow Shares. The Prospectus, containing information about the New Tullow Shares, will be published at or around the same time as the Scheme Document is posted to Capricorn Shareholders. The Circular, containing details of the Combination and notice of the Tullow General Meeting, will also be posted to Tullow Shareholders at or around the same time as the Scheme Document is posted to Capricorn Shareholders, and the Tullow General Meeting will be held at or around the same time and on the same date as the Court Meeting and/or the Capricorn General Meeting.

Following publication, the Prospectus and the Circular will be made available by Tullow on its website at <https://www.tulloil.com/> and by Capricorn on its website at <https://www.capricornenergy.com/all-share-merger>.

14. **Information on the Tullow Group**

Tullow is a leading independent oil and gas, exploration and production group, and is a constituent of the FTSE 250 Index. Tullow has producing assets in West Africa, material positions in discovered resources in Kenya and emerging basins in Latin America. Tullow is headquartered in London and its shares are listed on the London, Irish and Ghana stock exchanges. Tullow also pursues near-field exploration opportunities in and around its producing and development assets.

Tullow is a full cycle upstream oil and gas company, operating assets through the lifecycle of exploration and appraisal, through to the development and production phase to decommissioning at the end of life. Tullow's business is focused on finding, or acquiring assets to extract, oil and gas which is then sold in the global commodity market. By doing this, Tullow is able to unlock and maximise value from the hydrocarbon resources of its host

nations. Tullow is committed to doing this efficiently and safely, while minimising its environmental impact.

In 2021, the Tullow Group's working interest production averaged 59.2 kboepd, with notable production growth from the Jubilee field in Ghana and Simba field in Gabon.

Exploration and appraisal

In addition to selective exploration in emerging basins, Tullow is focused on leveraging its geoscience expertise to enhance the value of its core assets. This is largely done through 'Infrastructure-led exploration', which involves identifying new resources near existing infrastructure.

Development

Tullow has made material discoveries in East Africa and has been progressing its project in Northern Kenya towards development. Tullow's development activities are focused on preparing capital efficient development plans that enable the production of discovered resources. For Tullow, this primarily relates to Project Oil Kenya and further developments of its existing producing fields such as the Jubilee South East Development.

Production

Tullow's production assets are in West Africa with offshore production from Ghana, Gabon and Côte d'Ivoire. Tullow has a goal to become a leading West African operator and is striving for top quartile operating performance in terms of safety, emissions, reliability and costs. Tullow operates both the Jubilee and TEN fields in Ghana and works in partnership with the operators of its non-operated assets.

For the year ended 31 December 2021, Tullow reported profits from continuing activities before tax of \$202.7 million and gross assets of \$5,540.6 million.

15. **Information on the Capricorn Group**

Capricorn is a leading independent upstream energy company which has historically discovered, developed, and produced oil and gas around the world. It is headquartered in Edinburgh and its shares are listed on the London Stock Exchange, where it is a constituent of the FTSE 250 index.

Capricorn's current focus is the growth of its gas and liquids production base through development and exploration, using its portfolio of development, production and exploration assets. Its assets include interests in Egypt, Mauritania, Mexico, Suriname and the UK.

Capricorn's business model is to hold assets within the oil and gas life cycle in order to create, add and deliver value for stakeholders. The cash flow from production assets funds exploration, appraisal and development activity. Assets can be monetised at different stages of hydrocarbon exploration, development and production in order to optimise the portfolio and create the opportunity for further cash returns to shareholders.

Capricorn adheres to high sustainability standards, and it invests to ensure its portfolio remains competitive through stringent energy transition scenarios. It is committed to net zero carbon emissions by 2040.

In 2021, the Capricorn Group's working interest production averaged 36.5 kboepd post completion of its acquisition of assets in Egypt.

For the year ended 31 December 2021, Capricorn reported profits before tax from continuing operations of \$873.7 million and gross assets of \$2,246.4 million.

16. **De-listing and re-registration**

It is expected that the last day of dealings in, and for registration of transfers of, Capricorn Shares (other than the registration of the transfer of the Scheme Shares to Tullow pursuant to the Scheme) will be the last Business Day prior to the Effective Date, following which all of the Capricorn Shares will be suspended from the Official List and from trading on the London Stock Exchange's Main Market for listed securities, and Capricorn Shares will be disabled in CREST.

On the Effective Date, all share certificates in respect of Capricorn will cease to be valid and should be destroyed and, by the first Business Day after the Effective Date, entitlements to Capricorn Shares in CREST will be cancelled.

Applications will be made to the FCA for the cancellation of the listing of the Capricorn Shares on the Official List and to the London Stock Exchange for the cancellation of the admission to trading of Capricorn Shares on the London Stock Exchange's Main Market for listed securities. It is expected that such delisting and cancellation of admission to trading would take effect on the Business Day after the Effective Date.

If the Scheme is sanctioned, any Capricorn shares held in treasury will be cancelled prior to the Scheme Record Time.

Tullow intends to re-register Capricorn as a private company as soon as it is appropriate to do so under the provisions of the Companies Act.

17. **Settlement, listing and dealing of New Tullow Shares**

Once the Scheme has become Effective, New Tullow Shares will be allotted to the Scheme Shareholders. The New Tullow Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Tullow Shares in issue at the time the New Tullow Shares are issued pursuant to the Combination, including the right to receive and retain in full all dividends and other distributions (if any) announced, declared, made or paid, or any other return of value (whether by reduction of share capital or share premium account or otherwise) made, in each case by reference to a record date falling on or after the Effective Date.

It is intended that applications will be made to the FCA and the London Stock Exchange, respectively, for the New Tullow Shares to be admitted to the premium listing segment of the Official List of the FCA and to trading on the London Stock Exchange's Main Market for listed securities (together, the "**UK Admission**"). Applications will also be made to the Ghana Stock Exchange and the Ghana SEC for the New Tullow Shares to be admitted to the First Official List of the Ghana Stock Exchange and to trading on the Ghana Stock Exchange (together, the "**Ghana Admission**"). Subject to the outcome of Tullow's review as to the continued appropriateness of the continued listing of its shares on the secondary listing segment of the Official List of Euronext Dublin and to trading on the Euronext Dublin Market, if Tullow decides to maintain such listing and admission to trading then applications will also be made to Euronext Dublin for the New Tullow Shares to be admitted to the secondary listing segment of the Official List of Euronext Dublin as an overseas company and to trading on the Euronext Dublin Market operated by Euronext Dublin (together, the "**Irish Admission**", and together with the UK Admission and the Ghana Admission, "**Admission**"). It is expected that UK Admission and Ghana Admission will become effective, and if applications are made for Irish Admission that Irish Admission will become effective, and that dealings for normal settlement in the New Tullow Shares will commence, at 8.00 a.m. on the first Business Day after the date on which the Scheme becomes Effective. The existing Tullow Shares are admitted to CREST. It is expected that all of the New Tullow Shares, when issued and fully paid, will be capable of being held and transferred by means of CREST.

Further details on listing, dealing and settlement will be included in the Scheme Document.

18. **Offer-related arrangements**

18.1 *Confidentiality Agreement*

Tullow and Capricorn entered into a confidentiality agreement on 31 May 2022. Pursuant to the confidentiality agreement Tullow and Capricorn agreed to keep confidential certain information provided by the other party for the purposes of evaluating the Combination. The confidentiality obligations will not apply to confidential information the disclosure of which is required by any applicable law, including by stock exchange regulations or by a governmental order, decree, regulation or rule.

18.2 *Co-operation Agreement*

Tullow and Capricorn have entered into a Co-operation Agreement dated 1 June 2022, pursuant to which Tullow has agreed to take all required, necessary or advisable steps to pursue the clearances required to satisfy the regulatory Conditions (provided that such clearances are on terms satisfactory to Tullow and Capricorn), with a view to satisfying such conditions as soon as is reasonably practicable. Tullow and Capricorn have agreed to co-operate with each other in good faith to provide each other, in a timely manner, with such information, assistance and access as may reasonably be required in order to obtain the regulatory clearances and authorisations. Tullow and Capricorn have also agreed to co-operate with each other in good faith to provide each other, in a timely manner, with such information, assistance and access as may reasonably be required for the preparation of the key shareholder documentation.

Under the terms of the Co-operation Agreement, it has been agreed between Tullow and Capricorn that Simon Thomson will step down as CEO of Capricorn and his employment will terminate with effect from Completion. He will assume a transitional advisory role as Chair of the Integration Steering Committee to help with the integration of the two companies on commercial terms to be agreed. Under the terms of his service agreement, Mr Thomson will in accordance with the terms of his employment contract receive (i) a sum in lieu of salary and the value of benefits for his 12-month notice period and (ii) an amount equal to his annual salary by way of compensation for the termination of his employment in connection with the change of control of Capricorn.

Tullow has the right to terminate the Co-operation Agreement where:

- (A) the Capricorn General Meeting and/or the Court Meeting and/or the Court Sanction Hearing is not held on or before the 22nd day after the expected date of such meeting or hearing as set out in the Scheme Document (or such later date as may be agreed in writing between the parties with the consent of the Panel and the approval of the Court (if such approval is required));
- (B) the Scheme Document and, if different, the document convening the Capricorn General Meeting does not include the unconditional recommendation that the Capricorn Shareholders vote in favour of the Scheme;
- (C) Capricorn makes an announcement that:
 - (i) it no longer intends to make an unconditional recommendation that the Capricorn Shareholders vote in favour of the Scheme;
 - (ii) it will not convene the Court Meeting or the Capricorn General Meeting, or it will delay the convening of or will adjourn the Court Meeting or the Capricorn General Meeting for a period longer than 22 days after the expected date of such meeting as set out in the Scheme Document (or such later date as may be agreed in writing between the parties with the consent of the Panel and the approval of the Court (if such approval is required)), in each case without the consent of Tullow; or
 - (iii) it intends not to post the Scheme Document or, if different, the document convening the Capricorn General Meeting;
- (D) the Capricorn Directors publicly withdraw, qualify or modify their unconditional recommendation that the Capricorn Shareholders vote in favour of the Scheme; or
- (E) a competing transaction is recommended by the Capricorn Directors.

Capricorn has the right to terminate the Co-operation Agreement where:

- (A) the Tullow Directors have withdrawn, qualified, modified or they have failed to reaffirm (when reasonably requested by Capricorn to do so) their unconditional recommendation that the Tullow Shareholders vote in favour of the Tullow Resolutions at the Tullow General Meeting (including, prior to the publication of the Tullow Circular, their intention to do so);
- (B) Tullow adjourns or postpones the Tullow General Meeting for longer than 15 days; or

- (C) the Tullow Resolutions are not passed by the requisite majority at the Tullow General Meeting.

Tullow and Capricorn may also terminate the Co-operation Agreement by mutual consent.

Tullow and Capricorn may each also terminate the Co-operation Agreement by service of written notice on the other if the Combination is being implemented by way of the Scheme and:

- (A) a competing offer by a third party becomes effective;
- (B) if any Condition is invoked by Tullow (where permitted by the Panel);
- (C) the Combination is withdrawn or lapses before the Long Stop Date, other than where Tullow has exercised its right to implement the Combination as an Offer (with the consent of the Panel and subject to the approval of Capricorn (or otherwise in accordance with the Co-operation Agreement));
- (D) the Scheme is not approved by the requisite majority of Capricorn Shareholders at the Court Meeting or the Capricorn Resolutions are not passed by the requisite majority at the Capricorn General Meeting;
- (E) the Court refuses to sanction the Scheme or grant the Court Order at the Court Sanction Hearing; or
- (F) the Scheme has not become effective by the Long Stop Date.

The Co-operation Agreement also contains provisions that will apply in respect of the Capricorn Share Plans and certain other employee arrangements, as referred to in paragraphs 10 and 11 above.

19. **Overseas shareholders**

The distribution of this Announcement to, and the availability of the Combination and/or New Tullow Shares to be issued pursuant to the Combination to, persons not resident in the United Kingdom may be affected by the laws and regulations of the relevant jurisdiction. Such persons should inform themselves of and observe any applicable legal or regulatory requirements. Further details in relation to overseas shareholders will be contained in the Scheme Document.

