

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document and/or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are in the United Kingdom or, if not, another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your Existing Ordinary Shares in Bahamas Petroleum Company Plc before the date that the Existing Ordinary Shares are marked "ex-entitlement" to the Open Offer by the London Stock Exchange, please immediately forward this document, together with the accompanying Application Form, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold only part of your holding of Existing Ordinary Shares, please contact immediately your stockbroker, bank or other agent through whom the sale or transfer was effected. However, this document and any accompanying documents should not be sent or transmitted in or into, any jurisdiction where to do so might constitute a violation of local securities law or regulations including, but not limited to, the United States, Canada, Japan, Australia, the Republic of Ireland or the Republic of South Africa.

This document is not a prospectus for the purposes of the Prospectus Rules and has not been prepared in accordance with the Prospectus Rules. Accordingly, this document has not been, and will not be, reviewed or approved by the Financial Conduct Authority of the United Kingdom ("FCA"), pursuant to sections 85 and 87 of FSMA, the London Stock Exchange or any other authority or regulatory body.



Bahamas Petroleum Company Plc

(Incorporated and registered in the Isle of Man under the Companies Acts 1931-2004 with Company number 123863C)

Open Offer of up to 338,543,819 Open Offer Shares at 2 pence per share

You should read the whole of this document. Your attention is drawn in particular to the letter from the Chairman of Bahamas Petroleum Company Plc which is set out in Part I of this document.

In addition, your attention is drawn to Part II of this document entitled "Risk Factors" which contains a discussion of certain factors that should be considered by Shareholders when considering whether or not to make an investment in the Company.

The Existing Ordinary Shares are admitted to trading on AIM, a market operated by the London Stock Exchange. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. An application will be made to the London Stock Exchange for the Open Offer Shares to be issued pursuant to the Open Offer to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Open Offer Shares to be issued pursuant to the Open Offer will commence at 8.00 a.m. on 6 November 2019.

The distribution of this document and/or the accompanying documents, and/or the transfer of Open Offer Entitlements or Excess Open Offer Entitlements through CREST, in jurisdictions other than the UK, including the United States, Canada, Japan, Australia, the Republic of Ireland, the Republic of South Africa, may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any of those restrictions. Any failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdiction.

None of the Open Offer Shares, the Open Offer Entitlements or the Excess Open Offer Entitlements has been or will be registered under the US Securities Act or under the applicable state securities laws of the United States or under the applicable securities laws of Japan, Canada, Australia, the Republic of South Africa or the Republic of Ireland. Subject to certain exceptions, the Open Offer Shares, the Open Offer Entitlements and the Excess Open Offer Entitlements may not be offered, sold, taken up, delivered or transferred in or into the United States, Australia, Canada, the Republic of South Africa, the Republic of Ireland or Japan and, subject to certain exceptions, Application Forms are not being posted to and no Open Offer Entitlements or the Excess Open Offer Entitlements will be credited to a stock account of any person in the United States, Australia, Canada, Japan, the Republic of South Africa or the Republic of Ireland. The

attention of Overseas Shareholders and other recipients of this document who are residents or citizens of any country other than the United Kingdom is drawn to the section entitled "Overseas Shareholders" at paragraph 6 of Part IV of this document.

The latest time and date for acceptance and payment in full under the Open Offer is 11.00 a.m. on 1 November 2019. The procedure for acceptance and payment is set out in Part IV of this document and, where relevant, in the Application Form.

Qualifying non-CREST Shareholders will find an Application Form accompanying this document. Qualifying CREST Shareholders (none of whom will receive an Application Form) will receive a credit to their stock accounts in CREST in respect of the Open Offer Entitlements which will be enabled for settlement on 21 October 2019. Applications under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim arising out of a sale or transfer of Existing Ordinary Shares prior to the date on which the Existing Ordinary Shares were marked "ex-entitlement" by the London Stock Exchange. If the Open Offer Entitlements are for any reason not enabled by 8.00 a.m. or such later time as the Company may decide on 21 October 2019, an Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlements credited to its stock account in CREST. Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Open Offer. Applications for Excess Shares pursuant to the Excess Application Facility may be made by the Qualifying Shareholder provided that their Open Offer Entitlement has been taken up in full and subject to being scaled back in accordance with the provisions of this document.

Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer.

Strand Hanson Limited ("Strand Hanson"), which is authorised and regulated in the United Kingdom by the FCA, is the Company's nominated and financial adviser for the purposes of the AIM Rules and, as such, its responsibilities as the Company's nominated adviser under the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any other person or entity in respect of his reliance on any part of this document. Strand Hanson is acting exclusively for the Company, as nominated adviser for the purposes of the AIM Rules, in relation to the matters described in this document and is not taking responsibility for the commercial assessment of the Open Offer, which remains the sole responsibility of the Board, nor for any matters outside the duties of a nominated adviser, as prescribed by the AIM Rules, nor is it advising any other person and accordingly will not be responsible to any person other than the Company for providing the protections afforded to the clients of Strand Hanson or for providing advice in relation to the matters described in this document. No representation or warranty, express or implied is made by Strand Hanson for the accuracy of any information or opinions contained in this document or for the omission of any material information, for which it is not responsible.

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DIRECTORS AND ADVISERS

Directors	Bill Shrader (<i>Non-Executive Chairman</i>) James Smith (<i>Non-Executive Deputy Chairman</i>) Adrian Collins (<i>Non-Executive Director</i>) Ross McDonald (<i>Non-Executive Director</i>) Simon Potter (<i>Chief Executive Officer</i>)
Company Secretary	Benjamin Proffitt
Registered Office	IOMA House Hope Street Douglas Isle of Man IM1 1AP
Nominated and Financial Adviser	Strand Hanson Limited 26 Mount Row London W1K 3SQ
Broker	Shore Capital Stockbrokers Limited Cassini House 57-58 St. James's Street London SW1A 1LD
Legal advisers to the Company	Clyde & Co LLP St Botolph Building 138 Houndsditch London EC3A 7AR
Registrars	Link Market Services (IOM) Limited Clinch's House, Lord Street, Douglas Isle of Man IM99 1RZ
Receiving Agent for the Open Offer	Link Asset Services Corporate Actions The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

OPEN OFFER STATISTICS

Issue Price	2 pence
Number of Existing Ordinary Shares in issue as at the Record Date	1,692,719,096
Basis of Open Offer	1 Open Offer Share for every 5 Existing Ordinary Shares
Number of Open Offer Shares*	up to 338,543,819
Open Offer Shares as a percentage of the Enlarged Share Capital*	16.67 per cent.
Gross proceeds of the Open Offer*	£6,770,876
Market capitalisation on Admission at the Issue Price*	£40.63 million
Open Offer Basic Entitlements ISIN	IM00BHR3YB95
Open Offer Excess Entitlements ISIN	IM00BHR3Y970

* Assuming full take-up under the Open Offer

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Record Date for entitlement under the Open Offer	Close of business on 16 October 2019
Announcement of the Open Offer	7.00 a.m. on 18 October 2019
Ex-entitlement date of the Open Offer	8.00 a.m. on 18 October 2019
Publication and Posting of this Circular, and in respect of Qualifying non-CREST Shareholders, the Application Form	18 October 2019
Open Offer Entitlements and Excess Open Offer Entitlements credited to stock accounts in CREST of Qualifying CREST Shareholders	8.00 a.m. on 21 October 2019
Latest recommended time and date for requested withdrawal of Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST	4.30 p.m. on 28 October 2019
Latest time and date for depositing Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST	3.00 p.m. on 29 October 2019
Latest time and date for splitting Application Forms (to satisfy <i>bona fide</i> market claims)	3.00 p.m. on 30 October 2019
Latest time and date for receipt of Application Forms and payment in full under the Open Offer and settlement of relevant CREST instructions (as appropriate)	11.00 a.m. on 1 November 2019
Company will seek to place any Open Offer Shares not applied for under the Open Offer with investors	4 November 2019
Announcement of the result of the Open Offer and the Placing	7.00 a.m. on 5 November 2019
Admission and dealings in the New Ordinary Shares (including the Open Offer Shares) expected to commence on AIM	8.00 a.m. on 6 November 2019
Where applicable, expected date for CREST accounts to be credited in respect of Open Offer Shares in uncertificated form	As soon as practicable after 8.00 a.m. on 6 November 2019
Where applicable, expected date for dispatch of definitive share certificates for Open Offer Shares in certificated form	No later than 13 November 2019

Notes:

- (1) If you have any questions on the procedure for acceptance and payment, you should contact the Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.
- (2) The dates set out in the Expected Timetable of Principal Events above and mentioned throughout this document and the Application Form may be adjusted by Bahamas Petroleum Company, in which event details of the new dates will be notified by RIS and, where appropriate, to Shareholders.
- (3) All of the above times refer to London time unless otherwise stated.

DEFINITIONS

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

“Act”	the Isle of Man Companies Acts 1931-2004 (as amended)
“Admission”	the admission to trading on AIM of the Open Offer Shares taking place in accordance with the AIM Rules for Companies
“AGM”	the Company’s AGM held on 17 September 2019
“AIM”	the market of that name operated by the London Stock Exchange
“AIM Rules for Companies”	the AIM Rules for Companies, as published and amended from time to time by the London Stock Exchange
“AIM Rules for Nominated Advisers”	the rules for nominated advisers to AIM companies, as published and amended from time to time by the London Stock Exchange
“Applicant”	a Qualifying Shareholder or a person entitled by virtue of a <i>bona fide</i> market claim who lodges an Application Form under the Open Offer
“Application Form”	the application form which accompanies this document for Qualifying non-CREST Shareholders for use in connection with the Open Offer
“Articles”	the existing articles of association of the Company as at the date of this document
“Bahamas” or “The Bahamas”	The Commonwealth of The Bahamas
“BakerHughes GE”	Vetco Gray LLC, an operating subsidiary of BakerHughes GE, a Houston based provider of well services to the international oil and gas industry
“Board”	the board of directors of the Company from time to time
“Business Day”	any day (excluding Saturdays and Sundays) on which banks are open in London for normal banking business and the London Stock Exchange is open for trading
“CCSS”	the CREST courier and sorting service, established by Euroclear to facilitate, <i>inter alia</i> , the deposit and withdrawal of certified securities
“Certificated” or “Certificated form”	not in Uncertificated form
“Company” or “BPC”	Bahamas Petroleum Company Plc
“Conditional Convertible Note”	the convertible note for £10.25 million, details of which are set out in paragraph 7 of Part I of this document
“Convertible Note Subscription Agreement”	the subscription agreement dated 10 October 2019 between the Note Subscribers and BPC in relation to a conditional convertible loan investment of £10.25 million
“CREST”	the relevant system for the paperless settlement of trades and the holding of uncertificated securities operated by Euroclear in accordance with the CREST Regulations

“CREST member”	a person who has been admitted by Euroclear as a system-member (as defined in the CREST Regulations)
“CREST participant”	a person who is, in relation to CREST, a system participant (as defined in the CREST Regulations)
“CREST payment”	shall have the meaning given in the CREST Manual issued by Euroclear
“CREST Regulations”	the Uncertified Securities Regulations 2001, as amended
“CREST sponsor”	a CREST participant admitted to CREST as a CREST sponsor
“CREST sponsored member”	a CREST member admitted to CREST as a sponsored member (which includes all CREST Personal Members)
“Directors”	the directors of the Company at the date of this document whose names are set out on page 4 of this document
“Drilling Plan”	the BPC defined well design for an exploratory well consistent with the discharge of the Company’s licence obligations in respect of the Southern Licences
“Enlarged Share Capital”	the issued ordinary share capital of the Company immediately following Admission
“Enabled for settlement”	in relation to Open Offer Entitlements or Excess Open Offer Entitlements, enabled for the limited purpose of settlement of claim transactions and unmatched stock event transactions (each as described in the CREST Manual issued by Euroclear)
“Euroclear”	or Euroclear UK & Ireland Limited, the operator of CREST
“Excess Application Facility”	the arrangement pursuant to which Qualifying Shareholders may apply for Open Offer Shares in excess of their Open Offer Entitlements
“Excess CREST Open Offer Entitlements”	in respect of each Qualifying CREST Shareholder, the entitlement to apply for Open Offer Shares in addition to his Open Offer Entitlement credited to that Shareholder’s stock account in CREST, pursuant to the Excess Application Facility, which is conditional on the Shareholder taking up their Open Offer Entitlement in full and which may be subject to scaling back in accordance with the provisions of this document
“Excess Open Offer Entitlement”	an entitlement for each Qualifying Shareholder to apply to subscribe for Open Offer Shares in addition to that Shareholder’s Open Offer Entitlement pursuant to the Excess Application Facility which is conditional on the Shareholder taking up their Open Offer Entitlement in full and which may be subject to scaling back in accordance with the provisions of this document
“Excess Shares”	Open Offer Shares in addition to the Open Offer Entitlement for which Qualifying Shareholders may apply under the Excess Application Facility
“Excluded Territories”	the United States, Australia, Canada, Japan, the Republic of South Africa, the Republic of Ireland and any other jurisdiction where the extension or availability of the Open Offer would breach any applicable law or regulations

“Existing Ordinary Shares”	the 1,692,719,096 existing issued Ordinary Shares of £0.00002 (0.002 pence) each in the capital of the Company as at the date of this document
“FCA”	the Financial Conduct Authority of the United Kingdom
“Framework Agreement”	the agreement between the Company and Seadrill for the provision of and associated pricing of a sixth-generation drilling rig during the first half of 2020 for the purpose of the implementation of the Drilling Plan
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“Group”	the Company and its subsidiary undertakings
“Government”	the duly elected Government of The Bahamas from time to time, including its relevant ministries, departments and agencies;
“Halliburton”	Halliburton Energy Services Inc, a Houston based provider of well services to the international oil and gas industry
“Integrated Well Services Agreement”	an agreement to be entered into between the Company and Halliburton for the provision by Halliburton of a range of essential well equipment, tools and services to the Company for the duration of the implementation of and consistent with delivery of the Drilling Plan, such agreement to be on the basis of technical specifications and associated pricing already defined in the Notice of Award
“ISIN”	International Securities Identification Number
“Issue Price”	2 pence per Open Offer Share
“London Stock Exchange”	London Stock Exchange plc
“Member Account ID”	the identification code or number attached to any member account in CREST
“Money Laundering Regulations”	the Money Laundering Regulations 2017 (as amended)
“New Ordinary Shares”	any Ordinary Shares to be issued pursuant to this Open Offer and Placing
“Note Subscribers”	The subscribers for convertible notes under the Convertible Note Subscription Agreement
“Notice of Award”	a separate notice issued by BPC to each of Halliburton and BakerHughes GE, appointing Halliburton as provider of a number and range of specified well services with defined associated technical specifications and pricing and appointing BakerHughes GE as provider of specified wellhead equipment and tubulars with defined associated technical specifications and pricing
“Official List”	the Official List of the UK Listing Authority
“Open Offer”	the invitation to Qualifying Shareholders to subscribe for Open Offer Shares at the Issue Price on the terms of and subject to the conditions set out or referred to in Part IV of this document and, where relevant, in the Application Form

“Open Offer Entitlement”	the <i>pro rata</i> basic entitlement for Qualifying Shareholders to apply to subscribe for 1 Open Offer Share for every 5 Existing Ordinary Shares held by them on the Record Date pursuant to the Open Offer
“Open Offer Shares”	the 338,543,819 Ordinary Shares for which Qualifying Shareholders are being invited to apply under the terms of the Open Offer
“Ordinary Shares”	ordinary shares of £0.00002 (0.002 pence) each in the capital of the Company
“Overseas Shareholders”	Shareholders who are resident in, or who are citizens of, or who have registered addresses in, territories other than the United Kingdom
“Participant ID”	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant
“Placing”	the proposed placing of any new Ordinary Shares not taken up under the Open Offer
“Prospectus Rules”	the rules made by the FCA under Part VI of FSMA in relation to offers of transferable securities to the public and admission of transferable securities to trading on a regulated market
“Qualifying CREST Shareholders”	Qualifying Shareholders whose Existing Ordinary Shares on the register of members of the Company at the close of business on the Record Date are held in CREST form
“Qualifying non-CREST Shareholders”	Qualifying Shareholders whose Existing Ordinary Shares on the register of members of the Company at the close of business on the Record Date are held in certificated form
“Qualifying Shareholders”	holders of Existing Ordinary Shares (other than treasury shares) on the Company’s register of members at the Record Date (other than certain Overseas Shareholders)
“Record Date”	close of business on 16 October 2019
“Receiving Agent”	Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU
“Registrar”	Link Market Services (IOM) Limited, Clinch’s House, Lord Street, Douglas, Isle of Man IM99 1RZ
“RIS”	a Regulatory Information Service, which has the meaning given to it in the AIM Rules for Companies
“Seadrill”	Seadrill Limited, a company engaged in the business of the provision of drill rigs
“Shareholders”	holders of Existing Ordinary Shares
“Shore Capital”	Shore Capital Stockbrokers Limited, a broker for the Company for the purposes of the AIM Rules
“Southern Licences”	collectively the four exploration licences held by the Company in The Bahamas, individually referred to as Bain, Cooper, Donaldson and Eneas
“Strand Hanson”	Strand Hanson Limited, Nominated and Financial Adviser to the Company

“Stock account”	an account within a member account in CREST to which a holding of a particular share or other security in CREST is credited
“Subsidiary”	subsidiary company as that term is defined in the Isle of Man Companies Act 1974
“UK Listing Authority”	the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA
“Uncertificated” or “Uncertificated form”	recorded on the relevant register or other record of the share or other security concerned as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland
“United States”, “USA” or “US”	the United States of America, its territories and possessions and any state of the United States of America and the District of Columbia
“US Securities Act”	the United States Securities Act of 1933, as amended
“\$” or “Dollars” or “USD”	United States dollars, being the lawful currency of the United States
“£” or “Pounds” or “GBP”	UK pounds sterling, being the lawful currency of the United Kingdom

PART I

LETTER FROM THE CHAIRMAN

Bahamas Petroleum Company Plc

(Incorporated and registered in the Isle of Man under the Companies Acts 1931-2004 with Company number 123863C)

Directors:

Bill Shrader *(Non-Executive Chairman)*
James Smith *(Non-Executive Deputy Chairman)*
Adrian Collins *(Non-Executive Director)*
Ross McDonald *(Non-Executive Director)*
Simon Potter *(Chief Executive Officer)*

Registered Office:

IOMA House
Hope Street
Douglas
Isle of Man
IM1 1AP

18 October 2019

Dear Shareholder,

Open Offer of up to 338,543,819 Open Offer Shares each at 2 pence per share

1. Introduction and Background to and Reasons for the Open Offer

On behalf of the Board of the Company, I am pleased to present the Open Offer to shareholders, providing all shareholders with an opportunity to participate in the Company's next fundraising.

