

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant, fund manager or other appropriate independent financial adviser, who is authorised under the Financial Services and Markets Act 2000, as amended (“FSMA”) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

This document (“**this document**” or the “**Supplementary Prospectus and Circular**”), which comprises: (i) a supplementary circular prepared in accordance with the Listing Rules of the Financial Conduct Authority of the United Kingdom (“**FCA**”) made under section 73A of FSMA (the “**Listing Rules**”) for the purposes of the General Meeting convened pursuant to the Notice of General Meeting contained in the Combined Prospectus and Circular published by the Company on 13 January 2023 in relation to the Combination (the “**Combined Prospectus and Circular**”); and (ii) a supplementary prospectus for the purposes of Article 23 of the UK version of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended) (the “**UK Prospectus Regulation**”), relating to Capricorn Energy PLC (“**Capricorn**” or the “**Company**” and, together with its subsidiaries, the “**Capricorn Group**”), has been approved by the FCA, as competent authority under the UK Prospectus Regulation, in accordance with section 87A of FSMA, and prepared and made available to the public in accordance with the Prospectus Regulation Rules of the FCA made under section 73A of FSMA (the “**Prospectus Regulation Rules**”). In relation to the prospectus components of this document, the FCA only approves this document as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation and such approval should not be considered as an endorsement of the issuer that is the subject of this document or of the quality of the securities that are the subject of this document. Investors should make their own assessment as to the suitability of investing in the securities. This document has been filed with the FCA and made available to the public in accordance with paragraph 3.2.1 of the Prospectus Regulation Rules.

This document is supplementary to, and must be read in conjunction with, the Combined Prospectus and Circular published by the Company on 13 January 2023. Save as disclosed in this Supplementary Prospectus and Circular, there have been no significant new factors, material mistakes or material inaccuracies relating to the information contained in the Combined Prospectus and Circular.

If you sell or otherwise transfer or have sold or otherwise transferred all of your holding of Ordinary Shares, please forward this document as soon as possible, to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. If you sell or otherwise transfer or have sold or otherwise transferred only part of your holding of Ordinary Shares, you should retain this document and consult the bank, stockbroker or other agent through whom the sale or transfer was effected. However, the distribution of this document into jurisdictions other than the United Kingdom may be restricted by law. Therefore, persons outside the United Kingdom into whose possession this document comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

The Company, the Directors and the Proposed Directors, whose names appear at section 1 of Part II (*Additional Information*) of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company, the Directors and the Proposed Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.



CAPRICORN ENERGY PLC
(to be renamed NewMed Energy plc)
(incorporated and registered in Scotland with registered number SC226712)

Supplementary Prospectus and Circular:

Proposed Combination with NewMed Energy – Limited Partnership, Readmission of 315,072,439 Existing Ordinary Shares and Admission of 2,743,883,113 New Ordinary Shares

Sponsor and financial adviser
Rothschild & Co

Financial adviser
Goldman Sachs International

Financial adviser and corporate broker
Morgan Stanley

You should read this Supplementary Prospectus and Circular and the Combined Prospectus and Circular (including any documents incorporated herein and therein by reference) as a whole, carefully and in their entirety. In particular, prospective investors are advised to examine all the risks that might be relevant in connection with an investment in the Ordinary Shares. See the section entitled “Risk Factors” in the Combined Prospectus and Circular for a discussion of certain risks and other factors that should be considered prior to any investment in the Ordinary Shares.

The release, publication or distribution of this document in jurisdictions other than the UK may be restricted by law and, therefore, any persons who are subject to the laws of any jurisdiction other than the UK should inform themselves about, and observe, any applicable requirements. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction. This document has been prepared to comply with requirements of English law, the Listing Rules, the Prospectus Regulation Rules and the rules of the London Stock Exchange plc (“**LSE**”) and information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside England and Wales. Unless otherwise determined by the Company and permitted by applicable law and regulation, this document is not for release, publication or distribution, directly or indirectly, in whole or in part, in, into or from the United States, Australia, Canada, New Zealand, the Republic of South Africa, the Republic of Ireland or any other state or jurisdiction in which the same would be restricted, unlawful or unauthorised (each a “**Restricted Territory**”). This document does not constitute an offer to purchase, subscribe for, sell or issue or the solicitation of an offer to purchase, subscribe for, sell or issue shares in the capital of the Company in any Restricted Territory or to any person to whom it is unlawful to make such offer or solicitation. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdictions. Subject to certain exemptions, the securities referred to herein may not be offered or sold in any Restricted Territory or for the account or benefit of any national resident or citizen of any Restricted Territory.