This Announcement does not constitute, or form part of, any offer for, or any solicitation of any offer for, securities, nor is it a solicitation of any vote or approval in any jurisdiction, nor will there be any purchase or transfer of the securities referred to in this Announcement in any jurisdiction in contravention of applicable law or regulation.

The New Tullow Shares to be issued pursuant to the Combination have not been, and, unless Tullow otherwise elects in the event of a Takeover Offer, will not be, registered under the U.S. Securities Act or under any laws of any state, district or other jurisdiction, of the United States. Accordingly, unless an exemption under relevant securities laws is available, including the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof, the New Tullow Shares are not being, and may not be, offered, sold, resold, delivered or distributed, directly or indirectly, in, into or from the United States. Neither the U.S. Securities and Exchange Commission nor any U.S. state securities commission has approved or disapproved of the existing Tullow Shares or New Tullow Shares or determined if this Announcement is accurate or complete. Any representation to the contrary is a criminal offence.

20. **Disclosure of interests in Capricorn Shares**

As at the close of business on 30 May 2022 (being the last practicable date prior to the publication of this Announcement), save for the irrevocable undertakings referred to in paragraph 9 above, neither Tullow, nor any of the Tullow Directors, nor, so far as Tullow is aware, any person acting in concert (within the meaning of the Code) with Tullow has:

- a) any interest in, or right to subscribe for, any Capricorn Shares nor does any such person have any short position in Capricorn Shares, including any short position

under a derivative, any agreement to sell, any delivery obligation or right to require another person to purchase or take delivery of Capricorn Shares; or

- b) borrowed or lent any Capricorn Shares or entered into any financial collateral arrangements relating to Capricorn Shares; or
- c) any dealing arrangement of the kind referred to in Note 11 on the definition of acting in concert in the Code in relation to Capricorn Shares or in relation to securities convertible or exchangeable into Capricorn Shares,

and "interests in securities" for these purposes arise, in summary, when a person has long economic exposure, whether absolute or conditional, to changes in the price of securities (and a person who only has a short position in securities is not treated as interested in those securities). In particular, a person will be treated as having an 'interest' by virtue of the ownership, voting rights or control of securities, or by virtue of any agreement to purchase, option in respect of, or derivative referenced to, securities.

In the interests of secrecy prior to this Announcement, Tullow has not made any enquiries in respect of the matters referred to in this paragraph of certain parties who may be deemed by the Panel to be acting in concert with Tullow for the purposes of the Combination. Further enquiries will be completed prior to publication of Tullow's Opening Position Disclosure.

21. **Expected timetable**

Further details of the Scheme will be contained in the Scheme Document which is intended to be despatched to Capricorn Shareholders following receipt (where required) of the consents, approvals or waivers referred to in paragraph 8 above and in or around the fourth quarter of 2022 (unless otherwise agreed with the Panel). A further announcement regarding the publication of the Scheme Document will be made in due course. For the purposes of paragraph 3(a) of Appendix 7 of the Code, the Panel has consented to an extension of the applicable date for posting.

Further details on the timetable for implementation of the Scheme will be set out in the Scheme Document, which will also include the notices of the Court Meeting and the Capricorn General Meeting and specify the necessary actions to be taken by Capricorn Shareholders.

Subject to satisfaction or waiver of the relevant Conditions as set out in Appendix 1 to this Announcement, the Scheme is expected to become Effective in the fourth quarter of 2022.

22. **Documents available on website**

Copies of the following documents will shortly be available on the Tullow website at <https://www.tulloil.com/> and on the Capricorn website at <https://www.capricornenergy.com/all-share-combination> in each case until the Scheme has become Effective or has lapsed or been withdrawn:

- (A) this Announcement;
- (B) the irrevocable undertakings;
- (C) the Confidentiality Agreement;
- (D) the Co-operation Agreement; and
- (E) the consent letters from each of PJT Partners, Barclays, Morgan Stanley, Rothschild & Co and KPMG.

23. **General**

Each of PJT Partners, Barclays, Morgan Stanley, Rothschild & Co and KPMG has given and not withdrawn its consent to the publication of this Announcement with the inclusion herein of the references to its opinion and name in the form and context in which they are included.

The Combination will be subject to the satisfaction or, where applicable, waiver of the Conditions and certain further terms of the Combination are set out in Appendix 1 to this Announcement and to the full terms and conditions to be set out in the Scheme Document. Appendix 2 contains bases and sources of certain information contained within this Announcement. Appendix 3 contains details of the irrevocable undertakings given to Capricorn and Tullow in relation to the Combination. Appendix 4 contains further details and reports on the Quantified Financial Benefits Statement. Appendix 5 contains the definitions of certain terms used in this Announcement.

Analyst and investor presentation

There will be an analysts' briefing at The Lincoln Centre, 18 Lincoln's Inn Fields, London WC2A 3ED today at 9.00 a.m. There will also be a live webcast of this briefing. Information on how to access the live webcast can be found in the 'Investors' section of the Tullow website at <https://www.tulloil.com/investors/> and Capricorn website at <https://www.capricornenergy.com/all-share-combination>.

The recorded webcast (together with the accompanying slides) will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, in due course on Tullow's website at <https://www.tulloil.com> and on Capricorn's website at <https://www.capricornenergy.co.uk/all-share-combination>. The contents of the websites referred to in this Announcement are not incorporated into and do not form part of this Announcement.

Enquiries:

| | |
|--|---------------------|
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James McEwen

Murray Yuill

Camarco (PR Advisers to Tullow)

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Billy Clegg

Rebecca Waterworth

Herbert Smith Freehills LLP is acting as legal adviser to Tullow in connection with the Combination. Slaughter and May and Shepherd and Wedderburn LLP are acting as legal advisers to Capricorn in connection with the Combination.

Further information

This Announcement is for information purposes only and is not intended to and does not constitute, or form part of, an offer, invitation or the solicitation of an offer or invitation to purchase or otherwise acquire, subscribe for, exchange, sell, or otherwise dispose of, any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Combination or otherwise, nor shall there be any sale, issuance, exchange, or transfer of securities of Tullow or Capricorn pursuant to the Combination or otherwise in any jurisdiction in contravention of applicable laws.

The Combination will be implemented solely pursuant to the terms of the Scheme Document (or, in the event that the Combination is to be implemented by means of a Takeover Offer, the Offer Document), which, together with the Forms of Proxy, will contain the full terms and conditions of the Combination, including details of how to vote in respect of the Combination. Any decision by Capricorn Shareholders in respect of, or other response to, the Combination (including any vote in respect of the resolutions to approve the Combination, the Scheme or related matters), should be made only on the basis of the information contained in the Scheme Document (or, if the Combination is implemented by way of a Takeover Offer, the Offer Document).

Capricorn will prepare the Scheme Document to be distributed to Capricorn Shareholders. Tullow will prepare the Circular to be distributed to Tullow Shareholders and will also publish the Prospectus containing information on the New Tullow Shares and the Combined Group. Capricorn urges Capricorn Shareholders to read the Scheme Document and the Prospectus carefully when they become available because they will contain important information in relation to the Scheme, the New Tullow Shares and the Combined Group. Tullow urges Tullow Shareholders to read the Prospectus and the Circular carefully when they become available because they will contain important information in relation to the Combination, the Scheme, the New Tullow Shares and the Combined Group. Any vote in respect of resolutions to be proposed at the Court Meeting, the Capricorn General Meeting or the Tullow General Meeting to approve the Combination, the Scheme or related matters, should be made only on the basis of the information contained in the Scheme Document, the Prospectus and, in the case of Tullow Shareholders, the Circular.

This Announcement does not constitute a prospectus or an exempt document for the purposes of Article 1(4) or (5) of the UK Prospectus Regulation.

The Combination will be subject to the applicable requirements of the Code, the Panel, the FCA and the London Stock Exchange.

Please be aware that addresses, electronic addresses and certain other information provided by Capricorn Shareholders, persons with information rights and other relevant persons in connection with the receipt of communications from Capricorn may be provided to Tullow during the offer period as required under Section 4 of Appendix 4 of the Code.

Important Notices relating to the Financial Advisers

PJT Partners, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for Tullow and no-one else in connection with the Combination and will not be responsible to anyone other than Tullow for providing the protections afforded to clients of PJT Partners nor for providing advice in relation to the Combination. Neither PJT Partners nor any of its subsidiaries, branches or 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 PJT Partners in connection with this Announcement, any statement contained herein or otherwise.

Morgan Stanley, which is authorised by Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority in the United Kingdom, is acting for Capricorn and no-one else in connection with the Combination and will not be responsible to anyone other than Capricorn for providing the protections afforded to clients of Morgan Stanley nor for providing advice in relation to the Combination. Neither Morgan Stanley nor any of its subsidiaries, branches or 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 Morgan Stanley in connection with this Announcement, any statement contained herein or otherwise.

Rothschild & Co, which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively for Capricorn and no one else in connection with the matters described in this Announcement and will not be responsible to anyone other than Capricorn for providing the protections afforded to clients of Rothschild & Co nor for providing advice in connection with any matter referred to herein. Neither Rothschild & Co nor any of its affiliates (nor their respective directors, officers, employees or agents) 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 Rothschild & Co in connection with this Announcement, any statement contained herein or otherwise.

Barclays, which is authorised by the Prudential Regulation Authority and regulated in the United Kingdom by the Financial Conduct Authority and the Prudential Regulation Authority, is acting exclusively for Tullow and no one else in connection with the matters referred to in this Announcement and will not be responsible to anyone other than Tullow for providing advice in relation to the Combination or any other matters referred to in this Announcement.

In accordance with the Code, normal United Kingdom market practice and Rule 14e-5(b) of the Exchange Act, Barclays and its affiliates will continue to act as exempt principal trader in Tullow securities on the London Stock Exchange. These purchases and activities by exempt principal traders which are required to be made public in the United Kingdom pursuant to the Code will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at www.londonstockexchange.com. This information will also be publicly disclosed in the United States to the extent that such information is made public in the United Kingdom.

Overseas jurisdictions

The availability of the Combination and/or the New Tullow Shares in, and the release, publication or distribution of this Announcement in or into jurisdictions other than the United Kingdom may be restricted by law and therefore any persons into whose possession this Announcement comes who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe any applicable legal or regulatory requirements or restrictions. In particular, the ability of persons who are not resident in the United Kingdom to vote their Capricorn Shares with respect to the Scheme at the Court Meeting, to execute and deliver Forms of Proxy appointing another to vote at the Court Meeting on their behalf, or to hold and vote Tullow Shares at the Tullow General Meeting, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Combination disclaim any responsibility or liability for the violation of such restrictions by any person. This Announcement has been prepared for the purpose of complying with Scots law, English law, the Code, the UK Market Abuse Regulation and the Disclosure Guidance and Transparency Rules and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.

Unless otherwise determined by Tullow or required by the Code, and permitted by applicable law and regulation, the New Tullow Shares to be issued pursuant to the Combination to Capricorn Shareholders will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the

Combination by any such use, means, instrumentality or form within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this Announcement and any formal documentation relating to the Combination are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction or any other jurisdiction where to do so would constitute a violation of the laws of that jurisdiction, and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send such documents in or into or from any Restricted Jurisdiction. If the Combination is implemented by way of a Takeover Offer (unless otherwise permitted by applicable law and regulation), the Takeover Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Takeover Offer will not be capable of acceptance by any such use, means, instrumentality or facilities or from within any Restricted Jurisdiction.

The availability of the Combination, New Tullow Shares pursuant to the Combination and/or this Announcement to Capricorn Shareholders who are not resident in the United Kingdom or the ability of those persons to hold such New Tullow Shares may be affected by the laws or regulatory requirements of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements. Capricorn Shareholders who are in any doubt about such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction.

The New Tullow Shares may not be offered, sold or delivered, directly or indirectly, in, into or from any Restricted Jurisdiction or to, or for the account or benefit of, any Restricted Overseas Persons except pursuant to an applicable exemption from, or in a transaction not subject to, applicable securities laws of those jurisdictions, or otherwise permitted under applicable securities laws of those jurisdictions.

Further details in relation to Capricorn Shareholders in overseas jurisdictions will be contained in the Scheme Document.

