

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PART 2 OF THIS DOCUMENT COMPRISES AN EXPLANATORY STATEMENT IN COMPLIANCE WITH SECTION 207 OF THE COMPANIES ACT 1948. 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 manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or from another appropriately authorised independent financial adviser if you are resident in a territory outside the United Kingdom.**

If you have sold or otherwise transferred all your shares in BPC Limited, please send this document and the accompanying documents (but not any Forms of Proxy or Forms of Direction) at once to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. If you have sold or transferred only part of your holding of BPC Limited shares, you should retain this document and the accompanying documents and consult the bank, stockbroker or agent through whom the sale was effected.

The distribution of this document in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. No BPC Plc Shares have been marketed to, nor are any BPC Plc Shares available for purchase by, the public in the United Kingdom or elsewhere in connection with the admission of the BPC Plc Shares to trading on AIM. This document does not constitute an invitation or offer to sell or exchange, or the solicitation of an invitation or offer to buy or exchange, any security or to become a member of BPC Plc. None of the securities referred to in this document shall be sold, issued, exchanged or transferred in any jurisdiction in contravention of any applicable law.



## **BPC Limited**

*(Incorporated in the Falkland Islands under the Companies Act 1948, with Registered Number 12840)*

### **Recommended proposals for the introduction of a new Isle of Man domiciled holding company (BPC Plc) by means of a scheme of arrangement under section 206 of the Companies Act 1948 including reductions of capital under section 68 of the Companies Act 1948 and Notices of Court Meeting and Extraordinary General Meeting**

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BPC Limited shareholders should read the whole of this document. BPC Limited and its Directors accept responsibility, individually and collectively, for the information contained in this document. To the best of the knowledge and belief of BPC Limited and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Your attention is drawn to the letter from the Chairman of BPC Limited in Part 1 of this document, which contains the unanimous recommendation of your Board that you vote in favour of the Proposals at both the Court Meeting and the Extraordinary General Meeting. An explanatory statement in accordance with section 207 of the Companies Act 1948 is set out in Part 2 of this document.

Application will be made to AIM for the BPC Plc Shares to be admitted to trading on AIM. It is expected that dealings in BPC Limited shares will continue until the close of business on 15 June 2010 and that Admission will become effective and that dealings in BPC Plc Shares will commence on the London Stock Exchange at 8.00 a.m. on 16 June 2010.

Notices of the Court Meeting and of the Extraordinary General Meeting of BPC Limited, each of which will be held at the offices of McGrigors LLP, 5 Old Bailey, London EC4M 7BA, are set out in Part 6 and Part 7 respectively of this document. The Court Meeting will start at 2.00 p.m. on 20 May 2010 and the Extraordinary General Meeting at 2.15 p.m. on the same day (or as soon thereafter as the Court Meeting concludes or is adjourned). The action to be taken in respect of the Meetings is set out in the paragraph headed "Action to be taken" in Part 2 of this document.

Securities may not be offered or sold in the United States unless they are registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or are exempt from such registration. The BPC Plc Shares will not be, and are not required to be, registered with the United States Securities and Exchange Commission ("SEC") under the Securities Act in reliance on the exemption from registration provided by Section 3(a)(10) thereof. Neither BPC Plc nor the BPC Plc Shares will be registered under the securities laws of any state of the United States. The BPC Plc Shares will be issued pursuant to the Scheme in reliance on available exclusions or exemptions from such state law registration requirements. Neither the SEC nor any state securities commission or regulatory authority has approved or disapproved the BPC Plc Shares or passed an opinion upon the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

**THIS DOCUMENT HAS NOT BEEN EXAMINED OR APPROVED BY AUTHORITIES IN THE ISLE OF MAN, THE FALKLAND ISLANDS, THE UNITED KINGDOM OR ANYWHERE ELSE.**

## TABLE OF CONTENTS

	<i>Page</i>
<b>Expected Timetable of Principal Events</b>	3
<b>Part 1: Letter from the Chairman</b>	4
<b>Part 2: Explanatory Statement</b>	8
<b>Part 3: Additional Information</b>	18
<b>Part 4: The Scheme of Arrangement</b>	30
<b>Part 5: Definitions</b>	35
<b>Part 6: Notice of Court Meeting</b>	39
<b>Part 7: Notice of Extraordinary General Meeting</b>	41

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Latest time and date for receipt of the white Form of Direction for the Court Meeting	2.00 p.m. on 17 May 2010
Latest time and date for receipt of the white Form of Proxy for the Court Meeting <sup>(1)</sup>	2.00 p.m. on 18 May 2010
Latest time and date for receipt of the blue Form of Direction for the EGM	2.15 p.m. on 17 May 2010
Latest time and date for receipt of the blue Form of Proxy for the EGM	2.15 p.m. on 18 May 2010
Voting Record Time for the Court Meeting and EGM	6.00 p.m. on 18 May 2010
Court Meeting	2.00 p.m. on 20 May 2010
EGM <sup>(2)</sup>	2.15 p.m. on 20 May 2010

### **The following dates are subject to change:**

Court Hearing of petition to sanction the Scheme and confirm the associated reductions of capital <sup>(3)</sup>	11 June 2010
Last day of dealings in BPC Limited shares	15 June 2010
Scheme Record Time	6.00 p.m. on 15 June 2010
Effective Date <sup>(4)</sup>	15 June 2010
Cancellation of admission of BPC Limited shares to trading on AIM	8 a.m. on 16 June 2010
BPC Plc Shares admitted to trading on AIM, crediting of CREST accounts and dealings in BPC Plc Shares to commence on AIM	8 a.m. on 16 June 2010
Latest date for despatch of share certificates to BPC Plc shareholders <sup>(5)</sup>	29 June 2010

(1) Alternatively, the Form of Proxy for the Court Meeting may be given to the Chairman at the Meeting.

(2) To commence at the time fixed or as soon thereafter as the Court Meeting is concluded or adjourned.

(3) Time to be confirmed by the Court.

(4) The Scheme will only become effective after the Scheme Record Time.

(5) Or 14 days after the Effective Date (whichever is later).

References in this document to times are to **London** times.

**The Court Meeting and Extraordinary General Meeting will be held at the offices of McGrigors LLP, 5 Old Bailey, London, EC4M 7BA.**

## PART 1

### LETTER FROM THE CHAIRMAN



BPC Limited

*Registered Office:*  
56 John Street,  
Stanley,  
Falkland Islands,  
FIQQ 1ZZ

*Administrative Office:*  
IOMA House,  
Hope Street,  
Douglas,  
Isle of Man,  
IM1 1AP

*Directors:*

Alan Burns (*Chairman and Chief Executive Officer*)

Dr Paul Crevello (*Chief Operating Officer*)

Michael Proffitt (*Non-executive Finance Director*)

Dursley Stott O.B.E. (*Non-executive Director*)

26 April 2010

Dear Shareholder

#### **Introduction of a new Isle of Man domiciled holding company for the BPC Group**

##### **1 Introduction**

In December 2009, we announced our intention to change the holding company for the Group from a Falkland Islands incorporated company to a new Isle of Man incorporated company. In March 2010, we re-iterated this intention but stated that we would likely undertake the change of holding company once the BPC/Statoil licences had been awarded.

Since the last announcement, the Board became aware that the Supreme Court of the Falkland Islands (the approval of which is necessary for the implementation of the Proposals) will be sitting in the Falkland Islands in June 2010 and therefore the Board believes this is the right time to proceed with the change of holding company. Accordingly, BPC today announces its intention to implement the change of holding company by way of a scheme of arrangement under section 206 of the Companies Act 1948 (the “**Scheme**”).

It is proposed that BPC Plc, a company which has been incorporated in the Isle of Man, becomes the new holding company of the Group. If the Scheme is approved, shareholders will receive one share in BPC Plc for each share they hold in BPC Limited. The shares in BPC Plc are then expected to be admitted to trading on AIM. The BPC Limited Shares and their admission to trading on AIM will be cancelled. The Scheme is subject to several conditions including the approval of shareholders and the Court.

The Scheme also provides for reductions of the Company’s share capital. The Company’s share capital will be reduced as a result of the BPC Limited Shares being cancelled and also by way of a further reduction of capital by the cancellation of the Company’s share premium account under section 68 of the Companies Act 1948. The purpose of the reductions of capital is to create distributable reserves so that BPC Limited’s assets can be distributed to BPC Plc after implementation of the Scheme in order to

rationalise the BPC Group structure and thereby reduce administrative costs. BPC Limited intends to do this by making one or more dividends *in specie* (using the distributable reserves created by the reductions of capital) of its assets, including the shares held by BPC Limited in its wholly owned direct subsidiary BPC Jersey (and on the basis that BPC Jersey in turn owns, directly or indirectly, the remaining subsidiaries within the BPC Group). Following this, it is expected that BPC Limited would have no assets. It is then intended that BPC Limited would be dissolved and thus eliminated from the BPC Group structure.

The purpose of this document is to provide you with details of the Scheme and to explain why the Directors consider the Scheme to be in the best interests of shareholders. Unless otherwise specified or the context otherwise requires, any words and expressions defined in this circular shall have the same meaning as set out in Part 5 (Definitions).

## **2 Reasons for the Scheme**

The existing holding company of the Group, being the company in which shareholders hold shares, is BPC Limited, a company incorporated in the Falkland Islands.

The reason for a Falkland Islands company being the holding company of the Group is an historic one. In September 2008, BPC Limited (then known as Falkland Gold and Minerals Limited) was the subject of a reverse takeover. Under the terms of the relevant takeover offer, BPC Jersey shareholders exchanged their shares in BPC Jersey for shares in BPC Limited. BPC Limited then became the parent company of BPC Jersey, changed its name from Falkland Gold and Minerals Limited to BPC Limited and continued BPC Jersey's business of oil and gas exploration in the Bahamas.

This benefited the enlarged group because it provided an AIM listing for BPC Jersey shareholders, cash from BPC Limited to fund BPC Jersey's operations and a new venture for BPC Limited's shareholders following the winding-down of gold and mineral exploration activities in the Falkland Islands. However, it left the Group with a holding company incorporated in the Falkland Islands which the Board now believes to be anomalous. The Company no longer has any operations in the Falkland Islands and, as at the date of this document, there are only a small number of shareholders listed on the Company's register of members as being resident in the Falkland Islands.

The Board believes that having the Group's holding company incorporated in the Falkland Islands could potentially restrict access to future opportunities for the Group. The Board believes that institutional investors prefer to invest in companies incorporated in established financial centres and that having a holding company incorporated in the Falkland Islands may restrict the Group's access to further investment in the future. Your Board believes that the holding company of the Group should be located in a jurisdiction which is an established financial centre where institutional investors generally speaking will be more comfortable investing.

The Board have carefully considered several options and believe the Isle of Man to be the most suitable place to domicile the Group's holding company. The Isle of Man is currently the Group's effective centre of management, being where three of the four Directors are located, and also where the Group's accounting and administrative function is carried out. The Directors believe that the Isle of Man is regarded as a well regulated offshore financial centre. As at 11 March 2008, the Isle of Man had the largest number of AIM 100 companies outside of the UK and the second largest number of all AIM companies outside the UK<sup>1</sup>. It is also geographically closer to the UK where the majority of the Company's shareholders are based.

There are also likely to be direct tax benefits for the Group should it make oil and gas discoveries in the future. Corporate tax in the Falkland Islands is currently 21 per cent. for profits below £1 million and 26 per cent. for profits above £1 million. Under the current taxation regime, with certain exceptions which are not relevant to BPC Limited, companies domiciled in the Isle of Man pay zero rate corporate tax.

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<sup>1</sup> Source – Report by Hemscoff Group Limited dated 14 March 2008 obtained from the Isle of Man Government.

The Board have confirmed that if the Scheme becomes effective, they intend in due course to streamline and simplify the Group structure further so as to remove unnecessary subsidiaries and reduce administrative costs. This will include transferring the assets of BPC Limited to BPC Plc. To effect this simplification, BPC Limited will need distributable reserves to distribute its assets to BPC Plc by way of one or more dividends *in specie*. Amongst the assets which BPC Limited intends to distribute to BPC Plc are the shares held by BPC Limited in its wholly owned direct subsidiary BPC Jersey. The reductions of share capital under the Scheme will give BPC Limited the necessary distributable reserves to distribute all its assets to BPC Plc, with the exception of a nominal sum of £1 representing the remaining share capital.

Following the distribution of its assets, it is proposed that BPC Limited will be voluntarily dissolved and thus eliminated from the Group structure. Separately, it is anticipated that certain other subsidiaries within the Group will in due course be voluntarily dissolved. The most efficient and pragmatic way of doing this will be determined by the Board in due course. The dissolution or striking off of such subsidiaries does not form part of the Scheme or the Proposals.

### **3 The Proposals at a glance**

- The aim of the Scheme is to introduce BPC Plc (incorporated in the Isle of Man) as the new holding company of the Group.
- All of the Ordinary Shares in BPC Limited will be cancelled and Shareholders will receive one new BPC Plc share for each BPC Limited share cancelled.
- BPC Limited will issue new shares to BPC Plc so that BPC Limited becomes a wholly owned subsidiary of BPC Plc.
- The Scheme and matters connected with it require the approval of shareholders at the Court Meeting and the Extraordinary General Meeting.
- If the Scheme is approved at these meetings, the Company will apply to the Court to sanction the Scheme and to confirm the associated reductions of share capital at the Court Hearing.
- If the Scheme is sanctioned by the Court and the Scheme becomes effective, all shares in BPC Limited will be cancelled and shareholders at the Scheme Record Time will receive one BPC Plc share for each BPC Limited share cancelled under the Scheme. BPC Limited will issue new shares to BPC Plc so that BPC Limited will be a wholly owned subsidiary of BPC Plc.
- BPC Plc will apply to have its shares admitted to trading on AIM and BPC Limited will apply to have the admission of its shares to trading on AIM cancelled. Admission of BPC Plc Shares to trading on AIM is expected to commence on or around 16 June 2010.
- The distributable reserves created by the reductions of share capital under the Scheme will provide BPC Limited with distributable reserves to enable it to distribute its assets (including its directly and indirectly held interests in the BPC Group's subsidiaries) in due course by one or more dividends *in specie* to BPC Plc.

### **4 Key information about BPC Plc**

BPC Plc is a public company incorporated in the Isle of Man.

The current directors of BPC Limited are also the directors of BPC Plc. The company secretary of BPC Plc is Michael Proffitt who is one of the directors of BPC Plc. Further details about the Directors and company secretary are set out in Part 3.

The issued share capital of BPC Plc will comprise 859,482,698 ordinary shares with a nominal value of 0.002p each, the same as BPC Limited as at the Scheme Record Time (excluding the A Ordinary Shares to be issued by BPC Limited to BPC Plc pursuant to the Scheme). No further capital will be raised and no further shares issued as part of the Proposals.