The New Ordinary Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended (the “**US Securities Act**”) or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Ordinary Shares may not be offered, sold or delivered, directly or indirectly, in or into or from the United States absent registration under the US Securities Act or an exemption therefrom. The New Ordinary Shares are expected to be issued in reliance upon the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) thereof. Under applicable US securities laws, persons (whether or not US persons) who are or will be “affiliates” (within the meaning of the US Securities Act) of Capricorn or NewMed prior to, or of the Combined Group after, the date of Completion will be subject to certain US transfer restrictions relating to the New Ordinary Shares received pursuant to the Scheme. None of the securities referred to in this document has been approved or disapproved by the US Securities and Exchange Commission (the “**SEC**”), any state securities commission in the United States or any other US regulatory authority, nor have such authorities passed upon, determined or endorsed the merits of the Combination or the adequacy or accuracy of the information contained in this document. Any representation to the contrary is a criminal offence in the United States.

The New Ordinary Shares generally should not be treated as “restricted securities” within the meaning of Rule 144(a)(3) under the US Securities Act and persons who receive securities under the Scheme (other than “affiliates” as described in the paragraph below) may resell them without restriction under the US Securities Act. Under US securities laws, persons who are affiliates (as defined under the US Securities Act) of Capricorn or NewMed at Completion may not offer or sell the New Ordinary Shares received under the Scheme without registration under the US Securities Act, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. Whether a person is an affiliate of a company for such purposes depends upon the circumstances, but affiliates of a company can include certain officers and directors and significant shareholders. NewMed Unitholders who believe they may be affiliates for the purposes of the US Securities Act should consult their own legal advisers prior to any resale of New Ordinary Shares received under the Scheme.

For the purposes of qualifying for the exemption from the registration requirements of the US Securities Act afforded by Section 3(a)(10), NewMed will advise the Israeli Circuit Court through counsel that its sanctioning of the Scheme will be relied upon by Capricorn as an approval of the Scheme following a hearing on its fairness to NewMed Unitholders, at which hearing all NewMed Unitholders are entitled to attend in person or through counsel to support or oppose the sanctioning of the Scheme and with respect to which notification has been given to all NewMed Unitholders.

The Combination relates to the securities of a UK-registered company and an Israeli partnership listed on the LSE and the TASE, respectively, and is proposed to be effected in part by means of a scheme of arrangement under the laws of Israel. A transaction effected by means of a scheme of arrangement is not subject to proxy solicitation or tender offer rules under the US Securities Exchange Act of 1934, as amended. The Combination is subject to United Kingdom and Israeli disclosure requirements, which are different from certain United States disclosure requirements. The financial information included in this document has been prepared in accordance with IFRS and may not be comparable to financial information of companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. The Company has not analysed or determined the US tax consequences to a US holder of receiving New Ordinary Shares pursuant to the Scheme, or owning Ordinary Shares following Completion. In addition, the Company will not provide any annual determinations as to whether it is a passive foreign investment company for US federal income tax purposes for any taxable year. Each US holder is urged to consult his or her independent professional adviser immediately regarding any tax payment, tax reporting or other tax consequences of the Combination and ownership of Ordinary Shares under applicable US federal, state, local or other tax laws.

The Ordinary Shares are admitted to the premium listing segment of the Official List and to the LSE's main market for listed securities. As the Combination is classified as a reverse takeover under the Listing Rules, under the terms of the Combination, the listing of the Existing Ordinary Shares will be cancelled and applications will be made to the FCA for the Existing Ordinary Shares to be readmitted to the premium listing segment of the Official List and to the LSE for the Existing Ordinary Shares to be readmitted to trading on the LSE's main market for listed securities (collectively, "**Readmission**").