Notes to U.S. investors in Capricorn

Capricorn Shareholders in the United States should note that the Combination relates to the shares of a Scottish company and is proposed to be made by means of a scheme of arrangement provided for under the Companies Act as it applies to Scottish companies. Neither the proxy solicitation nor the tender offer rules under the U.S. Securities Exchange Act, will apply to the Scheme. Moreover, the Scheme will be subject to the disclosure requirements and practices applicable in the UK to schemes of arrangement, which differ from the disclosure requirements of the U.S. proxy solicitation rules and tender offer rules. Financial information included in this Announcement and the Scheme Document has been or will be prepared in accordance with accounting standards applicable in the UK and may not be comparable to financial information of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. If Tullow exercises its right to implement the Combination by way of a Takeover Offer in accordance with the terms of the Co-operation Agreement and determines to extend the offer into the United States, such offer will be made in compliance with applicable United States securities laws and regulations, including to the extent applicable, the U.S. Securities Act and Section 14(E) of the U.S. Exchange Act and Regulation 14E thereunder. Such Takeover Offer would be made in the United States by Tullow and no one else.

In accordance with normal UK practice and pursuant to Rule 14e-5(b) of the U.S. Exchange Act, Tullow or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase Capricorn Shares outside of the United States, other than pursuant to the Combination, until the date on which the Combination becomes Effective, lapses or is otherwise withdrawn. Any such purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the UK, will be reported to the Regulatory Information Service of the London Stock Exchange and will be available on the London Stock Exchange website at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

Capricorn is organised under the laws of Scotland and Tullow is organised under the laws of England. Some or all of the officers and directors of Capricorn and Tullow are residents of countries other than the United States. It may not be possible to sue Capricorn and Tullow in a non-US court for violations of U.S. securities laws. It may be difficult to compel Capricorn, Tullow and their respective affiliates to subject themselves to the jurisdiction and judgment of a U.S. court.

This Announcement does not constitute or form a part of any offer to sell or issue, or any solicitation of any offer to purchase, subscribe for or otherwise acquire, any securities in the United States.

Neither the U.S. Securities and Exchange Commission nor any securities commission of any state or other jurisdiction of the United States has approved the Combination, passed upon the fairness of the Combination, or passed upon the adequacy or accuracy of this Announcement. Any representation to the contrary is a criminal offence in the United States.

The receipt of consideration by a U.S. holder for the transfer of its Capricorn Shares pursuant to the Combination may be a taxable transaction for United States federal income tax purposes and under applicable United States state and local, as well as overseas and other, tax laws. Each Capricorn Shareholder is urged to consult their independent professional adviser immediately regarding the tax consequences of the Combination applicable to them, including under applicable United States federal, state and local, as well as overseas and other, tax laws.

Notes regarding New Tullow Shares

The New Tullow Shares to be issued pursuant to the Scheme have not been and will not be registered under the U.S. Securities Act of 1933 (as amended) or under the relevant securities laws of any state or territory or other jurisdiction of the United States. Accordingly, the New Tullow Shares are not being, and may not be, offered, sold, resold, delivered or distributed, directly or indirectly in or into a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of relevant laws of, or require registration thereof in, such jurisdiction (except pursuant to an exemption, if available, from any applicable registration requirements or otherwise in compliance with all applicable laws).

It is expected that the New Tullow Shares will be issued in reliance upon the exemption from the registration requirements of the U.S. Securities Act of 1933 (as amended) provided by Section 3(a)(10) thereof. For the purpose of qualifying for the exemption provided by Section 3(a)(10) of the U.S. Securities Act, Tullow will advise the Court that its sanctioning of the Scheme will be relied on by Tullow for the purposes of a Section 3(a)(10) exemption following a hearing on the fairness of the Scheme to Capricorn Shareholders. Securities issued pursuant to the Scheme will not be registered under any laws of any state, district or other jurisdiction of the United States, and may only be issued to persons resident in such state, district or other jurisdiction pursuant to an exemption from the registration requirements of such laws.

Disclosure requirements

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and

of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Forward-looking statements

This Announcement contains certain forward-looking statements, including statements regarding Tullow's and Capricorn's plans, objectives and expected performance. Such statements relate to events and depend on circumstances that will occur in the future and are subject to risks, uncertainties and assumptions. There are a number of factors which could cause actual results and developments to differ materially from those expressed or implied by such forward looking statements, including, among others the enactment of legislation or regulation that may impose costs or restrict activities; the re-negotiation of contracts or licences; fluctuations in demand and pricing in the energy or oil and gas industry; fluctuations in exchange controls; changes in government policy and taxations; industrial disputes; war and terrorism. These forward-looking statements speak only as at the date of this Announcement.

Neither Tullow nor Capricorn assumes any obligation to update or correct the information contained in this Announcement (whether as a result of new information, future events or otherwise), except as required by applicable law.

No profit forecasts or estimates

Nothing in this Announcement (including any statement of estimated costs savings or synergies) is intended as a profit forecast or estimate for any period and no statement in this Announcement should be interpreted to mean that earnings or earnings per share or dividend per share for Tullow or Capricorn, as appropriate, for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share or dividend per share for Tullow or Capricorn, as appropriate.

Quantified Financial Benefits Statement

Appendix 4 sets out the Quantified Financial Benefits Statement and contains details of, and bases of calculation of, the anticipated financial benefits of the Combination, together with the related reports from Tullow's reporting accountant, KPMG, and Tullow's lead financial adviser, PJT Partners, as required under Rule 28.1(a) of the Code, and provides underlying information and bases for the accountant's and adviser's respective reports. PJT Partners, as lead financial adviser to Tullow, has provided such report for the purposes of the Code stating that, in its opinion and subject to the terms of the report, the Quantified Financial Benefits Statement, for which the Tullow Directors are responsible, has been prepared with due care and consideration. Each of KPMG and PJT Partners has given and not withdrawn its consent to the publication of its report in this Announcement in the form and context in which it is included.

The statements in the Quantified Financial Benefits Statement relate to future actions and circumstances which, by their nature, involve risks, uncertainties and contingencies. As a result, the

cost savings and synergies referred to may not be achieved, may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated.

No statement in the Quantified Financial Benefits Statement, or this Announcement generally, should be construed as a profit forecast or interpreted to mean that the Combined Group's earnings in the first full year following the Effective Date, or in any subsequent period, would necessarily match or be greater than or be less than those of Tullow and/or Capricorn for the relevant preceding financial period or any other period. For the purposes of Rule 28 of the Code, the Quantified Financial Benefits Statement contained in this Announcement is the responsibility of Tullow and the Tullow Directors. Any statement of intention, belief or expectation for the Combined Group following the Effective Date is an intention, belief or expectation of the Tullow Directors and not of the Capricorn Directors.

Publication of this Announcement

A copy of this Announcement will be available subject to certain restrictions relating to persons resident in Restricted Jurisdictions on Tullow's website at <https://www.tulloil.com> and Capricorn's website at <https://www.capricornenergy.com/all-share-combination>.

The contents of Tullow's website and Capricorn's website are not incorporated into and do not form part of this Announcement.

Tullow Shareholders may request a hard copy of this Announcement by: (i) contacting Adam Holland at 9 Chiswick Park, 566 Chiswick High Road, London, W4 5XT or by telephoning +44 20 3249 9000 or by emailing companysecretary@tulloil.com. If you have received this Announcement in electronic form or by it being published on Tullow's website, you will not receive a hard copy of this Announcement unless you so request. You may also inform Adam Holland that you wish all future documents, announcements and information in relation to the Combination be sent to you in hard copy.

Capricorn Shareholders may request a hard copy of this Announcement by: (i) contacting Anne McSherry at 50 Lothian Road Edinburgh EH3 9BY or by telephoning +44 (0)131 475 3000 or by emailing IR.Mailbox@capricornenergy.com. If you have received this Announcement in electronic form or by it being published on Capricorn's website, you will not receive a hard copy of this Announcement unless you so request. You may also inform Anne McSherry that you wish all future documents, announcements and information in relation to the Combination be sent to you in hard copy.

If you are in any doubt about the contents of this Announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant, fund manager or from an independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are in the United Kingdom, or, if you are resident in Ireland, from a person, organisation or firm authorised or exempted pursuant to the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) of Ireland or the Investment Intermediaries Act 1995 of Ireland, or, if you are resident in a territory outside of the United Kingdom or Ireland, from another appropriately authorised independent financial adviser.

Rounding

Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of figures that precede them.

Rule 2.9 of the Code

For the purposes of Rule 2.9 of the Code, Capricorn confirms that, as at 31 May 2022 (being the last Business Day prior to the date of this Announcement), it had in issue 316,338,439 ordinary shares of 21/13 pence each. The ISIN for the shares is GB00BN0SMB92.

For the purposes of Rule 2.9 of the Code, Tullow confirms that, as at 31 May 2022 (being the last Business Day prior to the date of this Announcement), it had in issue 1,437,999,835 ordinary shares of 10 pence each. The ISIN for the shares is GB0001500809.

APPENDIX 1

CONDITIONS AND CERTAIN FURTHER TERMS OF THE COMBINATION

Part 1 Conditions of the Combination

Scheme Conditions

1. The Combination will be conditional upon:
 - (a) the Scheme Meeting and Capricorn General Meeting being held on or before the 22nd day after the expected date of the meetings to be set out in the Scheme Document in due course or such later date (if any) as Tullow and Capricorn may agree with (if required) the consent of the Panel and (if required) as the Court may allow;
 - (b) the Court Sanction Hearing being held on or before the 22nd day after the expected date of the hearing date to be set out in the Scheme Document in due course, or such later date (if any) as Tullow and Capricorn may agree with (if required) the consent of the Panel and (if required) as the Court may allow; and
 - (c) the Scheme becoming unconditional and becoming Effective, subject to the provisions of the Code, by no later than 1 March 2023 or such later date (if any) as Tullow and Capricorn may agree with (if required) the consent of the Panel and (if required) as the Court may allow.
2. The Scheme will be conditional on:
 - (a) its approval by a majority in number of the holders of Capricorn Shares present, entitled to vote and voting at the Court Meeting or at any adjournment thereof (and at any separate class meeting which may be required by the Court or at any adjournment thereof), either in person or by proxy, representing not less than 75% in value of the Capricorn Shares voted by such holders of the Capricorn Shares in issue as at the Voting Record Time;
 - (b) all resolutions required to approve and implement the Scheme (including, without limitation, to amend Capricorn's articles of association) being duly passed by the requisite majority of the Capricorn Shareholders at the Capricorn General Meeting, or at any adjournment, reconvening or postponing thereof;
 - (c) the sanction of the Scheme by the Court (with or without modifications, on terms acceptable to Capricorn and Tullow); and
 - (d) a copy of the Court Order being delivered for registration to the Registrar of Companies.