The Company has a clear and unambiguous obligation under its licences to drill an initial exploration well in The Bahamas during 2020. Discharge of this obligation will then allow the Company to enter the next exploration period, running for a further three years, and, in the event of commerciality, seek a 30-year production lease that would allow for commercial development of any discovered reserves.

Over the last six months the Company has revised its drilling costs estimates to incorporate contracted pricing from service and equipment providers, and also to reflect a well design and drilling philosophy that will comply with the requirements of the Company's licences whilst at the same time enable a full evaluation of the target structures. The Company currently estimates a cost to meet its drilling objectives in the range of US\$20 million – US\$25 million (the ultimate amount of expenditure being dependent to a large extent on the pace of drilling – the rate of penetration or “ROP” – and the final drilled depth to which the Company's well reaches).

The Company maintains a lean and efficient overhead burn rate, and currently has sufficient cash available to meet general working capital needs through to H2 2020. Over and above these general working capital needs, it is necessary for the Company to form a degree of certainty as to the availability and timing of funding for drilling costs, primarily in order to enable the Company to nominate, confirm and proceed to a definitive contract for the rig, and to ensure other aspects required to commence drilling, such as procurement of long-lead items, provisioning and ancillary equipment. However, the bulk of the Company's expected cash outflows, and thus the Company's actual need for funding availability (outside of working capital), will generally only arise shortly before and during the course of actual drilling (thus well into Q1 2020).

Accordingly, the Company is seeking to approach its funding needs in a measured fashion, with a view to ensuring the funding needed by the Company for the initial exploration well is available as and when it is needed, on the best possible terms, and in a way that strikes an appropriate balance of several competing factors, including:

- ensuring the Company has a high degree of visibility in relation to potential funding, so as to lock-in access to a rig to enable drilling activities to proceed even if a farm-out is not secured;
- matching the inflow of funding (and costs associated with that funding) to the timing of when that funding is actually needed, especially given that, whilst a degree of funding certainty is required at the

present time, the majority of cash outflow will only occur when activities associated with drilling commence in late Q1 2020;

- minimising the overall cost to the Company of its funding, and the potential dilutive impact of the overall funding package to existing Shareholders;
- preserving the Company's ability to continue to pursue a farm-out, if the terms offered by a potential farm-out partner are attractive; and
- providing a mechanism whereby all existing Shareholders of the Company can participate in the next phase of the Company's progress, on terms equal to any participating institutional investors.

It is in this context that the Board has determined to proceed, in first instance, with a £6,770,876 (approximately US\$8.5 million) open offer (the "Open Offer") to existing Shareholders at a price of 2 pence per share, such that all Qualifying Shareholders will be able to participate in the next stage of the Company's progress, with any entitlements not taken up by qualifying shareholders sought to be placed with institutional investors.

Qualifying Shareholders may subscribe for Open Offer Shares on the basis of 1 Open Offer Share for every 5 Existing Ordinary Shares held on the Record Date. Shareholders subscribing for their full entitlement under the Open Offer may also request additional Open Offer Shares through the Excess Application Facility.

Under the Prospectus Rules, the maximum allowable amount that may be raised without the requirement for a prospectus is €8 million, which at current exchange rates equates to approximately £7 million. In order to accommodate an open offer of this amount, and based on the current number of shares in issue (being 1,692,719,096 Ordinary Shares) the lowest applicable ratio involving whole numbers is 1 new Ordinary Share for every 5 Ordinary Shares held.

Assuming full take-up under the Open Offer, the issue of the Open Offer Shares will raise gross proceeds of up to £6,770,876 for the Company. The New Ordinary Shares to be issued pursuant to the Open Offer are to be admitted to trading on AIM at the time of Admission, which is expected to take place on 6 November 2019.

The Company has appointed its broker, Shore Capital, to use reasonable endeavours to place any Ordinary Shares not taken up under the Open Offer with institutional investors at the same price as the Open Offer. Shore Capital has agreed that to the extent any remaining shortfall is not fully placed, Shore Capital will participate in the Placing to the point that the Open Offer is fully subscribed or to a maximum of US\$1 million.

In addition to the Open Offer, the Company is at the same time progressing a broader funding strategy with a view to securing the funding required for the initial exploration well. To this end, the Company has also recently entered into the Convertible Notes Subscription Agreement for the previously announced and approved £10.25 million (approximately US\$13.0 million) conditional convertible notes which, subject to all conditions precedent in the Convertible Notes Subscription Agreement being met or waived and the Convertible Notes being fully subscribed, would provide the Company with access to over half the estimated costs associated with drilling one well under the Drilling Plan.

In aggregate, therefore, the Open Offer (if fully subscribed or taken up under the Excess Application Facility or if the entitlements not taken up are placed with institutional investors) and the proceeds of the Conditional Convertible Notes (if all conditions of the Convertible Note Subscription Agreement are satisfied or waived and the Convertible Notes are fully subscribed), would raise an aggregate amount of approximately US\$21.5 million, which exceeds the lower-end estimates for the total well cost.

The Company also continues in its endeavours to secure a farm-out partner as a core part of its overall funding strategy. As previously announced, the Company's farm-out process is ongoing, with a number of parties engaged in ongoing discussions, due diligence and/or commercial interaction. It remains the Company's preference to secure funding through this structure, albeit the Company's attitude to potential farm-in terms in ongoing negotiations will necessarily reflect the funding status of the initial well at the time a farm-out is successfully concluded (if at all).

The Company notes that even if the full £6.77 million is raised via the Open Offer (and all conditions of the Convertible Note Subscription Agreement are satisfied or waived and the Convertible Notes are fully subscribed) the Company's farm-out process would nonetheless continue, albeit in that context concluding

a farm-out would likely provide funds in excess of what would be required to complete the initial well, thereby potentially facilitating further exploration activity on the licences including that of an additional well.

In the event that the full £6.77 million is not raised via the Open Offer and subsequent Placing and/or the Conditional Convertible Note was not able to be drawn down in full then the funds raised via the Open Offer will be used to fund general working capital.

2. Business Background

The Company's business is focused and single purpose: we have five licences for hydrocarbon exploration covering approximately 16,000km² (4 million acres) in the territorial waters of The Bahamas. The Company has four exploration licences in the southern territorial waters of The Bahamas, referred to as Bain, Cooper, Donaldson, Eneas (these four licences together referred to as the "Southern Licences") and a fifth, the Miami licence, in the northern territorial waters of The Bahamas. The main licences of interest and focus are the Southern Licences.

All licences are held through wholly owned subsidiaries of the Company, and were awarded on 26 April 2007 for an initial exploration period of three years, with up to three further exploration periods possible, subject to renewal elections, nominally every three years. Subsequently, the Company received a number of extensions of the initial three-year exploration term of each of the Southern Licences, such that the second exploration term for the Southern Licences commenced on the 8 June 2015.

On entering this second term for the Southern Licences, the Company was obliged to commence activity by April 2018 on an initial exploration well, with equipment capable of drilling to a depth of at least 18,000 feet (the "Drilling Plan"). This date was extended by agreement with the Government on various occasions, most recently in February of 2019, where the second term licence period was extended such that currently the Company's work obligation is clear and unambiguous: to commence an initial exploration well on the Southern Licences by the end of 2020. The Company is currently in discussions with the Government regarding licence fee obligations payable for the period ended 31 December 2020.

The Southern Licences are commercially co-joined, meaning that the drilling of an initial exploration well on one of the Southern Licences will satisfy the work obligation in respect of all of the Southern Licences. Everything we are doing as a Company, is in the single-minded pursuit of drilling an initial exploration well in the Southern Licences, in a safe and responsible manner, within the timeframe that is consistent with our obligations under the licences.

At the conclusion of the second term for the Southern Licences, the licences may be extended for two further exploration periods of up to three years each on approval of the Government (which, if BPC has met its licence obligations, may not be unreasonably withheld). At the time of extension, BPC will be required to relinquish 50 per cent. of the Southern Licence area, which obligation BPC considers may be satisfied almost entirely by relinquishment of areas in shallower waters over the Grand Bahamas Bank, which are of lesser technical interest to BPC at this time.

On entry into a third exploration period, the minimum work obligation will be to commence the drilling of a new exploration well, essentially every two years, following the completion of the initial exploration well. At any time during this period the Company may apply for a production lease in respect of all or part of the area covered by the Southern Licences subject to submission and agreement of a development plan. As with the exploration period extensions, if BPC has met its licence obligations the grant of a production lease cannot be unreasonably withheld. Any such production lease would give the Company the right to produce petroleum from that production area for a term of 30 years (and with a renewal right on application thereafter).

In addition to the Southern Licences, in 2012 the Company made applications to the Government for a further five licences in the Cay Sal region of The Bahamas, on-trend from the existing Southern Licences, but in 2015 consolidated these applications from five to three. For these three revised applications, approval remains pending.

In respect of the Miami licence the Company remains in discussions with the Government concerning the nature and extent of any future obligations associated with entering into a second exploration term, should the Company so wish.

3. Technical Work To Date

The Company was awarded its licences in 2007. Once awarded, the Company sought to collect all available historical, geological and geophysical data from oil exploration projects in The Bahamas. This led to a three-year international search and purchase of historical materials from various oil companies, universities and research institutions. As a result, the Company developed an extensive database including well cores, logs, rock samples and thin sections (from three of the five deep oil exploration wells previously drilled in The Bahamas), approximately 8,000 line kilometres of regional 2D seismic data (of varying quality), and magnetic and gravity data. This data was evaluated using a combination of modern technologies and interpretative techniques, providing encouragement to invest in the acquisition of new data (seismic and further studies), so as to better define the petroleum system elements and the resource potential within the Company's licences.

In 2010, the Company recorded the first modern offshore seismic survey in the southern Bahamas since the 1980s. Interpretation of this 2D seismic acquisition programme confirmed the presence of several large structures, providing the basis for an independent Competent Person's Report ("CPR") completed by Ryder Scott in July 2011. The CPR included the Bain, Cooper and Donaldson licensed areas, highlighting the existence of multiple fold and fault structures and an estimated mean 2 – 3 billion barrels unrisks recoverable oil resources from several different stacked reservoir intervals (with a high case of 7 billion barrels unrisks recoverable oil resources).

Subsequently, in 2011, the Company completed a 3D seismic survey of 3,076km² within the Southern Licence area using the latest CGG BroadSeis acquisition technology. This 3D seismic survey firmed up the previously identified structures mapped from the 2D seismic survey, confirming the petroleum resource potential in The Bahamas within multiple, large-scale structural prospects. The high quality of the 3D seismic and extensive other data allowed for several integrated studies by various consulting companies and university departments, so as to continue to reduce the prospect uncertainty. This work included seismic stratigraphy to determine facies classification and distribution, seismic attribute analysis, basin modelling and regional structural reconstruction to determine the timing of crucial petroleum system events such as trap formation and hydrocarbon generation and migration.

An optimal well location was chosen on the crest of the most prospective structure. In 2012 the Company completed a Front-End Engineering Design ("FEED") study for the well design, being consistent with discharging the licence obligation to drill an exploratory well targeting the shallowest prospective horizons and with drilling equipment capable of reaching depths of at least 18,000 feet. To all intents and purposes this meant that, having completed a significant amount of preparatory work, the Company regarded the prospect as 'drill-ready'. However various 'above ground' issues (as detailed further in Section 4 Regulatory Backdrop, below) resulted in a delay to the implementation of these plans.

During the period of this delay, the Company invested considerable additional efforts into a range of technical work focused on the Southern Licences. This work further established the presence and robustness of the petroleum systems, and assessed and sought to mitigate individually source rock interval and maturity, trap formation, oil migration, reservoir and seal risks. This work included analysis of fluid inclusion and oils collected from the region, determining multiple pulses of oil migration from differing source rock intervals, all determined to be in the oil window; an analysis of seal facies and distribution linked to vertical seismic anomalies to determine trap/seal integrity across the prospective structures; seismic inversion to aid determination of reservoir-seal pairs; and, a detailed seismic interpretation to test fault independent closure thus mitigating trap risk. Much of this work has been tested and validated through the farm-in process with a wide range of industry majors and large independents.

As a result of this and earlier work BPC determined that the Southern Licences contained considerable oil potential, and in 2017 the Company engaged Moyes & Co, an international petroleum industry consultancy, as external technical experts to conduct an independent audit of BPC's own assessment of the total petroleum system and prospect portfolio utilising the full range of the Company's exhaustive database. The key findings were as follows:

- Stock Tank Oil Initially In Place ("STOIIIP") assessed for the prospect structures as 8.4 billion barrels, with an upside of up to 28 billion barrels;
- Applying a recovery factor in the range of 20 – 40 per cent. to the Moyes STOIIIP volumetrics would result in an unrisks Estimated Ultimate Recoverable ("EUR") in the range of 1.6 billion to 3.3 billion barrels (mean), and up to 11 billion barrels (upside); and,

- Moyes & Co. independently calculated the probability of success (“PoS”) factors for each of the stacked reservoirs assessed, the majority of which were calculated in the 25 – 35 per cent. range.

Based on several field developmental studies BPC believes that the minimum field size for an economic development of this nature is less than 200 million barrels (versus the resource estimates measured in billions of barrels, as noted in the independent Moyes & Co review), and that the project therefore offers robust commerciality even in a series of credible downside scenarios.

Combining all of the technical work and interpretation, the Company was able to build on earlier well design efforts to develop a range of potential well locations and well plan options, based upon in-depth reviews of wells previously drilled in The Bahamas. A particular issue affecting historical exploration well drilling performance was the slow rate of penetration (“ROP”) of the drill bit. Studies were initiated taking account of recent technology and drilling philosophy developments, whilst also adopting and implementing global standards and best practices. The results of these studies suggested that significant improvements could be made to ROP, thus substantially reducing the predicted time it would take to drill any chosen well. Based on these studies, BPC estimated that an exploration well to a depth of up to 6,500 meters (21,500 feet) would take between 40 and 60 days to drill and assess. Further, well cost updates have incorporated the substantial reduction in global rig rates and availability, to arrive at the current well cost estimates (refer to Section 5, Well Location, Historical Cost Estimates and Funding Strategy, below).

The Company has, to date, expended in excess of US\$100 million, much of it in relation to the above summarised technical work (including data acquisition, interpretation and studies). In aggregate, the Company believes this technical work has established a project with:

- stacked play systems from Late Jurassic syn-rift clastics, to Cretaceous shallow water carbonates with reefal geometries and shallower slope talus debris fields, in structures and stratigraphies mapped from 3D – totalling over 20,000 feet of stratigraphic column;
- three and four-way dip closed structures mapped at over 70 kilometres along strike length, with gross column heights up to 1,000m and areal extent ~400km²;
- the prospect of a world-scale, multi-billion barrel petroleum resource, similar in scale and size to resources encountered in more well-known petroleum producing regions, and highly analogous to the Iranian Zagros mountains and the Mexican Salinas basins both producing from fold and thrust exploration plays, with the likely source rock charging the Company structures being the same age and type as the Bossier-Smackover petroleum system that charges the deep-water fields in the Eastern US Gulf of Mexico and nearby Cuba; and
- a significant reduction in estimated well cost when compared to prior estimates, attributable to current rig rates, an anticipated improvement in ROP (principally associated with technical advances in drill bit technology) and lower estimated logistical and support costs.

4. Regulatory Backdrop

In 2012, the Government initiated a process to replace The Bahamas’ existing laws and regulation for the petroleum industry (which then dated to the 1970s) with a new set of laws and regulations, in particular to include modern safety and environmental regulations consistent with global standards and best practices around the world. Such modernised regulations were, following a three-and-a-half-year process, finally promulgated in July 2016, following enactment of the updated Petroleum Act in March of the same year. These regulations for the first time include the concept of Environmental Authorisation (“EA”) as a part of the commencement of well activities, which require the submission of both an Environmental Impact Assessment (“EIA”) and an Environmental Management Plan (“EMP”) together.

In 2012 the Company had already submitted an EIA to the Government via the Bahamas Environment, Science and Technology Commission (the “BEST Commission”). That EIA determined the most likely impacts any exploration activities may have on the environment within the country and sought to illustrate mitigating actions the Company could take to address any potential environmental risks. The EIA was reviewed and accepted by the Government at that time.

In April 2018, in accordance with these new regulatory requirements, the Company also submitted to the Government its EMP, which includes amongst other things an H₂S plan, an Oil Spill Contingency Plan and

an Emergency Response Plan, incorporating desktop simulations of a worst-case discharge scenario, which has become mandatory in other jurisdictions in the region, to underpin effective response plans.

BPC's EA, including its EMP, was reviewed by energy consultants Black & Veatch ("B&V") as external consultant advisers to BEST, who have submitted an initial report on their assessment to the Government. B&V's methodology and mode of analysis consisted primarily of a "gap analysis", in which B&V sought to identify any gaps in the EA/EMP documentation provided by BPC against any applicable laws, regulations and applied international standards.

Encouragingly, in the context of the volume of materials submitted by BPC, B&V identified only a relatively small number of gaps, with the majority of the gaps identified relating to rig specific information or site specific information which was either unavailable or insufficiently detailed at the time of the initial submission of BPC's EIA, EMP and thus overall EA.

The Company's signing of a Framework Agreement for the provision of a sixth generation drilling rig (and subsequent "Go-Firm" election), along with the issue of Notices of Award for provision of key well services and equipment to Halliburton and BakerHughes GE means that, with the cooperation of these service and equipment providers, BPC is now in a position to provide all additional outstanding documentation and data, and BPC considers that gaps identified by B&V can be readily closed in the coming months.

The final substantive piece of data remaining to be collected as part of the EA process is an Environmental Baseline Survey ("EBS"). This survey seeks to determine the environmental baseline conditions (biological, chemical, physical) at the proposed drilling location by providing measures of the environment against which any effects from future operations may be compared. This includes collection of samples (at a range of water depths and distances from the proposed drill site) to characterise macroinfauna, document physicochemical conditions and characterise the water column. A photographic survey would be used to characterise the seafloor substrates and associated biological communities. By its very nature EBS data is typically collected closer to the time of field activities commencing so as to provide a relevant data point for later comparison. Terms of reference defining the scope of the EBS have been prepared and submitted to BEST for their review, prior to this work commencing.

As noted, the Government agency tasked with working with BPC on the EA process is the BEST Commission. BEST has appointed B&V as expert consultant to BEST/Government for this purpose.

Likewise, BPC has made, and will continue to make, a number of important appointments of international environmental consultants, to ensure that the environmental planning and associated permitting process is conducted in accordance with global best practice. To-date, these include:

- the appointment of Acorn International ("Acorn"), a leading international environmental advisor, to work with the Company and liaise with B&V/BEST in finalising the relevant EMP documentation,
- the appointment of marine environmental consulting firm, CSA Ocean Sciences to establish the terms of reference for and thereafter (once agreed) undertake the EBS, which as noted is a required component of the EMP documentation, and
- in anticipation of future operations, BPC has applied for and been accepted for membership of Oil Spill Response Limited, the largest international industry-funded cooperative which exists to respond to oil spills wherever in the world they may occur, by providing preparedness, response and intervention services and equipment.