BPC Plc will report in US Dollars in accordance with International Financial Reporting Standards. This represents no change from the Company's current financial reporting policy.

Similar protections for shareholders will apply to BPC Plc as those that currently apply to BPC Limited. BPC Plc will comply with the AIM Rules and relevant institutional shareholder guidelines to the same extent that BPC Limited currently complies with them. As BPC Plc is an Isle of Man incorporated company, it will be subject to Isle of Man law. The Articles of Association of BPC Plc are substantially in the same form as the Articles of Association of BPC Limited, save for certain amendments which have been made principally for consistency with Isle of Man law and practice. Your attention is drawn to Part 3 which sets out the main differences in Shareholders' rights and the Articles of Association in more detail.

## **5 Action to be taken by Shareholders**

On 20 May 2010, the Court Meeting will be held to seek approval for the Scheme and the Extraordinary General Meeting will be held to seek approval for a special resolution proposed in relation to the Proposals. Notices for these meetings are set out in Parts 6 and 7 of this circular respectively.

**In order that the Court can be satisfied that the votes cast fairly represent the views of Shareholders, it is important that as many votes as possible are cast at the Court Meeting. Shareholders are therefore strongly encouraged to attend the Court Meeting in person or by proxy.**

### ***Shareholders holding shares in certificated form***

Shareholders are requested to complete, sign and return by post (together with any power of attorney or other authority under which it is signed or a notarially certified copy of such power or authority) to the Company's Registrars (Capita Registrars, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU) the white Form of Proxy for use at the Court Meeting (to arrive no later than 2.00 p.m. on 18 May 2010) and the blue Form of Proxy for use at the Extraordinary General Meeting (to arrive no later than 2.15 p.m. on 18 May 2010). Shareholders residing in the Falkland Islands are requested to return their Forms of Proxy to the Company's registered office (56 John Street, Stanley, Falkland Islands) within the same timescales.

### ***Depository Interest Holders holding shares in uncertificated form***

Depository Interest Holders are requested to complete, sign and return by post (together with any power of attorney or other authority under which it is signed or a notarially certified copy of such power or authority) to the Company's Registrars (Capita Registrars, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU) the white Form of Direction for use at the Court Meeting (to arrive no later than 2.00 p.m. on 17 May 2010) and the blue Form of Direction for use at the Extraordinary General Meeting (to arrive no later 2.15 p.m. on 17 May 2010). Depository Interest Holders residing in the Falkland Islands are requested to return their Forms of Direction to the Company's registered office (56 John Street, Stanley, Falkland Islands) within the same timescales.

## **6 Recommendation**

**The Board of BPC Limited has considered the Proposals and considers the terms to be fair and reasonable and in the best interests of the Shareholders as a whole and, accordingly, your Board unanimously recommends that Shareholders vote in favour of the Scheme at the Court Meeting and the special resolution on the Proposals at the Extraordinary General Meeting, as they intend to do in respect of their shareholdings, amounting in aggregate to 96,325,000 Ordinary Shares representing approximately 11.21 per cent. of the issued share capital of the Company.**

Yours faithfully



**Alan Burns**  
*Chairman and CEO*

## PART 2

### EXPLANATORY STATEMENT

(in compliance with section 207 of the Companies Act 1948)



BPC Limited

*Registered Office:*  
56 John Street,  
Stanley,  
Falkland Islands,  
FIQQ 1ZZ

*Administrative Office:*  
IOMA House,  
Hope Street,  
Douglas,  
Isle of Man,  
IM1 1AP

*Directors:*

Alan Burns (*Chairman and Chief Executive Officer*)

Dr Paul Crevello (*Chief Operating Officer*)

Michael Proffitt (*Non-executive Finance Director*)

Dursley Stott O.B.E. (*Non-executive Director*)

26 April 2010

Dear Shareholder

### Recommended Proposals

#### 1 Introduction

BPC Limited today announces its intention to change its corporate structure by putting in place a new holding company, BPC Plc. BPC Plc is a public company limited by shares incorporated Isle of Man. The introduction of BPC Plc to the BPC Group is to be effected by way of a scheme of arrangement under section 206 of the Companies Act 1948. The Scheme also provides for a reduction of the share capital of BPC Limited as a result of the Scheme Shares being cancelled and also through a further reduction of capital by the cancellation of the share premium account of BPC Limited all in accordance with section 68 of the Companies Act 1948.

The Scheme is subject to various conditions. If these conditions are satisfied and the Scheme is approved and implemented in full, BPC Plc will beneficially own the entire issued share capital of BPC Limited.

**Your attention is drawn to the letter from the Chairman of BPC Limited in Part 1 of this document, setting out the reasons for the Proposals and including the unanimous recommendation of the Directors of BPC Limited to Shareholders to vote in favour of the Scheme at the Court Meeting and the resolution relating to the Proposals to be proposed at the Extraordinary General Meeting. That letter and Parts 3 and 5 of this document form part of this Explanatory Statement.**

As your board of directors, we are writing to you to explain the terms of the Scheme and to provide you with other relevant information. The Scheme is set out in full in Part 4 of this document. The Notice of the Court Meeting at which approval for the Scheme will be sought and the Notice of the Extraordinary General Meeting at which special resolution relating to the Proposals will be proposed are set out in Parts 6 and 7 of this document respectively.



#### **4 Conditions to implementation of the Proposals**

The implementation of the Scheme is conditional on the following having occurred:

- (a) the Scheme being approved by a majority in number, representing three-fourths in value, of those Scheme Shareholders present and voting, either in person or by proxy, at the Court Meeting;
- (b) the special resolution to approve the matters in connection with the Scheme being duly passed at the Extraordinary General Meeting by a majority of not less than three-fourths of the votes cast;
- (c) the Scheme being sanctioned and the reductions of capital of BPC Limited provided for by the Scheme being confirmed by the Court at the Court Hearing; and
- (d) an office copy of the order of the Court sanctioning the Scheme under section 206 of the Companies Act 1948 and the order of the Court confirming the reductions of capital provided for by the Scheme, together with the Memorandum required by section 68 of the Companies Act 1948, having been delivered to the Falkland Islands Registrar of Companies for registration.

The Directors will not take the necessary steps to implement the Scheme unless the above conditions have been satisfied or waived (if capable of being waived) and, at the relevant time, they consider that it continues to be in the best interests of BPC Limited and Shareholders that the Scheme should be implemented.

The Court Hearing is expected to be held on 11 June 2010. Scheme Shareholders will have the right to attend the Court Hearing and, if lodging a response to the petition to the Court to sanction the Scheme, to appear in person or be represented by counsel to support or oppose the sanctioning of the Scheme. The Court Hearing will be held at the Supreme Court of the Falkland Islands, Town Hall, Stanley, Falkland Islands.

The Scheme contains a provision for BPC Limited and BPC Plc jointly to consent, on behalf of all persons concerned, to any modification of or addition to the Scheme, or to any condition that the Court may think fit to approve or impose. The Court would be unlikely to approve or impose any modification of, or addition or condition to, the Scheme which might be material to the interests of Scheme Shareholders unless Scheme Shareholders were informed of any such modification, addition or condition. It will be a matter for the Court to decide, in its discretion, whether or not the consent of Scheme Shareholders should be sought at a further meeting. Similarly, if a modification, addition or condition is put forward which, in the opinion of the Directors, is of such a nature or importance as to require the consent of the Scheme Shareholders at a further meeting, the Directors will not take the necessary steps to enable the Scheme to become effective unless and until such consent is obtained. If the Scheme is sanctioned at the Court Hearing and the other conditions to the Scheme have been satisfied or waived, the Scheme is expected to become effective after 6.00 p.m. on 15 June 2010, and dealings in BPC Plc Shares are expected to commence at 8.00 a.m. on 16 June 2010. If the Scheme has not become effective by midnight on 31 August 2010 (or such later date as BPC Limited and BPC Plc may agree and the Court may allow), it will lapse, in which event there will not be a new holding company of BPC Limited, Scheme Shareholders will remain shareholders of BPC Limited and the existing BPC Limited Shares will continue to be admitted to trading on AIM.

#### **5 Effects of the Proposals**

Under the Scheme, Scheme Shareholders will have their BPC Limited Shares replaced by the same number of BPC Plc Shares. Scheme Shareholders' proportionate entitlement to participate in the BPC Group's capital and income will not be affected by reason of the implementation of the Scheme. Scheme Shareholders will not receive any amount in cash pursuant to the terms of the Scheme (other than in circumstances referred to in Clause 3(b) of the Scheme which deals with Designated Foreign Shareholders).

Prior to the Scheme becoming effective, subject to the Scheme Shareholders approving the special resolution at the Extraordinary General Meeting, BPC Limited will allot and issue two A Ordinary Shares, one to BPC Plc and one to the Nominee as bare trustee for BPC Plc. The A Ordinary Shares are being issued to comply with a technical requirement of the Companies Act 1948. The A Ordinary Shares

will not be cancelled as part of the Scheme but will continue to be held by BPC Plc and the Nominee as bare trustee for BPC Plc once BPC Plc becomes the holding company of BPC Limited and the BPC Group. The A Ordinary Shares will not have any voting rights but will otherwise rank *pari passu* with the BPC Limited Shares.

Immediately following the Scheme becoming effective, BPC Plc will own the New Shares, one A Ordinary Share in its own name and the beneficial interest in the A Ordinary Share held in trust for it by the Nominee (these together representing the entire share capital of BPC Limited).

The reductions of share capital under the Scheme are expected to increase the distributable reserves available to BPC Limited by approximately US\$77,155,975.

It is intended that general meetings of BPC Plc will be held in the Isle of Man following the Scheme coming into effect. Shareholders will still be able to attend in person or vote by proxy at such meetings. It is intended that shareholder information will continue to be communicated in the same way as currently. With effect from Admission, the Group's website will change to [www.bpcplc.com](http://www.bpcplc.com) however the Group's existing website [www.bpcltdgroup.com](http://www.bpcltdgroup.com) will redirect to that website for a transitional period.

## **6 Listing, dealings, share certificates and settlement**

If the Scheme is sanctioned by the Court, application will be made to AIM for the admission of up to 859,482,698 BPC Plc Shares to trading on AIM representing the entire issued share capital of BPC Plc as at the Effective Date. The last day of dealings in BPC Limited Shares is expected to be 15 June 2010. The last time for registration of transfers of Scheme Shares is expected to be 6.00 p.m. on 15 June 2010, being the Scheme Record Time. It is expected that the Scheme will become effective after 6.00 p.m. on 15 June 2010 and that Admission will become effective and that dealings in the BPC Plc Shares will commence at 8.00 a.m. on 16 June 2010, being the Effective Date. The admission of BPC Limited Shares to trading on AIM is also expected to be cancelled at 8.00 a.m. on 16 June 2010.

These dates may be deferred if it is necessary to adjourn any meetings required to approve the arrangements described in this document or if there is any delay in obtaining the Court's sanction of the Scheme. In the event of a delay, the application for cancellation of the admission of the BPC Limited Shares will be deferred, so that the admission of the BPC Limited shares to trading on AIM will not be cancelled until immediately before the Scheme becomes effective.

**With effect from (and including) the Effective Date, all share certificates representing the Scheme Shares in certificated form will cease to be valid and binding in respect of such holdings and should be destroyed.**

The BPC Plc Articles permit the holding of BPC Plc Shares under the CREST system. BPC Plc will apply for the BPC Plc Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the BPC Plc Shares following Admission is expected to be able to take place within the CREST system. CREST is a voluntary system and holders of BPC Plc Shares who wish hold their BPC Plc Shares in certificated form and to receive and retain share certificates will be able to do so.

At present, BPC Limited Shares cannot be held and settled in CREST because companies incorporated in the Falkland Islands are ineligible to participate in CREST. Depository arrangements are currently in place to allow BPC Limited investors to hold and settle BPC Limited Shares in CREST in the form of dematerialised Depository Interests (“DI’s”). DI’s represent entitlements to underlying BPC Limited Shares.

Under the present arrangements, Capita IRG Trustees Limited (the “**Depository**”) holds the relevant BPC Limited Shares on bare trust for those Shareholders who wish to hold and settle their interests in BPC Limited Shares through CREST (in accordance with the terms of the DI Deed). The Depository issues DI’s to such Shareholders, which represent the relevant BPC Limited Shares. The DI’s are settled and transferred through CREST in a process facilitated by the Depository. The BPC Limited Shares themselves are at no time admitted to CREST and the Depository is recorded in the BPC Limited Register as the legal owner of those shares.

The DI Holders representing BPC Limited Shares hold their interests in BPC Limited Shares pursuant to the terms of the DI Deed, which governs the relationship between the Depository and the DI Holders.

The DI's are independent securities constituted under English law. The Depository records the interests of each DI Holder on the Depository Interest Register.

A DI Holder will participate in the Scheme in the following manner:

- (a) prior to the close of the BPC Limited share register at the Scheme Record Time each person entered in the Depository Interest Register will have their DI's cancelled by the Depository in accordance with clause 14.1 of the DI Deed, notice of which is given by the Depository to such holders of DI's along with this Circular;
- (b) the BPC Limited Shares deposited with the Depository on behalf of the DI Holder under the terms of the DI Deed will be re-materialised, meaning that the person registered in the Depository Interest Register as the DI Holder immediately prior to the re-materialisation is then recorded in the BPC Limited Register as the holder of the underlying BPC Limited Shares;
- (c) the Registrar will record their details as Shareholders on the BPC Limited Share Register based on the CREST instructions previously provided by the holder of DI's. No BPC Limited share certificates will be issued by the Registrar to former DI Holders because of the short space of time between the cancellation of the DI's and the Effective Date;
- (d) each former DI Holder will consequently be a Shareholder at the Scheme Record Time. As such, on the Effective Date they will be issued one BPC Plc Share, credited as fully paid, for each BPC Limited Share registered in their name;
- (e) unless instructed otherwise by the former holder of DI's (for further details, refer to the notice from the Depository sent to DI Holders along with this Circular), the Registrar will record their details as a BPC Plc Shareholder based on the CREST instructions previously provided by the holder of DI's, allowing their BPC Plc Shares to be issued to them in uncertificated form; and
- (f) at 8.00 a.m. on the business day following the Effective Date, the CREST accounts of each of the former DI Holders will be credited with the number of BPC Plc Shares to be issued to them in accordance with paragraph (d) above.

All DI Holders will be able to view the corporate action details within CREST.

The nominee provisions will be applied to Designated Foreign Shareholders as described in paragraph 9 below.

All mandates in force at the Scheme Record Time relating to payment of dividends on BPC Limited Shares and all instructions given relating to notices and other communications will, unless and until varied or revoked, be treated, from the Effective Date, as being valid and effective mandates or instructions to BPC Plc in relation to the corresponding holding of BPC Plc Shares.