General conditions

3. The Combination will also be conditional on the following conditions having been satisfied or, where applicable, waived and accordingly the necessary actions to make the Scheme Effective will not be taken unless such conditions have been so satisfied or waived:

Admission of new shares

- (a) (i) the Financial Conduct Authority having acknowledged to Tullow or its agent (and such acknowledgement not having been withdrawn) that the application for the admission of the New Tullow Shares to the premium listing segment of the Official List has been approved and (after satisfaction of any conditions to which such approval is expressed to be subject ("UK listing conditions")), admission will become effective as soon as a dealing notice has been issued by the FCA and any UK listing conditions having been satisfied;

- (ii) the London Stock Exchange having acknowledged to Tullow or its agent (and such acknowledgement not having been withdrawn) that the New Tullow Shares will be admitted to trading on the main market for listed securities of the London Stock Exchange;
- (iii) the Ghana Stock Exchange and the Ghana SEC having acknowledged to Tullow or its agent (and such acknowledgement not having been withdrawn) that the application for the admission of the New Tullow Shares to the First Official List of the Ghana Stock Exchange has been approved and (after satisfaction of any conditions to which such approval is expressed to be subject ("Ghana listing conditions")), admission will become effective as soon as a listing approval has been issued by the Ghana Stock Exchange and any Ghana listing conditions have been satisfied;
- (iv) the Ghana Stock Exchange and the Ghana SEC having acknowledged to Tullow or its agent (and such acknowledgement not having been withdrawn) that the New Tullow Shares will be admitted to the First Official List of the Ghana Stock Exchange and to trading on the Ghana Stock Exchange;
- (v) Euronext Dublin having acknowledged to Tullow or its agent (and such acknowledgement not having been withdrawn) that the application for the admission of the New Tullow Shares to the secondary listing segment of the Official List of Euronext Dublin as an overseas company has been approved and (after satisfaction of any conditions to which such approval is expressed to be subject ("Irish listing conditions")), admission will become effective as soon as a dealing notice has been issued by Euronext Dublin and any Irish listing conditions have been satisfied; and
- (vi) Euronext Dublin having acknowledged to Tullow or its agent (and such acknowledgement not having been withdrawn) that the New Tullow Shares will be admitted to the secondary listing segment of the Official List of Euronext Dublin and to trading on the Euronext Dublin Market operated by Euronext Dublin;

Tullow General Meeting

- (b) the passing at the Tullow General Meeting (or at any adjournment thereof) of all necessary resolutions to approve and implement the Combination (including approval of the Combination as a "class 1" transaction for the purposes of the Listing Rules and the authority to allot the New Tullow Shares);

Regulatory clearances

- (c) to the extent required or necessary in connection with the Combination (and/or its implementation), the approval or consent of, or waiver or non-exercise of any material termination, pre-emption or similar rights by, any relevant government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, court, trade agency, association, institution, any entity owned or controlled by any relevant government or state, or any other body or person whatsoever in, or in respect of the interests held by the Capricorn Group or the Tullow Group in Egypt, Ghana, Mauritania and Mexico, in each case given on terms or subject to conditions in each case which are satisfactory to Tullow and Capricorn;

Official authorisations, regulatory clearances and third party clearances

- (d) other than in respect of Conditions 3(a) to (c), the waiver (or non-exercise within any applicable time limits) by any relevant government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, court, trade agency, association, institution, any entity owned or controlled by any relevant government or state, or any other body or person whatsoever

("Third Party") of any termination right, right of pre-emption, first refusal or similar right (which is material in the context of the Wider Capricorn Group taken as a whole) arising as a result of or in connection with the Combination including, without limitation, its implementation or the proposed direct or indirect acquisition of any shares or other securities in, or control or management of, Capricorn by Tullow or any member of the Wider Tullow Group, in each case given on terms or subject to conditions which are satisfactory to Tullow and Capricorn;

- (e) other than in respect of Conditions 3(a) to (c), all necessary filings or applications having been made in connection with the Combination and all statutory or regulatory obligations in any jurisdiction having been complied with in connection with the Combination or the acquisition by any member of the Wider Tullow Group of any shares or other securities in, or control of, Capricorn and all authorisations, orders, grants, recognitions, determinations, confirmations, consents, licences, clearances, permissions, exemptions and approvals reasonably deemed necessary by Tullow or any member of the Wider Tullow Group for or in respect of the Combination including without limitation, its implementation or the proposed direct or indirect acquisition of any shares or other securities in, or control of, Capricorn or any member of the Wider Capricorn Group by any member of the Wider Tullow Group having been obtained in each case on terms or subject to conditions which are satisfactory to Tullow and Capricorn from all appropriate Third Parties or persons with whom any member of the Wider Capricorn Group has entered into contractual arrangements and all such material authorisations, orders, grants, recognitions, determinations, confirmations, consents, licences, clearances, permissions, exemptions and approvals necessary or appropriate to carry on the business of any member of the Wider Capricorn Group which is material in the context of the Tullow Group or the Capricorn Group as a whole remaining in full force and effect and all filings necessary for such purpose having been made and there being no notice or intimation of any intention to revoke or not to renew any of the same at the time at which the Combination becomes otherwise unconditional and all necessary statutory or regulatory obligations in any jurisdiction having been complied with;
- (f) other than in respect of Conditions 3(a) to (c), no Third Party having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference (and, in each case, not having withdrawn the same), or having enacted, made or proposed any statute, regulation, decision or order, or change to published practice or having taken any other steps, and there not continuing to be outstanding any statute, regulation, decision or order, which in each case would reasonably be expected to:
 - (i) require, prevent or materially delay the divestiture, or materially alter the terms envisaged for any proposed divestiture by any member of the Wider Tullow Group or any member of the Wider Capricorn Group of all or any portion of their respective businesses, assets or property or impose any limitation on the ability of any of them to conduct their respective businesses (or any of them) or to own any of their respective assets or properties or any part thereof which, in any such case, is material in the context of the Wider Tullow Group or the Wider Capricorn Group in either case taken as a whole;
 - (i) require, prevent or materially delay the divestiture by any member of the Wider Tullow Group of any shares or other securities in Capricorn;
 - (ii) impose any material limitation on, or result in a material delay in, the ability of any member of the Wider Tullow Group directly or indirectly to acquire or to hold or to exercise effectively any rights of ownership in respect of shares or loans or securities convertible into shares or any other securities (or the equivalent) in any member of the Wider Capricorn Group or the Wider Tullow Group or to exercise voting or management control over any such member;

- (iii) otherwise materially adversely affect the business, assets or profits of any member of the Wider Tullow Group or of any member of the Wider Capricorn Group to an extent which is material in the context of the Wider Tullow Group or the Wider Capricorn Group in either case taken as a whole;
- (iv) make the Combination or its implementation or the acquisition or proposed acquisition by Tullow or any member of the Wider Tullow Group of any shares or other securities in, or control of Capricorn void, illegal, and/or unenforceable under the laws of any jurisdiction, or otherwise, directly or indirectly, materially restrain, restrict, prohibit, delay or otherwise interfere with the same, or impose material additional conditions or obligations with respect thereto;
- (v) except pursuant to Chapter 3 of Part 28 of the Companies Act, require any member of the Wider Tullow Group or the Wider Capricorn Group to offer to acquire any shares or other securities (or the equivalent) or interest in any member of the Wider Capricorn Group or the Wider Tullow Group owned by any third party;
- (vi) impose any limitation on the ability of any member of the Wider Capricorn Group to co-ordinate its business, or any part of it, with the businesses of any other members which is adverse to and material in the context of the Wider Capricorn Group taken as a whole or in the context of the Combination; or
- (vii) result in any member of the Wider Capricorn Group ceasing to be able to carry on business under any name under which it presently does so;

Certain matters arising as a result of any arrangement, agreement etc.

- (g) save as disclosed, there being no provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider Capricorn Group is a party or by or to which any such member or any of its assets is bound, entitled or subject, or any circumstance which in consequence of the Combination or the proposed acquisition of any shares or other securities (or equivalent) in Capricorn or because of a change in the control or management of Capricorn or otherwise, would reasonably be expected to result in any of the following to an extent which is material and adverse in the context of the Wider Capricorn Group, or the Wider Tullow Group, in either case taken as a whole, or in the context of the Combination:
 - (i) any moneys borrowed by or any other indebtedness or liabilities (actual or contingent) of, or grant available to any such member, being or becoming repayable or capable of being declared repayable immediately or earlier than their or its stated maturity date or repayment date or the ability of any such member to borrow moneys or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
 - (ii) any such agreement, arrangement, licence, permit or instrument or the rights, liabilities, obligations or interests of any such member thereunder being terminated or adversely modified or affected or any obligation or liability arising or any action being taken or arising thereunder;
 - (iii) any asset or interest of any such member being or failing to be disposed of or charged or ceasing to be available to any such member or any right arising under which any such asset or interest could be required to be disposed of or charged or could cease to be available to any such member otherwise than in the ordinary course of business;

- (iv) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property, assets or interest of any such member;
- (v) the rights, liabilities, obligations or interests of any such member, or the business of any such member with, any person, firm, company or body (or any arrangement or arrangements relating to any such interest or business) being terminated, adversely modified or adversely affected;
- (vi) the value of any such member or its financial or trading position or prospects being prejudiced or adversely affected;
- (vii) any such member ceasing to be able to carry on business under any name under which it presently does so; or
- (viii) the creation or acceleration of any liability, actual or contingent, by any such member (including any material tax liability or any obligation to obtain or acquire any material authorisation, notice, waiver, concession, agreement or exemption from any Third Party or any person) other than trade creditors or other liabilities incurred in the ordinary course of business or in connection with the Combination,

and no event having occurred which, under any provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider Capricorn Group is a party or by or to which any such member or any of its assets is bound, entitled or subject, would reasonably be expected to result in any of the events or circumstances as are referred to in sub-paragraphs (i) to (viii) of this Condition;

Certain events occurring since Last Accounts Date

- (h) save as disclosed, no member of the Wider Capricorn Group having, since the Last Accounts Date:
 - (i) save as between Capricorn and wholly-owned subsidiaries of Capricorn or for Capricorn Shares issued under or pursuant to the exercise of options and vesting of awards granted under the Capricorn Share Plans, issued or agreed to issue, authorised or proposed the issue of additional shares of any class;
 - (ii) save as between Capricorn and wholly-owned subsidiaries of Capricorn or for the grant of options and awards and other rights under the Capricorn Share Plans, issued or agreed to issue, authorised or proposed the issue of securities convertible into shares of any class or rights, warrants or options to subscribe for, or acquire, any such shares or convertible securities;
 - (iii) other than to another member of the Capricorn Group, prior to completion of the Combination, recommended, declared, paid or made any dividend or other distribution payable in cash or otherwise or made any bonus issue;
 - (iv) save for intra-Capricorn Group transactions, merged or demerged with any body corporate or acquired or disposed of or transferred, mortgaged or charged or created any security interest over any assets or any right, title or interest in any asset (including shares and trade investments) or authorised or proposed or announced any intention to propose any merger, demerger, disposal, transfer, mortgage, charge or security interest, in each case, other than in the ordinary course of business and, in each case, to the extent which is material in the context of the Wider Capricorn Group taken as a whole;
 - (v) save for intra-Capricorn Group transactions, made or authorised or proposed or announced an intention to propose any change in its loan

- capital in each case, to the extent which is material in the context of the Wider Capricorn Group taken as a whole;
- (vi) issued, authorised or proposed the issue of, or made any change in or to, any debentures or (save for intra-Capricorn Group transactions), save in the ordinary course of business, incurred or increased any indebtedness or become subject to any contingent liability, to the extent which is material in the context of the Wider Capricorn Group taken as a whole;
 - (vii) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, save in respect to the Capricorn tender offer which completed on 6 April 2022, the \$25 million tranche of the Capricorn share repurchase programme which was announced by Capricorn on 7 April 2022 and the matters mentioned in sub-paragraphs (i) or (ii) above, made any other change to any part of its share capital in each case, to the extent which is material in the context of the Wider Capricorn Group taken as a whole;
 - (viii) save for intra-Capricorn Group transactions, implemented, or authorised, proposed or announced its intention to implement, any reconstruction, merger, demerger, amalgamation, scheme, commitment or other transaction or arrangement otherwise than in the ordinary course of business;
 - (ix) entered into or varied or announced its intention to enter into or vary any contract, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, onerous or unusual nature or magnitude or which involves an obligation of such a nature or magnitude other than in the ordinary course of business, in each case, to the extent which is material in the context of the Wider Capricorn Group taken as a whole;
 - (x) (other than in respect of a member which is dormant and was solvent at the relevant time) taken any corporate action or steps or had any legal proceedings started or threatened against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding-up, dissolution or reorganisation or for the appointment of a receiver, administrative receiver, administrator, manager, trustee or similar officer of all or any part of its assets or revenues or any analogous proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed, in each case, to the extent which is material in the context of the Wider Capricorn Group taken as a whole;
 - (xi) entered into any contract, transaction or arrangement which would be restrictive on the business of any member of the Wider Capricorn Group or the Wider Tullow Group other than of a nature and extent which is normal in the context of the business concerned;
 - (xii) waived or compromised any claim otherwise than in the ordinary course of business which is material in the context of the Wider Capricorn Group taken as a whole;
 - (xiii) made any alteration to its memorandum or articles of association or other incorporation documents, to the extent which is material in the context of the Wider Capricorn Group taken as a whole;
 - (xiv) been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business;

- (xv) entered into any contract, commitment, arrangement or agreement otherwise than in the ordinary course of business or passed any resolution or made any offer (which remains open for acceptance) with respect to any of the transactions, matters or events referred to in this Condition;
- (xvi) made or agreed or consented to any change to:
 - a) the terms of the trust deeds constituting the pension scheme(s) established by any member of the Wider Capricorn Group for its directors, employees or their dependents, including the Capricorn defined contribution pension scheme;
 - b) the contributions payable to any such scheme(s) or to the benefits which accrue or to the pensions which are payable thereunder;
 - c) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or
 - d) the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued or made,
 in each case, to the extent which is material in the context of the Wider Capricorn Group taken as a whole;
- (xvii) proposed, agreed to provide or modified the terms of any of the Capricorn Share Plans or other benefit constituting a material change relating to the employment or termination of employment of a material category of persons employed by the Wider Capricorn Group or which constitutes a material change to the terms or conditions of employment of any senior employee of the Wider Capricorn Group, save as agreed by the Panel (if required) and by Tullow, or entered into or changed the terms of any contract with any director or senior executive;
- (xviii) taken (or agreed to take) any action which requires, or would require, the consent of the Panel or the approval of Capricorn Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the Code;
- (xix) entered into or varied in a material way the terms of, any contracts, agreement or arrangement with any of the directors or senior executives of any members of the Wider Capricorn Group; or
- (xx) waived or compromised any claim which is material in the context of the Wider Capricorn Group taken as a whole, otherwise than in the ordinary course of business.