Applications will also be made to the FCA for the New Ordinary Shares to be admitted to the premium listing segment of the Official List and to the LSE for the New Ordinary Shares to be admitted to trading on the LSE's main market for listed securities (collectively, "**Admission**").

Application will also be made for admission of the Existing Ordinary Shares and the New Ordinary Shares to the Tel Aviv Stock Exchange ("**TASE**"). Whilst it is the Ordinary Shares themselves which shall be listed on the TASE, on Completion, the New Ordinary Shares will settle on the TASE for NewMed Unitholders and the General Partner in the form of beneficial entitlements to the underlying New Ordinary Shares. No application has been, or is currently intended to be, made for the Existing Ordinary Shares and the New Ordinary Shares to be admitted to listing or dealt with on any other stock exchange.

Subject to the satisfaction or waiver of the conditions to which the Combination is subject, it is currently expected that Readmission and Admission will become effective and dealings in the Existing Ordinary Shares and the New Ordinary Shares after Readmission and Admission on the LSE will commence at 8.00 a.m. on the date of Completion. It is expected that admission to the TASE and dealings in Ordinary Shares, fully paid, will commence on the TASE as soon as practicable thereafter.

No New Ordinary Shares or any other securities in the Company have been marketed to, or are available for purchase, in whole or in part, by the public in the UK or elsewhere in connection with the Readmission of the Existing Ordinary Shares or the Admission of the New Ordinary Shares to the premium listing segment of the Official List and the LSE's main market for listed securities. This document does not constitute or form part of any invitation to purchase, subscribe for, sell or issue, or any solicitation of any offer to purchase, subscribe for, sell or issue Ordinary Shares.

No person has been authorised to give any information or make any representations other than those contained in this Supplementary Prospectus and Circular, the Combined Prospectus and Circular and any document incorporated by reference and, if given or made, such information or representation must not be relied upon as having been so authorised by the Company, NewMed, the Directors, the Proposed Directors, Rothschild & Co, Goldman Sachs International or Morgan Stanley. The Company will comply with its obligation to publish supplementary prospectuses or circulars containing further updated information required by law or by any regulatory authority but assumes no further obligation to publish additional information.

N.M. Rothschild & Sons Limited ("**Rothschild & Co**") is authorised and regulated in the United Kingdom, by the FCA. Rothschild & Co is acting exclusively for the Company as Sponsor and financial adviser and no one else in connection with the matters described in this document, the Combined Prospectus and Circular, the Combination, Readmission and Admission or any other matter or arrangement referred to in this document, and will not regard any other person (whether or not a recipient of this document) as a client in relation to the Combination, Readmission and Admission or any other matter or arrangement referred to in this document or the Combined Prospectus and Circular, 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 relation to the contents of this document, the Combined Prospectus and Circular, the Combination, Readmission and Admission or any other matter referred to in this document or the Combined Prospectus and Circular.

Goldman Sachs International, which is authorised by the Prudential Regulation Authority (the "**PRA**") and regulated by the FCA and the PRA in the United Kingdom, is acting exclusively for Capricorn and no one else in connection with the Combination and any other matters set out in this document or the Combined Prospectus and Circular. Neither Goldman Sachs International nor its affiliates, nor their respective partners, directors, officers, employees or agents are responsible to anyone other than Capricorn for providing the protections afforded to clients of Goldman Sachs International or for providing advice in connection with the Combination described in this document, the Combined Prospectus and Circular or for any other matters referred to herein.

Morgan Stanley & Co. International plc ("**Morgan Stanley**") is acting as financial advisor to Capricorn and to no one else in connection with the Combination and any other matters set out in this document or the Combined Prospectus and Circular. Morgan Stanley is authorised by the PRA and regulated by the FCA and the PRA. In connection with such matters, Morgan Stanley's and its affiliates' respective directors, officers, employees and agents will not regard any other person as its client, nor will Morgan Stanley be responsible to anyone other than Capricorn for providing the protections afforded to their clients or for providing advice in connection with the matters described in this document, the Combined Prospectus and Circular or any matter referred to herein.