All documents, certificates, cheques or other communications sent by or to Scheme Shareholders, or as such persons shall direct, will be sent at their own risk and may be sent by post.

A copy of the Appendix to the Schedule 1 Announcement relating to BPC Plc, which is required to be published in accordance with the AIM Rules to effect the admission of the BPC Plc Shares to trading on AIM, is obtainable free of charge up until Admission: (i) on the Company's website at [www.bpcpltdgroup.com](http://www.bpcpltdgroup.com); or (ii) on request, at any time during normal business hours on any business day from the registered office of BPC Limited at 56 John Street, Stanley, Falkland Islands and the registered office of BPC Plc at IOMA House, Hope Street, Douglas, Isle of Man. A copy of the Appendix to the Schedule 1 Announcement may also be inspected as described in paragraph 16 of Part 3 of this document.

## 7 Directors' and other interests

As at 22 April 2010 (the latest practicable date before the publication of this document) the Directors of BPC Limited are all Directors of BPC Plc.

The interests of the Directors in BPC Limited Shares (which are beneficial unless stated otherwise) are set out below. The interests are as at 22 April 2010 (the latest practicable date before the publication of this document). In the event that the Scheme becomes effective, the Directors will have corresponding interests in BPC Plc Shares by virtue of the effect of the Scheme on their existing holdings of BPC Limited Shares.

<i>Director</i>	<i>No. of BPC Limited Shares</i>	<i>Percentage of issued capital on Admission</i>
Alan Robert Burns	44,820,000	5.22%
Dr Paul Daniel Crevello <sup>(1)</sup>	33,030,000	3.84%
Michael Joseph Proffitt <sup>(2)</sup>	18,360,000	2.14%
Dursley Stott O.B.E	115,000	0.01%

Notes:

- (1) These shares are held by PetrexAsia Consulting LLC and Petroleum Geoscience International LLC for the benefit of Paul Crevello.
- (2) These shares are held by Gumbo Investments Limited for the benefit of Michael Proffitt.

As at 22 April 2010 (the latest practicable date before the publication of this document), none of the Directors have any interest in BPC Limited shares under any share option scheme operated by the Company.

The interests disclosed above are based upon the interests of the Directors in the ordinary share capital of BPC Limited which have been notified by each Director to BPC Limited in accordance with Article 79A of the Company's Articles of Association.

Certain details of Directors' current service agreements and the terms of their appointment are set out in paragraph 6.4 of Part 3 of the Appendix to the Schedule 1 Announcement. Each Director of BPC Limited has entered into a letter of appointment with BPC Plc providing that, subject to the Scheme becoming effective, they are appointed to the Board of BPC Plc on similar terms to their existing appointment with BPC Limited.

Save as described above, the effect of the Scheme on the interests of the Directors does not differ from its effect on the like interests of other persons.

## 8 Taxation

It is intended that the Scheme should be generally neutral in tax terms for Shareholders resident in the United Kingdom, the Falkland Islands and the Isle of Man. Shareholders are referred to the tax sections at paragraphs 12 and 13 (inclusive) of Part 3 of this document for further information about the taxation consequences of the Scheme.

## 9 Overseas Shareholders

The implications of the Scheme for persons resident in, or citizens or nationals of, jurisdictions outside the United Kingdom, the Falkland Islands, the Isle of Man, the United States, Jersey or Guernsey ("Designated Foreign Shareholders") may be affected by the laws of the relevant jurisdictions. Such Designated Foreign Shareholders should inform themselves about and observe all applicable legal requirements.

It is the responsibility of any person into whose possession this document comes to satisfy themselves as to their full observance of the laws of the relevant jurisdiction in connection with the Scheme, including the obtaining of any governmental, exchange control or other consents which may be required and/or compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction.

If, in respect of any Designated Foreign Shareholders, BPC Plc is advised that the allotment and issue of BPC Plc Shares would or might infringe the laws of any Designated Foreign Jurisdiction, or would or might require BPC Plc to obtain legal advice or any governmental or other consent or effect any registration, filing or other formality with which, in the opinion of BPC Plc, it would be unable to comply or which it regards as unduly onerous, the Scheme provides that BPC Plc may determine either: (a) that the Designated Foreign Shareholder's entitlement to BPC Plc Shares shall be issued to a nominee for such Designated Foreign Shareholder appointed by BPC Plc and then sold, with the net proceeds being remitted to the Designated Foreign Shareholder concerned; or (b) that Designated Foreign Shareholder's entitlement to BPC Plc Shares pursuant to the Scheme shall be issued to such Designated Foreign Shareholder and then sold on his behalf as soon as reasonably practical at the best price which can be reasonably obtained at the time of sale, with the net proceeds of sale being remitted to the Designated Foreign Shareholder. Any remittance of the net proceeds of sale referred to in this paragraph shall be at the risk of the relevant holder.

**Designated Foreign Shareholders should consult their own legal and tax advisers with respect to the legal and tax consequences of the Scheme in their particular circumstances.**

### *United States*

Any securities to be issued pursuant to the Scheme in the United States have not been and will not be registered under the Securities Act but will be issued in reliance on the exemption from the registration requirements of the Securities Act provided by Section 3(a)(10) thereof. For the purpose of qualifying for the Section 3(a)(10) exemption with respect to the BPC Plc Shares issued pursuant to the Scheme, BPC Limited will advise the Court that it will rely on the Section 3(a)(10) exemption based on the Court's sanctioning of the Scheme, which BPC Limited will rely upon as an approval of the Scheme following a hearing on its fairness to Shareholders. BPC Limited has given or will give notice to all Shareholders of such hearing, and all such Shareholders will be entitled to attend in person or through counsel to support or oppose the sanctioning of the Scheme. The BPC Plc Shares will not be "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and may be immediately resold without restriction under the Securities Act by former holders of BPC Limited Shares who are not affiliates of BPC Plc and have not been affiliates of BPC Plc within 90 days prior to the issuance of BPC Plc Shares under the Scheme.

Under US securities laws, a BPC Shareholder who is an affiliate of BPC Plc at the time or within 90 days prior to any resale of BPC Plc Shares received under the Scheme will be subject to certain US transfer restrictions relating to such shares. Whether a person is an affiliate of BPC Plc for such purposes depends on the circumstances, but affiliates generally include certain officers and directors and significant shareholders. BPC Plc Shares received pursuant to the Scheme held by such BPC Plc affiliates may not be sold in the United States without registration, except pursuant to an available exemption from registration or in a transaction not subject to such registration requirements. Such affiliates of BPC Plc may be able to resell BPC Plc Shares received pursuant to the Scheme in the United States in accordance with the provisions of Rule 144 under the Securities Act. A BPC Shareholder who believes that he or she may be an affiliate of BPC Plc should consult his or her own legal advisers prior to any sales of BPC Plc Shares received pursuant to the Scheme in the United States.

Neither the SEC nor any state securities commission or regulatory authority has approved or disapproved of the BPC Plc Shares or passed an opinion upon the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States. Neither BPC Plc nor the BPC Plc Shares will be registered under the securities laws of any state of the United States. The BPC Plc Shares will be issued pursuant to the Scheme in reliance on available exclusions or exemptions from such state law registration requirements. Shareholders who are citizens or residents of the United States should note that no appraisal or similar rights of dissenting shareholders are to apply in connection with the Scheme as none are required as a matter of English law.

**Shareholders who are citizens or residents of the United States should consult their own legal and tax advisers with respect to the legal and tax consequences of the Scheme in their particular circumstances.**

**The Directors do not intend to issue BPC Plc Shares to Designated Foreign Shareholders. If you are a Designated Foreign Shareholder and want to continue to hold shares in the BPC Group, you must advise the Registrars of an alternative address for you in the United Kingdom, the Falkland Islands, the Isle of Man, the United States, Jersey or Guernsey before the Scheme Record Time. If you fail to do this, and the Scheme becomes effective, the BPC Plc Shares which you would have been entitled to may be sold and the net proceeds of sale paid to you in accordance with the provisions of the Scheme.**

## **10 Meetings**

The Scheme will require the approval of Shareholders at the Court Meeting held at the discretion of the Court and the passing by Shareholders of the special resolution relating to the Proposals at the Extraordinary General Meeting. The Court Meeting has been scheduled for 20 May 2010 at 2.00 p.m. (London time) and the Extraordinary General Meeting for 20 May 2010 at 2.15 p.m. (or as soon after the conclusion or adjournment of the Court Meeting), both of which will be held at the offices of McGrigors LLP, 5 Old Bailey, London, EC4M 7BA.

Notices of the Court Meeting and the Extraordinary General Meeting are set out in Parts 6 and 7 respectively of this document.

### ***Court Meeting***

At the Court Meeting, Shareholders will consider and, if thought fit, approve the Scheme.

At the Court Meeting, voting will be by poll and each Shareholder present in person or by proxy will be entitled to one vote for each BPC Limited Share held. The statutory majority required to approve the Scheme at the Court Meeting is a majority in number of the Shareholders present and voting (either in person or by proxy) at the Court Meeting representing three-fourths in value of the BPC Limited Shares held by them.

Because Depository Interest Holders are not the legal owners of the underlying shares, which are legally owned by the Depository, their instructions to the Depository will only be counted in determining whether or not “three-fourths in value” approve the Scheme, and will not be counted in determining whether or not a “majority in number” approved the Scheme.

**In order that the Court can be satisfied that the votes cast constitute a fair representation of the views of the Shareholders, it is important that as many votes as possible are cast at the Court Meeting. Shareholders are therefore encouraged to take the action referred to in paragraph 11 below.**

If the Scheme is approved and becomes effective, it will be binding on all Scheme Shareholders irrespective of whether they attended the Court Meeting or the way they voted.

### ***Extraordinary General Meeting***

A description of the business to be transacted at the Extraordinary General Meeting is set out in the Notice of the Extraordinary General Meeting in Part 7 of this document but, in summary, at the Extraordinary General Meeting, or at any adjournment thereof, Shareholders will consider and, if thought fit, pass the following composite special resolution to approve:

- (a) the Scheme;
- (b) the cancellation of the Scheme Shares;
- (c) the cancellation of the share premium account of BPC Limited;
- (d) the creation of the A Ordinary Shares;
- (e) the allotment by the Directors of the A Ordinary Shares.
- (f) the allotment of the New Shares to BPC Plc;

- (g) alterations to the BPC Limited Articles to: (i) ensure that the holders of any BPC Limited Shares allotted prior to the Scheme Record Time are bound by the Scheme and that any BPC Limited Shares allotted after the Effective Date are transferred to BPC Plc in consideration for the issue of BPC Plc Shares; and (ii) set out the rights attaching to the two A Ordinary Shares;
- (h) conditional on the Scheme becoming effective, the change of the Company's name to BPC (Falklands) Limited; and
- (i) conditional on the Scheme becoming effective, the cancellation of the admission to trading on AIM of the BPC Limited Shares.

The majority required for the passing of the special resolution referred to above is not less than three-fourths of the votes cast.

In accordance with the BPC Limited Articles, the special resolution would ordinarily be voted on by a show of hands. However, in accordance with the BPC Limited Articles, the Chairman will require them to be put to a poll so that Shareholders' views can be fully represented and so that the same procedure is used at the Court Meeting and the Extraordinary General Meeting. On the poll each Shareholder present in person or by proxy will have one vote for each BPC Limited Share held.

## **11 Action to be taken**

Forms of proxy for Shareholders and Forms of Direction for Depository Interest Holders are enclosed as follows:

- (a) for the Court Meeting, a white Form of Proxy/Form of Direction; and
- (b) for the Extraordinary General Meeting, a blue Form of Proxy/Form of Direction.

**Whether or not you propose to attend the meetings in person, you are requested, to complete, sign and return both Forms of Proxy/Forms of Direction. The lodging of Forms of Proxy/Forms of Direction will not prevent you from attending either the Court Meeting or the Extraordinary General Meeting and voting in person should you decide to do so.**

### ***Shareholders holding shares in certificated form***

Shareholders are requested to complete, sign and return by post (together with any power of attorney or other authority under which it is signed or a notarially certified copy of such power or authority) to the Company's Registrars (Capita Registrars, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU) the white Form of Proxy for use at the Court Meeting (to arrive no later than 2.00 p.m. on 18 May 2010) and the blue Form of Proxy for use at the Extraordinary General Meeting (to arrive no later than 2.15 p.m. on 18 May 2010). Shareholders residing in the Falkland Islands are requested to return their Forms of Direction to the Company's registered office (56 John Street, Stanley, Falkland Islands) within the same timescales. Forms of Proxy for use at the Court Meeting may also be given to the Chairman at the Court Meeting.

### ***Depository Interest Holders holding shares in uncertificated form***

Depository Interest Holders are requested to complete, sign and return by post (together with any power of attorney or other authority under which it is signed or a notarially certified copy of such power or authority) to the Company's Registrars (Capita Registrars, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU) the white Form of Direction for use at the Court Meeting (to arrive no later than 2.00 p.m. on 17 May 2010) and the blue Form of Direction for use at the Extraordinary General Meeting (to arrive no later than 2.15 p.m. on 17 May 2010). Depository Interest Holders residing in the Falkland Islands are requested to return their Forms of Direction to the Company's registered office (56 John Street, Stanley, Falkland Islands) within the same timescales.

If you are a Depository Interest Holder and would like to attend the Court Meeting or the Extraordinary General Meeting please note that you will need to obtain a Letter of Representation from the Depository. This can be obtained by contacting The Depository, Capita IRG Trustees Limited, The Registry,

34 Beckenham Road, Beckenham, Kent, BR3 4TU or by emailing [custodymgmt@capitaregistrars.com](mailto:custodymgmt@capitaregistrars.com). Requests must be received no later than 2.00 p.m. on 17 May 2010. Please note that the Depository will require an original copy of the letter of request before issuing a Letter of Representation.

## **12 Further information**

Your attention is drawn to the letter from your Chairman set out in Part 1 of this document, the Scheme (which is set out in full in Part 4 of this document) and the additional information set out in Part 3 of this document.

Yours faithfully

A handwritten signature in dark ink, appearing to read 'Alan Burns', is written over a light blue rectangular background.

Alan Burns  
for and on behalf of the Board of Directors of BPC Limited

## PART 3

### ADDITIONAL INFORMATION

#### 1 Description of the BPC Group

The BPC Group is a group of oil and gas companies which owns offshore licence permits in The Commonwealth of The Bahamas and which carries out exploratory, drilling and development projects in The Bahamas and other areas. The BPC Group's objective is to seek industry partners to fund a variety of exploration studies, new seismic acquisitions and drilling programmes.

#### 2 Working capital

The Directors are of the opinion, having made due and careful enquiry, that the working capital available to BPC Plc and the Group is sufficient for its present requirements, that is for at least twelve months from the date of Admission.