No adverse change, litigation or regulatory enquiry

- (i) save as disclosed, since the Last Accounts Date:
 - (i) no adverse change or deterioration having occurred in the business, assets, financial or trading position or profits or operational performance of any member of the Wider Capricorn Group which, in any such case, is material in the context of the Wider Capricorn Group taken as a whole and no circumstances have arisen which would reasonably be expected to result in such adverse change or deterioration;
 - (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Wider Capricorn Group is a party (whether as a plaintiff, defendant or otherwise) and no enquiry, review or investigation by, or complaint or reference to, any Third Party or other investigative body against or in respect of any member of the Wider Capricorn Group having been instituted, announced, implemented or threatened by or against or remaining outstanding in respect of any member of the Wider Capricorn Group which in any such case has had or might reasonably be expected to have an adverse effect on the Wider Capricorn Group taken as a whole or in the context of the Combination;

- (iii) no contingent or other liability of any member of the Wider Capricorn Group having arisen or become apparent to Tullow or increased which has had or would reasonably be expected to have an adverse effect on the Wider Capricorn Group taken as a whole or in the context of the Combination;
- (iv) no enquiry or investigation by, or complaint or reference to, any Third Party having been threatened, announced, implemented, instituted by or remaining outstanding against or in respect of any member of the Wider Capricorn Group which in any case is material in the context of the Wider Capricorn Group taken as a whole;
- (v) no member of the Wider Capricorn Group having conducted its business in breach of any applicable laws and regulations and which is material in the context of the Wider Capricorn Group as a whole or material in the context of the Combination; and
- (vi) no steps having been taken which are likely to result in the withdrawal, cancellation, termination or modification of any licence or permit held by any member of the Wider Capricorn Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which has had, or would reasonably be expected to have, an adverse effect on the Wider Capricorn Group taken as a whole;

No discovery of certain matters

- (j) save as disclosed, Tullow not having discovered:
 - (i) that any financial, business or other information concerning the Wider Capricorn Group as contained in the information publicly disclosed at any time by or on behalf of any member of the Wider Capricorn Group is materially misleading, contains a material misrepresentation of fact or omits to state a fact necessary to make that information not misleading and which was not subsequently corrected before the date of this Announcement by disclosure either publicly or otherwise to Tullow or its professional advisers, in each case, to the extent which is material in the context of the Wider Capricorn Group taken as a whole;
 - (ii) that any member of the Wider Capricorn Group or partnership, company or other entity in which any member of the Wider Capricorn Group has a significant economic interest and which is not a subsidiary undertaking of Capricorn, is subject to any liability (contingent or otherwise) which is not disclosed in the 2021 Capricorn annual report and accounts, in each case, to the extent which is material in the context of the Wider Capricorn Group taken as a whole; or
 - (iii) any information which affects the import of any information disclosed at any time by or on behalf of any member of the Wider Capricorn Group and which is material in the context of the Wider Capricorn Group taken as a whole;
- (k) save as disclosed, Tullow not having discovered that:
 - (i) any past or present member of the Wider Capricorn Group has failed to comply with any and/or all applicable legislation or regulation, of any jurisdiction with regard to the use, treatment, handling, storage, carriage, disposal, spillage, release, discharge, leak or emission of any waste or hazardous substance or any substance likely to impair the environment or harm human health or animal health or otherwise relating to environmental matters or the health and safety of humans, or that there has otherwise been any such use, treatment, handling, storage, carriage, disposal, spillage, release, discharge, leak or emission (whether or not the same constituted a non-compliance by any person with any such legislation or

- regulations, and wherever the same may have taken place) any of which storage, carriage, disposal, spillage, release, discharge, leak or emission would be likely to give rise to any liability (actual or contingent) or cost on the part of any member of the Wider Capricorn Group and which is material in the context of the Wider Capricorn Group taken as a whole;
- (ii) there is, or is likely to be, for any reason whatsoever, any liability (actual or contingent) of any past or present member of the Wider Capricorn Group to make good, remediate, repair, reinstate or clean up any property or any controlled waters now or previously owned, occupied, operated or made use of or controlled by any such past or present member of the Wider Capricorn Group (or on its behalf) or by any person for which a member of the Wider Capricorn Group is or has been responsible, or in which any such member may have or previously have had or be deemed to have had an interest, under any environmental legislation, regulation, notice, circular or order of any Third Party and which is material in the context of the Wider Capricorn Group taken as a whole;
 - (iii) circumstances exist (whether as a result of the Combination or otherwise) which would be reasonably likely to lead to any Third Party instituting, or whereby any member of the Wider Tullow Group or any present or past member of the Wider Capricorn Group would be likely to be required to institute, an environmental audit or take any other steps which would in any such case be reasonably likely to result in any liability (whether actual or contingent) to improve, modify existing or install new plant, machinery or equipment or carry out changes in the processes currently carried out or make good, remediate, repair, re-instate or clean up any land or other asset currently or previously owned, occupied or made use of by any past or present member of the Wider Capricorn Group (or on its behalf) or by any person for which a member of the Wider Capricorn Group is or has been responsible, or in which any such member may have or previously have had or be deemed to have had an interest which is material in the context of the Wider Capricorn Group taken as a whole; or
 - (iv) circumstances exist whereby a person or class of persons would be likely to have any claim or claims in respect of any product or process of manufacture or materials used therein currently or previously manufactured, sold or carried out by any past or present member of the Wider Capricorn Group which claim or claims would be likely, materially and adversely, to affect any member of the Wider Capricorn Group and which is material in the context of the Wider Capricorn Group taken as a whole; and

Anti-corruption, economic sanctions, criminal property and money laundering

- (l) save as disclosed, Tullow not having discovered that, in each case to an extent which is material in the context of the Wider Capricorn Group taken as a whole:
 - (i) (A) any past or present member, director, officer or employee of the Wider Capricorn Group is or has at any time engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010, the U.S. Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption or anti-bribery law, rule or regulation or any other applicable law, rule, or regulation concerning improper payments or kickbacks or (B) any person that performs or has performed services for or on behalf of the Wider Capricorn Group is or has at any time engaged in any activity, practice or conduct in connection with the performance of such services which would constitute an offence under the Bribery Act 2010, the U.S. Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption or anti-bribery law, rule or regulation or any other applicable law, rule, or regulation concerning improper payments or kickbacks; or

- (ii) any asset of any member of the Wider Capricorn Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition) or proceeds of crime under any other applicable law, rule, or regulation concerning money laundering or proceeds of crime or any member of the Wider Capricorn Group is found to have engaged in activities constituting money laundering under any applicable law, rule, or regulation concerning money laundering; or
- (iii) any past or present member, director, officer or employee of the Wider Capricorn Group, or any other person for whom any such person may be liable or responsible, is or has engaged in any conduct which would violate applicable economic sanctions or dealt with, made any investments in, made any funds or assets available to or received any funds or assets from:
 - (a) any government, entity or individual in respect of which U.S., UK or European Union persons, or persons operating in those territories, are prohibited from engaging in activities or doing business, or from receiving or making available funds or economic resources, by U.S., UK or European Union laws or regulations, including the economic sanctions administered by the United States Office of Foreign Assets Control, or HMRC; or
 - (b) any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the United Kingdom, the European Union or any of its member states, save that this shall not apply if and to the extent that it is or would be unenforceable by reason of breach of any applicable Blocking Law; or
- (iv) any past or present member, director, officer or employee of the Wider Capricorn Group, or any other person for whom any such person may be liable or responsible:
 - (a) has engaged in conduct which would violate any relevant anti-terrorism laws, rules, or regulations, including but not limited to the U.S. Anti-Terrorism Act;
 - (b) has engaged in conduct which would violate any relevant anti-boycott law, rule, or regulation or any applicable export controls, including but not limited to the Export Administration Regulations administered and enforced by the U.S. Department of Commerce or the International Traffic in Arms Regulations administered and enforced by the U.S. Department of State;
 - (c) has engaged in conduct which would violate any relevant laws, rules, or regulations concerning human rights, including but not limited to any law, rule, or regulation concerning false imprisonment, torture or other cruel and unusual punishment, or child labour; or
 - (d) is debarred or otherwise rendered ineligible to bid for or to perform contracts for or with any government, governmental instrumentality, or international organization or found to have violated any applicable law, rule, or regulation concerning government contracting or public procurement; or
- (v) any member of the Wider Capricorn Group is or has been engaged in any transaction which would cause Tullow to be in breach of any law or regulation upon completion of the Combination, including but not limited to the economic sanctions of the United States Office of Foreign Assets Control, or HMRC, or any other relevant government authority.

For the purposes of these Conditions the "Wider Capricorn Group" means Capricorn and its subsidiary undertakings, associated undertakings and any other undertaking in which Capricorn and/or such undertakings (aggregating their interests) have a significant interest and the "Wider Tullow Group" means Tullow and its subsidiary undertakings, associated undertakings and any other undertaking in which Tullow and/or such undertakings (aggregating their interests) have a significant interest and for these purposes subsidiary undertaking and undertaking have the meanings given by the Companies Act, associated undertaking has the meaning given by paragraph 19 of Schedule 6 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, other than paragraph 19(1)(b) of Schedule 6 to those regulations which shall be excluded for this purpose, and significant interest means a direct or indirect interest in 20 per cent. or more of the total voting rights conferred by the equity share capital (as defined in section 548 of the Companies Act).

Part 2 Waiver and invocation of Conditions

1. The Combination will be subject to the satisfaction (or waiver, if permitted) of the Conditions set out in this Appendix 1, to the further terms set out in this Appendix 1, and to the full terms and conditions which will be set out in the Scheme Document.
2. Subject to the requirements of the Panel, Tullow reserves the right to waive, in whole or in part, all or any of the Conditions set out in Part 1 of Appendix 1 above, except for Conditions 2, 3(a)(i), 3(a)(ii) and 3(b), which cannot be waived. The deadlines in the Conditions set out at paragraphs 1(a), 1(b) and 1(c) may also be extended to such later date as may be agreed in writing by Tullow and Capricorn (with the Panel's consent and approval of the Court, if required). If any of the Conditions set out at paragraphs 1(a), 1(b) and 1(c) are not satisfied by the relevant deadline specified in the relevant Condition, Tullow shall make an announcement by 8.00 a.m. on the Business Day following such deadline confirming whether, subject to paragraph 3 below and the other sub-paragraphs of this Part 2, it has invoked the relevant Condition, waived the relevant deadline or agreed with Capricorn to extend the relevant deadline.
3. Tullow shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as satisfied any of Conditions 3(c) to (l) (inclusive) by a date earlier than the latest date specified above for the fulfilment of the relevant Condition, notwithstanding that the other Conditions to the Combination may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any such Condition(s) may not be capable of fulfilment.
4. Under Rule 13.5(a) of the Code, Tullow may not invoke a Condition to the Combination so as to cause the Combination not to proceed or to be withdrawn unless the circumstances which give rise to the right to invoke the Condition are of material significance to Tullow in the context of the Combination.
5. Tullow may only invoke a condition that is subject to Rule 13.5(a) with the consent of the Panel and any condition that is subject to Rule 13.5(a) may be waived by Tullow.
6. Conditions 1, 2, 3(a)(i), 3(a)(ii) and 3(b) are not subject to Rule 13.5(a) of the Code.
7. Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.