J.P. Morgan Securities plc ("**J.P. Morgan**"), and which is authorised in the United Kingdom by the PRA and regulated by the PRA and the FCA, is acting as financial adviser exclusively for NewMed and no one else in connection with the Combination and will not regard any other person as its client in relation to the Combination and will not be responsible to anyone other than NewMed for providing the protections afforded to clients of J.P. Morgan or its affiliates, nor for providing advice in relation to the Combination or any other matter or arrangement referred to herein.

Apart from the responsibilities and liabilities, if any, which may be imposed on Rothschild & Co under FSMA or the regulatory regime established thereunder, neither Rothschild & Co nor any of its subsidiaries, branches and affiliates (nor their respective directors, officers, employees or agents) shall assume any duty, liability or responsibility whatsoever (whether direct or indirect) to any person for any acts or omissions of the Company as to the contents of this document or the Combined Prospectus and Circular, or makes any representation or warranty, express or implied, as to the contents of this document or the Combined Prospectus and Circular, including its accuracy, completeness, verification or sufficiency or for any other statement made or purported to be made by or on Capricorn's behalf, or by Rothschild & Co, or on Rothschild & Co's behalf, and nothing in this document or the Combined Prospectus and Circular will be relied upon as a promise or representation in this respect, whether to the past or future. To the fullest extent permitted by law, Rothschild & Co and its subsidiaries, branches and affiliates accordingly disclaim all and any duty, liability and responsibility whether arising in tort, contract, statute or otherwise (save as referred to above) in respect of this document or the Combined Prospectus and Circular or any such statement or otherwise.

THE CONTENTS OF THIS DOCUMENT, THE COMBINED PROSPECTUS AND CIRCULAR AND ANY SUBSEQUENT COMMUNICATION FROM THE COMPANY, NEWMED OR ANY OF THEIR RESPECTIVE AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES OR AGENTS ARE NOT TO BE CONSTRUED AS LEGAL, FINANCIAL OR TAX ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT THEIR OWN SOLICITOR, INDEPENDENT FINANCIAL ADVISER OR TAX ADVISER FOR LEGAL, FINANCIAL OR TAX ADVICE. THIS DOCUMENT AND THE COMBINED PROSPECTUS AND CIRCULAR DO NOT CONSTITUTE AN OFFER OF, AND MAY NOT BE USED FOR THE PURPOSES OF, AN OFFER TO SELL OR AN INVITATION TO SELL, OR THE SOLICITATION OF AN OFFER TO SUBSCRIBE FOR OR BUY, ANY SECURITIES. NONE OF THE SECURITIES REFERRED TO IN THIS DOCUMENT OR THE COMBINED PROSPECTUS AND CIRCULAR SHALL BE SOLD, ISSUED OR TRANSFERRED IN OR INTO ANY JURISDICTION IN CONTRAVENTION OF APPLICABLE LAW.

Capitalised terms used and not otherwise defined in this document (excluding any terms defined in the annex to this document) shall have the meaning given to such terms in the Combined Prospectus and Circular. Such defined terms can be found in Part XIX (*Definitions*) of the Combined Prospectus and Circular.

This document is dated 31 January 2023.

Part I

Supplementary Information to the Combined Prospectus and Circular

This Supplementary Prospectus and Circular has been prepared by Capricorn and is supplemental to, and should be read in conjunction with, the Combined Prospectus and Circular published by the Company on 13 January 2023. To the extent that there is any inconsistency between a statement in this Supplementary Prospectus and Circular and a statement contained in the Combined Prospectus and Circular, the statement in this Supplementary Prospectus and Circular will prevail. Any decision to invest in the Ordinary Shares should be based on consideration of the Combined Prospectus and Circular, as supplemented by this Supplementary Prospectus and Circular.