BPC is also in the process of engaging a number of other third-party consultants to conduct both field-based environmental work necessary for completion of the EMP, and desktop studies to identify and provide the necessary data to cover additional potential well locations, which would provide the Company with a degree of optionality should ongoing technical work identify more optimal well locations or the availability of funding permit a multi-well drilling strategy (and consistent with the capacity under the rig framework agreement to consider a two well exploration campaign).

A timeline has been developed jointly by BPC, BEST and Government representatives that would see work necessary for the EMP process completed by end 2019/early 2020, so as to enable initial drilling activities to commence as planned in late Q1 2020.

5. Well Location, Historical Cost Estimates and Funding Strategy

The current proposed location of the first exploration well on the Southern Licences is in the Cooper – Donaldson licence area, within the 3D seismic acquisition area and approximately 100 miles from Andros Island and 15 miles from the Cuban border.

The ultimate well cost will be related to the amount of time drilling actually takes and a function of the spread rate, which includes both a rig rate (a day-rate for the use of a rig) and all associated support costs plus consumables. In 2012, at the peak of the rig market, and based on then-prevailing conditions in the global oil market, the Company had originally estimated an exploratory well cost of the type required to discharge the licence obligation to be approximately US\$120 million. More recently (in 2016) the cost was re-estimated by the Company to be in the range of US\$60 million to US\$80 million, such reduction being largely as a result of reduced rig rates.

BPC now estimates the total cost of an initial exploration well (including mobilisation and demobilisation) to be in the range of US\$20 million to US\$25 million, and up to approximately US\$40 million to US\$45 million in aggregate (depending on depth drilled) should the Company elect to pursue a concurrent two well exploration campaign. This is a significant reduction from prior estimates, principally attributable to the rate at which the rig will be provided (as per the Framework Agreement between BPC and Seadrill), as well as the expected improvement in ROP based upon the technical advances in drill bit technology, and the ability to source a rig out of the Gulf of Mexico resulting in lower estimated logistical and support costs.

For several years, the Company has been engaged in a process to secure the financing required to undertake this drilling. It has been, and remains, the Company's primary strategy to secure such financing via a "farm-in", whereby another entity (ideally, but not necessarily, a major or large independent international oil and gas company) will acquire an interest in the Southern Licences, and in exchange will pay for all or a substantial part of the cost of drilling, and also potentially reimburse the Company a proportion of the past costs incurred by the Company on those Southern Licences. This is a fairly typical structure for financing in the oil and gas industry, and would directly dilute the Company's interest in the asset (i.e.: the percentage of the Southern Licences owned by the Company) and thus effectively dilute the shareholders interest by the equivalent amount. A common feature of a farm-in transaction is that operatorship of the drilling programme and the asset (and hence control) is passed to the incoming partner, depending on the operating capabilities of the incoming farminee.

A considerable number of suitable partners have engaged with the Company on the farm-in process, including undertaking technical and commercial due diligence and entering into negotiations, and some of these discussions remain ongoing. On this basis, the Company had hoped to have secured a farm-in on acceptable terms with a suitable partner by this stage. However, the process of securing a farm-in partner has taken much longer than anticipated, and has not as yet produced a successful outcome.

The Company is now embarking on a course to undertake drilling of the initial exploration well during the first half of 2020, with or without a farm-in. Whilst there has been no success to date in securing a farm-in partner, BPC's licence obligation to drill a well in 2020 is immutable. Moreover, the Board's view is that drilling as soon as practicable remains the most efficient route to generating shareholder value, and the current state of the global rig market and the resulting substantially reduced well cost estimate (both highlighted above) means it is now more feasible for the Company to consider undertaking the well on its own. The package of critical supply and service contracts (as described in Section 6 below) and the finance arrangements being put in place comprise a coordinated approach to how we propose to do this.

Our objective is simple: to drill an initial exploration well during 2020 consistent with our existing licence obligations, and to retain the greatest possible interest in the Southern Licences (whether at the asset or the equity level). To do this we are seeking to put in place the full range of technical delivery services and equipment required, and to enhance our financial capacity such that we can proceed to drilling.

6. Critical Supply and Service Contracts

To enable the Company to commence drilling activity in a timely manner during 2020, as required by the licence obligations on the Southern Licences, a number of critical tasks must be addressed in advance. These include completion of detailed well planning and design work, securing access to a rig and provision of required integrated well services, procurement of long-lead time items, finalising the logistical plan along

with associated supply base location and set-up, finalising pricing for other critical equipment and services, and completion of all necessary permitting processes. Many of these tasks cannot be adequately completed without first knowing the specifications of the specific rig and equipment that will be used to undertake the work, and having full access to rig specific and site-specific information.

To this end, the Company has reached agreement (subject to contract) with a number of leading global equipment and service providers, fundamental to the delivery of a successful exploration well on time and within a prescribed budget. Central to that delivery is access to a suitable rig within the necessary timeframe, along with associated drilling equipment and supplies (including, for example, a bottom-hole assembly and drilling and logging services). In summary, these agreements are:

- **Rig Provider:** In August 2019 the Company entered into a Framework Agreement with Seadrill, one of the world's largest offshore drill rig companies, for the provision of a sixth-generation drilling rig during the first half of 2020, with delivery from the rig's current working location in the nearby Gulf of Mexico. The Framework Agreement provides clarity and certainty around potential access to a suitable rig, in the timeframe required, and fixes the price for the rig (in accordance with industry practice, quoted as a day-rate in US dollars per day). Critically, with the benefit of the Framework Agreement in place, BPC (along with Seadrill's input and support) has been able to move towards finalising detailed logistical and design work, ensure compatible equipment and supplies are available and scheduled, and to complete the associated permitting processes in good time for an orderly commencement of drilling.

Further, the Framework Agreement required BPC, on or before 11 October 2019 (or such later date as the parties may mutually agree) to notify Seadrill that it wishes to "Go-Firm". Given the Board's assessment of the greater certainty and progress made in relation to funding, the Company on 10 October 2019 advised Seadrill that it wishes to go-firm on the drilling rig. Accordingly, the Company notified Seadrill of its desire to secure a rig for delivery by late Q1 2020. The Company and Seadrill are presently working to finalise the long-form Rig Contract, confirm the rig selection, and agree the critical drilling plan dates. It should be noted that the governing document in relation to provision of the drill rig will be the Rig Contract, which remains to be entered into and is subject to Seadrill's Board approval process for contract commitment. For the avoidance of doubt, the election for the drilling rig and the "Go-Firm" notice does not obligate BPC to incur any costs – in general terms, drilling costs will be incurred pursuant to the Rig Contract, and the vast majority of those costs will not start to be incurred until such time as the mobilisation of the drilling rig (that is, until Q1 2020).

- **Integrated Well Service Provider:** At the same time, and following a process of extensive discussion and mutual due diligence, the Company has been able to secure the services (and agree prices for those services) of an integrated well services provider, Halliburton, a leading provider of integrated well services to the global oil and gas industry. Under this appointment, Halliburton will provide a range of essential well equipment, tools and services for the Drilling Plan. The Company has also appointed BakerHughes GE, another leading international service provider to the oil industry, as provider for wellheads and tubulars. The involvement of Halliburton and BakerHughes GE at a sufficiently early stage also allows for their participation in final well design, so as to further assure successful achievement of the objectives for the drilling of the well. The Company issued a Notice of Award to each of Halliburton and BakerHughes GE as part of this process, which notices were accepted, as a precursor to the parties concluding the necessary long-form documentation. Given the Board's assessment of the greater certainty and progress made in relation to funding, the Company has commenced the process of finalisation and entry into such long form documentation ("Call Off Contracts"), containing terms and conditions customary in the industry, whilst including the technical specifications and pricing already established in the Notices of Award.

7. Conditional Convertible Notes

On 21 August 2019 the Company announced that it had entered into a conditional agreement for £10.25 million (approximately US\$13.0 million) convertible loan notes. Subsequently, the entry into this conditional agreement was approved by shareholders of the Company at the General Meeting held on 17 September 2019.

Further to that approval, the Company has now entered into a subscription agreement (the "Convertible Note Subscription Agreement") in relation to this convertible loan note investment, with the key terms and conditions of this Convertible Note Subscription Agreement summarised below.

Counterparty

The Convertible Note Subscription Agreement is entered into with the Subscribers, being Australian-domiciled investment firms acting on behalf of interests associated with Mr. Stephen Bizzell and Mr. Mark Carnegie.

Mr. Bizzell and Mr. Carnegie each have a track record of successful investment in a number of early-stage oil and gas exploration businesses around the world. Investment funds associated with Mr. Carnegie and Mr. Bizzell were also variously early-stage investors in Arrow Energy Limited and Dart Energy Limited, Australian-listed companies at which both the Company's Chief Executive Mr. Simon Potter and the Company's Commercial Director previously worked. Arrow Energy Limited was successfully acquired by a consortium of Shell and PetroChina in 2011, and Dart Energy Limited was acquired by AIM-listed iGas Energy Plc in 2014.

Convertible Note Subscription Agreement Key terms

Key terms of the Convertible Note Subscription Agreement are as follows:

- *Amount:* £10.25 million (approximately US\$13.0 million, being approximately half the upper end of the estimated range for the cost of the initial exploration well)
- *Use of funds:* Well finance and general strategic purposes
- *Form of investment:* Convertible loan notes ("Conditional Convertible Notes")
- *Note Subscribers:* Initially Bizzell Capital Partners Pty Ltd (as to 50 per cent. of the Conditional Convertible Notes) and MH Carnegie & Co Pty Ltd (as to 50 per cent. of the Conditional Convertible Notes) (the "Subscribers"). However, The Convertible Note Subscription Agreement contemplates that the Subscribers may assign their Conditional Convertible Notes such that there may ultimately be multiple note holders, who will be represented by a noteholder trustee under the terms of a noteholder trust deed yet to be entered into between the Company and the noteholder trustee
- *Term:* 3 years
- *Coupon:* 12 per cent. per annum, payable annually in arrears; the Company can elect to capitalise interest accrued on the Conditional Convertible Notes
- *Priority:* On a return of capital (by way of liquidation or otherwise) the Conditional Convertible Notes will rank senior to all ordinary shares on issue to the extent of the principal plus unpaid interest
- *Security:* the Conditional Convertible Notes will be secured by an appropriate first ranking security to be granted over all the assets and undertakings of BPC, and will rank senior to all other debt of BPC, and which security will be cross-guaranteed on a secured basis by all members of the Company's group
- *Conversion:* A holder of Conditional Convertible Notes may at any time prior to maturity elect to convert the Conditional Convertible Notes (principal plus any accrued interest) into fully paid ordinary shares in BPC
- *Conversion Price:* Given the pricing established for the Open Offer, the conversion price of the Conditional Convertible Notes is now set at 2.5 pence per share
- *Early Redemption:* A holder of Conditional Convertible Notes will be entitled to redeem the Conditional Convertible Notes at a 110 per cent. premium to face value if, as at 31 December 2020, employment and executive retention arrangements between nominated key executives and the Company are on terms that are not satisfactory to the Subscribers. The Company may not redeem the Convertible Notes early, unless agreed with the Subscribers
- *Dividends:* No dividends may be declared or paid whilst the Conditional Convertible Notes are on issue
- *Subscription Deadline:* Subject to satisfaction of all conditions precedent as described below, the Subscribers must subscribe for the Conditional Convertible Notes by no later than 15 February 2020; a Subscriber may also elect to subscribe for the Conditional Convertible Notes all or in part earlier than this date but no sooner than 30 November 2019
- *Conditions to Completion:* Completion of the subscription for the Conditional Convertible Notes by the Subscribers will be subject to a number of conditions first being met or satisfied or otherwise waived. These conditions are:

- Any approvals, consents, waivers, exemptions or declarations that are required by law, or by any Government Agency, to implement the transactions contemplated by the Convertible Note Subscription Agreement are granted, given, made or obtained on an unconditional basis
- The Company entering into binding contracts with reputable international companies so as to enable the Company (to the satisfaction of each Subscriber, acting reasonably) to conduct the intended drilling of the initial exploration well at the estimated cost of that drilling, being:
 - A contract for provision of a drilling rig with a reputable international rig company, on terms satisfactory to each Subscriber, providing access to the appropriate drilling rig at an acceptable cost, as needed for the task of conducting the drilling; and
 - A contract for integrated well services for the drilling with a reputable international service company, on terms satisfactory to each Subscriber, providing access to the appropriate services needed for the task of conducting the drilling
- The Subscribers being satisfied that the Company has sufficient funds in cash (but not including committed cash or cash subject to refund obligations) which, when aggregated with the subscription amount of the Conditional Convertible Notes, would be sufficient to fund the cost of the intended drilling operation in full and the operating costs of the Company until the end of June 2021
- A convertible note trust deed being entered into between the Company and the convertible note trustee, on terms acceptable to the Subscribers
- Appropriate security documents being entered into between the Company and the Subscribers and any other relevant parties, on terms acceptable to the Subscribers;
- The Company securing all necessary permits and approvals for the intended drilling operations from the Government of The Bahamas, including all necessary environmental permits, and the Company reaching agreement with the Government of The Bahamas and making payment in relation to licence fees payable for the remaining licence period to 31 December 2020, on terms satisfactory to the Subscribers
- Each Subscriber obtaining all approvals (including of its investment committee) and satisfying all procedures it considers necessary in relation to the transactions contemplated by this agreement
- Employment and executive retention arrangements between key executives nominated by the Subscribers and the Company being entered into or amended on terms satisfactory to each Subscriber (acting reasonably); and
- No breaches of warranty or material adverse events have occurred
- Under the terms of the conditional agreement entered into on 21 August 2019, and repeated now in the Convertible Note Subscription Agreement, the Subscribers will be paid fees as follows:
 - An establishment fee of 3 per cent. of the subscribed amount, which the Subscribers may elect to deduct from the relevant subscribed amount
 - Options to subscribe for 25,000,000 ordinary shares in BPC with an exercise price of 2 pence per share, exercisable at any time within the four-year period from their date of issue (the “Convertible First Tranche Options”)
 - On subscription of the Conditional Convertible Notes, two further tranches of options to subscribe for ordinary shares in BPC, of 12,500,000 options per tranche, the first with an exercise price of 2.5 pence per Ordinary Share and the second with an exercise price of 3 pence per Ordinary Share, exercisable at any time within the four year period from the date of their issue (the “Convertible Second & Third Tranche Options”). The number of these options to be ultimately granted will depend on the amounts subscribed for. In the event that the full amount of the Conditional Convertible Notes is not subscribed for then the number of such options will be pro-rated down accordingly
- *Board Rights:* Effective from subscription of the Conditional Convertible Notes (i.e. only once Convertible Note funds are advanced to BPC) and until such time as the Conditional Convertible Notes are redeemed, the Subscribers will have the right to appoint a maximum of two (2) directors to the Board of BPC (but, for so long as both Simon Potter and Eytan Uliel are members of the Board, the right of appointment shall be reduced to only one (1)).

Attention is drawn to the fact that, as detailed above, availability of funds from the Convertible Note Subscription Agreement remains conditional on a number of conditions first having been satisfied. To the extent the conditions are not satisfied there is a risk that the Company will not be able to receive the funding contemplated in the Convertible Note Subscription Agreement, unless those conditions are waived by the Subscribers. However, given that a number of the conditions are necessary prerequisites to drilling commencing, and given that funds are not actually required until closer to the time that drilling commences, the Directors are confident that the conditions precedent can be satisfied in a timely manner such that funding under the Convertible Note Subscription Agreement will be available when required. Please see “Part II Risk Factors” below for further information.

8. Use of Proceeds

The Company will use the net proceeds of the Open Offer, together with the proceeds of the Conditional Convertible Note to commence the drilling and all associated activities, operations and actions of the initial exploration well in 2020.

The Company continues to pursue a farm-out as part of its funding strategy, and has received proposals for, and continues to develop and assess a number of other financing options. A decision to enact any of these other financing proposals will be taken, if required, based on the outcome of the farm-out process, and once the Open Offer process has been concluded.

To the extent that a farm-out is successfully concluded on terms acceptable to the Company, the amount of capital available to the Company would likely materially increase, and would be additive to the funds raised through the Open Offer and Convertible Note Subscription Agreement, as detailed in this Circular. Such funding could be applied towards all or a considerable portion of the costs in respect of the intended drilling, or alternatively proceeds from any farm-out could be applied to a broader work programme than the current single well the Company intends to drill in 2020.

In circumstances where suitable funds are not raised via the Open Offer (if the Open Offer raises less than the equivalent of approximately US\$7 million and the placing of the Open Offer Shortfall as described above is unsuccessful in raising the balance), or where the conditions precedent set out in the Convertible Note Subscription Agreement are not satisfied (or waived), or if a farm-out is not secured, the Company would likely not have sufficient cash to complete the drilling of the planned initial exploration well in H1 2020. In such circumstances the Company would look to secure funding by way of alternative sources. There can be no assurance, however, that the Company would be successful in securing any such alternative funding. Excluding any costs relating to the planned initial exploration well in H1 2020, the Company currently has sufficient cash available to meet general working capital needs through to H2 2020. In such a scenario, any amounts raised under the Open Offer and Placing will be applied to general working capital. Please see “Part II Risk Factors” below for further information.

9. Funding and Dilutive Impact

The dilutive and funding impact of the Open Offer and the Convertible Note Subscription Agreement needs to be understood in conjunction with each other, and seen in the context of a broad and balanced approach to the Company’s funding needs and objectives. Specifically:

- At the Company’s AGM on 17 September 2019 shareholders passed a number of special resolutions designed to provide the Board with the flexibility to enter into a range of possible funding arrangements to secure the capital required for the initial exploration well. This included the temporary authority to issue up to 1.8 billion new Ordinary Shares without consideration of the pre-emption rights of the existing shareholders of the Company.
- Under the Open Offer, the Company will be offering to all shareholders the equal ability to subscribe for up to £6,770,876 in the capital of the Company at a price of 2 pence per share. The amount of the Open Offer has been set to avoid any requirement to issue a Prospectus under the Prospectus Rules.
 - To the extent that the Open Offer is taken up in full, the Company will receive £6,770,876 in additional funding, and will issue a further 338,543,819 Ordinary Shares;
 - To the extent that the Open Offer is taken up only 50 per cent. (and the shortfall remains unsubscribed and/or unplaced), the Company will receive approximately £3.4 million in additional funding, and will issue a further 169,271,909 Ordinary Shares; and

- To the extent that the Open Offer is not taken up at all (and the shortfall remains unsubscribed and/or unplaced), the Company will receive nil in additional funding, and will issue no further Ordinary Shares.
- Given the issue price established for the Open Offer (being 2 pence per share), the terms of the Conditional Convertible Notes (as previously announced and approved by shareholders) determine that the conversion price will be set at a 25 per cent. premium to the Open Offer Price, being 2.5 pence per share.
 - Thus, assuming (i) all conditions precedent in the Convertible Note Subscription Agreement are either satisfied or otherwise waived by the Subscriber and the Conditional Convertible Notes are fully subscribed, (ii) 3 full years of interest is capitalised into the debt principal and not paid in cash, and (iii) all principal and capitalised interest is fully converted, the Conditional Convertible Notes would result in the issue of approximately 560 million Ordinary Shares in the capital of the Company to the noteholders, and the Company will receive £10.25 million in funding.
- When considered in aggregate, the Open Offer (if fully taken up) and the proceeds of the Convertible Note Subscription Agreement (assuming all conditions precedent in the Convertible Note Subscription Agreement are either satisfied or otherwise waived by the Subscribers and the Conditional Convertible Notes are fully subscribed, and assuming further that interest is capitalised and all principal and capitalised interest is ultimately converted) would result in approximately 896 million new Ordinary Shares being issued, and total funding inflows over the next 6 months of approximately £17 million (approximately US\$21.5 million), which would be an amount which exceeds the lower-end estimates for the total well cost for the drilling of the initial exploration well.