#### 3 The Board of BPC Limited Directors and their interests

3.1 The Directors and their principal functions are:

Alan Robert Burns, *Chairman and Chief Executive Officer*  
Dr Paul Daniel Crevello, *Chief Operating Officer*  
Michael Joseph Proffitt, *Non-Executive Finance Director*  
Dursley Stott O.B.E, *Non-Executive Director*

3.2 The current business address of each of the Directors of BPC Limited is IOMA House, Hope Street, Douglas, Isle of Man, IM1 1AP.

3.3 The Directors and BPC Limited accept responsibility, individually and collectively, for the information contained in this document. To the best of the knowledge and belief of Directors and BPC Limited (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

3.4 The interests of the Directors in BPC Limited Shares (which are beneficial unless stated otherwise) are set out below. The interests are calculated as at 22 April 2010 (the latest practicable date before the publication of this document). In the event that the Scheme becomes effective, the Directors will have corresponding interests in BPC Plc Shares by virtue of the effect of the Scheme on their existing holdings of BPC Limited Shares.

<i>Director</i>	<i>No. of BPC Limited Shares</i>	<i>Percentage of issued capital on Admission</i>
Alan Robert Burns	44,820,000	5.22%
Dr Paul Daniel Crevello <sup>(1)</sup>	33,030,000	3.84%
Michael Joseph Proffitt <sup>(2)</sup>	18,360,000	2.14%
Dursley Stott O.B.E	115,000	0.01%

Notes:

- (1) These shares are held by PetrexAsia Consulting LLC and Petroleum Geoscience International LLC for the benefit of Paul Crevello.  
(2) These shares are held by Gumbo Investments Limited for the benefit of Michael Proffitt.

3.5 As at 22 April 2010 (the latest practicable date before the publication of this document), none of the Directors have any interest in BPC Limited shares under any share option scheme operated by the Company.

- 3.6 The interests disclosed in this paragraph 3 are based upon the interests of the Directors in the ordinary share capital of BPC Limited which have been notified by each Director to BPC Limited pursuant to Article 79A of the Articles of Association before 22 April 2010 (the latest practicable date before the issue of this document).
- 3.7 No Director of BPC Limited has or has had any interest in any transactions which are or were unusual in their nature or conditions or are or were significant to the business of BPC Limited or any BPC Group company and which were effected by BPC Limited or any BPC Group company during the current or immediately preceding financial year or during an earlier financial year and which remain in any respect outstanding or unperformed.

#### **4 Incorporation and activity of BPC Plc**

- 4.1 BPC Plc was incorporated as a private limited company on 25 August 2009 in the Isle of Man under the Isle of Man Company Law with the name "BPC Limited" and registered number 123863C and re-registered as a public limited company and changed its name to "BPC Plc" by a resolution dated 12 April 2010.
- 4.2 The registered office and principal place of business and management of BPC Plc is: IOMA House, Hope Street, Douglas, Isle of Man, IM1 IAP. The telephone number for BPC Plc is 01624 641199. BPC Plc's website address is www.bpcplc.com however the Group's existing website www.bpcltdgroup.com will redirect to that website for a transitional period.
- 4.3 BPC Plc is currently a subsidiary of the BPC Group.

#### **5 Share capital of BPC Plc**

- 5.1 BPC Plc was incorporated with an authorised share capital of £2,000 represented by 2,000 ordinary shares of £1 each. On incorporation, one share was issued to each of Chartside Nominees Limited and Chartside Administration Limited, the subscribers to BPC Plc's Memorandum of Association and each share is fully paid up.
- 5.2 On 9 April 2010, the issued shares were transferred by the subscribers as follows: one share to Alan Burns and one share to Michael Proffitt, both of whom are directors of BPC Limited and BPC Plc.
- 5.3 On 12 April 2010, Michael Proffitt transferred his share to Gumbo Investments Limited.
- 5.4 The entire issued share capital of BPC Plc at all times has been held in trust for the BPC Group.
- 5.5 By a special resolution taking effect on 12 April 2010, the share capital of BPC Plc was sub-divided, with each ordinary share of £1 each being sub-divided into 50,000 ordinary shares of 0.002 pence each, and the authorised share capital was increased from £2,000 to £100,000.
- 5.6 The share capital of BPC Plc as at 22 April 2010 (the latest practicable date before the publication of this document) is an authorised share capital of £100,000 divided into 5,000,000 ordinary shares of 0.002 pence each and an issued share capital of £2 represented by 100,000 fully paid ordinary shares of 0.002 pence each.
- 5.7 If the Scheme becomes effective the arrangements whereby Alan Burns and Gumbo Investments Limited hold shares in trust for BPC Group will terminate and they will legally and beneficially own such shares. Alan Burns and Gumbo Investments Limited will each be allotted 50,000 less BPC Plc Shares to take into account their existing holdings in BPC Plc. **Accordingly as at the Effective Date, the shareholdings of Shareholders in BPC Plc will be the same as the former shareholdings of such Shareholders in BPC Limited and the shareholders mentioned above will receive no additional benefit compared to other Shareholders.**
- 5.8 Save as set out above, there has been no issue of share or loan capital of BPC Plc since its incorporation and no share or loan capital of BPC Plc is under option or agreed to be put under option.

- 5.9 At the date of this document, BPC Plc has no subsidiaries and, accordingly, there has been no material issue of share or loan capital by any subsidiary undertaking of BPC Plc for cash or other consideration.
- 5.10 The BPC Plc Shares will, when issued, be in registered form and will be capable of being held in uncertificated form. No temporary documents of title have been or will be issued in respect of the BPC Plc Shares.
- 5.11 The BPC Plc Shares have not been marketed, nor are they available in whole or in part to the public otherwise than pursuant to the Scheme.
- 5.12 No commissions, discounts, brokerages or other special terms have been granted in respect of the issue of any share capital of BPC Plc.
- 5.13 Under the Scheme BPC Plc will issue BPC Plc Shares, credited as fully paid, to the Scheme Shareholders on the following basis:

**for each Scheme Share cancelled: one BPC Plc Share**

- 5.14 It is proposed that the BPC Limited Articles be amended to create two A Ordinary Shares in the capital of BPC Limited which will not form part of the Scheme, one to be held by BPC Plc and one to be held by the Nominee as bare trustee for BPC Plc. This is to provide for compliance with a technical requirement of the Companies Act 1948. The rights attaching to the A Ordinary Shares are set out in the notice of Extraordinary General Meeting at Part 7 of this document.
- 5.15 The proposed authorised, issued and fully paid share capital of BPC Plc as it will be following the Effective Date, shall be as follows:

	<i>Authorised number</i>	<i>Nominal value</i>	<i>Issued and fully paid number</i>	<i>Nominal value</i>
BPC Plc Shares	5,000,000,000	0.002p each	859,482,698	0.002p each

The table set out above assumes no issues of shares by BPC Limited or BPC Plc after the date of this document other than in connection with the Scheme.

**6 Directors of BPC Plc**

As at 22 April 2010 (the latest practicable date before the publication of this document) the Directors of BPC Limited are all Directors of BPC Plc.

**7 BPC Plc Articles**

A summary of the BPC Plc Articles is set out in Part III of the Appendix to the Schedule 1 Announcement.

A copy of the BPC Plc Articles may be viewed upon request at the offices of McGrigors LLP, 5 Old Bailey, London, EC4M 7BA; at the registered offices of BPC Limited, being the offices of McGrigors LLP, 56 John Street, Stanley, Falkland Islands; and at the registered offices of BPC Plc, being IOMA House, Hope Street, Douglas, Isle of Man; up until Admission during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted). A copy of the BPC Plc Articles will also be available for inspection at the Meetings.

**8 Principal differences between the BPC Limited Articles and the BPC Plc Articles**

As at the date of this document, the BPC Plc Articles are substantially in the form of the BPC Limited Articles. There are various minor differences which arise due to BPC Plc being incorporated in the Isle of Man rather than the Falkland Islands or which relate to amendments which are minor and of a technical nature. These require no further explanation.

The other principal differences are as follows:-

All references to the Depository have been removed on the basis that Depository Interest arrangements will not apply to BPC Plc Shareholders holding shares in uncertificated form. Instead, these shares will be held directly in uncertificated form through CREST. Refer to Paragraph 6 of Part 2 for further information.

The BPC Limited Articles provide shareholders with pre-emption rights, subject to certain exceptions. One of these exceptions relates to the allotment of shares pursuant to the exercise of share options held by Ambrian Partners Limited or its assignees and pursuant to the conversion rights of the RAB Special Situations (Master) Fund Limited or its nominee under the Loan Note Agreement between RAB Special Situations (Master) Fund Limited and BPC Limited dated 1 April 2008 (as amended from time to time). Subject to the Scheme becoming effective and Admission taking place, Ambrian Partners Limited, BPC Limited and BPC Plc have agreed that the obligations of BPC Limited to issue shares pursuant to the Ambrian Options shall be novated to BPC Plc on substantially the same terms and conditions. The BPC Plc Articles have been modified accordingly. The Loan Note Agreement between RAB Special Situations (Master) Fund Limited and BPC Limited has now been terminated, so the conversion rights are no longer applicable and have not been reflected in the BPC Plc Articles.

Under the BPC Limited Articles, an extraordinary general meeting may be called on short notice, if a majority in number of the shareholders having a right to attend and vote, being a majority holding not less than 95 per cent. of the nominal value of the shares, so consents. There are no equivalent provisions under Isle of Man law. Accordingly, the prudent approach is to assume that all general meetings may only validly be held on short notice with the consent of all the members entitled to attend and vote thereat. The Articles of BPC Plc have been amended to reflect this.

Isle of Man Company Law does not allow for share warrants to be issued. Accordingly, the references to share warrants in the BPC Limited Articles have not been replicated in the BPC Plc Articles.

Under the BPC Limited Articles, the Directors may issue for cash consideration share up to a nominal value of £2,400 without pre-emption rights applying. For the BPC Plc Articles, this has authority has been extended to £2,400 *per year*. Refer to paragraph 9 of this Part 3 for further information.

The references to written resolutions passed by shareholders contained within the BPC Limited Articles have not been replicated in the BPC Plc Articles. It is not possible for public limited companies incorporated in the Isle of Man to pass resolutions in writing.

A definition of “connected persons” has been added to the BPC Plc Articles. “Connected Persons” is a term referred to in the Articles in relation to directors and their interests, and this has been defined to allow consistency and ease of reference.

Your attention is also drawn to paragraph 9 of this Part 3 which sets out certain significant differences between Isle of Man and Falkland Islands law and regulation which will be relevant to Shareholders on the Scheme becoming effective.

## **9 Principal differences between Isle of Man and Falkland Islands company law**

BPC Plc is incorporated in the Isle of Man and will be governed by Isle of Man law. The principal legislation governing the operation of companies incorporated in the Isle of Man is the Companies Act 1931 although a number of subsequent amending and supplementary Acts have been passed.

BPC Limited is incorporated in the Falkland Islands and is governed by Falkland Islands law. The principal governing the operation of companies incorporated in the Falkland Islands is the Companies Act 1948 as amended.

### ***Allotment of Shares***

The general position under Isle of Man Company Law is that the directors of an Isle of Man company have authority to allot and issue authorised but unissued shares in the capital of that company without further authority from shareholders. This is the same position as Falkland Islands Company Law.

The directors' power to allot and issue shares have been restricted under the Articles of BPC Limited and BPC Plc which state that, subject to rights of pre-emption, the directors may approve the allotment, grant of options over or otherwise dispose of shares to such persons, at such times and on such terms as they think fit up to a maximum nominal amount of share capital of £32,000 or such other amount as shall be authorised by the company in general meeting.

### ***Pre-emption Rights***

Isle of Man Company Law does not make provisions for statutory rights of pre-emption which restrict the directors from allotting shares without offering the same to existing shareholders first. This is the same position as Falkland Islands Company Law.

Pre-emption provisions have been included in the Articles of BPC Limited and BPC Plc which restrict the directors' power to allot shares without offering to existing shareholders. The Articles provide that when proposing to allot shares for cash, BPC Limited and BPC Plc must first offer them to every shareholder on at least the same terms. However the pre-emption rights have been disapplied so that they do not apply to any allotments in connection with rights issues, open offers or equivalent offers, employee share schemes, options held by Ambrian Partners Limited, for non-cash consideration or for cash up to a maximum nominal amount of share capital of £2,400 per year.

### ***Disclosure of Interests***

There is currently no requirement under Isle of Man Company Law for a company to keep a register of substantial interests in its voting shares unless directed to do so by the Isle of Man Treasury. There is also no requirement to maintain a register of substantial interests in voting shares under Falkland Islands Company Law. However, to comply with AIM requirements, disclosure requirements equivalent to the relevant requirements under UK Company Law have been built into the Articles of BPC Limited and BPC Plc.

### ***The City Code on Takeovers and Mergers***

Companies incorporated in the Isle of Man are subject to the UK City Code on Takeovers and Mergers (the "Takeover Code") which sets out the provisions if a person (on his own or together with his concert parties) makes an offer to acquire all the issued securities of a public limited company. Its purpose is to ensure commercial fairness for all shareholders of the target company. Under the Takeover Code, if an acquisition results in a person holding shares carrying 30 per cent. or more of the voting rights of the company, or if a person, or those acting in concert with him together are interested in shares carrying not less than 30 per cent. and not more than 50 per cent. of the voting rights acquires shares which increase such a percentage, the shareholder will, subject to limited exceptions, be required to make a mandatory offer for the company. Companies incorporated in the Falkland Islands are not subject to the Takeover Code, however the Articles of BPC Limited contain equivalent provisions. These equivalent provisions are contained in the Articles of BPC Plc in case the Takeover Code ceases to apply to the Company (for whatever reason).

### ***EGM Short Notice***

The provisions for calling a general meeting on short notice have not been replicated under Isle of Man Company Law. Accordingly, the prudent approach is to assume that meetings may only validly be held on short notice with the consent of all the members entitled to attend and vote thereat. The Articles of BPC Plc are different from BPC Limited in this respect and this has been highlighted at paragraph 8 of this Part 3 above.

### ***Financial Statements***

There are no provisions in Isle of Man Company Law entitling a company to send summary financial statements to its shareholders in lieu of full statutory accounts. Accordingly, a printed copy of the full statutory accounts must be sent to each shareholder of an Isle of Man company. Under the Articles of BPC Plc, the accounts are to be sent to shareholders not less than 21 clear days prior to the Annual General Meeting.

**The above list is intended to be illustrative only and does not purport to be exhaustive or to constitute legal advice. Any Shareholders wishing to obtain further information regarding their rights as a holder of BPC Plc Shares should consult their legal adviser.**

## **10 Material litigation**

No member of the BPC Group (including BPC Plc) is or has been engaged in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which BPC Limited is aware) during the period covering at least the 12 months preceding the date of this document which may have, or have had in the recent past, a significant effect on BPC Limited and/or the BPC Group's financial position or profitability.