This Supplementary Prospectus and Circular has been produced to supplement the Combined Prospectus and Circular with material new information concerning: (i) the intention of the board of directors of Capricorn (the “**Board**”) to adjourn the general meeting to consider the proposed Combination (the “**General Meeting**”); and (ii) changes to the composition of the Board and the proposed board of the Combined Group, each as announced by the Company on 24 January 2023. This material new information constitutes a significant new factor for the purposes of item 3.4.1 of the Prospectus Regulation Rules and also constitutes a material change for the purposes of Listing Rule 10.5.4(2)(a).

1. Background

Following publication of the Combined Prospectus and Circular on 13 January 2023 and in light of the general meeting requisitioned by Palliser on Board composition (the “**Requisitioned General Meeting**”), the Board recognised the concerns raised by Palliser and other shareholders in relation to the timing of the General Meeting relative to the Requisitioned General Meeting and to the composition of the Board. Following due consideration of these concerns, the Board collectively agreed that it should seek to adjourn the General Meeting and that the changes to the composition of the Board sought by Palliser should be facilitated, as further detailed in sections 2 and 3, respectively, of this Part I (*Supplementary Information to the Combined Prospectus and Circular*).

2. Intention to adjourn the General Meeting

The Board's priority has been to ensure that the General Meeting and the Requisitioned General Meeting can occur. The Board previously considered it necessary to schedule the two general meetings on the same day to ensure that the option to pursue the Combination could be maintained.

The Board has listened to the concerns of Capricorn Shareholders about the timing of the general meetings and has therefore been considering the Company's obligations under the Business Combination Agreement. The Board now intends for the General Meeting to be adjourned from 1 February 2023 until 22 February 2023 at a time and venue to be announced in due course. It remains open to a reconstituted Board to adjourn the General Meeting further to a date beyond 22 February 2023.

The Requisitioned General Meeting will proceed as planned on 1 February 2023, with the intended adjournment of the General Meeting allowing a reconstituted Board to assess the proposed Combination alongside other strategic options prior to determining the recommended route forward. The Board expects that the Board, as it may be constituted after the Requisitioned General Meeting, will consider the options available to the Company and will cause the Company to make such further announcements regarding the Combination as are required in due course (including publishing further supplements to the Combined Prospectus and Circular as necessary). Shareholders should consider Paragraph 3 of Section A (*Risks Relating to the Combination*) of the section of the Combined Prospectus and Circular headed “*Risk Factors*” in the context of this disclosure. NewMed is aware of the intended adjournment of the General Meeting and has advised the Company that it reserves all of its rights under the Business Combination Agreement. NewMed published an update announcement via RNS on 24 January 2023, which announcement is annexed to this document on pages 11 and 12. As at the date of this document, the Business Combination Agreement is in full force and effect.

3. Reconstitution of the Board

3.1 Changes to Board membership

To best enable the process of Board reconstitution, the following changes to the Board have been collectively agreed by the Board and implemented:

- Nicoletta Giadrossi accelerated her decision to step down as Chair following the proposed vote on the Combination at the General Meeting and stepped down from the Board with immediate effect on 24 January 2023;
- Simon Thomson stepped down from the Board with immediate effect on 24 January 2023;
- Peter Kallos, Alison Wood and Luis Araujo each stepped down from the Board with immediate effect on 24 January 2023.

The following future changes to the Board have also been collectively agreed by the Board:

- Keith Lough will remain on the Board to ensure ongoing oversight of reporting obligations and other corporate governance requirements with the intention of stepping down from the Board in advance of the Requisitioned General Meeting; and
- similarly, James Smith will remain on the Board as Chief Financial Officer, with the intention of stepping down from his role as Board director in advance of the Requisitioned General Meeting.

The Company has been in discussions with the new nominee directors proposed to be appointed to the Board pursuant to resolutions 8 to 13 (inclusive) to be considered at the Requisitioned General Meeting (the “**Nominee Directors**”) in respect of the timing of their proposed appointments to the Board and whether such appointments will take place prior to the Requisitioned General Meeting. From these discussions, the Board understands that the Nominee Directors’ preference is to wait until the Requisitioned General Meeting on 1 February 2023, rather than being appointed to the Board at an earlier date.