Shareholders should note however that there remains a high degree of uncertainty in relation to both the Open Offer and Conditional Convertible Notes, given that ultimate quantum of funding to be received from both is dependent on the occurrence of future events outside of the control of the Company. Specifically:

- Funding from the Convertible Note Subscription Agreement remains subject to certain conditions precedent as set out in that agreement first being satisfied on or prior to 15 February 2020 (unless said conditions are waived by the Subscribers) – these have been detailed above,
- the amount raised under the Open Offer will depend on the extent to which Shareholders take up the offer and/or the extent to which any shortfall thereunder is taken up under the Excess Application Facility or, if not taken up, subsequently placed, and
- the Company continues to work on securing a farm-out, which if successful could likely materially increase the amount of capital available to the Company, which could offset all or a considerable portion of the costs in respect of the intended drilling or alternatively provide funds in excess of that required to complete the initial well, thereby potentially facilitating further exploration activity on the licences including that of an additional well.

In circumstances where suitable funds are not raised via the Open Offer (that is, if the Open Offer and Excess Application Facility raises less than approximately US\$7 million and the placing of the Open Offer Shortfall as described above is unsuccessful in raising the balance), or where the conditions precedent set out in the Convertible Note Subscription Agreement are not satisfied (or waived by the Subscribers), or if a farm-out is not secured, the Company would likely not have sufficient cash to complete the drilling of the planned initial exploration well in H1 2020. In such circumstances the Company would look to secure funding by way of alternative sources. There can be no assurance, however, that the Company would be successful in securing any such alternative funding. Excluding any costs relating to the planned initial exploration well in H1 2020, the Company currently has sufficient cash available to meet general working capital needs through to H2 2020.

10. Details of the Open Offer

10.1 Open Offer Structure

The Open Offer provides an opportunity for all Qualifying Shareholders to participate in the fundraising by acquiring Open Offer Shares *pro rata* to their current holdings of Existing Ordinary Shares with the option for subscribing for more pursuant to the Excess Application Facility subject to scaling back (see 10.3 below).

10.2 **Principal terms of the Open Offer**

Subject to the fulfilment of the conditions set out below and in Part IV of this document, Qualifying Shareholders are being given the opportunity to subscribe for the Open Offer Shares at a price of 2 pence per Open Offer Share, *pro rata* to their holdings of Existing Ordinary Shares on the Record Date on the basis of:

1 Open Offer Share for every 5 Existing Ordinary Shares

Qualifying Shareholders are also being given the opportunity, provided that they take up their Open Offer Entitlement in full, to apply for Excess Shares through the Excess Application Facility.

Assuming full take-up under the Open Offer, the issue of the Open Offer Shares will raise gross proceeds of £6,770,876 for the Company.

The Open Offer Shares will, upon issue, rank *pari passu* with the Existing Ordinary Shares.

Fractions of Open Offer Shares will not be allotted. Each Qualifying Shareholder's entitlement under the Open Offer will be rounded down to the nearest whole number.

Qualifying Shareholders with holdings of Existing Ordinary Shares in both certificated and uncertificated form will be treated as having separate holdings for the purpose of calculating the Open Offer Entitlements.

If the Open Offer is not fully taken up by Qualifying Shareholders, the Company has appointed Shore Capital to use reasonable endeavours to place any Open Offer Shares that have not been subscribed with institutional investors at the Issue Price. Shore Capital has agreed that to the extent any remaining shortfall is not fully placed, Shore Capital will participate in the Placing to the point that the Open Offer is fully subscribed or to a maximum of US\$1 million.

10.3 **Excess Application Facility**

The Excess Application Facility will enable Qualifying Shareholders, provided that they take up their Open Offer Entitlement in full, to apply for Excess Open Offer Entitlements. Qualifying non-CREST Shareholders who wish to apply to acquire more than their Open Offer Entitlement should complete the relevant sections on the Application Form. Qualifying CREST Shareholders will have Excess CREST Open Offer Entitlements credited to their stock account in CREST. Applications for Excess Open Offer Entitlements will be satisfied only and to the extent that corresponding applications by other Qualifying Shareholders are not made or are made for less than their Open Offer Entitlements. If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take-up of Open Offer Entitlements, such applications will be scaled back *pro rata* to the number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility.

Application will be made for the Open Offer Entitlements and Excess Open Offer Entitlements in respect of Qualifying CREST Shareholders to be admitted to CREST. It is expected that such Open Offer Entitlements and Excess Open Offer Entitlements will be admitted to CREST at 8.00 a.m. on 21 October 2019. Such Open Offer Entitlements and Excess Open Offer Entitlements will also be enabled for settlement in CREST at 8.00 a.m. on 21 October 2019. Applications through the means of the CREST system may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim.

Qualifying non-CREST Shareholders will have received an Application Form with this document which sets out their entitlement to Open Offer Shares as shown by the number of Open Offer Entitlements allocated to them. Qualifying CREST Shareholders will receive a credit to their appropriate stock accounts in CREST in respect of their Open Offer Entitlements on 21 October 2019.

Shareholders should note that the Open Offer is not a rights issue. Qualifying CREST Shareholders should note that although the Open Offer Entitlements and Excess Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim. Qualifying non-CREST Shareholders should note that the

Application Form is not a negotiable document and cannot be traded. Qualifying Shareholders should be aware that in the Open Offer, unlike in a rights issue, any Open Offer Shares not applied for will not be sold in the market or placed for the benefit of Qualifying Shareholders who do not apply under the Open Offer. If applications are made for less than all of the Open Offer Shares available, then the lower number of Open Offer Shares will be issued.

Further information on the Open Offer and the terms and conditions on which it is made, including the procedure for application and payment, are set out in Part IV of this document.

For Qualifying non-CREST Shareholders, completed Application Forms, accompanied by full payment, should be returned by post or by hand (during normal business hours only) to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU so as to arrive as soon as possible and in any event so as to be received no later than 11.00 a.m. on 1 November 2019. For Qualifying CREST Shareholders, the relevant CREST instructions must have been settled as explained in this document by no later than 11.00 a.m. on 1 November 2019.

10.4 **Other information relating to the Open Offer**

The Open Offer is conditional upon, *inter alia*, Admission of the Open Offer Shares becoming effective by no later than 8.00 a.m. on 6 November 2019 (or such later date as the Company may determine, being not later than 8.00 a.m. on 20 November 2019). Accordingly, if the conditions to the Open Offer are not satisfied or waived (where capable of waiver), the Open Offer will not proceed and the Open Offer Shares will not be issued and all monies received by the Receiving Agent will be returned to the Applicants (at the Applicant's risk and without interest) as soon as possible, but within 14 days thereafter. Any Open Offer Entitlements admitted to CREST will thereafter be disabled.

The Open Offer Shares will be issued free of all liens, charges and encumbrances and will, when issued and fully paid, rank *pari passu* in all respects with the Open Offer Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of their issue.

Application will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM. It is expected that Admission will become effective on 6 November 2019 and that dealings for normal settlement in the Open Offer Shares will commence at 8.00 a.m. on 6 November 2019.

11. **Action to be taken**

11.1 **Qualifying non-CREST Shareholders**

If you are a Qualifying non-CREST Shareholder, you will have received an Application Form which gives details of your maximum entitlement under the Open Offer (as shown by the number of Open Offer Entitlements allocated to you). If you wish to apply for Open Offer Shares under the Open Offer (whether in respect of your Open Offer Entitlement or both your Open Offer Entitlement and any Excess Open Offer Entitlements), you should complete the accompanying Application Form in accordance with the procedure for application set out in paragraph 4.1 of Part IV of this document and on the Application Form itself.

11.2 **Qualifying CREST Shareholders**

If you are a Qualifying CREST Shareholder and do not hold any Ordinary Shares in certificated form, no Application Form accompanies this document and you will receive a credit to your appropriate stock account in CREST in respect of the Open Offer Entitlements representing your maximum entitlement under the Open Offer except (subject to certain exceptions) if you are an Overseas Shareholder who has a registered address in, or is a resident in or a citizen of an Excluded Territory. Applications by Qualifying CREST Shareholders for Excess Open Offer Entitlements in excess of their Open Offer Entitlements should be made in accordance with the procedures set out in paragraph 4.2 of Part IV of this document, unless you are an Overseas Shareholder in which event, applications should be made in accordance with the procedures set out in paragraph 6 of Part IV of this document.

The latest time for applications under the Open Offer to be received is 11.00 a.m. on 1 November 2019. The procedure for application and payment depends on whether, at the time at which application and payment is made, you have an Application Form in respect of your entitlement

under the Open Offer or have Open Offer Entitlements credited to your stock account in CREST in respect of such entitlement. The procedures for application and payment are set out in Part IV of this document.

Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Open Offer.

12. Overseas Shareholders

Information for Overseas Shareholders who have registered addresses outside the United Kingdom or who are citizens or residents of countries other than the United Kingdom appears in paragraph 6 of Part IV of this document, which sets out the restrictions applicable to such persons. If you are an Overseas Shareholder, it is important that you read that part of this document.

13. Additional Information

Your attention is drawn to the additional information set out in Parts II to V (inclusive) of this document.

14. Director and Management Participation

Directors and members of the Company's senior management have confirmed their intention to participate for their *pro rata* entitlement in the Open Offer. Additionally, management (collectively) has indicated an intention to subscribe £250,000 in the Open Offer Shortfall (if available).

Yours sincerely

Bill Shrader

Non-Executive Chairman

PART II

RISK FACTORS

An investment in the Open Offer Shares is highly speculative and involves a high degree of risk due to the nature of the Company position and the sector in which it operates, namely, exploration for hydrocarbons. Before making any investment decision, prospective investors should carefully consider all the information contained in this document including, in particular, the risk factors described below and should form their own views. In addition to the usual risks associated with an investment in a hydrocarbon exploration business, the Directors believe that, in particular and in no order of priority, the following risk factors should be considered. Other factors relate principally to an investment in the Open Offer Shares. It should be noted that this list is not exhaustive and that other risk factors may apply. Additional risks and uncertainties not currently known to the Directors, or that the Directors currently deem immaterial, may also have an adverse effect on the Group's business, financial condition and results of operations.

An investment in the Company may not be suitable for all recipients of this document. Investors are advised to consult an independent financial adviser authorised under the FSMA who specialises in advising on the acquisition of shares and other securities before making a decision to invest.

Risks related to the oil and gas industry

Exploration, development and production and general operational risks

There can be no guarantee that any hydrocarbons will be discovered in commercial quantities or developed to profitable production. If discovered, developing a hydrocarbon production field may require significant investment to build the requisite operating facilities, drilling of production wells along with implementation of advanced technologies for the extraction and exploitation of hydrocarbons with complex properties. These may result in uncertainties about the amount of future investment necessary, operating costs and additional expenses which might be incurred as compared with the initial budget. In addition, hydrocarbon deposits may not ultimately contain economically recoverable volumes of resources and even if they do, delays in the construction and commissioning of production projects or other technical difficulties may result in any projected target dates for production being delayed or further capital expenditure being required.

The exploration for and development of oil and gas resources is speculative and involves a high degree of technical risk. In particular, the operations of the Company may be disrupted by a variety of risks and hazards which are beyond the control of the Company, including environmental hazards, industrial accidents, occupational and health hazards, technical failures, labour disputes, earthquakes, unusual or unexpected geological formations, flooding, earthquake and extended interruptions due to inclement or hazardous weather conditions (including hurricanes), explosions and other accidents. These risks and hazards could also result in damage to, or destruction of wells or production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability.

Delays in the construction and commissioning of projects or other technical difficulties may result in the Company's current or future projected target dates for production being delayed or further or additional capital expenditure being required. If the Company fails to meet its work and/or expenditure obligations, the rights granted therein may be forfeited, which could jeopardise its ability to continue operations.

Oil Price

Oil and gas companies' earnings, investment and development decisions and strategy are heavily affected by fluctuations in international oil prices. Both oil and gas are commodities, and as such, tend to see larger fluctuations in price than more stable investments such as stocks and bonds. There are several major influences on oil prices but most importantly the interplay of supply and demand. While oil demand tends to be slow moving, mainly driven by economic growth and to some extent climate policies, the prospects of future oil supply are highly uncertain – not least considering persistent political instability in exporting countries and the uncertainty regarding the discovery of new reserves. As a result of such uncertainties, oil prices could undergo further (increasingly) drastic fluctuations in the future which could impact the Group's projects and adversely affect the feasibility and profitability of any of its projects and therefore have an

adverse effect on the Group's business, financial condition, results of operations and prospects or even decisions to invest.

Increase in drilling costs

The oil and gas industry historically has experienced periods of rapid cost increases. Increases in the cost of exploration and development would affect the Company's ability to invest in prospects and to purchase or hire equipment, supplies and services.

Availability of Drilling Equipment and Access

Oil and natural gas exploration and development activities are dependent on the availability of drilling rigs and other equipment and services, and is affected by the level and location of drilling activity around the world. An increase in drilling operations may reduce the availability of equipment and services to the Company. The reduced availability of equipment and services may delay its ability to exploit reserves and adversely affect the Company's operations and profitability.

Third party contractors and providers of capital equipment can be scarce

The Group may contract or lease services and capital equipment from third party providers. Such equipment and services can be scarce and may not be readily available at the times and places required. In addition, costs of third-party services and equipment may increase significantly over time. Scarcity of equipment and services and increased prices may in particular result from any significant increase in exploration and development activities on a region by region basis which might be driven by high demand for oil and gas. The unavailability and high costs of such services and equipment could result in a delay or restriction in the Group's projects and adversely affect the feasibility and profitability of such projects and therefore have an adverse effect on the Group's business, financial condition, results of operations and prospects.

Estimation of reserves, resources and production profiles

The estimation of oil and gas reserves and resources and their anticipated production profiles involves subjective judgements and determinations based on available geological, technical, contractual and economic information. They are not exact determinations. In addition, these judgments may change based on new information from production or drilling activities or changes in economic factors, as well as from developments such as acquisitions and dispositions, new discoveries and extensions of existing fields and the application of improved recovery techniques.

Risks related to the Group

Dependence on key personnel

In common with other services and businesses in this industry sector, the Company's business is dependent on retaining the services of a number of key personnel of the appropriate calibre as the business develops. The success of the Company is, and will continue to be significantly dependent on the expertise and experience of the Directors and senior management. The loss of one or more of these key personnel could have a material adverse effect on the Company.

No profit to date

BPC has incurred losses since its inception and it is therefore not possible to evaluate the prospects of the Company based on past performance. Since the Company intends to continue investing in the exploration licence areas, it is anticipated that the Company will continue to make losses for the immediate future. There can be no certainty that the Company will achieve or sustain profitability or achieve or sustain positive cash flow from its activities in the future.

Significant competition

The Company's competitors include major and independent oil and gas companies. The oil and gas business is highly competitive in the search for and acquisition of reserves and in the gathering and marketing of oil and gas production and in the recruitment and employment of qualified personnel. Some of the Company's competitors have significantly greater financial, technical and other resources than it and are able to devote

greater resources to the development of their businesses. If the Company is unable successfully to compete, its business will suffer.

Limited diversification

The Company's business currently is focused and single-purpose – all five of its licences for hydrocarbon exploration are situated in the territorial waters of The Bahamas.

Climate

The climate in The Bahamas is subtropical to tropical. There is a hurricane season from approximately July to November with parts of The Bahamas having suffered severe hurricane damage in recent years. Storms and storm damage could limit the Company's ability to conduct exploration, development and production activities.

Licence fees

In relation to licence fees, BPC remains to finalise fees for the balance of the 2nd exploration period with the Bahamian Government. A number of these licence compliance costs are variable, and depending on a number of factors, some of which are presently unknowable, such as work to be done, time taken to do that work, and negotiations. BPC expects the costs to 31 December 2020 to be US\$1.03m. However, depending on a variety of factors, these costs could be as low as US\$700,000, and as high as US\$2 million. To the extent these costs are higher than presently expected, other costs areas can and will be reduced accordingly.

Health, Safety, Environment and Security ("HSES")

The Group's operated ventures means that the HSES risks cover a wide spectrum. These risks include major activity safety incidents; failure to comply with approved policies; effects of natural disasters (including hurricanes) and pandemics; social unrest; civil war and terrorism; exposure to general operational hazards; personal health and safety; and crime. The consequences of such risks materialising can be injuries, loss of life, environmental harm and disruption to business activities. Depending on cause and severity, the materialisation of such risks may affect the Group's reputation, operational performance and financial position.

In addition, failure by the Group to comply with applicable legal requirements or recognised international standards may give rise to significant liabilities. HSES laws and regulations may over time become more complex and stringent or the subject of increasingly strict interpretation or enforcement. The terms of licences include requirements to comply with prevailing HSES regulatory requirements which may change over time. The obtaining of exploration, development or production licences and permits may become more difficult or be the subject of delay by reason of governmental, regional or local environmental consultation, approvals or other considerations or requirements. These factors may lead to delayed or reduced exploration, development or production activity as well as to increased costs.

Environmental risk and insurance coverage

There are significant exploration and operating risks associated with drilling oil and gas wells, including potential blowouts, cratering, sour gas releases, uncontrollable flows of oil, natural gas or well fluids, adverse weather conditions, and fire, all of which can result in accidental spills, leakages or discharges of harmful liquids and toxic gases. The occurrence of any of these incidents can result in substantial losses to the Group due to injury or loss of life, damage to or destruction of the Company's oil and gas wells, pollution or other environmental damage. Damages occurring as a result of such risks can give rise to claims against the Company or a member of its Group and can result in the Company's targets for drilling or production being delayed or halted.