Conditions 3(b) to (l) inclusive must be fulfilled or (if capable of waiver) be waived by Tullow by 11.59 p.m. on the date immediately preceding the Court Sanction Hearing, failing which the Scheme shall lapse.

Part 3 Certain further terms of the Combination

8. Tullow reserves the right to elect (subject to the consent of the Panel and the terms of the Co-operation Agreement) to implement the Combination by way of a takeover offer (as

defined in section 974 of the Companies Act). In such event, such offer will (unless otherwise determined by Tullow and subject to the consent of the Panel) be implemented on the same terms and conditions subject to the terms of the Co-operation Agreement and appropriate amendments to reflect the change in method of effecting the Combination, which may include changing the consideration structure under the terms of the Combination and (without limitation and subject to the consent of the Panel) an acceptance condition set at 75 per cent. (or such lesser percentage, being more than 50 per cent., as Tullow may decide) of the voting rights then exercisable at a general meeting of Capricorn, including, for this purpose, any such voting rights attaching to Capricorn Shares that are unconditionally allotted or issued, and to any Treasury Shares which are unconditionally transferred or sold by Capricorn, before the takeover offer becomes or is declared unconditional, whether pursuant to the exercise of any outstanding subscription or conversion rights or otherwise.

9. The Scheme and any dispute or claim arising out of, or in connection with, it (whether contractual or non-contractual in nature) will be governed by Scots law, and will be subject to the jurisdiction of the Scottish courts. The Combination will be subject to the applicable requirements of the Code, the Panel, the FCA, the London Stock Exchange, Euronext Dublin, the Ghana Stock Exchange, the Ghana SEC, the Listing Rules, the Irish Listing Rules and the Ghana Listing Rules.
10. The Capricorn Shares will be acquired under the Combination fully paid and free from all liens, equitable interests, charges, encumbrances, options, rights of pre-emption and any other third party rights or interests of any nature whatsoever and together with all rights attaching thereto, including the right to receive and retain all dividends and other distributions and returns of value declared, paid or made after the date of this Announcement. No dividends or other distributions are intended to be announced, declared, made or paid by Tullow or Capricorn following this Announcement and until the Scheme becomes Effective (or lapses), other than in connection with the \$25 million tranche of the Capricorn share buyback programme announced by Capricorn on 7 April 2022. Notwithstanding the foregoing intention, if after the date of this Announcement and prior to the Effective Date any dividend or distribution is announced, declared, made, paid or becomes payable by Capricorn (other than in connection with the \$25 million tranche of the Capricorn share buyback programme announced by Capricorn on 7 April 2022), Tullow will have the right to reduce the value of the consideration payable for the Capricorn Shares by up to the amount of any such dividend or distribution except where the Capricorn Shares are or will be acquired pursuant to the Scheme on a basis which entitles Tullow to receive the dividend or distribution and to retain it.
11. The availability of the Combination and/or New Tullow Shares to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements. The New Tullow Shares to be issued pursuant to the Combination have not been and, unless Tullow otherwise elects in the event of a Takeover Offer, will not be, registered under the U.S. Securities Act or under any laws of any state, district or other jurisdiction, of the United States, under any of the relevant securities laws of any other Restricted Jurisdiction. Accordingly, the New Tullow Shares may not be offered, sold or delivered, directly or indirectly, in the United States or any other Restricted Jurisdiction, except pursuant to exemptions from applicable requirements of any such jurisdiction, including the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof.
12. The New Tullow Shares to be issued under the Scheme will be issued credited as fully paid and will rank *pari passu* with the issued ordinary shares in Tullow, including the right to receive and retain in full all dividends and other distributions (if any) announced, declared, made or paid, or any other return of value (whether by reduction of share capital or share premium account or otherwise) made, in each case by reference to a record date falling on or after the Effective Date. Applications will be made to the FCA and the London Stock Exchange, respectively, for the New Tullow Shares to be admitted to the premium listing segment of the Official List of the FCA and to trading on the main market for listed securities of the London Stock Exchange. Applications will also be made to the Ghana Stock Exchange

and the Ghana SEC for the New Tullow Shares to be admitted to a secondary listing on the First Official List of the Ghana Stock Exchange and to trading on the Ghana Stock Exchange. Subject to the outcome of Tullow's review as to the continued appropriateness of the continued listing of its shares on the secondary listing segment of the Official List of Euronext Dublin and to trading on the Euronext Dublin Market, if Tullow decides to maintain such listing and admission to trading then applications will also be made to Euronext Dublin for the New Tullow Shares to be admitted to the secondary listing segment of the Official List of Euronext Dublin and to trading on the Euronext Dublin Market operated by Euronext Dublin.

13. Fractions of New Tullow Shares will not be allotted or issued to Capricorn Shareholders. Fractional entitlements to New Tullow Shares will be aggregated and sold in the market and the net proceeds of sale distributed pro rata to the Capricorn Shareholders entitled thereto. However, individual entitlements to amounts of less than £5 will not be paid to Capricorn Shareholders but will be retained for the benefit of the Combined Group.

APPENDIX 2

SOURCES AND BASES OF INFORMATION

In this Announcement, unless otherwise stated or the context otherwise requires, the following bases and sources have been used:

1. All references to Tullow Shares are to Tullow ordinary shares of 10 pence each, and references to Capricorn Shares are to Capricorn ordinary shares of 21/13 pence each.
2. The fully diluted share capital of Tullow (being 1,494,637,596 Tullow Shares) is calculated on the basis of:
 - a. the 1,437,999,835 Tullow Shares in issue as at close of business on 31 May 2022 (being the last Business Day prior to the date of this Announcement); and
 - b. any further Tullow Shares which may be issued on or after the date of this Announcement on the exercise of options or vesting of awards under the Tullow Share Plans, amounting in aggregate to 56,637,761 Tullow Shares.
3. The fully diluted share capital of Capricorn (being 348,179,346 Capricorn Shares) is calculated on the basis of:
 - a. the 316,338,439 Capricorn Shares in issue as at close of business on 31 May 2022 (being the last Business Day prior to the date of this Announcement); and
 - b. any further Capricorn Shares which may be issued on or after the date of this Announcement on the exercise of options or vesting of awards under the Capricorn Share Plans, amounting in aggregate to 31,840,907 Capricorn Shares.
4. On the date of this Announcement, each of Tullow and Capricorn holds zero ordinary shares in treasury.
5. The financial information relating to Tullow is extracted or derived (without adjustment) from the audited consolidated financial statements of Tullow for the year ended 31 December 2021. Combined Group 2021A leverage is calculated using Tullow cash balances at 31 December 2021; Combined Group 2021A liquidity is calculated using Tullow cash balances at 31 December 2021 plus undrawn Tullow RCF facilities of \$500 million.
6. The financial information relating to Capricorn is extracted or derived (without adjustment) from the audited consolidated financial statements of Capricorn for the year ended 31 December 2021. Combined Group 2021A leverage and liquidity is calculated using Capricorn cash balances at 31 December 2021, adjusted for subsequent receipt of \$1.056 billion India tax net proceeds less \$522 million capital returned to Capricorn Shareholders via Tender Offer and share buyback.
7. The synergy numbers are unaudited and are based on analysis by Tullow's management and on Tullow's internal records. Further information underlying the Quantified Financial Benefits Statement contained in this Announcement is provided in Appendix 4 to this Announcement.
8. Certain figures in this Announcement have been subject to rounding adjustments.

APPENDIX 3

IRREVOCABLE UNDERTAKINGS

Part A – Irrevocable undertakings from Capricorn Directors

The following Capricorn Directors have given irrevocable undertakings to, amongst other things, vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the Capricorn General Meeting in relation to the following Capricorn Shares currently held by them as well as any further Capricorn Shares which they may become the registered or beneficial owner of or otherwise interested in:

| Name of Capricorn Director | Number of Capricorn Shares | Percentage of Capricorn Shares in issue as at 31 May 2022 (being the last Business Day prior to this Announcement) |
|----------------------------|----------------------------|--|
| Simon Thomson | 703,190 | 0.2% |
| James Smith | 31,864 | 0.0% |
| Nicoletta Giadrossi | - | - |
| Peter Kallos | 9,292 | 0.0% |
| Keith Lough | - | - |
| Alison Wood | - | - |
| Catherine Krajicek | - | - |
| Erik Daugbjerg | - | - |
| Luis Araujo | - | - |

The obligations of the Capricorn Directors under the irrevocable undertakings they have given shall lapse and cease to have effect if:

- (a) the Scheme Document is not despatched to Capricorn shareholders on or before the Long Stop Date or such later time as may be agreed by the Panel save that, if Tullow subsequently elects to proceed by way of a Takeover Offer (in accordance with and subject to the terms of the Co-operation Agreement) on or before the Long Stop Date, the Offer Document is not despatched to Capricorn shareholders within 28 days of the date of publication of an RIS announcement announcing the change in structure (or such other date as the Panel may require); or
- (b) the Scheme does not become effective on or before the Long Stop Date, provided that the reason is not because Tullow has elected (in accordance with and subject to the terms of the Co-operation Agreement) to proceed by way of a Takeover Offer rather than by way of a Scheme; or
- (c) the Scheme (or Takeover Offer, as applicable) lapses or is withdrawn in accordance with its terms, provided that the reason is not because Tullow has elected (in accordance with and subject to the terms of the Co-operation Agreement) to proceed by way of a Takeover Offer rather than by way of a Scheme; or
- (d) any competing offer for the entire issued and to be issued share capital of Capricorn becomes or is declared unconditional in all respects (if implemented by way of takeover offer) or becomes effective (if implemented by way of scheme of arrangement); or

- (e) the Co-operation Agreement is terminated in accordance with its terms; or
- (f) Tullow announces, with the Panel's consent, that it does not intend to make or proceed with the Combination and no new replacement scheme or Takeover Offer is announced by Tullow in accordance with Rule 2.7 of the Code at the same time, which has been recommended by Capricorn.

Part B – Irrevocable undertakings from Tullow Directors

The following Tullow Directors have given irrevocable undertakings to, amongst other things, vote in favour of the Tullow Resolutions at the Tullow General Meeting in relation to the following Tullow Shares currently held by them as well as any further Tullow Shares which they may become the registered or beneficial owner of or otherwise interested in:

| Name of Tullow Director | Number of Tullow Shares | Percentage of Tullow Shares in issue as at 31 May 2022 (being the last Business Day prior to this Announcement) |
|--------------------------------|--------------------------------|--|
| Rahul Dhir | 1,346,000 | 0.1% |
| Phuthuma Nhleko | - | - |
| Mike Daly | 4,795 | 0.0% |
| Jeremy Wilson | 87,959 | 0.0% |
| Genevieve Sangudi | - | - |
| Sheila Khama | 7,070 | 0.0% |
| Martin Greenslade | 60,000 | 0.0% |
| Mitchell Ingram | 50,000 | 0.0% |

The obligations of the Tullow Directors under the irrevocable undertakings they have given shall lapse and cease to have effect if:

- (a) the Scheme does not become effective on or before the Long Stop Date, provided that the reason is not because Tullow has elected (in accordance with and subject to the terms of the Co-operation Agreement) to proceed by way of a Takeover Offer rather than by way of a Scheme; or
- (b) the Scheme (or Takeover Offer, as applicable) lapses or is withdrawn in accordance with its terms, provided that the reason is not because Tullow has elected (in accordance with and subject to the terms of the Co-operation Agreement) to proceed by way of a Takeover Offer rather than by way of a Scheme; or
- (c) the Co-operation Agreement is terminated in accordance with its terms; or
- (d) Tullow announces, with the Panel's consent, that it does not intend to make or proceed with the Combination and no new replacement scheme or Takeover Offer is announced by Tullow in accordance with Rule 2.7 of the Code at the same time, which has been recommended by Capricorn.