## **11 Material contracts**

Details of certain material contracts of the BPC Group required to be disclosed pursuant to the AIM Rules are set out in paragraph 10 of Part III of the Appendix to the Schedule 1 Announcement.

## **12 Taxation – BPC Plc**

### **12.1 General**

The following information is intended as a general guide and relates to the Isle of Man tax position of BPC Plc. The statements are based on the current legislation and practice in the Isle of Man and do not purport to be comprehensive or to describe all potential relevant considerations. Investors should note that both tax law and interpretation are subject to change, possibly with retrospective effect.

### **12.2 Corporate Taxation**

BPC Plc is resident for taxation purposes in the Isle of Man by virtue of being incorporated in the Isle of Man and is therefore taxed in the Isle of Man on its worldwide income. The Isle of Man has a regime for the taxation of income, but there are no stamp taxes, inheritance taxes or capital gains tax in the Isle of Man.

With limited exceptions, Isle of Man companies are subject to corporate income tax at the general rate of 0 per cent.

The exceptions are those companies which pay tax at the 10 per cent. rate, which comprise:

- (a) licensed banks in respect of their deposit-taking business;
- (b) companies which derive profits from Isle of Man situated land and property; and
- (c) companies which elect to pay tax at the 10 per cent. rate.

Given that it is not expected that any income would be derived from the activities in (a) and (b) and BPC Plc will not elect to pay tax at the 10 per cent. rate, it is expected that the general rate of 0 per cent. will apply to its profits.

BPC Plc will be required to pay a fee in the Isle of Man on the filing of its annual return which for the period 2009/2010 is £320.

### **12.3 Anti-Avoidance – the Attribution Regime for Individuals (“ARI”)**

Notwithstanding the zero rate of corporate tax, there are measures in place to ensure that Isle of Man resident shareholders are subject to Isle of Man income tax on their share of undistributed corporate profits. The ARI requires shareholders resident in the Island to pay tax at the appropriate rate (either 10 per cent. or 20 per cent.) based on their proportionate interest in undistributed profits where the “relevant company” in which they hold shares does not meet certain minimum distribution targets. A company which is:

- (a) resident for income tax purposes in the Isle of Man;

- (b) incorporated, established or constituted under the law of the Isle of Man; or
- (c) registered under Part XI of the Companies Act 1931,

is a “relevant company” for the purposes of the ARI, unless it falls within one or more of the categories detailed in the Income Tax (Attributable Profits) (Relevant Company) Order 2008 for the whole of the accounting period.

The exceptions include, *inter alia*, a company which is listed on a UK stock exchange, which includes a quotation on AIM and the PLUS market. On the basis that it is anticipated that shares in BPC Plc will be admitted to AIM, the ARI should not apply to any of BPC Plc’s profits.

#### 12.4 ***Death***

In the event of the death of a sole holder of BPC Plc Shares, an Isle of Man grant of probate or administration may be required, in respect of which certain probate fees will be payable to the Isle of Man government.

#### 12.5 ***Distributions***

Distributions made by Isle of Man companies are made without withholding or other Isle of Man taxes.

#### 12.6 ***Value Added Tax (“VAT”)***

The VAT rules in the Isle of Man are parallel to those which operate in the UK in almost all respects.

Accordingly, the issue of new shares by BPC Plc is not subject to Isle of Man or UK VAT. The issue by BPC Limited to BPC Plc of its shares is not subject to Isle of Man or UK VAT. The sale or transfer of existing shares is similarly not subject to Isle of Man or UK VAT.

#### 12.7 ***Stamp Duty***

No stamp duty is payable in the Isle of Man on the issue or transfer of ordinary shares in Isle of Man companies.

#### 12.8 ***The Scheme and the reductions of Capital***

As a result of the above, no Isle of Man tax will arise as from carrying through the proposed Scheme and associated reductions of capital.

### 13 **Taxation – Shareholders**

#### 13.1 ***General***

The following information is intended as a general guide and relates to the tax position of BPC Plc Shareholders who are resident or ordinarily resident in the UK, the Isle of Man and the Falkland Islands. The statements may not apply to certain classes of BPC Plc Shareholders such as dealers in securities and other persons who hold the shares other than as investments. The statements are based on the current legislation and practice in the UK, the Isle of Man and the Falkland Islands and do not purport to be comprehensive or to describe all potential relevant considerations. Investors should note that both tax law and interpretation are subject to change, possibly with retrospective effect. Any prospective investor who is in any doubt about his tax position, or who is subject to taxation in a jurisdiction other than the UK, the Isle of Man or the Falkland Islands should consult his own professional adviser immediately.

#### 13.2 ***UK Shareholders***

##### 13.2.1 ***UK taxation – General***

The paragraphs set out below summarise the UK tax treatment for BPC Plc Shareholders of holding or disposing of BPC Plc Shares. They are based on current UK legislation and an understanding of current HM Revenue & Customs (“HMRC”) published practice as at the date of this document. The paragraphs are intended as a general guide and, except where express reference is made to the position of non-UK residents, apply only to BPC Plc

Shareholders who are resident and, if individuals, ordinarily resident and domiciled in the UK for tax purposes. They relate only to such BPC Plc Shareholders who hold their BPC Plc Shares directly as an investment (other than under an individual savings account) and who are absolute beneficial owners of those BPC Plc Shares. These paragraphs do not deal with certain types of shareholders, such as persons holding or acquiring BPC Plc Shares in the course of trade or by reason of their, or another's, employment, collective investment schemes and insurance companies.

If you are in any doubt as to your taxation position or if you are resident or otherwise subject to taxation in any jurisdiction other than the UK, you should consult an appropriate professional adviser immediately. BPC Plc Shareholders are referred to the sections headed "Isle of Man Shareholders" and "Falkland Islands Shareholders" below for a description of the tax consequences of holding BPC Plc Shares in such jurisdictions.

### 13.2.2 *UK taxation – Acquisition of BPC Plc Shares pursuant to the Scheme*

(a) Taxation of income

The Scheme should not be treated as involving a distribution subject to UK tax as income.

(b) Taxation of chargeable gains

It is expected that for capital gains tax ("CGT") purposes the scheme will be a scheme of reconstruction. Accordingly, a shareholder owning less than 5 per cent. of the share capital of BPC will not be treated as making a disposal of all or part of his or her holding of BPC Limited. Instead, "roll-over" treatment should apply which means that the new BPC Plc Shares should be treated as the same asset as the BPC Limited Shares and as having been acquired at the same time as those BPC Limited Shares.

If a Shareholder alone or together with persons connected with him, holds more than 5 per cent. of the BPC Limited Shares, such a shareholder will be eligible for the "roll-over" treatment described above only if the Scheme is effected for bona fide commercial reasons and does not form part of a scheme or arrangement of which the main purpose, or one of the main purposes, is avoidance of liability to CGT or corporation tax. Clearance has not been sought from HMRC under section 138 Taxation of Chargeable Gains Act 1992 that HMRC is satisfied that the scheme will be effected for bona fide commercial reasons and will not form part of such a scheme or arrangement.

(c) BPC Limited reductions of share capital

The reductions of capital in BPC Limited should not have any UK tax consequences for BPC Limited Shareholders. It should be treated as a reorganisation of the share capital and, accordingly, will not result in a disposal by any BPC Limited Shareholders.

(d) Transactions in securities

Shareholders of BPC Limited should note that they should not suffer a counter-acting tax assessment under the transactions in securities rules in sections 703 et seq. of the Income and Corporation Tax Act 1988 and sections 682 et seq. of the Income Tax Act 2007 by reference to the Scheme but that no application for tax clearance has been made under section 707 of the Income and Corporation Tax Act 1988 or section 701 of the Income Tax Act 2007 in relation to the Scheme.

(e) Stamp duty and Stamp Duty Reserve Tax

No stamp duty or SDRT will be payable by BPC Limited Shareholders as a result of the cancellation of BPC Limited Shares and the issue of BPC Plc Shares under the Scheme.

### 13.2.3 *UK taxation – Disposal of BPC Plc Shares – tax on chargeable gains*

Liability to UK tax on chargeable gains will depend on the individual circumstances of BPC Plc Shareholders.

Disposal of BPC Plc Shares by UK resident BPC Plc Shareholders.

A disposal of BPC Plc Shares by a BPC Plc Shareholder who is resident or ordinarily resident in the UK may, depending on individual circumstances (including the availability of exemptions and reliefs), give rise to a chargeable gain or allowable loss for the purposes of the UK taxation of chargeable gains.

(a) Individuals

A disposal of BPC Plc Shares by an individual who is liable to UK capital gains tax will, subject to the availability of any exemptions, reliefs and/or allowable losses, be subject to tax at the rate of 18 per cent. with no taper relief or indexation allowance being available. Individuals who are temporarily non-UK resident may, in certain circumstances, be subject to tax in respect of gains realised whilst they are not resident in the UK.

(b) Companies

For a corporate BPC Plc Shareholder, any chargeable gain will be included in the company's profits chargeable to corporation tax and unless exempted, taxed at the appropriate rate of corporation tax (currently a maximum of 28 per cent.). In calculating a company's chargeable gain, indexation allowance is available on the original allowable cost of the shares. Broadly speaking, indexation allowance increases the acquisition cost of an asset for tax purposes in line with the rise in the retail prices index. Indexation allowance cannot create or augment an allowable loss for the company and is therefore restricted to the point that no gain and no loss arises.

Disposal of BPC Plc Shares by non-UK resident BPC Plc Shareholders

BPC Plc Shareholders who are not resident or, in the case of individuals, ordinarily resident for tax purposes in the UK may not be liable for UK tax on capital gains realised on a disposal of their BPC Plc Shares unless such BPC Plc Shares are acquired for use by or for the purposes of a branch, agency or, in the case of a corporate shareholder, a permanent establishment through which such person is carrying on a trade, profession or vocation in the UK. Such BPC Plc Shareholders may also be subject to foreign taxation on any gain under local law.

A BPC Plc Shareholder who is an individual and who is temporarily a non-UK resident at the time of the disposal may, under anti-avoidance legislation, still be liable to UK taxation on any chargeable gain realised (subject to the availability of exemptions or reliefs).

#### 13.2.4 UK taxation – Tax on dividends paid by BPC Plc

An individual who is a BPC Plc Shareholder and is resident or ordinarily resident in the UK or carries on a trade in the UK or through a UK branch or agency in connection with which their BPC Plc Shares are held will generally be subject to United Kingdom income tax (at the rate of 10 per cent. or 32.5 per cent. in the case of higher rate taxpayers or 42.5 per cent. in the case of additional rate taxpayers).

Dividends paid by a company resident outside of the UK to a company in the UK (after 1 July 2009) will generally be exempt from UK corporation tax. There are various exceptions to this exemption, depending on the size of the corporate shareholder, whilst there are also anti-avoidance provisions which exist. It is anticipated that UK-resident corporate holders of BPC Plc Shares will be exempt from corporation tax on dividends received, but they should confirm their tax position with a specialist tax adviser.

(a) Individuals

*Individuals with not more than a 10 per cent. Shareholding in BPC Plc*

An individual holder of BPC Plc Shares who is resident in the UK for tax purposes may, to the extent that a dividend received by him is brought into charge to UK tax, be entitled to a UK tax credit which may be set off against his total income tax liability on the dividend. Such an individual shareholder's liability to income tax is

calculated on the gross dividend, which will be regarded as the top slice of the individual's income i.e. taxed at the highest available rate. If available, such a tax credit will be equal to 10 per cent. of the gross dividend (i.e. the tax credit will be one-ninth of the amount of the dividend).

A UK resident individual holder of BPC Plc Shares who is not liable to income tax in respect of the gross dividend will not be entitled to reclaim any part of the tax credit referred to above. A UK resident shareholder who is liable to income tax at the basic rate will be subject to income tax on the dividend at the rate of 10 per cent. of the gross dividend so that the tax credit will satisfy in full such shareholder's liability to income tax on the dividend. A UK resident individual shareholder liable to income tax at the higher rate will generally be subject to income tax on the gross amount of the dividend at 32.5 per cent. but will be able to set the UK tax credit (if available) off against part of this liability. The effect of this set off is that such a holder will have to account for additional UK tax equal to one quarter of the net cash dividend received. A UK resident individual shareholder liable to income tax at the additional rate will generally be subject to income tax on the gross amount of the dividend at 42.5 per cent. but will be able to set the UK tax credit (if available) off against part of this liability. The effect of this set off is such that the holder will have to account for additional UK tax equal to 36.11 per cent. of the net cash dividend received.

*Individuals with more than a 10 per cent. shareholding in BPC Plc*

The tax credit described above is not available to an individual with more than a 10 per cent. shareholding in BPC Plc. Instead, the individual will simply be subject to UK income tax at the appropriate rate (10 per cent., 32.5 per cent. or 42.5 per cent.) on the cash dividend received.

(b) Companies

With effect from 1 July 2009, a company that is resident in the UK for tax purposes will generally be exempt from corporation tax on dividends received from companies' resident outside the UK. There are various exceptions to this exemption, depending on the size of the corporate shareholder, whilst there are also anti-avoidance provisions which exist. It is anticipated that UK-resident corporate holders of BPC Plc Shares will be exempt from corporation tax on dividends received, but they should confirm their tax position with a specialist tax adviser.

13.2.5 *UK taxation – Stamp duty and stamp duty reserve tax (“SDRT”)*

- (a) No UK stamp duty or SDRT will be payable on the issue of BPC Plc Shares.
- (b) UK stamp duty should generally not need to be paid on a transfer of the BPC Plc Shares.
- (c) No UK SDRT will be payable in respect of any agreement to transfer BPC Plc Shares unless they are registered in a register kept in the UK by or on behalf of BPC Plc. It is not intended that such a register will be kept in the UK.
- (d) The statements in this paragraph summarise the current position on stamp duty and SDRT and are intended as a general guide only. Special rules apply to agreements made by, amongst others, intermediaries and certain categories of person may be liable to stamp duty or SDRT at higher rates.

13.3 *Isle of Man Shareholders*

13.3.1 *Isle of Man taxation – General*

Isle of Man residents are taxed on their worldwide income. The higher rate of income tax in the Isle of Man is 20 per cent. The same tax rates apply to all income including dividends and interest. Isle of Man residents are entitled to a tax free personal allowances and there is also a tax liability cap of £115,000.

### 13.3.2 *Isle of Man taxation – Acquisition of BPC Plc Shares pursuant to the Scheme*

The Isle of Man does not levy any capital gains taxes and no Isle of Man tax will arise to shareholders solely as a result of the proposed Scheme and associated capital reductions.