Although the Company will exercise all due care and attention in the conduct of its business and will maintain what it believes to be customary insurance coverage for companies engaged in similar operations, the Company cannot guarantee it is not fully insured against all risk in its business. The occurrence of a significant event against which the Company is not fully insured could have a material adverse effect on its operations and financial performance. In addition, in the future some or all of the Company's insurance coverage may become unavailable or prohibitively expensive.

Funding Risk

The Company currently estimates the cost of meeting its drilling objectives to be in the range of US\$20 million – US\$25 million (the ultimate amount of expenditure dependent to a large extent on the pace of drilling – the rate of penetration or “ROP” – and the final drilled depth to which the Company’s well reaches). There is a risk that the drilling costs may be more than anticipated and further funds may have to be raised in order to meet drilling objectives. At present, the Company has insufficient cash resources to finance its planned drilling activity and so will be required to source the funding necessary to meet these estimated drilling costs. The Company is seeking to develop a funding plan that does so in a measured way. As part of this plan, the Open Offer (and Placing) and the Conditional Convertible Notes, if fully subscribed to and drawn down, would result in total funding of approximately £17 million (approximately US\$21.5 million) which it is estimated would be sufficient to enable the Company to meet its drilling objectives at the lower end of the estimated range, this being the shallower target horizons.

However there remains a degree of conditionality to the proposed financing package which is dependent on the occurrence of future events outside of the control of the Company, which represents a material risk. Specifically:

- Funding from the Convertible Note Subscription Agreement remains subject to certain conditions precedent as set out in that agreement first being satisfied on or prior to 15 February 2020 (unless said conditions are waived by the noteholders) – see below for further details,
- the amount raised under the Open Offer will depend on the extent to which Shareholders take up their entitlements under the Open Offer and/or the extent to which any shortfall thereunder is taken up under the Excess Application Facility or, if not taken up, or subsequently placed, and
- the Company continues to work on securing a farm-out, which if successful could materially increase the amount of capital available to the Company, which could offset all or a considerable portion of the costs in respect of the intended drilling or alternatively provide funds in excess of that required to complete the initial well, thereby potentially facilitating further exploration activity on the licences including that of an additional well.

In circumstances where suitable funds are not raised via the Open Offer (that is, if the Open Offer raises less than approximately US\$7 million and the placement of the Open Offer Shortfall as described above is unsuccessful in raising the balance), or where the conditions precedent set out in the Convertible Note Subscription Agreement are not satisfied (or waived by the Subscribers), or if a farm-out is not secured, the Company would not have sufficient cash to complete the drilling of the planned initial exploration well in H1 2020. In such circumstances the Company would look to secure funding by way of alternative sources. There can be no assurance, however, that the Company would be successful in securing any such alternative funding, and in such circumstances any funds raised in the Open Offer and Placing would be applied to general working capital. Excluding any costs relating to the planned initial exploration well in H1 2020, the Company currently has sufficient cash available to meet general working capital needs through to H2 2020.

Convertible Note Subscription Agreement

The Convertible Loan Subscription Agreement entered into on 10 October 2019 for the provision of up to £10.25 million (approximately \$13.0 million) in well finance contains a number of conditions precedent which must either be satisfied prior to 15 February 2020 or waived by the Subscribers in order for the advance of any funding being provided to the Company. The conditions precedent are:

- Any approvals, consents, waivers, exemptions or declarations that are required by law, or by any Government Agency, to implement the transactions contemplated by the Convertible Note Subscription Agreement are granted, given, made or obtained on an unconditional basis
- The Company entering into binding contracts with reputable international companies so as to enable the Company (to the satisfaction of each Subscriber, acting reasonably) to conduct the intended drilling of the initial exploration well at the estimated cost of that drilling, being:
 - A contract for provision of a drilling rig with a reputable international rig company, on terms satisfactory to each Subscriber, providing access to the appropriate drilling rig at an acceptable cost, as needed for the task of conducting the drilling; and

- A contract for integrated well services for the drilling with a reputable international service company, on terms satisfactory to each Subscriber, providing access to the appropriate services needed for the task of conducting the drilling;
- The Subscribers being satisfied that the Company has sufficient funds in cash (but not including committed cash or cash subject to refund obligations) which, when aggregated with the subscription amount of the Conditional Convertible Notes, would be sufficient to fund the cost of the intended drilling operation in full and the operating costs of the Company until the end of June 2021;
- A convertible note trust deed being entered into between the Company and the convertible note trustee, on terms acceptable to the Subscribers;
- Appropriate security documents being entered into between the Company and the Subscribers and any other relevant parties, on terms acceptable to the Subscribers;
- The Company securing all necessary permits and approvals for the intended drilling operations from the Government of The Bahamas, including all necessary environmental permits, and the Company reaching agreement with the Government of The Bahamas and making payment in relation to licence fees payable for the remaining licence period to 31 December 2020, on terms satisfactory to the Subscribers;
- Each Subscriber obtaining all approvals (including of its investment committee) and satisfying all procedures it considers necessary in relation to the transactions contemplated by this agreement;
- Employment and executive retention arrangements between key executives nominated by the Subscribers and the Company being entered into or amended on terms satisfactory to each Subscriber (acting reasonably); and
- No breaches of warranty or material adverse events have occurred.

If the above conditions are not satisfied in accordance with the Agreement prior to 15 February 2020, or if are not otherwise waived by the Subscribers, there is a risk that the Conditional Convertible Notes will not become available for drawdown by the Company.

Requirements for permits and licences

The operations of the Company require licences, permits and in some cases assignments or renewals of existing licences and permits from various governmental authorities. Governmental approvals, licences and permits are subject to the discretion of the applicable governments or governmental offices and are outside the control of the Company. The Company's ability to obtain, sustain, renew or assign such licences and permits on acceptable terms is therefore subject to the discretion of the applicable governments as well as changes in regulations and policies. A failure to obtain, sustain, renew or assign these where needed could result in the dilution or forfeiture of interests held by the Company which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

In particular, on entering the second term for the Southern Licences, the Company was obliged to commence activity by April 2018 on an initial exploration well, with equipment capable of drilling to a depth of at least 18,000 feet (the "Drilling Plan"). This date was extended by agreement with the Government on various occasions, most recently in February of 2019, where the second term licence period was extended such that currently the Company's work obligation is clear and unambiguous: to commence an initial exploration well on the Southern Licences by the end of 2020. If the Company is not able to meet this obligation, and is unable to obtain a further extension of this obligation by the Government of The Bahamas, the Southern Licences will expire without an entitlement of the Company to renew.

Working Capital

The Company may need to raise additional funds in the future in order to develop further its development programmes and growth initiatives. Additional equity financing may be dilutive to Shareholders and could contain rights and preferences superior to those of the Open Offer Shares. Debt financing may involve restrictions on the Company's financing and operating activities. In either case, additional financing may not be available to the Company on acceptable terms. If the Company is unable to raise additional funds as needed, the scope of its operations may be reduced and or its interest in concessions diluted or expired and, as a result, the Company may be unable to fulfil its long-term expansion programme.

Foreign currency exchange rates

As an international operator, the Company's business transactions may not be denominated in the same currencies. To the extent that the Company's business transactions are not denominated in the same currency, the Company is exposed to foreign currency exchange rate risk. In addition, holders of the Ordinary Shares are subject to foreign currency exchange rate risk to the extent that its business transactions are denominated in currencies other than the US dollar. Fluctuations in foreign currency exchange rates may adversely affect the Company's profitability. At this time, the Company does not plan actively to hedge its foreign currency exchange rate risk.

Taxation

The Company is exposed to taxation in both the Isle of Man and The Bahamas. However, the taxation regime applicable in both the Isle of Man and The Bahamas may change in the future with a consequent potential adverse impact on the after-tax profits available to the Company following any such changes.

Risks relating to the Open Offer Shares

There may be volatility in the price of the Open Offer Shares

The Issue Price may not be indicative of the market price for the Open Offer Shares following Admission. The market price of the Open Offer Shares could be volatile and subject to significant fluctuations due to a variety of factors, including changes in sentiment in the market regarding the Company, the sector or equities generally, any regulatory changes affecting the Group's operations, variations in the Group's operating results and/or business developments of the Group and/or its competitors, the operating and share price performance of other companies in the industries and markets in which the Group operates, news reports relating to trends in the Group's markets or the wider economy and the publication of research analysts' reports regarding the Company or the sector generally.

To the extent that Shareholders do not take up the Open Offer Shares under the Open Offer, their proportionate ownership and voting interest in the Company will be reduced and the percentage that their Existing Ordinary Shares represents of the Enlarged Share Capital will be reduced accordingly. Subject to certain exceptions, Shareholders in the United States and other Excluded Territories will not be able to participate in the Open Offer.

Pre-emptive rights may not be available for US and other non-UK holders of Ordinary Shares

In the case of an increase in the share capital of the Company for cash, the Shareholders are generally entitled to pre-emption rights pursuant to the Act unless such rights are waived by a special resolution of the Shareholders at a general meeting, or in certain circumstances stated in the Articles, and such an issue could dilute the interests of the Shareholders. To the extent that pre-emptive rights are applicable, US and certain other non-UK holders of Ordinary Shares may not be able to exercise pre-emptive rights for their shares unless the Company decides to comply with applicable local laws and regulations and, in the case of US holders, unless a registration statement under the US Securities Act is effective with respect to those rights or an exemption from the registration requirements thereunder is available. The Open Offer Shares to be issued will not be registered under the US Securities Act. Qualifying Shareholders who have a registered address, or who are resident in, or who are citizens of, countries other than the United Kingdom should consult their professional advisers about whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their Open Offer Entitlements or acquire Open Offer Shares.

Other risk factors

The Existing Ordinary Shares are traded on AIM rather than the main market of the London Stock Exchange. An investment in shares traded on AIM may carry a higher risk than an investment in shares listed on the Official List of the UK Listing Authority and traded on the main market of the London Stock Exchange.

Investors should be aware that the value of the Open Offer Shares may be volatile and may go down as well as up and investors may therefore not recover their original investment, especially as the market in the Open Offer Shares on AIM may have limited liquidity.

The market price of the Open Offer Shares may not reflect the underlying value of the Company's net assets. The price at which investors may dispose of their shares in the Company may be influenced by a number of factors, some of which may pertain to the Company, and others of which are extraneous. Investors may realise less than the original amount invested.

The risks above do not necessarily comprise all those faced by the Company and are not intended to be presented in any assumed order of priority.

The investment offered in this document may not be suitable for all of its recipients. Investors are accordingly advised to consult an investment adviser, who is authorised under the FSMA and who or which specialises in investments of this kind before making a decision to invest.

PART III

SOME QUESTIONS AND ANSWERS ABOUT THE OPEN OFFER

The questions and answers set out in this Part III of this document are intended to be in general terms only and, as such, you should read Part IV of this document for full details of what action you should take. If you are in any doubt as to what action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank, fund manager, solicitor, accountant or other appropriate independent financial adviser, who is authorised under the FSMA if you are resident in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser.

This Part III deals with general questions relating to the Open Offer and more specific questions relating principally to the Existing Ordinary Shares held by persons resident in the United Kingdom who hold their Existing Ordinary Shares in certificated form only. If you are an Overseas Shareholder, you should read paragraph 6 of Part IV of this document and you should take professional advice as to whether you are eligible and/or you need to observe any formalities to enable you to take up your Open Offer Entitlements or apply for Excess Shares pursuant to the Excess Application Facility. If you hold your Existing Ordinary Shares in uncertificated form (that is, through CREST) you should read Part IV of this document for full details of what action you should take. If you are a CREST sponsored member, you should also consult your CREST sponsor.

The contents of this document should not be construed as legal, business, accounting, tax, investment or other professional advice. Each prospective investor should consult his, her or its own appropriate professional advisers for advice. This document is for your information only and nothing in this document is intended to endorse or recommend a particular course of action.

1. What is an open offer?

An open offer is a way for companies to raise money. Companies may do this by giving their existing shareholders a right to acquire further shares at a fixed price in proportion to their existing shareholdings (the open offer).

This Open Offer is an invitation by the Company to Qualifying Shareholders to apply to acquire an aggregate of up to 338,543,819 Open Offer Shares at a price of 2 pence per Open Offer Share. If you hold Existing Ordinary Shares on the Record Date or have a *bona fide* market claim, other than, subject to certain exceptions, where you are a Shareholder with a registered address or located in the United States or another Excluded Territory, you will be entitled to apply for Open Offer Shares under the Open Offer.

The Open Offer is being made on the basis of 1 Open Offer Share for every 5 Existing Ordinary Shares held by Qualifying Shareholders on the Record Date. If your entitlement to Open Offer Shares is not a whole number, you will not be entitled to apply for an Open Offer Share in respect of any fraction of an Existing Ordinary Share and your entitlement will be rounded down to the nearest whole number.

Applications by Qualifying Shareholders will be satisfied in full up to the amount of their individual Open Offer Entitlement. Qualifying Shareholders are also being given the opportunity, provided that they take up their Open Offer Entitlement in full, to apply for Excess Shares through the Excess Application Facility.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take-up of Open Offer Entitlements, such applications will be scaled back *pro rata* to the number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility.

The number of available Open Offer Shares under the Excess Application Facility is dependent on the level of take-up of Open Offer Entitlements. Assuming that there is no Overseas Shareholder who has a registered address in, or is a resident in or a citizen of an Excluded Territory, and if every Qualifying Shareholder takes up their Open Offer Entitlements in full there will be no Open Offer Shares available under the Excess Application Facility.

Qualifying Shareholders should be aware that the Open Offer is not a rights issue. As such, Qualifying non-CREST Shareholders should also note that their Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements and the Excess CREST Open Offer Entitlements will be admitted to CREST, they will have limited settlement capabilities (for the purposes of market claims only), and neither the Open Offer Entitlements nor the Excess CREST Open Offer Entitlements will be tradable or listed, and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.

2. I hold my Existing Ordinary Shares in certificated form. How do I know whether I am able to acquire Open Offer Shares under the Open Offer?

If you receive an Application Form and, subject to certain exceptions, are not a holder with a registered address in or located in the United States or another Excluded Territory, then you should be eligible to acquire Open Offer Shares under the Open Offer, as long as you have not sold all of your Existing Ordinary Shares before 8.00 a.m. on 18 October 2019 (the time when the Existing Ordinary Shares are expected to be marked “ex-entitlement” by the London Stock Exchange).

3. I hold my Existing Ordinary Shares in certificated form. How do I know how many Open Offer Shares I am entitled to take up?

If you hold your Existing Ordinary Shares in certificated form and, subject to certain exceptions, do not have a registered address and are not located in the United States or another Excluded Territory, you have been sent an Application Form that shows:

- how many Existing Ordinary Shares you held at the close of business on 16 October 2019 (the Record Date for the Open Offer);
- how many Open Offer Shares are comprised in your Open Offer Entitlement; and
- how much you need to pay if you want to take up your right to buy all your entitlement to the Open Offer Shares.

Subject to certain exceptions, if you have a registered address in the United States or one of the Excluded Territories, you will not receive an Application Form.

If you would like to apply for any of, all of or more than the Open Offer Shares comprised in your Open Offer Entitlement you should complete the Application Form in accordance with the instructions printed on it and the information provided in this document. Please return the completed form in the reply-paid envelope provided with the Application Form along with a cheque or banker’s draft for the number of Open Offer Shares you want to apply for and allow at least four Business Days for delivery if sent by first class post from within the United Kingdom. Please also see questions 4 and 10 for further help in completing the Application Form.

4. I am a Qualifying Shareholder with a registered address in the UK and I hold my Existing Ordinary Shares in certificated form. What are my choices in relation to the Open Offer and what should I do with the Application Form?

(a) If you want to take up all of your Open Offer Entitlement

If you want to take up all of the Open Offer Shares to which you are entitled, all you need to do is sign and send the Application Form, together with your cheque or banker’s draft for the amount (as indicated in Box 8 of your Application Form), payable to “Link Market Services Limited Re: Bahamas Petroleum Company Plc Open Offer” and crossed “A/C payee only”, in the reply-paid envelope provided, by post or by hand (during normal business hours only) to Link Asset Services to arrive by no later than 11.00 a.m. on 1 November 2019. Within the United Kingdom only, you can use the accompanying reply-paid envelope. You should allow at least four Business Days for delivery if using first-class post within the United Kingdom. If posting from outside the United Kingdom, postage will be payable when using the reply-paid envelope.

Third-party cheques may not be accepted with the exception of building society cheques or banker’s drafts where the building society or bank has inserted details of the full name of the building society or

bank account holder and has added the building society or bank branch stamp or have provided a supporting letter confirming the source of funds. The account name should be the same as that shown on the Application Form. Post-dated cheques will not be accepted.

Full instructions are set out in the Application Form. A definitive share certificate will then be sent to you for the Open Offer Shares that you take up. Your definitive share certificate for Open Offer Shares is expected to be dispatched to you by no later than 13 November 2019.

(b) ***If you want to take up some but not all of your Open Offer Entitlement***

If you want to take up some but not all of the Open Offer Shares to which you are entitled, you should write the number of Open Offer Shares you want to take up in Box 2 of your Application Form; for example, if you are entitled to take up 100 shares but you only want to take up 50 shares, then you should write '50' in Box 2.

To work out how much you need to pay for the Open Offer Shares, you need to multiply the number of Open Offer Shares you want (in this example '50') by £0.02, which is the price in pounds of each Open Offer Share (giving you an amount of £1 in this example). You should write this amount in Box 5, rounding up to the nearest whole penny and this should be the amount your cheque or banker's draft is made out for. You should then sign and return your Application Form together with your cheque or banker's draft for that amount, payable to "Link Market Services Limited Re: Bahamas Petroleum Company Plc Open Offer" and crossed "A/C payee only", in the reply-paid envelope provided, by post, or by hand (during normal business hours only) to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, to arrive by no later than 11.00 a.m. on 1 November 2019, after which time the Application Form will not be valid. Within the United Kingdom only, you can use the accompanying reply-paid envelope. You should allow at least four Business Days for delivery if using first-class post or the reply-paid envelope within the United Kingdom. If posting from outside the United Kingdom, postage will be payable when using the reply-paid envelope. Full instructions are set out in Part IV of this document and will be set out in the Application Form.

(c) ***If you want to apply for more than your Open Offer Entitlement***

Provided that you have agreed to take up your Open Offer Entitlement in full, you can apply for further Open Offer Shares using the Excess Application Facility. You should write the number of Open Offer Shares you wish to take up in Box 2, which must be the number of Open Offer Shares shown in Box 7. You should then write the number of Open Offer Shares you wish to apply for under the Excess Application Facility in Box 3 and then complete Box 4 by adding together the numbers you have entered in Boxes 2 and 3.