APPENDIX 4

QUANTIFIED FINANCIAL BENEFITS STATEMENT AND REPORTS

PART A

Paragraph 4 of Part II of this Announcement (Financial benefits and effects of the Combination) contains statements of estimated cost savings and synergies arising from the Combination (together, the "**Quantified Financial Benefits Statement**").

A copy of the Quantified Financial Benefits Statement is set out below.

"The Tullow Board, having reviewed and analysed the potential cost synergies of the Combination, and taking into account the factors it can influence, believes the Combination will result in \$50 million of pre-tax net cash cost synergies on an annual run-rate basis by the second anniversary of the completion of the Combination.

The quantified net cash cost synergies are expected to originate from the following areas, subject to any obligations to inform and consult with employees and/or their representatives:

- **Corporate:** approximately 26% of the identified net cash cost synergies are expected to be generated from de-duplication and rationalisation of Board, executive leadership and other costs associated with a listed company;
- **Central operational and technical functions:** 32% of the identified net cash cost synergies are expected to be generated from consolidation and rationalisation of central operational and technical functions, driven by increased scale and alignment of operating models; and
- **Administrative functions:** 42% of the identified net cash cost synergies are expected to be generated from consolidation and de-duplication of overlapping administrative functions (including IT) and third-party spend.

The Tullow Board expects approximately 71% of these anticipated quantified net cash cost synergies to be achieved by the end of the first twelve month period following completion of the Combination.

The Tullow Board estimates that realisation of these net cash cost synergies will give rise to one-off costs of approximately \$45 million incurred in the two years post-completion of the Combination. The Tullow Board has considered potential areas of dis-synergy and these were determined to be immaterial for the analysis.

These anticipated net cash cost synergies will accrue as a direct result of the Combination and would not be achieved on a standalone basis."

Further information on the bases of belief supporting the Quantified Financial Benefits Statement, including the principal assumptions and sources of information, is set out below.

Bases of belief

Following commencement of discussions regarding the Combination, teams comprised of Executive leadership and senior finance and HR personnel at Tullow and Capricorn have worked to identify, challenge, and quantify potential synergies available from the Combination as well as to estimate the potential costs to achieve such net cash cost synergies and any associated costs.

In preparing the Quantified Financial Benefits Statement, both Tullow and Capricorn have shared certain organisational and financial information to facilitate analysis in support of evaluating the potential net cash cost synergies available from the creation of the Combined Group. The Tullow team has sought to include in the synergy analysis those costs which it believes will either be reduced or eliminated as part of the Combined Group.

In circumstances where the scope of data exchanged or the individuals having access to it has been limited for commercial or other reasons, Tullow has made estimates and assumptions to aid its development of individual synergy initiatives.

The synergy assumptions have been risk adjusted.

In arriving at the Quantified Financial Benefits Statement, the Tullow Board has, in addition, made the following assumptions (some or all of which are outside the influence of the Tullow Group):

- No material change to macroeconomic, political, legal or regulatory conditions in the markets or regions in which Tullow and Capricorn operate;
- No material change in accounting standards;
- No material change to the underlying operations of either business from the Combination;
- No material impact from divestments from either the Tullow or Capricorn existing businesses;
- Net cash cost synergies are estimated net of General and Administrative costs charged to joint venture partners, based on the combined average recharge of the current asset base and joint venture arrangements of the Tullow and Capricorn existing joint ventures (with no future changes assumed);
- The actual realised synergy benefit may arise in net General and Administrative, operating expenditure or capital expenditure;
- No material change in current foreign exchange rates;
- D&O insurance is assumed to reduce in line with the expected improved financial risk of the Combined Group.

The baselines used for the quantified net cash cost synergies are:

- Relating to non-payroll costs: FY22 forecast gross cash cost information for both Tullow and Capricorn (including three months of FY22 actuals for Capricorn).
- Relating to payroll: latest available headcount and associated costs for both Tullow and Capricorn.

Reports

As required by Rule 28.1(a) of the Code, KPMG, as reporting accountants to Tullow, has provided a report stating that, in its opinion, the Quantified Financial Benefits Statement has been properly compiled on the basis stated. In addition, PJT Partners as lead financial adviser to Tullow, has provided a report stating that, in its opinion, the Quantified Financial Benefits Statement has been prepared with due care and consideration. Copies of these reports are included in Part B and Part C of this Appendix 4.

KPMG and PJT Partners have given and not withdrawn their consent to the publication of their reports in the form and context in which they are included.

Notes

The statements of estimated synergies relate to future actions and circumstances which, by their nature, involve risks, uncertainties and contingencies. As a result, the synergies referred to may not be achieved, or may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated.

Due to the scale of the Combined Group, there may be additional changes to the Combined Group's operations. As a result, and given the fact that the changes relate to the future, the resulting synergies may be materially greater or less than those estimated.

No statement should be construed as a profit forecast or interpreted to mean that the Combined Group's earnings in the first full year following implementation of the Combination, or in any subsequent period, would necessarily match or be greater than or be less than those of Tullow and/or Capricorn for the relevant preceding financial period or any other period.

PART B

REPORT FROM KPMG LLP ON QUANTIFIED FINANCIAL BENEFITS STATEMENT

Private & confidential
The Directors
Tullow Oil PLC
9 Chiswick Park,
566 Chiswick High Road, London,
W4 5XT

PJT Partners (UK) Limited
One Curzon Street
London
W1J 5HD

1 June 2022

Ladies and Gentlemen

Tullow Oil PLC – Published report on quantified financial benefits statement

We report on the statement ('the Statement') made by the directors of Tullow Oil PLC ('the Directors') in Part A of Appendix 4 to this Announcement to the effect that:

"The Tullow Board, having reviewed and analysed the potential cost synergies of the Combination, and taking into account the factors it can influence, believes the Combination will result in \$50 million of pre-tax net cash cost synergies on an annual run-rate basis by the second anniversary of the completion of the Combination.

The quantified net cash cost synergies are expected to originate from the following areas, subject to any obligations to inform and consult with employees and/or their representatives:

- **Corporate:** *approximately 26% of the identified net cash cost synergies are expected to be generated from de-duplication and rationalisation of Board, executive leadership and other costs associated with a listed company;*
- **Central operational and technical functions:** *32% of the identified net cash cost synergies are expected to be generated from consolidation and rationalisation of central operational and technical functions, driven by increased scale and alignment of operating models; and*
- **Administrative functions:** *42% of the identified net cash cost synergies are expected to be generated from consolidation and de-duplication of overlapping administrative functions (including IT) and third-party spend.*

The Tullow Board expects approximately 71% of these anticipated quantified net cash cost synergies to be achieved by the end of the first twelve month period following completion of the Combination.

The Tullow Board estimates that realisation of these net cash cost synergies will give rise to one-off costs of approximately \$45 million incurred in the two years post-completion of the Combination. The Tullow Board has considered potential areas of dis-synergy and these were determined to be immaterial for the analysis.

These anticipated net cash cost synergies will accrue as a direct result of the Combination and would not be achieved on a standalone basis."

This report is required by Rule 28.1(a) of the City Code on Takeovers and Mergers ('the City Code') and is given for the purpose of complying with that requirement and for no other purpose.

Opinion

In our opinion, the Statement has been properly compiled on the basis stated.

The Statement has been made in the context of the disclosures in Part A of Appendix 4 to this Announcement setting out, inter alia, the basis of the Directors' belief (including the principal assumptions and sources of information) supporting the Statement and their analysis and explanation of the underlying constituent elements.

Responsibilities

It is the responsibility of the Directors to prepare the Statement in accordance with the requirements of Rule 28 of the City Code.

It is our responsibility to form an opinion, as required by Rule 28.1(a) of the City Code as to whether the Statement has been properly compiled on the basis stated and to report that opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Rule 23.2 of the City Code, consenting to its inclusion in this Announcement.

Basis of preparation of the Statement

The Statement has been prepared on the basis stated in Part A of Appendix 4 to this Announcement.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom (the 'FRC'). We are independent, and have fulfilled our other ethical responsibilities, in accordance with the relevant ethical requirements of the FRC's Ethical Standard as applied to Investment Circular Reporting Engagements.

We have discussed the Statement, together with the underlying plans, with the Directors and PJT Partners (UK) Limited. Our work did not involve any independent examination of any of the financial or other information underlying the Statement.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Statement has been properly compiled on the basis stated.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

We do not express any opinion as to the achievability of the benefits identified by the Directors in the Statement. The Statement is subject to uncertainty as described in Appendix 4 to this Announcement. Since the Statement relates to the future and may therefore be affected by unforeseen events, we express no opinion as to whether the actual benefits achieved will correspond to those anticipated in the Statement and the differences may be material.

Yours faithfully,

KPMG LLP

PART C

REPORT FROM PJT PARTNERS ON QUANTIFIED FINANCIAL BENEFITS STATEMENT

The Directors
Tullow Oil PLC
9 Chiswick Park,
566 Chiswick High Road,
London,
W4 5XT

1 June 2022

Dear Ladies and Gentlemen,

Recommended all-share combination of Tullow Oil PLC (“Tullow”) and Capricorn Energy PLC (“Capricorn”) – Report on Quantified Financial Benefits Statement of Tullow

We refer to the Quantified Financial Benefits Statement, the bases of belief thereof and the notes thereto (together, the “**Statement**”) as set out in Part A of Appendix 4 to this Announcement, for which the directors of Tullow (the “**Directors**”) are solely responsible under Rule 28.3(a) of the City Code on Takeovers and Mergers (the “**Code**”).

We have discussed the Statement (including the assumptions, accounting policies, bases of calculation and sources of information referred to therein), with the Directors and those officers and employees of Tullow who developed the underlying plans, as well as with KPMG LLP (“**KPMG**”). The Statement is subject to uncertainty as described in this Announcement and our work did not involve an independent examination of any of the financial or other information underlying the Statement.

We have relied upon the accuracy and completeness of all the financial and other information provided to us by or on behalf of Tullow, or otherwise discussed with or reviewed by us, and we have assumed such accuracy and completeness for the purposes of providing this letter.

We do not express any view or opinion as to the achievability of the quantified financial benefits identified by the Directors.

We have also reviewed the work carried out by KPMG and have discussed with them the opinion set out in Part B of Appendix 4 to this Announcement addressed to yourselves and ourselves on this matter, and the accounting policies and bases of calculation for the Statement.

This letter is provided to you solely in connection with Rule 28.1(a)(ii) of the Code and for no other purpose. We accept no responsibility to Tullow or its shareholders or any person other than the Directors in respect of the contents of this letter. We are acting exclusively as financial adviser to Tullow and no one else in connection with the combination of Tullow and Capricorn and it was for the purpose of complying with Rule 28.1(a)(ii) of the Code that Tullow requested us to prepare this report on the Statement. No person other than the Directors can rely on the contents of this letter, and to the fullest extent permitted by law, we exclude all liability (whether in contract, tort or otherwise) to any other person, in respect of this letter, its results, or the work undertaken in connection with this letter, or any of the results that can be derived from this letter or any written or oral information provided in connection with this letter, and any such liability is expressly disclaimed except to the extent that such liability cannot be excluded by law.

On the basis of the foregoing, we consider that the Statement, for which you as the Directors are solely responsible for the purposes of the Code, has been prepared with due care and consideration.