The Directors, including Catherine Krajcek and Erik B. Daugbjerg, will engage with the proposed Nominee Directors to ensure an orderly transition and appropriate continuity of governance. A further announcement on Board reconstitution will be made in due course.

3.2 Update to disclosures concerning the Directors and the Proposed Directors in the Combined Prospectus and Circular

The relevant disclosures under the headings “*Summary*” and “*Directors, Company Secretary, Registered Office and Advisers*” and in Part XVI (*Directors, Employees and Corporate Governance*) of the Combined Prospectus and Circular as they relate to Nicoletta Giadrossi, Simon Thomson and Luis Araujo are no longer relevant to shareholders’ consideration of the Combination and should be disregarded as those individuals are no longer Directors. The reference to Simon Thomson in the definition of “Senior Managers” in Part XIX (*Definitions*) of the Combined Prospectus and Circular should also be disregarded as Simon Thomson is no longer the Chief Executive Officer of the Company or a “senior manager” for the purposes of the Combined Prospectus and Circular.

The relevant disclosures under the heading “*Directors, Company Secretary, Registered Office and Advisers*” and in Part XVI (*Directors, Employees and Corporate Governance*) of the Combined Prospectus and Circular as they relate to Peter Kallos and Allison Wood are no longer relevant to shareholders’ consideration of the Combination and should be disregarded as those individuals are no longer Directors or Proposed Directors and will not serve as directors of the Combined Group from Completion.

The relevant disclosures under the heading “*Directors, Company Secretary, Registered Office and Advisers*” and in Part XVI (*Directors, Employees and Corporate Governance*) of the Combined Prospectus and Circular as they relate to James Smith and Keith Lough in their role as Proposed

Directors are no longer relevant to shareholders' consideration of the Combination and should be disregarded as those individuals are no longer Proposed Directors and will not serve as directors of the Combined Group from Completion.

Paragraph 3 of Section A (*Risks Relating to the Combination*) of the section of the Combined Prospectus and Circular headed "Risk Factors" and Part I (*Letter from the Chair of Capricorn*) (including, in particular, paragraph 2.5 (*Key terms of the Business Combination Agreement*) of that Part) of the Combined Prospectus and Circular should be read in the context of the changes to Board membership that have occurred or are expected to occur as described in section 3.2 of this Part I (*Supplementary Information to the Combined Prospectus and Circular*) and the Requisitioned General Meeting scheduled to take place on 1 February 2023, as further described in the Combined Prospectus and Circular.

Although James Smith remains the Chief Financial Officer of the Company and a Director as at the date of this document, the reference to his role as the proposed Chief Financial Officer of the Company following Completion in paragraph 2.1 of the section of the Combined Prospectus and Circular headed "Summary" should be disregarded.

Furthermore, references to James Smith, Peter Kallos, Alison Wood and Keith Lough's respective roles as Proposed Directors throughout the Combined Prospectus and Circular should be disregarded, this includes but is not limited to pages 73, 83, 552 and 561.

3.3 Additional Proposed Directors

Any additional proposed directors of the Company following Completion as are identified will be announced in due course and will be subject to review by the FCA as part of the FCA's assessment of the eligibility of the Combined Group for Admission and Readmission.

4. Additional updates

NewMed has publicly announced the matters referred to in paragraphs 4.1 and 4.2 of this Part I (*Supplementary Information to the Combined Prospectus and Circular*) since publication of the Combined Prospectus and Circular on 13 January 2023. For the avoidance of doubt, this information does not constitute a significant new factor for the purposes of item 3.4.1 of the Prospectus Regulation Rules or a material change or material new matter for the purposes of Listing Rule 10.5.4(2).