To work out how much you need to pay for the Open Offer Shares, you need to multiply the number of Open Offer Shares shown in Box 4 by £0.02, which is the price in pounds of each Open Offer Share. You should write this amount in Box 5, rounding up to the nearest whole penny. You should then return your Application Form together with your cheque or banker's draft for that amount, payable to Link Market Services Limited re Bahamas Petroleum Company Plc Open Offer and crossed "A/C payee only", in the reply-paid envelope provided by post or by hand (during normal business hours only) to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, to arrive by no later than 11.00 a.m. on 1 November 2019, after which time the Application Form will not be valid. Within the United Kingdom only, you can use the accompanying reply-paid envelope. You should allow at least four Business Days for delivery if using first-class post or the reply paid envelope within the United Kingdom. If posting from outside the United Kingdom, postage will be payable when using the reply-paid envelope. Full instructions are set out in the Application Form.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take-up of Open Offer Entitlements, such applications will be scaled back *pro rata* to the number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility. As such, applications under the Excess Application Facility may not be satisfied in full. In this event Qualifying Shareholders will receive a pounds sterling amount equal to the number of Open Offer Shares applied and paid for by, but not allocated to, the relevant Qualifying Shareholder, multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable, without payment of interest and at the Applicant's sole risk either as a cheque by first class post to the

address set out on the Application Form or returned direct to the account of the bank or building society on which the relevant cheque or banker's draft was drawn as soon as practicable.

A definitive share certificate will be sent to you for the Open Offer Shares that you take up and otherwise successfully apply for using the Excess Application Facility. Your definitive share certificate for Open Offer Shares is expected to be dispatched to you by no later than 13 November 2019.

(d) ***If you do not want to take up your Open Offer Entitlement***

If you do not want to take up the Open Offer Shares to which you are entitled, you do not need to do anything. In these circumstances, you will not receive any Open Offer Shares. You will also not receive any money when the Open Offer Shares you could have taken up are placed, as would happen under a rights issue.

5. I hold my Existing Ordinary Shares in uncertificated form in CREST. What do I need to do in relation to the Open Offer?

CREST members should follow the instructions set out in Part IV of this document. Persons who hold Existing Ordinary Shares through a CREST member should be informed by such CREST member of the number of Open Offer Shares they are entitled to take up or apply for under their Open Offer Entitlement and their Excess CREST Open Offer Entitlement respectively, and should contact their CREST member should they not receive this information.

6. I acquired my Existing Ordinary Shares prior to the Record Date and hold my Existing Ordinary Shares in certificated form. What if I do not receive an Application Form or I have lost my Application Form?

If you do not receive an Application Form but hold your Existing Ordinary Shares in certificated form, this probably means that you are not able to acquire Open Offer Shares under the Open Offer. Some Qualifying non-CREST Shareholders, however, will not receive an Application Form but may still be eligible to acquire Open Offer Shares under the Open Offer, namely:

- Qualifying CREST Shareholders who held their Existing Ordinary Shares in uncertificated form on 16 October 2019 and who have converted them to certificated form prior to 4.30 p.m. on 28 October 2019;
- Shareholders who bought Existing Ordinary Shares before or on 16 October 2019 and who hold such ordinary shares in certificated form but were not registered as the holders of those shares at the close of business on 16 October 2019; and
- certain Overseas Shareholders.

7. If I buy Existing Ordinary Shares after the Record Date will I be eligible to participate in the Open Offer?

If you bought Existing Ordinary Shares after the Record Date you are unlikely to be able to participate in the Open Offer, as the Existing Ordinary Shares are expected to start trading ex-entitlement on the London Stock Exchange at 8.00 a.m. on 18 October 2019.

If you are in any doubt, please consult your stockbroker, bank or other appropriate financial adviser, or whoever arranged your share purchase, to ensure you claim your entitlement.

If you buy Existing Ordinary Shares at or after 8.00 a.m. on 18 October 2019, you will not be eligible to participate in the Open Offer in respect of those Existing Ordinary Shares.

8. What if I change my mind?

Once you have sent your Application Form and payment to the Receiving Agent, you cannot withdraw your application or change the number of Open Offer Shares for which you have applied.

9. What if the number of Open Offer Shares to which I am entitled is not a whole number? Am I entitled to fractions of Open Offer Shares?

Your entitlement to Open Offer Shares will be calculated at the Record Date. If the result is not a whole number, you will not receive an Open Offer Share in respect of the fraction of each Existing Ordinary Share and your entitlement will be rounded down to the nearest whole number.

10. I hold my Existing Ordinary Shares in certificated form. What should I do if I want to spend more or less than the amount set out in Box 8 of the Application Form?

If you want to spend more than the amount set out in Box 8 you should divide the amount you want to spend by £0.02 (being the price in pounds of each Open Offer Share under the Open Offer). This will give you the number of Open Offer Shares for which you should apply. You can only apply for a whole number of Open Offer Shares. For example, if you want to spend £300 you should divide £300 by £0.02, which comes to 15,000. Write the total number of Open Offer Shares (in this example 15,000) in Box 4. To get an accurate amount to put on your cheque or banker's draft, you should multiply the whole number of Open Offer Shares you want to apply for (15,000) by £0.02 and then fill in that amount rounded up to the nearest whole penny (in this example being £300), in Box 5 and on your cheque or banker's draft accordingly.

You should note that the number of available Open Offer Shares under the Excess Application Facility is dependent on the level of take-up of Open Offer Entitlements. If applications are received for more than the available number of Open Offer Shares, applications made under the Excess Application Facility will be scaled back *pro rata* to the number of Excess Shares applied for by Qualifying Shareholders. Assuming that there are no Overseas Shareholders who have registered addresses in, or are residents in or citizens of an Excluded Territory, and if every Qualifying Shareholder takes up their Open Offer Entitlements in full there will be no Open Offer Shares available under the Excess Application Facility. Qualifying non-CREST Shareholders whose applications under the Excess Application Facility are so scaled back will receive a pounds sterling amount equal to the number of Open Offer Shares applied and paid for by, but not allocated to, them multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable, without payment of interest and at the Applicant's sole risk either as a cheque by first class post to the address set out on the Application Form or returned direct to the account of the bank or building society on which the relevant cheque or banker's draft was drawn as soon as practicable.

If you want to spend less than the amount set out in Box 8, you should divide the amount you want to spend by £0.02 (being the price, in pounds, of each Open Offer Share under the Open Offer). This will give you the number of Open Offer Shares you should apply for. You can only apply for a whole number of Open Offer Shares. For example, if you want to spend £300 you should divide £300 by £0.02. You should round that down to the nearest whole number (in this example, 15,000), to give you the number of shares you want to take up. Write that number (in this example, 15,000) in Box 4. Then to get an accurate amount to put on your cheque or banker's draft, you should multiply the whole number of Open Offer Shares you want to apply for (in this example, 15,000) by £0.02 and then fill in that amount rounded up to the nearest whole penny (in this example being £300 in Box 5 and on your cheque or banker's draft accordingly).

11. I hold my Existing Ordinary Shares in certificated form. What should I do if I have sold some or all of my Existing Ordinary Shares?

If you hold shares in the Company directly and you sell some or all of your Existing Ordinary Shares before or on 18 October 2019, you should contact the buyer or the person/company through whom you sell your shares. The buyer may be entitled to apply for Open Offer Shares under the Open Offer. If you sell any of your Existing Ordinary Shares on or after 16 October 2019, you may still take up and apply for the Open Offer Shares as set out on your Application Form.

12. I hold my Existing Shares in certificated form. How do I pay?

You should return your Application Form with a cheque or banker's draft drawn in pounds sterling on a UK bank or building society account in the accompanying reply-paid envelope (from within the United Kingdom). You should allow at least four Business Days for delivery if using first-class post within the United Kingdom. It is recommended that cheques should be drawn on a personal account of the Qualifying Shareholder who is applying for the Open Offer Shares or you may be required to supply additional documentation to satisfy Money Laundering Regulations. The funds should be made payable to "Link Market Services Limited:

Bahamas Petroleum Company Plc Open Offer". In each case, the cheque should be crossed "A/C Payee only". Payments via CHAPS, BACS or electronic transfer will not be accepted.

Third-party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has inserted details of the full name of the building society or bank account holder and has added the building society or bank branch stamp or have provided a supporting letter confirming the source of funds. The account name should be the same as that shown on the Application Form. Post-dated cheques will not be accepted.

13. Will the Existing Ordinary Shares that I hold now be affected by the Open Offer?

If you decide not to apply for any of the Open Offer Shares to which you are entitled under the Open Offer, or only apply for some of your entitlement, your proportionate ownership and voting interest in the Company will be reduced.

14. I hold my Existing Ordinary Shares in certificated form. Where do I send my Application Form?

You should send your completed Application Form and monies in the accompanying reply-paid envelope (from within the United Kingdom) by post or by hand to: Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU. You should allow at least four Business Days for delivery if using first class post within the United Kingdom.

If you do not want to take up or apply for Open Offer Shares then you need take no further action.

15. I hold my Existing Ordinary Shares in certificated form. When do I have to decide whether I want to apply for Open Offer Shares?

The Receiving Agent must receive your completed Application Form and cheque or banker's draft by 11.00 a.m. on 1 November 2019. You should allow at least four Business Days for delivery if using first-class post or the reply-paid envelope included with the Application Form, within the United Kingdom.

16. I hold my Existing Ordinary Shares in certificated form. If I take up my entitlements, when will I receive the certificate representing my Open Offer Shares?

It is expected that the Registrar will post all new share certificates by 13 November 2019.

17. What should I do if I think my holding of Existing Ordinary Shares (as shown in Box 6 on page 1 of the Application Form) is incorrect?

If you bought or sold Existing Ordinary Shares shortly before the Record Date, your transaction may not have been entered on the register of members before the Record Date for the Open Offer. If you bought Existing Ordinary Shares on or before 16 October 2019 but were not registered as the holder of those shares on the Record Date for the Open Offer (16 October 2019), you may still be eligible to participate in the Open Offer. If you are in any doubt, please contact your stockbroker, bank or other appropriate financial adviser, or whoever arranged your share purchase, to ensure that you claim your entitlement. You will not be entitled to Open Offer Entitlements in respect of any Existing Ordinary Shares acquired on or after 18 October 2019.

18. Will the Open Offer affect dividends on the Existing Ordinary Shares?

The Open Offer Shares will, when issued and fully paid, rank equally in all respects with Existing Ordinary Shares, including the right to receive all dividends or other distributions made, paid or declared, if any, by reference to a record date after the date of their issue.

19. What should I do if I live outside the United Kingdom?

Your ability to apply to acquire Open Offer Shares may be affected by the laws of the country in which you live and you should take professional advice as to whether you require any governmental or other consents or need to observe any other formalities to enable you to take up your Open Offer Entitlement. Shareholders

with registered addresses or who are located in the United States or another Excluded Territory are, subject to certain exceptions, not eligible to participate in the Open Offer. Your attention is drawn to the information in paragraph 6 of Part IV of this document.

20. How do I transfer my entitlements into the CREST system?

If you are a Qualifying non-CREST Shareholder, but are a CREST member and want your Open Offer Shares to be in uncertificated form, you would complete the CREST deposit form (Box 13 on page 4 of the Application Form), and ensure they are delivered to CCSS to be received by 3.00 p.m. on 29 October 2019 at the latest. CREST sponsored members should arrange for their CREST sponsors to do this.

If you have transferred your entitlements into the CREST system, you should refer to Part IV of this document for details on how to pay for the Open Offer Shares.

21. Do I need to comply with the Money Laundering Regulations (as set out in paragraph 5 of Part IV of this document)?

If you are a Qualifying non-CREST Shareholder, you do not need to follow these procedures if the value of the Open Offer Shares you are acquiring is less than €15,000 (or its pounds sterling equivalent) and if you pay for them by a cheque drawn on an account in your own name and that account is one which is held with an EU or United Kingdom regulated bank or building society. If you are a Qualifying CREST Shareholder, you will not generally need to comply with the Money Laundering Regulations unless you apply to take up all or some of your entitlement to Open Offer Entitlements as agent for one or more persons and you are not an EU or United Kingdom regulated financial institution.

Qualifying non-CREST Shareholders should refer to paragraph 5.1 of Part IV of this document and Qualifying CREST Shareholders should refer to paragraph 5.2 of Part IV of this document for a fuller description of the requirements of the Money Laundering Regulations.

22. Further assistance

Should you require further assistance please call Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

PART IV

TERMS AND CONDITIONS OF THE OPEN OFFER

Open Offer of up to 338,543,819 Open Offer Shares at a price of 2 pence per Share

1. Introduction

As explained in Part I of this document, the Company is proposing to issue up to 338,543,819 Open Offer Shares pursuant to the Open Offer to raise gross proceeds of up to £6,770,876.

Upon completion of the Open Offer, assuming a full take up under the Open Offer, the Open Offer Shares will represent approximately 16.67 per cent. of the Enlarged Share Capital. Qualifying Shareholders are being offered the opportunity under the Open Offer to acquire Open Offer Shares at the Issue Price.

This document and, where relevant, the accompanying Application Form contain the formal terms and conditions of the Open Offer.

2. The Open Offer

Subject to the terms and conditions set out below and, where relevant, in the Application Form, the Company hereby invites Qualifying Shareholders to apply for Open Offer Shares at the Issue Price, payable in full in cash on application, free of all expenses, on the basis of:

- (a) 1 Open Offer Share for every 5 Existing Ordinary Shares held by them and registered in their names at the close of business on the Record Date and so in proportion for any other number of Existing Ordinary Shares then held; and
- (b) further Open Offer Shares in excess of their Open Offer Entitlement through the Excess Application Facility (although such Open Offer Shares will only be allotted to the extent that not all Qualifying Shareholders apply for their Open Offer Entitlement in full).

Holdings of Existing Ordinary Shares in both certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer.

Fractions of Open Offer Shares will not be allocated to Qualifying Shareholders and entitlements to apply for Open Offer Shares will be rounded down to the nearest whole number of Open Offer Shares.

Qualifying Shareholders may apply for any whole number of Open Offer Shares up to their Open Offer Entitlement, which, in the case of Qualifying non-CREST Shareholders, is equal to the number of Open Offer Entitlements as shown on their Application Form or, in the case of Qualifying CREST Shareholders, is equal to the number of Open Offer Entitlements standing to the credit of their stock account in CREST and, if they so wish, may apply for Open Offer Shares in excess of their Open Offer Entitlement. Accordingly, applications in excess of the Open Offer Entitlements will only be satisfied to the extent that applications made by other Qualifying Shareholders are for less than their full Open Offer Entitlement and may therefore be scaled down *pro rata* to the number of Excess Shares applied for under the Open Offer, or otherwise at the absolute discretion of the Company. Any monies paid for applications in excess of their Open Offer Entitlements which are not so satisfied will be returned to the Applicant without interest within 14 days by way of cheque or CREST payment, as appropriate. The action to be taken in relation to the Open Offer depends on whether, at the time at which application and payment is made, you have an Application Form in respect of your entitlement under the Open Offer or have Open Offer Entitlements credited to your stock account in CREST in respect of such entitlement.

Not all Shareholders will be Qualifying Shareholders. Overseas Shareholders who are located in, or who are citizens of, or have a registered address in certain overseas jurisdictions (including, without limitation, any Excluded Territory) will not qualify to participate in the Open Offer. The attention of Overseas Shareholders or any person (including, without limitation, a custodian, nominee or trustee) who has a contractual or other legal obligation to forward this document into a jurisdiction other than the United Kingdom is drawn to paragraph 6 of this Part IV.

If you have received an Application Form with this document please refer to paragraph 4.1 and paragraphs 5 to 7 of this Part IV.

If you hold your Existing Ordinary Shares in CREST and have received a credit of Open Offer Entitlements to your CREST stock account, please refer to paragraph 4.2 and paragraphs 5 to 7 of this Part IV and also to the CREST Manual for further information on the CREST procedures referred to below.

The Open Offer Shares will be issued fully paid and will be identical to, and rank *pari passu* in all respects with, the Existing Ordinary Shares and will rank for all dividends or other distributions declared, made or paid after the date of issue of the Open Offer Shares. No temporary documents of title will be issued.

Application will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM. It is expected that Admission will become effective on 6 November 2019 and that dealings for normal settlement in the Open Offer Shares will commence at 8.00 a.m. on 6 November 2019. It is expected that the results of the Open Offer will be announced at 07:00 on 6 November 2019.

Shareholders should be aware that the Open Offer is not a rights issue. Entitlements to Open Offer Shares will neither be tradeable nor sold in the market for the benefit of Qualifying Shareholders who do not apply for them in the Open Offer.

Qualifying CREST Shareholders should note that although the Open Offer Entitlements and Excess Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying CREST Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's Claims Processing Unit. Qualifying non-CREST Shareholders should note that the Application Form is not a negotiable document and cannot be traded.

Before making any decision to acquire Open Offer Shares, you are asked to read and carefully consider all of the information in this document, including in particular the important information set out in the letter from the Chairman of the Company in Part I of this document, as well as this paragraph 2 of this Part IV and the Risk Factors set out in Part II of this document. Shareholders who do not participate in the Open Offer will be subject to dilution of their existing Bahamas Petroleum Company shareholdings. The material terms of the Open Offer are contained in paragraph 9 of Part I of this document.

3. Conditions of the Open Offer

The Open Offer is conditional on Admission becoming effective by no later than 8.00 a.m. on 6 November 2019 (or such later date as the Company may determine, being not later than 8.00 a.m. on 20 November 2019).

Accordingly, if this condition is not satisfied or waived (where capable of waiver), the Open Offer will not proceed and any applications made by Qualifying Shareholders will be rejected. In such circumstances, application monies will be returned (at the applicant's sole risk), without payment of interest, as soon as practicable, but within 14 days, thereafter. Any Open Offer Entitlements admitted to CREST will thereafter be disabled.

4. Procedure for application and payment

Save as provided in paragraph 6 of this Part IV in relation to Overseas Shareholders, the action to be taken by you in respect of the Open Offer depends on whether at the relevant time you have an Application Form in respect of your Open Offer Entitlements, including the Excess Application Facility, or you have Open Offer Entitlements and Excess Open Offer Entitlements credited to your CREST account in respect of such entitlements.

Qualifying Shareholders who hold part of their Existing Ordinary Shares in uncertificated form on the Record Date will be allotted Open Offer Shares in uncertificated form to the extent that their entitlement to Open Offer Shares arises as a result of holding Existing Ordinary Shares in uncertificated form. Further information on deposit into CREST is set out in paragraph 4.2.6 of this Part IV.

CREST sponsored members should refer to their CREST sponsor, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Open Offer Entitlements and Excess CREST Open Offer Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Open Offer Entitlements in CREST should refer to the CREST manual for further information on the CREST procedures referred to below.

4.1 **Action to be taken if you have an Application Form in respect of your entitlement under the Open Offer**

4.1.1 *General*

Each Qualifying non-CREST Shareholder will have received an Application Form accompanying this document. The Application Form shows the number of Existing Ordinary Shares registered in the relevant Qualifying non-CREST Shareholder's name at the close of business on the Record Date. It also shows the number of Open Offer Shares for which such relevant Qualifying non-CREST Shareholder is entitled to apply under the Open Offer, calculated on the basis set out in paragraph 2 above. Qualifying non-CREST Shareholders may also apply for less than their maximum Open Offer Entitlements.