### 13.3.3 *Isle of Man taxation – Disposal of BPC Plc Shares – tax on chargeable gains*

The Isle of Man does not levy any capital gains taxes and no Isle of Man tax will arise on any gains realised on the disposal of BPC Plc Shares.

### 13.3.4 *Isle of Man taxation – Tax on dividends paid by BPC Plc*

Dividends received by Isle of Man resident shareholders will be taxed with a top rate of 20 per cent. (with normal allowances applying) with an individual's maximum liability capped at £115,000.

### 13.3.5 *Isle of Man taxation – Stamp duty and stamp duty reserve tax (“SDRT”)*

No stamp duty or SDRT will be payable by BPC Limited Shareholders as a result of the cancellation of BPC Limited Shares and the issue of BPC Plc Shares under the Scheme.

## 13.4 ***Falkland Islands Shareholders***

### 13.4.1 *Falkland Islands taxation – General*

The following is intended as a general guide to the Falkland Islands tax treatment of the ownership of Ordinary Shares under current legislation as per the Taxes Ordinance 1997 and subsequent amendments at the date of this document, which are subject to change at any time. It only deals with the general Falkland Islands tax position of certain Shareholders resident or ordinarily resident in the Falkland Islands who hold those Ordinary Shares as investments, and does not deal with other Shareholders (such as dealers in securities, insurance companies and collective investment schemes) whose tax position might in some cases be different. The information given is by way of general summary only and does not constitute legal or tax advice to any person. Shareholders who are in any doubt about their tax position, or who are taxable in a jurisdiction other than the Falkland Islands, should obtain detailed tax advice.

### 13.4.2 *Falkland Islands taxation – Acquisition of BPC Plc Shares pursuant to the Scheme*

No Falkland Islands tax will arise to shareholders solely as a result of the Scheme and associated capital reductions.

### 13.4.3 *Falkland Islands taxation – Disposal of BPC Plc Shares – tax on chargeable gains*

In the case of those Shareholders who are within the charge to Falkland Islands Taxation, there is no taxation on the capital gain on the sale of shares in BPC Plc.

### 13.4.4 *Falkland Islands taxation – Tax on dividends paid by BPC Plc*

Shareholders who are resident in the Falkland Islands for tax purposes may, depending on their circumstances, be liable to Falkland Islands income tax in respect of dividends paid by BPC Plc. Dividends received by an individual who is resident or ordinarily resident in the Falkland Islands for taxation purposes will be chargeable to Falkland Islands income tax on that dividend. The dividend received will be grossed up by applying the fraction  $(I/100-I)$ , where I is the lower rate of income tax (currently 21 per cent.) – this will then be given as a tax credit against any income tax due. A Falkland Islands resident corporate Shareholder will not be subject to any further taxation. There will be no withholding to be made by BPC Plc on account of Falkland Islands tax in respect of dividends paid by BPC Plc.

### 13.4.5 *Falkland Islands taxation – Stamp duty and stamp duty reserve tax (“SDRT”)*

No Falkland Islands stamp duty or SDRT will arise solely as a result of the Scheme and capital reductions.

### 13.5 *Other Shareholders*

Other Shareholders will need to take specific professional advice about their individual tax position.

**Any person who is in any doubt as to his/her tax position or requires more detailed information than the general outline above should consult his/her professional advisers.**

## 14 Share Options

The only outstanding share options granted by the Company are the Ambrian Options. Subject to the Scheme becoming effective and Admission taking place, Ambrian Partners Limited, BPC Limited and BPC Plc have agreed that the obligations of BPC Limited to issue shares pursuant to the Ambrian Options shall be novated to BPC Plc on substantially the same terms and conditions. Accordingly, Ambrian Partners Limited will have an option to subscribe for shares in BPC Plc rather than BPC Limited.

## 15 Amendments to the BPC Limited Articles

Part of the special resolution to be considered at the Extraordinary General Meeting relates to certain proposed changes to the BPC Limited Articles in connection with the Proposals. These changes are set out in full in the notice of Extraordinary General Meeting in Part 7 of this document.

## 16 Documents available for inspection

Copies of the following documents will be available for inspection upon request at the offices of at the offices of McGrigors LLP, 5 Old Bailey, London; at the registered offices of BPC Limited, being the offices of McGrigors LLP, 56 John Street, Stanley, Falkland Islands; and at the registered offices of BPC Plc, being IOMA House, Hope Street, Douglas, Isle of Man; during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this document until the Scheme becomes effective or lapses and will also be available for inspection at the Extraordinary General Meeting and the Court Meeting:

- (a) the Memorandum and Articles of Association of BPC Limited (as currently in force, and as they will be following the amendments proposed at the Extraordinary General Meeting);
- (b) the BPC Plc Memorandum and BPC Plc Articles;
- (c) the audited consolidated accounts of BPC Limited for the year ended 31 December 2008;
- (d) the unaudited interim results of BPC Limited for the six months ending 30 June 2009;
- (e) the audited preliminary results of BPC Limited for the year ended 31 December 2009;
- (f) the AIM Schedule 1 Announcement and the Appendix thereto; and
- (g) a copy of this Circular.

## PART 4

### THE SCHEME OF ARRANGEMENT

IN THE SUPREME COURT OF  
THE FALKLAND ISLANDS

IN THE MATTER OF BPC LIMITED

and

IN THE MATTER OF THE COMPANIES ACT 1948

SCHEME OF ARRANGEMENT  
(under section 206 of the Companies Act 1948)

between

**BPC LIMITED**

and

**THE HOLDERS OF THE SCHEME SHARES**  
(as hereinafter defined)

#### PRELIMINARY

(A) In this Scheme of Arrangement, unless the context otherwise requires, the following expressions shall bear the following meanings:

“A Ordinary Shares”	means the two A Ordinary Shares of 0.002 pence each in the capital of BPC Limited;
“Act”	means the Companies Act 1948 as it applies in the Falkland Islands;
“BPC Limited Shares”	means ordinary shares of 0.002 pence each in the capital of BPC Limited;
“BPC Limited”	means BPC Limited, a public limited company incorporated in the Falkland Islands with registered number 12840;
“BPC Plc Shares”	means ordinary shares of 0.002 pence each in the capital of BPC Plc to be issued credited as fully paid pursuant to the Scheme;
“BPC Plc”	means BPC Plc, a public limited company incorporated in Isle of Man under Isle of Man Company Law with registered number 123863C;
“business day”	means a day (excluding Saturday or Sunday) on which banks generally are open for business in the City of London for the transaction of normal banking business;
“Clause”	means a clause of this Scheme;
“Court Hearing”	means the hearing by the Court of the petition to sanction the Scheme under section 206 of the Act and confirm the reductions of share capital of BPC Limited pursuant to the Scheme under section 68 of the Act;
“Court Meeting”	means the meeting of the holders of BPC Limited Shares convened by order of the Court pursuant to section 206 of the Act (notice of which is set in Part 6 of this document) to consider and, if thought fit, approve this Scheme, and any adjournment thereof;

<b>“Court”</b>	means the Supreme Court of the Falkland Islands;
<b>“Designated Foreign Jurisdiction”</b>	means a jurisdiction other than the United Kingdom, the Falkland Islands, the Isle of Man, the United States, Jersey or Guernsey;
<b>“Designated Foreign Shareholder”</b>	has the meaning given to it in Clause 3(b);
<b>“Effective Date”</b>	means the date on which this Scheme becomes effective in accordance with Clause 7;
<b>“Isle of Man Company Law”</b>	means the Companies Acts 1931-2009 including any statutory modification or re-enactment thereof for the time being in force;
<b>“New Shares”</b>	has the meaning given to it in Clause 1(b)(i) below;
<b>“Nominee”</b>	means McGrigors Nominee Company (Falklands) Limited;
<b>“penny”, “pence”, “£” or “sterling”</b>	means the lawful currency of the United Kingdom;
<b>“Scheme Record Time”</b>	means 6.00 p.m. (London time) on the Effective Date;
<b>“Scheme Shareholder”</b>	means a holder of Scheme Shares as appearing in the register of members of BPC Limited at the Scheme Record Time;
<b>“Scheme Shares”</b>	means: <ul style="list-style-type: none"> <li>(a) all the BPC Limited Shares in issue at the date of this Scheme;</li> <li>(b) all (if any) additional BPC Limited Shares in issue at the Scheme Voting Record Time; and</li> <li>(c) all (if any) further BPC Limited Shares which may be in issue immediately before the confirmation by the Court of the reductions of capital provided for by Clause 1 of this Scheme in respect of which the original, or any subsequent, holders shall be bound by the Scheme or in respect of which the original, or any subsequent, holders shall have agreed in writing to be so bound; and</li> </ul> but excluding always the A Ordinary Shares;
<b>“Scheme Voting Record Time”</b>	means 6.00 p.m. (London time) on 18 May 2010 or, if the Court Meeting is adjourned by 48 hours or more, 6.00 p.m. on the day which is two days before the date fixed for the adjourned meeting or, if BPC Limited gives notice of the adjourned meeting and an entitlement time is specified in that notice, the time specified in that notice;
<b>“Scheme” or “Scheme of Arrangement”</b>	means this scheme of arrangement proposed to be made under sections 206 to 207 of the Act with or subject to any modification, addition or condition approved or imposed by the Court;
<b>“Shareholder”</b>	means a registered holder of BPC Limited Shares or BPC Plc Shares (as the case may be) and includes any person(s) entitled by transmission;

- (B) The authorised share capital of BPC Limited at the date of this Scheme is £100,000 divided into 5,000,000,000 ordinary shares of 0.002 pence each. As at the date of this Scheme 859,482,698 BPC Limited Shares had been issued and were credited as fully paid and the remainder were unissued.
- (C) It is proposed that, before the Scheme becomes effective, two of the unissued BPC Limited Shares will have been converted into two A Ordinary Shares each of which will have been allotted and issued credited as fully paid; one to BPC Plc and one to the Nominee as bare trustee for BPC Plc.
- (D) BPC Plc was incorporated in the Isle of Man under the Isle of Man Company Law as a private limited company with registered number 123863C on 25 August 2009 and was re-registered as a public limited company by a resolution dated 12 April 2010.
- (E) The authorised share capital of BPC Plc at the date of this Scheme is £100,000 divided into 5,000,000,000 ordinary shares of 0.002 pence each (being the same authorised share capital and nominal value as BPC Limited) of which 100,000 ordinary shares have been issued and are fully paid. All other shares are unissued.
- (F) BPC Plc has agreed to appear by its Counsel and/or its Legal Practitioners at the Court Hearing to consent to the Scheme and to undertake to be bound thereby and to execute and do or procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it for the purpose of giving effect to this Scheme including (without limitation) the allotment of BPC Plc Shares to the Scheme Shareholders.
- (G) Conditional on the Scheme becoming effective, BPC Limited shall be re-registered as a private limited company and its name changed to BPC (Falklands) Limited.

## **THE SCHEME**

### **1 Cancellation of Scheme Shares and reduction of capital**

- (a) The share capital of BPC Limited shall be reduced by cancelling and extinguishing the Scheme Shares.
- (b) The share capital of BPC Limited shall be further reduced by cancelling the entire balance of the share premium account.
- (c) Forthwith and contingent upon the reductions of capital referred to in Clauses 1(a) and (b) taking effect, BPC Limited shall apply the credit arising in its books of account as a result of such reductions of capital as follows:-
  - (i) £1 in paying up, in full at par, 50,000 authorised but unissued BPC Limited Shares (the “**New Shares**”) and shall allot and issue the New Shares, credited as fully paid up, to BPC Plc; and
  - (ii) the balance shall be transferred to distributable reserves.

### **2 Consideration for the cancellation of the Scheme Shares**

In consideration of the cancellation of the Scheme Shares and the issue of the New Shares to BPC Plc pursuant to Clause 1, BPC Plc shall (subject to the remaining provisions of this Clause and to the provisions of Clauses 3, 4 and 5), allot and issue (credited as fully paid) BPC Plc Shares to the Scheme Shareholders on the basis of one BPC Plc Share for each Scheme Share held at the Scheme Record Time, save that Alan Burns and Gumbo Investments Limited each of which currently holds 50,000 BPC Plc Shares, shall each be allotted 50,000 less BPC Plc Shares to take into account these existing holdings. For the avoidance of doubt the said shares held by Alan Burns and Gumbo Investments Limited shall cease to be held on trust for the BPC Group and shall be legally and beneficially owned by Alan Burns and Gumbo Investment Limited.

### **3 Allotment and issue of BPC Plc Shares**

- (a) The BPC Plc Shares to be issued pursuant to Clause 2 shall rank in full for all dividends or distributions made, paid or declared after the Effective Date on the ordinary share capital of BPC Plc.
- (b) The provisions of Clause 2 shall be subject to any prohibition or condition imposed by law. Without prejudice to the generality of the foregoing, if, in respect of any Scheme Shareholder who is a citizen, resident or national of any Designated Foreign Jurisdiction (a “**Designated Foreign Shareholder**”), and BPC Plc is advised that the allotment and issue of BPC Plc Shares pursuant to Clause 2 would infringe the laws of the Designated Foreign Jurisdiction or would require BPC Plc to obtain legal advice or any governmental or other consent or effect any registration or filing or observe any other formality with which, in the opinion of BPC Plc, it would be unable to comply or which it regards as unduly onerous, then BPC Plc may in its sole discretion either:
  - (i) determine that no such BPC Plc Shares shall be allotted and issued to the Designated Foreign Shareholder under Clause 2 but instead such shares shall be allotted and issued to a nominee appointed by BPC Plc as trustee for such Designated Foreign Shareholder, on terms that they shall, as soon as practicable following the Scheme Record Time, be sold on behalf of the Designated Foreign Shareholder at the best price which can reasonably be obtained and the net proceeds of such sale shall (after the deduction of all expenses and commissions, including any amount in respect of value added tax payable thereon) be paid to the Designated Foreign Shareholder by sending a cheque or warrant to such Designated Foreign Shareholder in accordance with the provisions of Clause 4. In the absence of bad faith or wilful default, none of BPC Limited, BPC Plc, such nominee or any broker or agent shall have any liability for any loss arising as a result of the timing or terms of any such sale; or
  - (ii) determine that such BPC Plc Shares shall be sold, in which event the BPC Plc Shares shall be issued to such Designated Foreign Shareholder and BPC Plc shall appoint a person to act pursuant to this Clause 3(b)(ii) and such person shall be authorised on behalf of the Designated Foreign Shareholder to procure that any shares in respect of which BPC Plc has made such a determination shall, as soon as practicable following the Scheme Record Time, be sold at the best price which can reasonably be obtained at the time of sale and the net proceeds of such sale (after the deduction of all expenses and commissions, including any amount in respect of value added tax payable thereon) shall be paid to the Designated Foreign Shareholder by sending a cheque or warrant to such Designated Foreign Shareholder in accordance with the provisions of Clause 4. To give effect to any such sale, the person so appointed shall be authorised on behalf of the Designated Foreign Shareholder to execute and deliver a form of transfer and to give such instructions and do all such things which he may consider necessary or expedient in connection with such sale. In the absence of bad faith or wilful default, none of BPC Limited, BPC Plc or the person so appointed shall have any liability for any loss or damage arising as a result of the timing or terms of such sale.