4.1 Condensate Sale Agreement

On 19 January 2023, NewMed announced that, on 18 January 2023 the Leviathan Partners had entered into an agreement with Paz Ashdod Oil Refinery Ltd. for the sale of condensate produced from the Leviathan Field (the "**Condensate Sale Agreement**"). If the agreement becomes operative following the satisfaction of certain conditions precedent, the Leviathan Partners estimate that the total amount of revenues that may accrue to them from the Condensate Sale Agreement over its term of four years is between approximately US\$200 million and US\$300 million (of which NewMed's proportion would be between approximately US\$90 million and US\$135 million), based on the level of Brent prices as at 19 January 2023. Paragraph 5.8(D) of Part VI (*Information on the NewMed Group*) of the Combined Prospectus and Circular should be read in the context of the two preceding sentences.

4.2 Leviathan Bonds

On 23 January 2023, NewMed announced that: (i) as at such date, NewMed had completed buy-backs of bonds issued by Leviathan Bond Ltd. in an amount equal to approximately US\$95 million pursuant to the bond purchase plan approved by the board of directors of the General Partner in May 2022; and (ii) on 22 January 2023, the board of directors of the General Partner had approved an additional plan to buy-back bonds issued by Leviathan Bond Ltd. in a cumulative amount of up to US\$100 million over a period of two years. Paragraph 2.4 of Part I (*Letter from the Chair of Capricorn*), paragraph 5(D) of Part X (*Operating and Financial Review Relating to the NewMed Group*) and Part XII (*Historical Information Relating to the NewMed Group*) of the Combined Prospectus and Circular should be read in the context of the preceding sentence.

Part II

Additional Information

1. Responsibility

The Company, the Directors and the Proposed Directors, whose names appear below, accept responsibility for the information contained in this Supplementary Prospectus and Circular. To the best of the knowledge and belief of the Company, the Directors and the Proposed Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Supplementary Prospectus and Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

1.1 Directors

James Smith (*Chief Financial Officer*)
Keith Lough (*Non-Executive Director*)
Catherine Krajicek (*Non-Executive Director*)
Erik Daugbjerg (*Non-Executive Director*)

The business address of each of the Directors is 50 Lothian Road, Edinburgh, EH3 9BY.

1.2 Proposed Directors

Yossi Abu (*Chief Executive Officer*)
Gabriel Last (*Delek Group representative*)
Leora Pratt Levin (*Delek Group representative*)
Amit Lang (*Independent Non-Executive Director*)
Rui De Sousa (*Independent Non-Executive Director*)

The business address of each of the Proposed Directors immediately after Completion will be 50 Lothian Road, Edinburgh, EH3 9BY.

Any additional proposed directors of the Company as are identified will be announced in due course.

2. No significant change

2.1 Capricorn Group

As at the date of this document, there has been no significant change in the financial position or financial performance of the Capricorn Group since 30 June 2022, being the date to which the most recent financial information has been published. This statement supplements the statement included at paragraph 11.1 of Part XVIII (*Additional Information*) of the Combined Prospectus and Circular.

2.2 NewMed Group

As at the date of this document, there has been no significant change in the financial position or financial performance of the NewMed Group since 30 September 2022, being the date to which the most recent financial information has been published. This statement supplements the statement included at paragraph 11.2 of Part XVIII (*Additional Information*) of the Combined Prospectus and Circular.

3. Consents

Rothschild & Co has given and not withdrawn its written consent to the inclusion of its name in this document in the form and context in which it is included.

Goldman Sachs International has given and not withdrawn its written consent to the inclusion of its name in this document in the form and context in which it is included.

Morgan Stanley has given and not withdrawn its written consent to the inclusion of its name in this document in the form and context in which it is included.

4. No incorporation of website information

Neither the contents of Capricorn Group's or NewMed Group's websites nor the content of any website accessible from hyperlinks on Capricorn Group's or NewMed Group's websites is incorporated into, or forms part of, this document and investors should not rely on them.

5. No incorporation by reference in the announcement annexed to this document

Where the RNS announcement annexed to this document on pages 11 and 12 purports to incorporate any information by reference, either expressly or impliedly, such information is not incorporated by reference in this document and will not form part of this document for the purposes of the Prospectus Regulation Rules or the Listing Rules.