The Excess Application Facility enables Qualifying Shareholders who have taken up their full Open Offer Entitlement to apply for Open Offer Shares in excess of their Open Offer Entitlement. Applications in excess of the Open Offer Entitlement will only be satisfied to the extent that applications made by other Qualifying Shareholders are less than their full Open Offer Entitlements and may therefore be scaled down.

Fractions of Open Offer Shares will not be issued under the Excess Application Facility and fractions of Open Offer Shares will be rounded down to the nearest whole number.

4.1.2 *Procedure for application*

Applications for Open Offer Shares (including under the Excess Application Facility) by Qualifying non-CREST Shareholders may only be made on the Application Form, which is personal to the Qualifying non-CREST Shareholder(s) named on it and is not capable of being split, assigned or transferred except in the circumstances described below.

Qualifying non-CREST Shareholders may also apply for Excess Shares in excess of their *pro rata* entitlement to Open Offer Shares by completing Boxes 3 and 4 of the Application Form for the total number of Open Offer Shares for which they wish to make application (including their *pro rata* entitlement) and submitting the amount payable on such application. Further details on the Excess Application Facility are set out in paragraph 4.1.4 of this Part IV.

A Qualifying non-CREST Shareholder who does not wish to apply for any of the Open Offer Shares to which he or she is entitled should not return a completed Application Form to the Receiving Agents.

The Application Form represents a right personal to the Qualifying non-CREST Shareholder to apply to subscribe for Open Offer Shares (including under the Excess Application Facility); it is not a document of title and it cannot be traded. It is assignable or transferable only to satisfy *bona fide* market claims in relation to purchases in the market pursuant to the rules and regulations of the London Stock Exchange. Application Forms may be split up to 3.00 p.m. on 30 October 2019 but only to satisfy such *bona fide* market claims. Qualifying non-CREST Shareholders who have before the 'ex' date sold or transferred all or part of their shareholdings are advised to consult their stockbroker, bank or agent through whom the sale or transfer was effected or another professional adviser authorised under the FSMA as soon as possible, since the invitation to apply for Open Offer Shares (including under the Excess Application Facility) may represent a benefit which can be claimed from them by the purchaser(s) or transferee(s) under the rules of the London Stock Exchange.

Qualifying non-CREST Shareholders who submit a valid application using the Application Form and accompanying payment will (subject to the terms and conditions set out in this Part IV, in the letter from the Chairman of the Company in Part I and in the Application Form) be allocated

the Open Offer Shares applied for in full at the Issue Price (subject to the Company's discretion to accept, reject or scale back any application for any Open Offer Shares).

Applications will be irrevocable and, once submitted, may not be withdrawn and their receipt will not be acknowledged. The Company reserves the right to treat any application not strictly complying with the terms and conditions of application as nevertheless valid.

The Company may in its sole discretion, but shall not be obliged to, treat an Application Form as valid and binding on the person by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required, or if it otherwise does not strictly comply with the terms and conditions of the Open Offer.

Multiple applications will not be accepted. All documents and remittances sent by post by or to an Applicant (or as the Applicant may direct) will be sent at the Applicant's own risk.

If Open Offer Shares have already been allotted to a Qualifying non-CREST Shareholder and such Qualifying non-CREST Shareholder's cheque or banker's draft is not honoured upon first presentation or such Qualifying non-CREST Shareholder's application is subsequently otherwise deemed to be invalid, the Company shall arrange (in its absolute discretion as to manner, timing and terms) to make arrangements for the sale of such Qualifying non-CREST Shareholder's Open Offer Shares and for the proceeds of sale (which for these purposes shall be deemed to be payments in respect of successful applications) to be paid to and retained by the Company. None of the Registrar, the Company or any other person shall be responsible for, or have any liability for, any loss, expense or damage suffered by such Qualifying non-CREST Shareholders.

If you are a Qualifying non-CREST Shareholder and wish to apply for all or part of the Open Offer Shares to which you are entitled (including any application for any Excess Shares under the Excess Application Facility) you should complete and sign the Application Form in accordance with the instructions printed on it and return it, either by post or by hand (during normal business hours only) together with a pounds sterling cheque or banker's draft to the value of the Open Offer Shares applied for on the Application Form, to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU as soon as practicable and, in any event, so as to be received not later than 11.00 a.m. on 1 November 2019 after which time Application Forms will not be accepted. The cheque or banker's draft must be drawn on a United Kingdom branch of a qualifying bank or building society, as further described below. Your Application Form will not be valid unless you sign it. If you post your Application Form by first class post in the UK, or in the accompanying reply-paid envelope, you are advised to allow at least four Business Days for delivery.

4.1.3 *Payments*

Cheques must be drawn on the personal account to which you have sole or joint title to the funds. Your cheque or banker's draft should be made payable to "Link Market Services Limited re Bahamas Petroleum Company Plc Open Offer" and crossed "A/C Payee only". Payments must be made by cheque or banker's draft in pounds sterling drawn on an account at a branch (which must be in the United Kingdom, the Channel Islands or the Isle of Man) of a bank or building society which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through facilities provided by either of these companies and must bear the appropriate sorting code in the top right-hand corner. Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed on the back of the building society cheque or banker's draft the name of the account holder (which must be the same name as printed on the Application Form) and their title to funds by stamping and endorsing the building society cheque/banker's draft to such effect. Any application or purported application may be rejected unless these requirements are fulfilled. Post-dated cheques will not be accepted.

Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity (and withhold definitive share certificates (or crediting to the relevant member account, as applicable) pending clearance thereof). No interest will be paid on payments made before they are due. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid applications in respect of which cheques are not so honoured. All documents, cheques and banker's drafts sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted.

If cheques or banker's drafts are presented for payment before the conditions of the Open Offer are fulfilled, the application monies will be credited to a non-interest-bearing account by the Receiving Agent. If the Open Offer does not become unconditional, no Open Offer Shares will be issued and all monies will be returned (at the Applicant's sole risk), without payment of interest, to Applicants as soon as practicable following the lapse of the Open Offer.

The Company shall as soon as practicable following 6 November 2019 refund any payment received with respect to an application for a number of Open Offer Shares in respect of an Open Offer Entitlement which has been rejected in whole or in part by the Company.

4.1.4 *The Excess Application Facility*

The Excess Application Facility enables Qualifying Shareholders who have taken up their Open Offer Entitlement to apply for Open Offer Shares.

Qualifying non-CREST Shareholders who wish to apply for Open Offer Shares in excess of their Open Offer Entitlement must complete the Application Form in accordance with the instructions set out on the Application Form.

Should the Open Offer become unconditional and applications for Open Offer Shares exceed the 338,543,819 Open Offer Shares being made available to Qualifying Shareholders as a result of applications made in respect of the Excess Application Facility, resulting in a scaling back of applications, each Qualifying non-CREST Shareholder who has made a valid application for Open Offer Shares under the Excess Application Facility and from whom payment in full for such Open Offer Shares has been received in cleared funds will receive a pounds sterling amount equal to the number of Open Offer Shares applied and paid for under the Excess Application Facility but not allocated to the relevant Qualifying non-CREST Shareholder multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable, without payment of interest and at the Applicant's sole risk.

Fractions of Open Offer Shares will not be issued under the Excess Application Facility and fractions of Open Offer Shares will be rounded down to the nearest whole number.

4.1.5 *Effect of application*

By completing and delivering an Application Form you (as the Applicant(s)):

- (i) agree that your application, the acceptance of your application and the contract resulting therefrom under the Open Offer shall be governed by, and construed in accordance with, the laws of England and Wales;
- (ii) confirm that in making the application you are not relying on any information or representation other than those contained in this document and the Application Form and you, accordingly, agree that no person responsible solely or jointly for this document or any part of it shall have any liability for any information or representation not contained in this document and that having had the opportunity to read this document you will be deemed to have notice of all the information concerning the Group contained within this document;
- (iii) represent and warrant that you are not citizen(s) or resident(s) of an Excluded Territory or any other jurisdiction in which the application for Open Offer Shares is prevented by law and are not applying on behalf of, or with a view to the re-offer, re-sale or delivery of Open Offer Shares directly or indirectly in, into or within an Excluded Territory or to a resident

of an Excluded Territory or to any person you believe is purchasing or subscribing for the purpose of such re-offer, re-sale or delivery;

- (iv) represent and warrant that you are not otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of such person(s) on a non-discretionary basis; and
- (v) will also be asked whether or not you can represent and warrant as follows: (i) you have not received the Application Form or any other document relating to the Open Offer in an Excluded Territory, nor have you mailed, transmitted or otherwise distributed or forwarded any such document in or into an Excluded Territory; (ii) you are not and were not located in an Excluded Territory at the time you accepted the Application Form or at the time you returned the Application Form; and (iii) if you are acting in a fiduciary, agency or other capacity as an intermediary, then either (A) you have full investment discretion with respect to the Open Offer Shares covered by the Application Form or (B) the person on whose behalf you are acting was located outside an Excluded Territory at the time he or she instructed you to submit the Application Form.

If you are unable to provide such representations and warranties you will be deemed not to have validly submitted an application for Open Offer Shares, save in the discretion of the Company and subject to certain conditions.

You should note that applications will be irrevocable. The Company reserves the right (but shall not be obliged) to treat any application not strictly complying in all respects with the terms and conditions of application as nevertheless valid. If you do not wish to apply for Open Offer Shares under the Open Offer you should not complete or return the Application Form.

All enquiries in connection with the Application Form should be addressed to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU. If you have any questions relating to this document, and the completion and return of the Application Form, please telephone Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

4.2 Action to be taken if you have Open Offer Entitlements and Excess Open Offer Entitlements credited to your stock account in CREST in respect of your entitlement under the Open Offer

4.2.1 General

Save as provided in paragraph 6 of this Part IV in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to his stock account in CREST of his Open Offer Entitlements equal to the maximum number of Open Offer Shares to which he is entitled under the Open Offer. Qualifying CREST Shareholders may also apply for Open Offer Shares in excess of their Open Offer Entitlement under the Excess Application Facility. Further details of Excess Open Offer Entitlements can be found in paragraph 4.2.10 of this Part IV.

The CREST stock account to be credited will be an account under the Participant ID and Member ID that apply to the Existing Ordinary Shares held on the Record Date by the Qualifying CREST Shareholder in respect of which the Open Offer Entitlements and Excess Open Offer Entitlements have been allocated.

If for any reason the Open Offer Entitlements cannot be admitted to CREST by, or the stock accounts of Qualifying CREST Shareholders cannot be credited by, 3.00 p.m. or such later time as the Company may decide, on 22 October 2019, an Application Form will be sent out to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlements and Excess Open Offer Entitlements credited to his stock account in CREST. In these circumstances the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Qualifying non-CREST

Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive Application Forms.

Qualifying CREST Shareholders who wish to apply for some or all of their entitlements to Open Offer Shares (including any applications for Excess CREST Open Offer Entitlements) should refer to the CREST Manual for further information on the CREST procedures referred to below. If you have any questions relating to the procedure for acceptance, please telephone Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for Open Offer Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

4.2.2 *Procedure for application and payment*

The Open Offer Entitlements and Excess Open Offer Entitlements will have a separate ISIN and constitute a separate security for the purposes of CREST. Although Open Offer Entitlements and Excess Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements and Excess Open Offer Entitlements may only be made by the Qualifying CREST Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction. Transactions identified by the CREST Claims Processing Unit as “cum” the Open Offer Entitlement will generate an appropriate market claim transaction and the relevant Open Offer Entitlement(s) and Excess Open Offer Entitlement(s) will thereafter be transferred accordingly.

4.2.3 *USE instructions*

Qualifying CREST Shareholders who wish to apply for Open Offer Shares in respect of all or some of their Open Offer Entitlements and Excess Open Offer Entitlements in CREST must send (or if they are CREST sponsored members, procure that their CREST sponsor sends) an Unmatched Stock Event (“USE”) instruction to Euroclear which, on its settlement, will have the following effect:

- (i) the crediting of a stock account of the Receiving Agent under the Participant ID and Member Account ID specified below, with the number of Open Offer Entitlements or Excess CREST Open Offer Entitlements corresponding to the number of Open Offer Shares applied for (subject to paragraph 4.2.10 of this Part IV); and
- (ii) the creation of a CREST payment in accordance with the CREST payment arrangements in favour of the payment bank of the Receiving Agent in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of Open Offer Shares or Excess Shares referred to in sub-paragraph (i) above.

4.2.4 *Content of USE instructions in respect of Open Offer Entitlements*

The USE instruction must be properly authenticated in accordance with Euroclear’s specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Open Offer Shares for which application is being made (and hence the number of Open Offer Entitlement(s) being delivered to the Receiving Agent);
- (ii) the ISIN of the Open Offer Entitlements, which is IM00BHR3YB95;
- (iii) the Participant ID of the accepting CREST member;
- (iv) the Member Account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
- (v) the Participant ID of the Receiving Agent, in its capacity as a CREST receiving agent, which is 7RA33;

- (vi) the Member Account ID of the Receiving Agent in its capacity as a CREST receiving agent, which is 20411BAH in respect of the Open Offer Entitlement;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction, which must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above;
- (viii) the intended settlement date, which must be on or before 11.00 a.m. on 1 November 2019; and
- (ix) the Corporate Action Number for the Open Offer, which will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 1 November 2019.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

- (i) a contact name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 1 November 2019 in order to be valid is 11.00 a.m. on that day.

4.2.5 *Contents of USE instructions in respect of Excess CREST Open Offer Entitlements*

The USE Instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Open Offer Shares for which application is being made (and hence the number of Excess CREST Open Offer Entitlement(s) being delivered to the Receiving Agent);
- (ii) the ISIN of the Excess CREST Open Offer Entitlement, which is IM00BHR3Y970;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Excess CREST Open Offer Entitlements are to be debited;
- (v) the Participant ID of the Receiving Agent, in its capacity as a CREST receiving agent, which is 7RA33;
- (vi) the Member Account ID of Receiving Agent in its capacity as a CREST receiving agent, which is 20411BAH;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction which must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above;
- (viii) the intended settlement date, which must be before 11.00 a.m. on 1 November 2019; and
- (ix) the Corporate Action Number for the Open Offer, which will be available by viewing the relevant corporate action details in CREST.

In order for an application in respect of an Excess CREST Open Offer Entitlement under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 1 November 2019.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) should add the following non-mandatory fields to their USE instruction:

- (i) a contact name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 1 November 2019 in order to be valid is 11.00 a.m. on that day. Please note that automated CREST generated claims and buyer protection will not be offered on the Excess CREST Open Offer Entitlement security.

In the event that Open Offer does not become unconditional by 8.00 a.m. on 6 November 2019 or such later time and date as the Company may determine (being no later than 8.00 a.m. on 20 November 2019), the Open Offer will lapse, the Open Offer Entitlements and Excess Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, within 14 days. The Open Offer cannot be revoked once all conditions have been satisfied.

4.2.6 *Deposit of Open Offer Entitlements into, and withdrawal from, CREST*

A Qualifying non-CREST Shareholder's entitlement under the Open Offer as shown by the number of Open Offer Entitlements set out in his Application Form may be deposited into CREST (either into the account of the Qualifying Shareholder named in the Application Form or into the name of a person entitled by virtue of a *bona fide* market claim). Similarly, Open Offer Entitlements and Excess Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer is reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal as are set out in the Application Form.

The holder of an Application Form who is proposing so to deposit the Open Offer Entitlements set out in such form is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements and Excess Open Offer Entitlements following their deposit into CREST to take all necessary steps in connection with taking up such entitlements prior to 11.00 a.m. on 1 November 2019.

In particular, having regard to normal processing times in CREST and on the part of the Registrars, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Open Offer Entitlements in CREST, is 3.00 p.m. on 29 October 2019, and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements and Excess Open Offer Entitlements from CREST is 4.30 p.m. on 28 October 2019, in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements and Excess Open Offer Entitlements following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements and Excess Open Offer Entitlements prior to 11.00 a.m. on 1 November 2019.

Delivery of an Application Form with the CREST deposit form duly completed whether in respect of a deposit into the account of the Qualifying non-CREST Shareholder named in the Application Form or into the name of another person, shall constitute a representation and warranty to the Company and the Registrar by the relevant CREST member(s) that it/they is/are not in breach of the provisions of the notes under the paragraph headed "Instructions for depositing entitlements under the Open Offer into CREST" on page 2 of the Application Form, and a declaration to the Company and the Registrar from the relevant CREST member(s) that it/they is/are not citizen(s) or resident(s) of an Excluded Territory and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant

CREST member(s) is/are entitled to apply under the Open Offer by virtue of a *bona fide* market claim.

4.2.7 *Validity of application*

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 1 November 2019 will constitute a valid application under the Open Offer.

4.2.8 *CREST procedures and timings*

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 1 November 2019. In this connection CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST manual concerning practical limitations of the CREST system and timings.

4.2.9 *Incorrect or incomplete applications*

If a USE instruction includes a CREST payment for an incorrect sum, the Company through the Receiving Agent reserves the right:

- (i) to reject the application in full and refund the payment to the CREST member in question;
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question (without interest); and
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all the Open Offer Shares referred to in the USE instruction refunding any unutilised sum to the CREST member in question (without interest).

4.2.10 *The Excess Application Facility*

Provided that a Qualifying CREST Shareholder chooses to take up their Open Offer Entitlement in full, the Excess Application Facility enables Qualifying CREST Shareholders to apply for Open Offer Shares in excess of their Open Offer Entitlements.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take-up of Open Offer Entitlements, such applications will be scaled back *pro rata* to the number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility. An Excess CREST Open Offer Entitlement may not be sold or otherwise transferred. Subject as provided in paragraph 6 of this Part IV in relation to certain Overseas Shareholders, the CREST accounts of Qualifying CREST Shareholders will be credited with an Excess CREST Open Offer Entitlement in order for any applications for Excess Shares to be settled through CREST. The credit of such Excess CREST Open Offer Entitlement does not in any way give Qualifying CREST Shareholders a right to the Open Offer Shares attributable to the Excess CREST Open Offer Entitlement as an Excess CREST Open Offer Entitlement is subject to scaling back in accordance with the terms of this document.

To apply for Excess Shares pursuant to the Open Offer, Qualifying CREST Shareholders should follow the instructions above. Should a transaction be identified by the CREST Claims Processing Unit as “cum” the Open Offer Entitlement and the relevant Open Offer Entitlement(s) be transferred, the Excess CREST Open Offer Entitlements will not transfer with the Open Offer Entitlement(s) claim. In such circumstances the Qualifying CREST Shareholder should contact Link Asset Services by telephone on the number stated in Note (1) on page 6 who will arrange

for the additional Excess Shares to be credited to the relevant CREST account of the Qualifying CREST Shareholder. Please note that an additional USE instruction must be sent in respect of any application under the Excess CREST Open Offer Entitlement.