### **4 CREST accounts, certificates and payments**

- (a) Not later than five business days after the Effective Date, BPC Plc shall allot and issue all BPC Plc Shares which it is required to allot and issue to give effect to this Scheme.
- (b) As soon as reasonably practicable after the Effective Date, and not more than 14 days after the Effective Date, BPC Plc shall send by post to the allottees of the BPC Plc Shares certificates in respect of such shares, pursuant to Clause 2.
- (c) Notwithstanding Clause 4(b) above, where Scheme Shares were formerly held in uncertificated form as Depository Interests, and no notice has been received from such former Depository Interest holder to the contrary, BPC Plc will procure that the CREST accounts of such former Depository Interest holder is credited with the number of BPC Plc Shares issued to them in accordance with Clause 4(a) above, instead of issuing BPC Plc share certificates.

- (d) Not later than 15 days following the sale of any relevant BPC Plc Shares pursuant to Clause 3(b), BPC Plc shall procure that the nominee referred to in Clause 3(b)(i) or such person appointed to act under Clause 3(b)(ii) shall account for the cash payable by despatching to the persons respectively entitled thereto cheques and/or warrants by post.
- (e) All certificates required to be sent by BPC Plc pursuant to Clause 4(b) and all cheques or warrants required to be sent pursuant to Clause 4(d) shall be sent through the post in pre-paid envelopes addressed to the persons respectively entitled thereto at their respective addresses appearing in the register of members of BPC Limited at the Scheme Record Time (or, in the case of joint holders, to the address of that one of the joint holders whose name stands first in the register in respect of the joint holding) or in accordance with any special instructions regarding communications received at the registered office of BPC Limited before the Scheme Record Time.
- (f) If BPC Plc Shares are consolidated or subdivided or if the nominal value of BPC Plc Shares is reduced before the despatch of any certificates or the giving of any instructions in accordance with this Clause 4, the certificates or instructions shall relate to such BPC Plc Shares as so consolidated, subdivided and/or reduced.
- (g) None of BPC Limited, BPC Plc, any nominee referred to in Clause 3(b)(i), such person appointed to act under Clause 3(b)(ii) or any agent of any of them shall be responsible for any loss or delay in transmission of certificates, cheques or warrants sent in accordance with this Clause 4.
- (h) All cheques and warrants shall be made payable to the Shareholder or, in the case of joint holders, to the first-named Shareholder in respect of the Scheme Shares concerned in sterling drawn down on a UK clearing bank and the encashment of any such cheque or warrant shall be a complete discharge to BPC Plc for the monies represented thereby.
- (i) This Clause 4 shall be subject to any prohibition or condition imposed by law.

## **5 Certificates representing Scheme Shares**

With effect from and including the Effective Date, all certificates representing holdings of Scheme Shares shall cease to be valid in respect of such holdings. The Shareholders in respect of such shares shall be bound at the request of BPC Limited to deliver such certificates for cancellation to BPC Limited or to any person appointed by BPC Limited to receive the same, unless such certificates have already been destroyed.

## **6 Mandated payments and other instructions**

Each mandate in force at the Scheme Record Time relating to the payment of dividends on Scheme Shares and each instruction then in force as to notices and other communications from BPC Limited shall, unless and until varied or revoked, be deemed as from the Effective Date to be a valid and effective mandate or instruction to BPC Plc in relation to the corresponding BPC Plc Shares to be allotted and issued pursuant to this Scheme.

## **7 Effective Date**

- (a) This Scheme shall become effective immediately following the delivery to the Registrar of Companies of an office copy of the order of the Court sanctioning the Scheme under section 206 of the Act and the order under section 68 of the Act confirming the reductions of capital provided for by this Scheme and the minute also required by that section.
- (b) Unless this Scheme shall have become effective on or before midnight on 31 August 2010 or such later date, if any, as BPC Limited and BPC Plc may agree and the Court may allow, it shall lapse.

## **8 Modification**

BPC Limited and BPC Plc may jointly consent on behalf of all persons concerned to any modification of or addition to this Scheme or to any condition which the Court may think fit to approve or impose.

Dated: 26 April 2010

## PART 5

### DEFINITIONS

The following definitions apply throughout this document (except in those parts of this document containing the Scheme, the Notice of Extraordinary General Meeting (save for the explanatory notes thereto) and the Notice of Court Meeting, which contain separate definitions) unless the context requires otherwise.

<b>“A Ordinary Shares”</b>	means the two A Ordinary Share of 0.002 pence in the capital of BPC Limited;
<b>“Admission”</b>	means admission of the BPC Plc Shares to trading on AIM in accordance with the AIM Rules;
<b>“AIM Rules”</b>	means the rules governing the operation of AIM, comprising the AIM Rules for Companies and the AIM Rules for Nominated Advisers;
<b>“AIM”</b>	means the AIM market of the London Stock Exchange;
<b>“Ambrian Options”</b>	means the outstanding share options granted by the Company to Ambrian Partners Limited on 2 September 2008 over 7,896,398 shares, exercisable in whole or in part at any time during a period of three years from the grant date at an exercise price of 4.55 pence per share;
<b>“Appendix to the Schedule 1 Announcement”</b>	means the Appendix to the AIM Rules Schedule 1 Announcement dated 26 April 2010 relating to BPC Plc and the BPC Plc Shares, prepared in accordance with the AIM Rules;
<b>“Articles of Association” or “Articles”</b>	refers to the relevant company’s articles of association;
<b>“Board” or “Directors”</b>	means the directors of BPC Limited or BPC Plc (as the case may be), whose names are set out in Parts 1 and 2 of this document;
<b>“BPC Jersey”</b>	means BPC Jersey Limited, a private limited company incorporated in Jersey with registered number 98391;
<b>“BPC Limited Articles”</b>	means the articles of association of BPC Limited;
<b>“BPC Limited Shares”</b>	means the ordinary shares of 0.002 pence each in the capital of BPC Limited, excluding the A Ordinary Shares;
<b>“BPC Limited” or “the Company”</b>	means BPC Limited, a public limited company incorporated in the Falkland Islands with registered number 12840 which, conditional on the Scheme becoming effective, will be re-registered as a private limited company and renamed “BPC (Falklands) Limited”;
<b>“BPC Plc Articles”</b>	means the articles of association of BPC Plc;
<b>“BPC Plc Memorandum”</b>	means the memorandum of association of BPC Plc;
<b>“BPC Plc Shareholder”</b>	means a registered holder of BPC Plc Shares;
<b>“BPC Plc Shares”</b>	means the ordinary shares of 0.002 pence each in BPC Plc;
<b>“BPC Plc”</b>	means BPC Plc, a public limited company incorporated in the Isle of Man under Isle of Man Company Law with registered number 123863C;

<b>“business day”</b>	means a day (excluding Saturday or Sunday) on which banks generally are open for business in the City of London for the transaction of normal banking business;
<b>“Companies Act 1948”</b>	means the Companies Act 1948 (as it applies to the Falkland Islands);
<b>“Court Hearing”</b>	means the hearing by the Court of the petition to sanction the Scheme under sections 206 to 207 of the Companies Act and to confirm the reductions of share capital of BPC Limited pursuant to the Scheme under section 68 of the Companies Act;
<b>“Court Meeting”</b>	means the meeting, notice of which is set out in Part 6 of this document, of the BPC Limited Shareholders convened by order of the Court pursuant to sections 206 to 207 of the Companies Act for 20 May 2010 to consider and, if thought fit, approve the Scheme, and any adjournment thereof;
<b>“Court”</b>	the Supreme Court of the Falkland Islands;
<b>“Depository”</b>	means Capita IRG Trustees Limited;
<b>“Depository Interest Register”</b>	means the register of Depository Interest Holders and their underlying entitlement to BPC Limited Shares maintained by the Depository;
<b>“Depository Interests” or “DI’s”</b>	means Depository Interests representing BPC Limited Shares issued by the Depository which hold legal title to the underlying BPC Limited Shares;
<b>“Depository Interests Holder” or “DI Holder”</b>	means the beneficial owner of the underlying BPC Limited Shares represented by the Depository Interests;
<b>“Designated Foreign Shareholder”</b>	means a persons resident in, or a citizen or nationals of, a jurisdiction outside the United Kingdom, the Falkland Islands, the Isle of Man, United States, Jersey or Guernsey;
<b>“Designated Foreign Jurisdiction”</b>	means a jurisdiction other than the United Kingdom, the Falkland Islands, the Isle of Man, the United States, Jersey or Guernsey;
<b>“DI Deed”</b>	means the Trust Deed Poll by the Depository dated 1 December 2004;
<b>“Effective Date”</b>	means the date on which the Scheme becomes effective in accordance with Clause 7 of the Scheme, expected to be 15 June 2010;
<b>“Extraordinary General Meeting”</b>	means the extraordinary general meeting of BPC Limited convened for 20 May 2010 at 2.15 p.m., notice of which is set out in Part 7 of this document, and any adjournment thereof;
<b>“Falkland Islands Company Law”</b>	means the Companies Act 1948 as amended by the Companies (Amendment) Ordinance 2006 and as applying in the Falkland Islands;
<b>“Form of Direction”</b>	means, as the context may require, either or both of: (a) the white Form of Direction for use at the Court Meeting; and (b) the blue Form of Direction for use at the Extraordinary General Meeting, each of which accompanies this document which are provided for Shareholders holding securities in uncertificated form;

<b>“Forms of Proxy”</b>	means, as the context may require, either or both of: (a) the white Form of Proxy for use at the Court Meeting; and (b) the blue Form of Proxy for use at the Extraordinary General Meeting, each of which accompanies this document which are provided for Shareholders holding securities in certificated form;
<b>“Group” or “BPC Group”</b>	means prior to the Effective Date, BPC Limited and its subsidiaries and, following the Effective Date, BPC Plc and its subsidiaries;
<b>“Isle of Man Company Law”</b>	means the Companies Acts 1931 to 2009 as applicable in the Isle of Man;
<b>“London Stock Exchange”</b>	means London Stock Exchange plc;
<b>“Meetings”</b>	means the Court Meeting and the Extraordinary General Meeting;
<b>“New Shares”</b>	means the 50,000 ordinary shares of 0.002 pence each in the capital of BPC Limited issued to BPC Plc following the cancellation of the Scheme Shares;
<b>“Nominee”</b>	means McGrigors Nominee Company (Falklands) Limited;
<b>“Ordinary Shares”</b>	means 859,482,698 issued ordinary shares of 0.002 pence each in the capital of BPC Limited;
<b>“penny”, “pence” or “£”</b>	means the lawful currency of the United Kingdom;
<b>“Proposals”</b>	means the Scheme including the associated reductions of share capital under the Scheme;
<b>“Reduction Date”</b>	means the date on which the reductions of share capital under the Scheme become effective;
<b>“Registrars”</b>	means the Company’s registrars, Capita Registrars Limited of The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU;
<b>“Scheme Record Time”</b>	means 6.00 p.m. (London time) on the Effective Date;
<b>“Shareholder”</b>	means a registered holder of BPC Limited Shares;
<b>“Scheme Shareholder”</b>	means a holder of Scheme Shares as appearing in the register of members of BPC Limited at the Scheme Record Time;
<b>“Scheme Shares”</b>	means: <ul style="list-style-type: none"> <li>(a) all the BPC Limited Shares in issue at the date of the Scheme;</li> <li>(b) all (if any) additional BPC Limited Shares in issue at the Scheme Voting Record Time;</li> <li>(c) all (if any) further BPC Limited Shares which may be in issue immediately before the confirmation by the Court of the reductions of capital provided for by Clause 1 of the Scheme in respect of which the original, or any subsequent, holders shall be bound by the Scheme or in respect of which the original, or any subsequent, holders shall have agreed in writing to be so bound;</li> </ul> but excluding always the A Ordinary Shares;
<b>“Scheme Voting Record Time”</b>	means 6.00 p.m. on 18 May 2010 or, if the Court Meeting is adjourned by 48 hours or more, 6.00 p.m. on the day which is two days before the date fixed for the adjourned meeting or, if

BPC Limited gives notice of the adjourned meeting and an entitlement time is specified in that notice, the time specified in that notice;

- “Scheme”** means the scheme of arrangement in its present form as set out in Part 4 of this document or with or subject to any modification, addition or condition approved or imposed by the Court;
- “SEC”** means the United States Securities and Exchange Commission;
- “Securities Act”** means the United States Securities Act of 1933, as amended;
- “UK Company Law”** means the UK Companies Act 2006; and
- “UK Companies Act 2006”** means the Companies Act 2006 as enacted by the Parliament of the United Kingdom.

## PART 6

### NOTICE OF COURT MEETING

IN THE SUPREME COURT OF  
THE FALKLAND ISLANDS

IN THE MATTER OF BPC LIMITED

and

IN THE MATTER OF THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that subsequent to a hearing held on 22 April 2010 in the above matter, the Court has directed a meeting (“**Court Meeting**”) to be convened of the holders of the Scheme Shares (as defined in the Scheme of Arrangement proposed to be made between BPC Limited (the “**Company**”) and its members) for the purpose of considering and, if thought fit, approving (with or without modification) the scheme or arrangement pursuant to sections 206 to 207 of the Companies Act 1948 (the “**Scheme**”).

The Court Meeting of the Shareholders will be held at the offices of McGrigors LLP, 5 Old Bailey, London EC4M 7BA on 20 May 2010 at 2.00 p.m. (London time), at which place and time all holders of the BPC Limited Shares are requested to attend.

A copy of the Scheme document and a copy of the explanatory statement required to be furnished pursuant to section 207 of the Companies Act 1948 are incorporated in the document of which this notice forms part.

**Shareholders entitled to vote at the Court Meeting may vote thereat in person or they may appoint another person, whether a member of the Company or not, as their proxy to attend and to vote in their stead.**

A white Form of Proxy is enclosed herewith for use by shareholders holding shares in certificated form. Completion and submission of such a Form of Proxy will not prevent a Shareholder from attending the Court Meeting and voting in person. A white Form of Direction is enclosed herewith for use by holders of Depository Interests, to instruct the Depository how to vote on their behalf.

Shareholders holding shares in certificated form are requested to complete, sign and return by post (together with any power of attorney or other authority under which it is signed or a notarially certified copy of such power or authority) to the Company’s Registrars (Capita Registrars, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU) the white Form of Proxy for use at the Court Meeting to arrive no later than 48 hours before the time appointed for holding of the meeting (or any adjournment thereof). Shareholders residing in the Falkland Islands are requested to return their Forms of Proxy to the Company’s registered office (56 John Street, Stanley, Falkland Islands) within the same timescale.