6. Documents available for inspection

In addition to those documents set out in paragraph 18 (*Documents available for inspection*) of Part XVIII (*Additional Information*) of the Combined Prospectus and Circular, copies of the following documents will be available for inspection on the Capricorn Group's website at www.capricornenergy.com for a period of at least 12 months from the date of publication of this document, and for inspection at the registered office of the Company at 50 Lothian Road, Edinburgh, EH3 9BY and at the offices of Slaughter and May at One Bunhill Row, London EC1Y 8YY from the date of this document up to and including the date of Readmission and Admission:

- (A) the consents referred to in section 3 of this Part II (*Additional Information*); and
- (B) this Supplementary Prospectus and Circular.

Part III Definitions

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

“Combined Prospectus and Circular”

the combined prospectus and circular published by the Company on 13 January 2023 in relation to the Combination

“Directors”

the directors of Capricorn from time to time (being, as at the date of this document, the individuals listed at paragraph 1.1 of Part II (*Additional Information*) of this document, and “Director” will be construed accordingly

“General Meeting”

the general meeting of the Company, the notice of which is contained in Part XXII (*Notice of General Meeting*) of the Combined Prospectus and Circular that the Board now intend to adjourn to occur on 22 February 2023 at a time and venue to be announced

“Leviathan Partners”

means NewMed, Ratio Energies Limited Partnership and Chevron Mediterranean Ltd.

“Proposed Directors”

the individuals listed in paragraph 1.2 of Part II (*Additional Information*) of this document

**“this document” or the
“Supplementary Prospectus and Circular”**

this supplementary prospectus and circular dated 31 January 2023

Annex
RNS announcement made by NewMed on 24 January 2023

NewMed Energy

Update on Proposed Combination with Capricorn

RNS Number : 7183N
NewMed Energy
24 January 2023

NewMed Energy – Limited Partnership
(the “Partnership”)

January 24, 2023

Israel Securities Authority
22 Kanfei Nesharim Street
Jerusalem

Tel Aviv Stock Exchange Ltd.
2 Ahuzat Bayit Street
Tel Aviv

Via Magna

Via Magna

Dear Sir/Madam,

Re: Update regarding the Business Combination Transaction with Capricorn

Further to the immediate report of the Partnership of January 15, 2023 (Ref. no.: 2023-01-006930) which is incorporate herein by way of reference, regarding the business combination transaction with Capricorn Energy PLC (“**Capricorn**” and the “**Transaction**”, respectively), the Partnership hereby respectfully announces that today, January 24, 2023, Capricorn released a report on the London Stock Exchange whereby: (a) Capricorn decided to adjourn Capricorn’s shareholders meeting that was called for the purpose of approval of the Transaction, to February 22, 2023 (instead of February 1, 2023); (b) The shareholders meeting that was called at the request of Palliser Capital (UK) Ltd., for the replacement of the serving directors with new directors that were proposed by Palliser, will take place on time, on February 1, 2023; and (c) 5 (out of 9) members of the board of Capricorn, including the chairman of the board and the CEO, resigned immediately from the board, and it is also the intention of two other directors, including the CFO, to resign from the board before the meeting called at the request of Palliser, as aforesaid.

In its notification, Capricorn stated that the purpose for deferral of the meeting for approval of the Transaction, is to allow the new composition of the board of directors to examine the Transaction alongside other strategic alternatives. It is clarified that the Partnership did not give any consent to the decisions reported by Capricorn, and informed Capricorn that it reserves all of its rights in this regard under the agreement signed between the parties.

In view of these developments and the resignation of most of the Capricorn board members, the Partnership estimates that the probability for the closing of the Transaction has significantly decreased.

As stated in the immediate report of January 15, 2023, the Partnership continues to examine strategic alternatives, with the aim of maximizing value for the unit holders in the Partnership.

Caution concerning forward-looking information – The details presented herein regarding the possibility for closing the Transaction constitutes “forward-looking information”, within the meaning of this term in the Securities Law, 5728-1968, which is based on estimates only that may not be realized, in whole or in part.

Sincerely,

NewMed Energy Management Ltd.

The General Partner of NewMed Energy – Limited Partnership

BY: YOSSEI ABU, CEO

Sari Singer Kaufman, General Counsel, Senior VP