Should the Open Offer become unconditional and applications for Open Offer Shares by Qualifying Shareholders under the Open Offer exceed the number of Open Offer Shares being made available, resulting in a scale back of applications under the Excess Application Facility, each Qualifying CREST Shareholder who has made a valid application for Excess Shares under the Excess Application Facility, and from whom payment in full for the Excess Shares has been received, will receive a pounds sterling amount equal to the number of Open Offer Shares validly applied and paid for but which are not allocated to the relevant Qualifying CREST Shareholder multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable, without payment of interest, and at the Applicant's sole risk.

Fractions of Open Offer Shares will not be issued under the Excess Application Facility and fractions of Open Offer Shares will be rounded down to the nearest whole number.

4.2.11 *Effect of valid application*

A CREST member who makes or is treated as making a valid application in accordance with the above procedures will thereby:

- (i) pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to the Receiving Agent's payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);
- (ii) request that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this document and subject to the Articles;
- (iii) agree that all applications and contracts resulting therefrom under the Open Offer shall be governed by, and construed in accordance with, the laws of England and Wales;
- (iv) represent and warrant that he is not applying on behalf of any Shareholder, who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of an Excluded Territory and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of this application to, or for the benefit of, a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of an Excluded Territory nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
- (v) represent and warrant that he is not, nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in Section 93 (depository receipts) or Section 96 (clearance services) of the Finance Act 1986;
- (vi) confirm that in making such application he is not relying on any information or representation other than those contained in this document and agrees that no person responsible solely or jointly for this document or any part thereof or involved in the preparation thereof, shall have any liability for any information or representation not contained in this document and further agree that having had the opportunity to read this document he will be deemed to have had notice of all the information concerning the Group contained therein; and
- (vii) represent and warrant that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlements or that he has received such Open Offer Entitlements and Excess Open Offer Entitlements by virtue of a *bona fide* market claim.

4.2.12 *Company's discretion as to rejection and validity of applications*

The Company may in its sole discretion:

- (i) treat as valid (and binding on the CREST member concerned) an application which does not strictly comply in all respects with the requirements as to validity set out or referred to in this paragraph 4 of this Part IV;
- (ii) accept an alternative properly authenticated, dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;
- (iii) treat a properly authenticated dematerialised instruction (in this sub-paragraph the "first instruction") as not constituting a valid application if, at the time at which the Registrar receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or the Receiving Agent have received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
- (iv) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Open Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Registrar in connection with CREST.

If you have any doubt as to the procedure for acceptance and payment you should contact Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

4.2.13 *Issue of Open Offer Shares in CREST*

Open Offer Entitlements and Excess Open Offer Entitlements held in CREST are expected to be disabled in all respects after the close of business on 1 November 2019. If the conditions to the Open Offer described above are satisfied, Open Offer Shares will be issued in uncertificated form to those persons who submitted a valid application for Open Offer Shares by utilising the CREST application procedures and whose applications have been accepted by the Company on the day on which such conditions are satisfied. On this day, the Receiving Agent will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' Open Offer Entitlements with effect from Admission. The stock accounts to be credited will be accounts under the same Participant IDs and Member Account IDs in respect of which the USE instruction was given.

5. Money Laundering Regulations

5.1 Holders of Application Forms

It is a term of the Open Offer that, in order to ensure compliance with the Money Laundering Regulations (the "Regulations"), the Registrar may require verification of the identity of the person by whom or on whose behalf an Application Form is lodged with payment (which requirements are referred to below as the "verification of identity").

The verification of identity requirements pursuant to the Regulations will apply to applications with a value of €15,000 (or its Pound Sterling equivalent) or greater, or to one of a series of linked applications whose aggregate value exceeds that amount, and in the case of such applications verification of the identity of Applicant(s) for Open Offer Shares may be required.

If within a reasonable period of time following a request, for verification of identity, but in any event by 11.00 a.m. on 1 November 2019, the Receiving Agent has not received evidence satisfactory to it, the Company may, in its absolute discretion, elect not to treat as valid the relevant application, in which event the money payable or paid in respect of the application will be returned (without interest and at the Applicant's risk) to the account of the drawee bank or building society from which sums were originally debited (but in each case without prejudice to any rights the Company may have to take proceedings in respect of loss or damage suffered or incurred by it as a result of the failure to produce satisfactory evidence as aforesaid).

In order to avoid this, payment should be made by means of a cheque drawn by and in the name of the Applicant named on the accompanying Application Form or (where an Application Form has been transferred and/or split to satisfy *bona fide* market claims in relation to transfers of Existing Ordinary Shares through the market prior to 3.00 p.m. on 30 October 2019), by the person named in Box 11 on the Application Form. If this is not practicable and the Applicant uses a cheque drawn on a building society or a banker's draft, the Applicant should:

- (i) ask the building society or bank to endorse on the cheque or draft the name and account number of the person whose building society or bank account is being debited which must be the same name as that printed on the Application Form, such endorsement being validated by a stamp and authorised signature by the building society or bank on the reverse of the cheque or banker's draft;
- (ii) if the Applicant is making the application as agent for one or more persons, indicate on the Application Form whether it is a United Kingdom or European Union regulated person or institution (e.g. a bank or broker), and specify its status. If you have any questions relating to the procedure for acceptance, please telephone Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes;
- (iii) if the Applicant delivers the Application Form by hand, bring with them the appropriate photographic evidence of identity, such as a passport or driving licence; and
- (iv) third party cheques may not be accepted unless covered by (i) above.

In any event, if it appears to the Receiving Agent that an Applicant is acting on behalf of some other person, further verification of the identity of any person on whose behalf the Applicant appears to be acting will be required.

Neither the Receiving Agent, nor the Company will be liable to any person for any loss suffered or incurred as a result of the exercise of any discretion to require verification. By lodging an Application Form, each Qualifying Shareholder undertakes to provide evidence of his identity at the time of lodging the Application Form, or, at the absolute discretion of the Company, at such specified time thereafter as may be required to ensure compliance with the Regulations.

5.2 **Open Offer Entitlements and Excess Open Offer Entitlements in CREST**

If you hold your Open Offer Entitlements or Excess Open Offer Entitlements in CREST and apply for Open Offer Shares in respect of all or some of your Open Offer Entitlements (and Excess Open Offer Entitlements) as agent for one or more persons and you are not a United Kingdom or European Union regulated person or institution (e.g. a United Kingdom financial institution), then, irrespective of the value of the application, the Receiving Agent is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact the Receiving Agent before sending any USE or other instruction so that appropriate measures may be taken.

Submission of a USE instruction which on its settlement constitutes a valid application as described above constitutes a warranty and undertaking by the Applicant to provide promptly to the Receiving Agent such information as may be specified by the Receiving Agent as being required for the purposes of the Regulations. Pending the provision of evidence satisfactory to the Receiving Agent as to identity, the Receiving Agent may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the Open Offer Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the Open Offer Shares represented by the USE instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of any failure to provide satisfactory evidence.

6. Overseas Shareholders

6.1 General

The distribution of this document and the Application Form and the making or acceptance of the Open Offer to persons who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the United Kingdom or to persons who are nominees of or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the United Kingdom may be affected by the laws or regulatory requirements of the relevant jurisdictions. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirement or other formalities to enable them to apply for Open Offer Shares under the Open Offer. The comments set out in this paragraph 6 are intended as a general guide only and any Overseas Shareholders who are in any doubt as to their position should consult their professional advisers without delay.

No action has been or will be taken by the Company or any other person, to permit a public offering or distribution of this document (or any other offering or publicity materials or Application Form(s)) in any jurisdiction where action for that purpose may be required, other than in the United Kingdom.

Application Forms will not be sent to and Open Offer Entitlements and Excess Open Offer Entitlements will not be credited to a stock account in CREST of persons with registered addresses in an Excluded Territory or their agent or intermediary, except where the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

No person receiving a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements and/or a credit of Excess Open Offer Entitlements to a stock account in CREST in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him or her nor should he or she in any event use any such Application Form and/or credit of Open Offer Entitlements and/or a credit of Excess Open Offer Entitlements to a stock account in CREST unless, in the relevant territory, such an invitation or offer could lawfully be made to him or her and such Application Form and/or credit of Open Offer Entitlements and/or a credit of Excess Open Offer Entitlements to a stock account in CREST could lawfully be used, and any transaction resulting from such use could be effected, without contravention of any registration or other legal or regulatory requirements. In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

It is the responsibility of any person (including, without limitation, custodians, agents, nominees and trustees) outside the United Kingdom wishing to apply for Open Offer Shares under the Open Offer to satisfy himself or herself as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any governmental or other consents that may be required, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such territory. Neither the Company nor any of its respective representatives, is making any representation to any offeree or purchaser of the Open Offer Shares regarding the legality of an investment in the Open Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

Persons (including, without limitation, custodians, agents, nominees and trustees) receiving a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements and/or a credit of Excess Open Offer Entitlements to a stock account in CREST in connection with the Open Offer or otherwise, should not distribute or send either of those documents nor transfer Open Offer Entitlements or Excess Open Offer Entitlements in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements and/or a credit of Excess Open Offer Entitlements to a stock account in CREST is received by any person in any such territory, or by his or her custodian, agent, nominee or trustee, he or she must not seek to apply for Open Offer Shares in respect of the Open Offer unless the Company determines that such action would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, agents, nominees and trustees) who does forward a copy of this document and/or an Application Form and/or transfers Open Offer Entitlements and/or a credit of Excess Open Offer Entitlements into any such territory, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this Part IV and specifically the contents of this paragraph 6.

The Company reserves the right, but shall not be obliged, to treat as invalid any application or purported application for Open Offer Shares that appears to the Company or its agents to have been executed, effected or dispatched from an Excluded Territory or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of the share certificates of Open Offer Shares or, in the case of a credit of an Open Offer Entitlement (and/or a credit of Excess Open Offer Entitlements) to a stock account in CREST, to a member whose registered address would be in an Excluded Territory or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates or make such a credit.

The attention of Overseas Shareholders is drawn to paragraphs 6.2 to 6.5 below.

Notwithstanding any other provision of this document or the Application Form, the Company reserves the right to permit any person to apply for Open Offer Shares in respect of the Open Offer if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

Overseas Shareholders who wish, and are permitted, to apply for Open Offer Shares should note that payment must be made in sterling denominated cheques or banker's drafts. The Open Offer Shares have not been and will not be registered under the relevant laws of any Excluded Territory or any state, province or territory thereof and may not be offered, sold, resold, transferred, delivered or distributed, directly or indirectly, in or into any Excluded Territory or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Excluded Territory except pursuant to an applicable exemption.

No public offer of Open Offer Shares is being made by virtue of this document or the Application Forms into any Excluded Territory. Receipt of this document and/or an Application Form and/or a credit of an Open Offer Entitlement and/or a credit of Excess Open Offer Entitlements to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

6.2 **United States**

None of the Open Offer Shares, the Open Offer Entitlements or the Excess Open Offer Entitlements have been or will be registered under the US Securities Act or the laws of any state or other jurisdiction of the United States and, therefore, the Open Offer Shares and the Open Offer Entitlements and the Excess Open Offer Entitlements may not be directly, or indirectly, offered for subscription or purchase, taken up, sold, delivered, renounced or transferred in or into the United States except pursuant to an applicable exemption from the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

Accordingly, the Company is not extending the Open Offer into the United States and, subject to certain exceptions, none of this document, the Application Forms or the crediting of Open Offer Entitlements

(or Excess Open Offer Entitlements) to a stock account in CREST constitutes or will constitute an offer or an invitation to apply for an offer or an invitation to subscribe for any Open Offer Shares in the United States. Neither this document nor an Application Form will (unless an address within the United Kingdom for services of notices has been notified to the Company) be sent to, and no Open Offer Entitlements (or Excess Open Offer Entitlements) will be credited to, a stock account in CREST of any Qualifying Shareholder with a registered address in the United States. Subject to certain exceptions, Application Forms sent from, or post-marked in, the United States will be deemed to be invalid and all persons subscribing for Open Offer Shares and wishing to hold such Open Offer Shares in registered form must provide an address for registration of the Open Offer Shares outside the United States.

6.3 **Other Excluded Territories**

Due to restrictions under the securities laws of the Excluded Territories and subject to certain exemptions, Qualifying Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any Excluded Territories will not qualify to participate in the Open Offer and will not be sent an Application Form, nor will their stock accounts in CREST be credited with Open Offer Entitlements or Excess Open Offer Entitlements.

The Open Offer Shares have not been and will not be registered under the relevant laws of any Excluded Territory or any state, province or territory thereof and may not be offered, sold, re-sold, delivered or distributed, directly or indirectly, in or into any Excluded Territory or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Excluded Territory except pursuant to an applicable exemption.

No offer of Open Offer Shares is being made by virtue of this document or the Application Forms into any Excluded Territory.

6.4 **Other overseas territories**

Application Forms will be sent to Qualifying non-CREST Shareholders and an Open Offer Entitlement will be credited to the stock account in CREST of Qualifying CREST Shareholders in other overseas territories. Qualifying Shareholders in jurisdictions other than any Excluded Territory may, subject to the laws of their relevant jurisdiction, take up Open Offer Shares under the Open Offer in accordance with the instructions set out in this document and, if relevant, the Application Form.

Qualifying Shareholders who have registered addresses in or who are located or resident in, or who are citizens of, countries other than the United Kingdom should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to apply for Open Offer Shares in respect of the Open Offer.

6.5 **Representations and warranties relating to Overseas Shareholders**

6.5.1 *Qualifying non-CREST Shareholders*

Any person completing and returning an Application Form or requesting registration of the Open Offer Shares comprised therein represents and warrants to the Company and/or the Receiving Agent that, except where proof has been provided to the Company's satisfaction that such person's use of the Application Form will not result in the contravention of any applicable legal requirements in any jurisdiction: (i) such person is not requesting registration of the relevant Open Offer Shares from within an Excluded Territory; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to subscribe for Open Offer Shares in respect of the Open Offer or to use the Application Form in any manner in which such person has used or will use it; (iii) such person is not acting on a non-discretionary basis on behalf of, a person located within an Excluded Territory or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) such person is not subscribing for Open Offer Shares with a view to the offer, sale, re-sale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into an Excluded Territory or any territory referred to in (ii) above. The Company and/or the Receiving Agent may treat as invalid any acceptance or purported acceptance of the allotment of Open Offer Shares comprised in an Application Form if it: (i) appears to the Company or its agents to have been executed, effected or dispatched from an Excluded Territory or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; (ii) provides an address in any Excluded

Territory for delivery of the share certificates of Open Offer Shares (or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates); or (iii) purports to exclude the warranty required by this paragraph 6.5.1.

6.5.2 *Qualifying CREST Shareholders*

A CREST member who makes a valid application either on its own behalf or on behalf of one of its clients in accordance with the procedures set out in this Part IV represents and warrants to the Company that, except where proof has been provided to the Company's satisfaction that such person's acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) neither it nor its client is within an Excluded Territory; (ii) neither it nor its client is in any territory in which it is unlawful to make or accept an offer to subscribe for Open Offer Shares; (iii) it is not accepting on a non-discretionary basis on behalf of, or for the account or benefit of, a person located within an Excluded Territory or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) neither it nor its client is subscribing for any Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into an Excluded Territory, or any territory referred to in (ii) above. The Company reserves the right to reject any USE instruction from an Excluded Territory or any territory referred to in (ii) above or by a CREST participant who is acting on a non-discretionary basis on behalf of a person located within an Excluded Territory or any territory referred to in (ii) above.

7. Governing law and jurisdiction

The terms and conditions of the Open Offer as set out in this document shall be governed by, and construed in accordance with, the laws of England and Wales. The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer including, without limitation, disputes relating to any non-contractual obligations arising out of or in connection with the Open Offer. By taking up Open Offer Shares under the Open Offer in accordance with the instructions set out in this document, Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

8. Further information

The attention of Shareholders is drawn to the further information set out in this document including the additional information set out in Part V, and the Risk Factors set out in Part II of this document and to the terms and conditions set out on the Application Form.

PART V

ADDITIONAL INFORMATION

1. Responsibility

The Directors (whose names are set out at page 12 of this document) accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Share Capital, Warrants and Options

Share Capital

The issued share capital of the Company (i) as at the date of this document and (ii) as it is expected to be after Admission (assuming maximum take-up under the Open Offer) is set out below:

	<i>Existing Issued and fully paid</i>		<i>Immediately following Admission Issued and fully paid</i>	
	<i>Amount (£)</i>	<i>Number</i>	<i>Amount (£)</i>	<i>Number</i>
Ordinary Shares of £0.00002 each	33,854	1,692,719,096	40,625	2,031,262,915

Warrants and Options over Ordinary Shares

The Company currently has warrants and options over Ordinary Shares in issue as detailed below. However, as detailed in the Company's notice of AGM of 21 August 2019, and as approved by the shareholders at the AGM held on 17 September 2019, the Company has a current obligation to issue certain options to the Subscribers of the Conditional Convertible Notes. Furthermore, the Company intends to cancel all options in issue to Directors, staff and consultants and replace them with new options (again, as detailed in the Notice of AGM on 21 August and approved by the shareholders at the AGM of 17 September 2019). The below table discloses the warrants and options currently in issue and the warrants and options that shall be in issue following the above taking effect.

	<i>Existing Warrants/ Options</i>	<i>Warrants/ Options following issue/re-issue</i>
Options		
Directors		
William Schrader	2,000,000	3,000,000
James Smith	1,000,000	1,500,000
Simon Potter	39,000,000	60,000,000
Adrian Collins	1,000,000	1,500,000
Edward Shallcross*	1,000,000	1,500,000
Ross McDonald	1,000,000	1,500,000
Total Directors	45,000,000	69,000,000
Other Staff and Consultants	23,850,000	81,000,000
Convertible Loan Note Subscribers	–	25,000,000
Total Options	68,850,000	175,000,000
Warrants		
Shore Capital Stockbrokers	7,200,000	7,200,000

* Options issued/to be issued to Edward Shallcross shall pass to his estate following his passing away on 14 October 2019.

3. Litigation

No member of the Group is or has been involved in any governmental, legal or arbitration proceedings and the Company is not aware of any such proceedings pending or threatened by or against the Group during the 12 months preceding the date of this document which may have or have had in the recent past a significant effect on the financial position or profitability of the Group.

4. No significant change

There has been no significant change in the trading or financial position of the Group since 30 June 2019, the date to which the last interim accounts of the Group were published.

5. Availability of document

This document will be available for a period of twelve months from the date of this document on the Company's website <http://www.bpcplc.com> free of charge in accordance with the requirements of Rule 26 of the AIM Rules.

Dated: 18 October 2019