Depository Interest Holders are requested to complete, sign and return by post (together with any power of attorney or other authority under which it is signed or a notarially certified copy of such power or authority) to the Company’s Registrars (Capita Registrars, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU) the white Form of Direction for use at the Court Meeting to arrive no later than 72 hours before the time appointed for holding of the meeting (or any adjournment thereof). Depository Interest Holders residing in the Falkland Islands are requested to return their Forms of Direction to the Company’s registered office (56 John Street, Stanley, Falkland Islands) within the same timescale.

If you are a Depository Interest Holder and would like to attend the Court Meeting please note that you will need to obtain a Letter of Representation from the Depository. This can be obtained by contacting The Depository, Capita IRG Trustees Limited, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or by emailing [custodymgt@capitaregistrars.com](mailto:custodymgt@capitaregistrars.com). Requests must be received no later than 2.00 p.m. on 17 May 2010. Please note that the Depository will require an original copy of the letter of request before issuing a Letter of Representation.

In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder(s) and for this purpose seniority will be determined by the order in which the names appear in the register of members of the Company in respect of the joint holding. Entitlement to attend and vote at the Court Meeting and the number of votes which may be cast at that meeting will be determined by reference to the register of members of the Company as at 6.00 p.m. (London time) on 18 May 2010 or, in the event that the Court Meeting is adjourned to a time which is 48 hours or more after the notified date and time for the Court Meeting, in the register of members at 6.00 p.m. on the day which is two days before the date fixed for the adjourned meeting or, if the Company gives notice of this adjourned meeting and an entitlement time is specified in that notice, at the time specified in that notice. In each case changes to entries in the relevant register of members after such time shall be disregarded in determining the rights of any person to attend or vote at the Court Meeting.

By the said order, the Court has appointed Michael Proffitt or failing him Alan Burns to act as chairman of the Court Meeting and has directed the chairman to report the result thereof to the Court.

The said scheme of arrangement will be subject to the subsequent sanction of the Court.

Dated: 26 April 2010

McGrigors LLP  
56 John Street  
Stanley  
Falkland Islands

and

McGrigors LLP  
Princes Exchange  
1 Earl Grey Street  
Edinburgh  
United Kingdom

Legal Practitioners and Solicitors for the Company

## PART 7

### NOTICE OF EXTRAORDINARY GENERAL MEETING

#### BPC LIMITED

*Registered in the Falkland Islands with Registered Number 12840*

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting of BPC Limited (the “**Company**”) will be held at the offices of McGrigors LLP, 5 Old Bailey, London EC4M 7BA on 20 May 2010 at 2.15 p.m. (London time) (or as soon thereafter as the Court Meeting of holders of BPC Limited Shares convened for the same place and date shall have been concluded or adjourned) for the purpose of considering and, if thought fit, passing the following resolution as a special resolution:

**1 That:**

- 1.1 the scheme of arrangement dated 26 April 2010 in its original form or with or subject to any modification, addition or condition approved or imposed by the Court (the “**Scheme**”) proposed to be made between the Company and the Scheme Shareholders (as defined in the Scheme) be approved and the directors of the Company be and they are hereby authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect;
- 1.2 for the purpose of giving effect to the Scheme:
- (a) the share capital of the Company be reduced by cancelling and extinguishing the Scheme Shares (as defined in the Scheme);
  - (b) the entire balance of the Company’s share premium account be cancelled;
  - (c) forthwith and contingent upon the reductions of capital referred to above taking effect, the Company shall apply the credit arising in its books of account as a result of such reductions of capital as follows:-
    - (i) £1 in paying up, in full at par, 50,000 authorised but unissued BPC Limited Shares (the “**New Shares**”) which shall be allotted and issued, credited as fully paid up, to BPC Plc; and
    - (ii) the balance transferred to distributable reserves;
  - (d) the directors of the Company be and they are hereby generally and unconditionally authorised, to allot the New Shares provided that (a) the maximum number of shares which may be allotted hereunder shall be 50,000 (b) this authority shall expire at midnight on 31 August 2010, and (c) this authority shall be in addition to any subsisting authority conferred on the Directors of the Company pursuant to the articles of association of the Company and generally under the Companies Act 1948;
- 1.3 the articles of association of the Company be amended by:
- (a) the adoption and inclusion of the following new definitions:

“**A Ordinary Shares**” means the two A ordinary share of 0.002 pence each in the capital of the Company whose rights are set out in Article 6A and 6B;

“**Ordinary Shares**” means the ordinary shares of 0.002 pence each in the capital of the Company, except the A Ordinary Shares;

- (b) the adoption and inclusion of the following new article as article 6A:

**“6A Scheme of Arrangement”**

6A.1 For the purpose of this Article, references to the Scheme are to the scheme of arrangement between the Company and the Scheme Shareholders dated 26 April 2010 under section 206 of the Companies Act 1948 in its original form or with or subject to any modification, addition or condition approved or imposed by the Court. Terms defined in the Scheme shall have the same meanings in this Article.

6A.2 Notwithstanding any other provisions of these Articles, if any BPC Limited Shares are allotted and issued to any person (a “**new member**”) other than BPC Plc and/or its nominee or nominees after the adoption of this Article they will:

6A.2.1 if allotment and issue is prior to the Scheme Record Time, be allotted and issued subject to the terms of the Scheme and shall be Scheme Shares for the purposes thereof and the new member, and any subsequent holder other than BPC Plc and/or its nominee or nominees, shall be bound by the terms of the Scheme provided that the Scheme becomes effective; and

6A.2.2 if allotment and issue is at or after the Scheme Record Time and the Scheme becomes effective, be immediately transferred to BPC Plc and/or its nominee or nominees in consideration of and conditional on the issue or transfer to the new member of one BPC Plc Share for each BPC Limited Share so transferred. Any BPC Plc Shares issued pursuant to this Article 6A.2.2 to the new member will be credited as fully paid and will rank equally in all respects with all BPC Plc Shares in issue at the time and be subject to the articles of association of BPC Plc.

6A.3 The number of BPC Plc Shares to be issued or transferred to the new member under this Article 6A.3 may be adjusted by the Directors of the Company in such manner as the Company’s auditors may determine on any re-organisation of or material alteration of the share capital of either the Company or BPC Plc or any other return of value to holders of BPC Plc Shares effected after the Effective Date, provided always that any fractions of a BPC Plc Share shall be disregarded and shall be aggregated and sold for the benefit of BPC Plc.

6A.4 In order to give effect to any such transfer required by this Article, the Company may appoint any person to execute and deliver a form of transfer on behalf of the new member in favour of BPC Plc and/or its nominee or nominees and to agree for and on behalf of the new member to become a member of BPC Plc. Pending the registration of BPC Plc as a holder of any share to be transferred pursuant to this Article, BPC Plc shall be empowered to appoint a person nominated by the Directors of the Company to act as attorney on behalf of any holder of such share in accordance with such directions as BPC Plc may give in relation to any dealings with or disposal of such share (or any interest therein), exercising any rights attached thereto or receiving any distribution or other benefit accruing or payable in respect thereof and any holder of such share shall exercise all rights attached thereto in accordance with the directions of BPC Plc but not otherwise; and

- (c) the adoption and inclusion of the following new article as article 6B:

**“6B A Ordinary Shares”**

6B.1 The A Ordinary Shares shall rank *pari passu* with the Ordinary Shares, save as set out below:

6B.1.1 the A Ordinary Shares shall not entitle the holders of such shares to receive notice of, or to attend or vote at, any general meeting of the Company;

6B.1.2 the A Ordinary Shares shall not, save as provided in 6B.1.3 below, be transferable; and

6B.1.3 the Company shall have an irrevocable authority from the holders of the A Ordinary Shares at any time to do all or any of the following without obtaining the sanction of the holders of the A Ordinary Shares:

- (i) to appoint any person to execute on behalf of the holders of the A Ordinary Shares a transfer of these shares and/or an agreement to transfer the same (without making any payment for them) to such person as the Company may determine;
- (ii) to purchase any such share in accordance with the Act without obtaining the consent of the holder of that share in consideration of the payment to the holder whose share is purchased of an amount equal to five pence in respect of the A Ordinary Share then being purchased;
- (iii) for the purposes of any such purchase, to appoint any person to execute a contract for the sale of such share to the Company on behalf of any holder of an A Ordinary Share;
- (iv) to cancel any A Ordinary Share purchased in accordance with the Act; and
- (v) pending any such transfer, purchase or cancellation, to retain the certificate (if any) for any A Ordinary Share;

1.4 two authorised but unissued ordinary shares of 0.002 pence in the capital of the Company shall be converted into A Ordinary Shares, as defined in the articles of association of the Company as amended pursuant to 1.3 above, having the rights set out therein;

1.5 the directors of the Company be and they are hereby generally and unconditionally authorised to allot the two A Ordinary Shares;

1.6 conditional on the Scheme becoming effective, the Company shall be re-registered as a private limited company and the name of the Company shall be changed to BPC (Falklands) Limited; and

1.7 conditional on the Scheme becoming effective, the admission of the Company's shares to trading on AIM be cancelled.

By order of the Board



**McGrigors Nominee Company (Falklands) Limited**

*Company Secretary*

26 April 2010

*Registered Office:*

56 John Street  
Stanley  
Falkland Islands

Notes:

- 1 A shareholder entitled to attend and vote at the Meeting may appoint one or more proxies to attend and (on a poll) vote instead of him. A proxy need not be a shareholder of the Company.
- 2 A Form of Proxy is provided with this notice for use by shareholders holding shares in certificated form. A Form of Direction is provided with this notice for use by holders of Depository Interests. Completion and return of such a Form of Proxy and/or Form of Direction will not prevent a member from attending the Meeting and voting in person. However, if you are a Depository Interest Holder and would like to attend the Meeting you will need to obtain a Letter of Representation from the Depository. This can be obtained by contacting The Depository, Capita IRG Trustees Limited, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or by emailing [custodymgt@capitaregistrars.com](mailto:custodymgt@capitaregistrars.com). Requests must be received no later than 2.15 p.m. on 17 May 2010. Please note that the Depository will require an original copy of the letter of request before issuing a Letter of Representation.

- 3 To be effective the Form of Proxy (together with any power of attorney or other authority under which it is executed) must arrive at Capita Registrars, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU no later than 48 hours before the time appointed for holding of the meeting (or any adjournment thereof). Shareholders residing in the Falkland Islands are requested to return their Forms of Direction to the Company's registered office (56 John Street, Stanley, Falkland Islands) within the same timescale.
- 4 To be effective, the Form of Direction (together with any power of attorney or other authority under which it is executed) must arrive at Capita Registrars, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU no later than 72 hours before the time appointed for holding of the meeting (or any adjournment thereof). Depository Interest Holders residing in the Falkland Islands are requested to return their Forms of Direction to the Company's registered office (56 John Street, Stanley, Falkland Islands) within the same timescale.
- 5 Depository Interest holders may instruct the Depository how to vote utilising the CREST electronic voting service. To instruct the Depository how to vote or amend an instruction to vote via the CREST system, the CREST message must be received by the issuer's agent RA10 by 2.15 p.m. on 17 May 2010. For this purpose, the time of receipt will be taken to be the time as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message. After this time any change of voting instructions through CREST should be communicated to issuer's agent by other means. CREST personal members or other CREST sponsored members, and those CREST members who have appointed voting service provider(s) should contact their CREST sponsor or voting service provider(s) for assistance. For further information on CREST procedures, limitations and system timings please refer to the CREST Manual.
- 6 Pursuant to regulation 41(1) of the Uncertificated Securities Regulations 2001 (2001 No. 3755) the Company has specified that only those members registered on the register of members of the Company at 6.00 p.m. on 18 May 2010 shall be entitled to attend and vote at the Meeting in respect of the number of shares registered in their name at that time. Changes to the register of members after 6.00 p.m. on 18 May 2010 shall be disregarded in determining the rights of any person to attend and vote at the Meeting.

#### **Explanatory notes to the Notice of Extraordinary General Meeting**

**The above Notice of Extraordinary General Meeting and these explanatory notes are important and require your immediate attention. If you are in any doubt as to what action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other appropriately authorised financial adviser.**

The Extraordinary General Meeting is a meeting to enable BPC Limited Shareholders to vote on various matters in connection with the proposed scheme of arrangement under section 206 of the Companies Act 1948 and the associated reductions of capital under section 68 of the Companies Act 1948.

**The Directors of BPC Limited unanimously recommend that BPC Limited Shareholders vote in favour of the special resolution.**

The Company proposes to introduce an Isle of Man holding company ("BPC Plc") for the BPC Group by way of a scheme of arrangement (the "Scheme"). The background to and reasons for the Scheme are set out in the Chairman's letter included in the Circular to BPC Limited Shareholders dated 26 April 2010 which includes the Notice of Extraordinary General Meeting (the "Circular"). The resolution seeks to obtain BPC Limited Shareholder approval for certain matters in connection with the Scheme.

Paragraphs (1.1) to (1.2) of the resolution are proposed to give the Directors the necessary powers and authorities to implement the Scheme and the reductions of capital under the Scheme.

Paragraph (1.3) of the resolution seeks to amend the articles of association of BPC Limited:

- (a) to ensure that BPC Plc will automatically acquire any BPC Limited Share allotted and issued to any person after the Scheme becomes effective; and
- (b) to provide for two A Ordinary Shares in the capital of BPC Limited which will be issued to BPC Plc and the Nominee prior to the Scheme becoming effective. This is to ensure that BPC Plc is a member of BPC Limited at the Effective Date when the New Shares are issued to BPC Plc by BPC Limited. This is to provide for compliance with a technical requirement of the Companies Act 1948.

Paragraph (1.4) of the resolution is to create the A Ordinary Shares and Paragraph (1.5) of the resolution is to authorise the Directors of BPC Limited to allot the A Ordinary Shares prior to the Scheme becoming effective, for the reasons set out above.

Paragraph (1.6) of the resolution is proposed to re-register the Company as a private limited company, for ease of administration going forward, conditional on the Scheme becoming effective. Paragraph (1.6) also proposes to change the name of BPC Limited to BPC (Falklands) Limited, conditional on the Scheme becoming effective, to avoid any confusion with BPC Plc.

Paragraph (1.7) of the resolution is proposed to approve the cancellation of the admission of the Company's shares to trading on AIM, conditional on the Scheme becoming effective. Once the Scheme is effective, the Company will be a wholly owned subsidiary of the proposed new holding company and so its shares will no longer need to be admitted to AIM. This resolution to formally approve the cancellation is a requirement of the AIM Rules. Application will be made for the BPC Plc Shares that BPC Limited Shareholders will receive through the Scheme to be admitted to trading on AIM, as described in the Circular.