Yours faithfully,

PJT Partners (UK) Limited

APPENDIX 5

DEFINITIONS

The following definitions apply throughout this Announcement unless the context requires otherwise:

| | |
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| "Admission" | the UK Admission, the Ghana Admission and the Irish Admission |
| "Announcement" | this announcement |
| "Barclays" | Barclays Bank PLC, acting through its Investment Bank |
| "Blocking Law" | any provision of Council Regulation (EC) No. 2271/1996 of 22 November 1996 (or any law implementing such Regulation in any member state of the European Union) or any similar blocking or anti-boycott law |
| "Board" | the board of directors |
| "Business Day" | a day, other than a Saturday or Sunday or a public holiday in England, on which banks in London are open for general commercial business other than solely for trading and settlement in Euro |
| "Capricorn" | Capricorn Energy PLC of 50 Lothian Road, Edinburgh, EH3 9BY |
| "Capricorn Directors" or "Capricorn Board" | the board of directors of Capricorn and "Capricorn Director" means any of them |
| "Capricorn General Meeting" | the general meeting of Capricorn Shareholders to be convened in connection with the Combination, notice of which will be set out in the Scheme Document, to consider and if thought fit approve the resolutions being proposed in connection with the implementation of the Scheme, including any adjournment, postponement or reconvening thereof |
| "Capricorn Group" | Capricorn and its subsidiary undertakings |
| "Capricorn Shareholders" | holders of Capricorn Shares |
| "Capricorn Shares" | ordinary shares of 21/13 pence each in the capital of Capricorn |
| "Capricorn Share Plans" | the Capricorn Long Term Incentive Plan (2017), the Capricorn Employee Share Award Scheme (2015), the Capricorn Long Term Incentive Plan (2009), the Capricorn 2010 Share Incentive Plan, the Capricorn Approved Share Option Plan (2009) and the Capricorn Unapproved Share Option Plan (2009) |
| "CEO" | Chief Executive Officer |

| | |
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| "CFO" | Chief Financial Officer |
| "Circular" | the circular to be sent by Tullow to Tullow Shareholders summarising the background to, and reasons for, the Combination, which will include a notice convening the Tullow General Meeting |
| "Code" | the City Code on Takeovers and Mergers, as amended from time to time |
| "Combination" | the proposed all-share combination of Tullow and Capricorn to be implemented by means of the Scheme or a Takeover Offer (as the case may be) on the terms and subject to conditions set out in this Announcement |
| "Combined Group" | the enlarged group comprising the Tullow Group and the Capricorn Group |
| "Companies Act" | the Companies Act 2006, as amended from time to time |
| "Completion" | the completion of the Combination |
| "Conditions" | the conditions to the implementation of the Combination (including the Scheme) which are set out in Appendix 1 to this Announcement and to be set out in the Scheme Document |
| "Co-operation Agreement" | the co-operation agreement entered into between Tullow and Capricorn dated 1 June 2022 |
| "Court" | the Court of Session in Edinburgh, Scotland |
| "Court Meeting" | the meeting of Scheme Shareholders or of any class or classes thereof to be convened by an order of the Court under section 896 the Companies Act, notice of which will be set out in the Scheme Document, to consider and if thought fit approve the Scheme (with or without amendment) including any adjournment, postponement or reconvening thereof |
| "Court Order" | the order of the Court sanctioning the Scheme under Part 26 of the Companies Act |
| "Court Sanction Hearing" | the hearing of the Court to sanction the Scheme under Part 26 of the Companies Act including any adjournment, postponement or reconvening thereof |
| "Court Sanction Hearing Date" | the date of the Court Sanction Hearing |
| "CREST" | the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755), as it forms part of the domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018) in respect of which |

| | |
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| | Euroclear UK & International Ltd is the Operator (as defined in said Regulations) |
| "Dealing Disclosure" | an announcement pursuant to Rule 8 of the Code containing details of dealings in interests in relevant securities of a party to an offer |
| "Disclosure Guidance and Transparency Rules" | the disclosure guidance and transparency rules issued by the FCA pursuant to Part 6 of FSMA |
| "Effective" | in the context of the Combination: <ul style="list-style-type: none"> (i) if the Combination is implemented by way of Scheme, means the Scheme having become effective pursuant to its terms; or (ii) if the Combination is implemented by way of a Takeover Offer, such Takeover Offer having become or been declared unconditional in accordance with its terms |
| "Effective Date" | the date on which either: (i) the Scheme becomes effective in accordance with its terms; or (ii) if Tullow elects to implement the Combination by way of a Takeover Offer (subject to the consent of the Panel and the terms of the Co-operation Agreement), the date on which the Takeover Offer becomes or is declared unconditional in all respects |
| "EU Merger Regulation" | Council Regulation (EC) No. 139/2004 |
| "Euronext Dublin" | The Irish Stock Exchange PLC, trading as Euronext Dublin |
| "Euronext Dublin Market" | the Euronext Dublin Market, operated by Euronext Dublin |
| "FCA" | the Financial Conduct Authority of the United Kingdom, acting in its capacity as the competent authority for the purposes of FSMA |
| "Forms of Proxy" | the forms to appoint a proxy to vote at the Court Meeting and the Capricorn General Meeting |
| "FSMA" | the Financial Services and Markets Act 2000, as amended from time to time |
| "Ghana Admission" | admission of the New Tullow Shares to listing on the First Official List of the Ghana Stock Exchange and to trading on the Ghana Stock Exchange |
| "Ghana SEC" | the Securities and Exchange Commission of Ghana |
| "Irish Admission" | admission of the New Tullow Shares to a secondary listing on the Official List of Euronext Dublin and to trading on the Euronext Dublin Market operated by Euronext Dublin |

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| "Irish Listing Rules" | Book I: Harmonised Rules of the Euronext Rule Book and Book II: Listing Rules of Euronext Dublin, taken together |
| "kboepd" | thousand barrels of oil equivalent per day |
| "KPMG" | KPMG LLP |
| "Last Accounts Date" | 31 December 2021 |
| "Listing Rules" | the listing rules issued by the FCA pursuant to Part 6 of FSMA |
| "Long Stop Date" | 1 March 2023 or such later date as may be agreed by Tullow and Capricorn in writing with the Panel's consent and (if required) as the Court may approve |
| "London Stock Exchange" | London Stock Exchange PLC |
| "Morgan Stanley" | Morgan Stanley & Co. International PLC |
| "New Tullow Shares" | the new ordinary shares of 10 pence each in Tullow, to be issued and allotted to Capricorn Shareholders in connection with the Combination |
| "Official List" | the official list maintained by the FCA pursuant to Part 6 of FSMA |
| "Opening Position Disclosure" | an announcement pursuant to Rule 8 of the Code containing details of interests or short positions in, or rights to subscribe for, any relevant securities of a party to an offer |
| "Panel" or "Takeover Panel" | the Panel on Takeovers and Mergers |
| "PJT Partners" | PJT Partners (UK) Limited |
| "Prospectus" | the prospectus to be published by Tullow at or around the same time as the Scheme Document in respect of the New Tullow Shares to be issued to the Scheme Shareholders in connection with the Combination and for the purpose of Admission |
| "Quantified Financial Benefits Statement" | the quantified financial benefits statement set out in Part A of Appendix 4 to this Announcement |
| "Registrar of Companies" | the Registrar of Companies in Scotland |
| "Regulatory Information Service" | a primary information provider which has been approved by the FCA to disseminate regulated information |
| "Restricted Jurisdiction" | any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Combination is sent or made available to Capricorn Shareholders in that jurisdiction |

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| "Restricted Overseas Person" | Capricorn Shareholders resident in, or nationals or citizens of, Restricted Jurisdictions or who are nominees or custodians, trustees or guardians for, citizens, residents or nationals of such Restricted Jurisdictions |
| "Rothschild & Co" | N.M. Rothschild & Sons Limited |
| "Scheme" or "Scheme of Arrangement" | the scheme of arrangement proposed to be made under Part 26 of the Companies Act between Capricorn and the Scheme Shareholders to be set out in the Scheme Document, with or subject to any modification, addition or condition approved or imposed by the Court |
| "Scheme Document" | the document to be sent to Capricorn Shareholders setting out, amongst other things, the Scheme and notices convening the Court Meeting and the Capricorn General Meeting |
| "Scheme Record Time" | 6.00pm on the Business Day immediately preceding the Effective Date |
| "Scheme Shareholders" | holders of Scheme Shares and a "Scheme Shareholder" shall mean any one of those scheme shareholders |
| "Scheme Shares" | <p>the Capricorn Shares:</p> <ul style="list-style-type: none"> (i) in issue at the date of the Scheme Document and which remain in issue at the Scheme Record Time; (ii) (if any) issued after the date of the Scheme Document but before the Voting Record Time and which remain in issue at the Scheme Record Time; and (iii) (if any) issued at or after the Voting Record Time but at or before the Scheme Record Time on terms that the holder thereof shall be bound by the Scheme or in respect of which the original or any subsequent holders thereof are, or have agreed in writing to be, bound by the Scheme and, in each case, which remain in issue at the Scheme Record Time <p>excluding, in any case, any Capricorn Shares held by or on behalf of Tullow or the Tullow Group at the Scheme Record Time</p> |
| "subsidiary" and "subsidiary undertaking" | have the meanings given to them in the Companies Act |
| "Takeover Offer" | should the Combination be implemented by way of a takeover offer as defined in Chapter 3 of Part 28 of the Companies Act, the offer to be made by or on behalf of Tullow to acquire the entire issued and to be issued share capital of Capricorn and, where |

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| | the context admits, any subsequent revision, variation, extension or renewal of such offer |
| "Takeover Offer Document" | should the Combination be implemented by way of the Takeover Offer, the document to be sent to Capricorn Shareholders which will contain, <i>inter alia</i> , the terms and conditions of the Takeover Offer |
| "Treasury Shares" | shares held as treasury shares as defined in section 724(5) of the Companies Act |
| "Tullow" | Tullow Oil PLC of 9 Chiswick Park, 566 Chiswick High Road, London, W4 5XT |
| "Tullow Directors" or "Tullow Board" | the board of directors of Tullow and "Tullow Director" means any of them |
| "Tullow General Meeting" | the general meeting of Tullow Shareholders to be convened in connection with the Combination, to consider and if thought fit approve the Tullow Resolutions, including any adjournment, postponement or reconvening thereof |
| "Tullow Group" | Tullow and its subsidiary undertakings |
| "Tullow Share Plans" | the Tullow Incentive Plan, the Tullow Executive Share Award Plan, the Tullow 2010 Share Option Plan, the Tullow UK Share Incentive Plan, the Tullow Irish Share Incentive Plan and the Tullow Save as You Earn Option Plan |
| "Tullow Shares" | ordinary shares of 10 pence each in the capital of Tullow |
| "Tullow Resolutions" | the resolutions to be proposed to Tullow Shareholders in connection with the Combination, including to: (i) approve the Combination as a "class 1" transaction for the purposes of the Listing Rules; and (ii) approve the allotment and issue of the New Tullow Shares, and any amendment thereof |
| "UK" or "United Kingdom" | the United Kingdom of Great Britain and Northern Ireland |
| "UK Admission" | admission of the New Tullow Shares to listing on the premium listing segment of the Official List of the FCA and to trading on the London Stock Exchange's main market for listed securities |
| "UK Market Abuse Regulation" | the UK version of the EU Market Abuse Regulation which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 |
| "UK Prospectus Regulation" | the UK version of the EU Prospectus Regulation (2017/1129/EU) which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 |
| "United States" or "US" | the United States of America, its territories and possessions, any state of the United States of |

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| | America, the District of Columbia, and all other areas subject to its jurisdiction |
| "U.S. Exchange Act" | the United States Securities Exchange Act of 1934 |
| "U.S. Securities Act" | the United States Securities Act of 1933, as amended |
| "Voting Record Time" | the time and date specified in the Scheme Document by reference to which entitlement to vote at the Court Meeting will be determined, expected to be 6.30pm on the day which is two days before the date of the Court Meeting or if the Court Meeting is adjourned, 6.30pm on the day which is two days before such adjourned meeting |
| "Wider Capricorn Group" | has the meaning given in Appendix 1 |
| "Wider Tullow Group" | has the meaning given in Appendix 1 |
| "£" or "Sterling" | pounds sterling, the lawful currency for the time being of the UK and references to "pence" and "p" shall be construed accordingly |
| "\$" or "U.S. dollars" | United States dollars, the lawful currency for the time being of the U.S. and references to "cents" shall be construed accordingly |

All times referred to are London time unless otherwise stated.

All references to statutory provision or law or to any order or regulation shall be construed as a reference to that provision, law, order or regulation as extended, modified, replaced or re-enacted from time to time and all statutory instruments, regulations and orders from time to time made thereunder or deriving validity therefrom.