THE BAHAMAS:
A GIANT OIL PROVINCE IN
THE MAKING

Investor Presentation
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Borco oil storage facility Freeport Bahamas
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Bahamas Petroleum Company Awarded Licences and Licence Applications

**Gulf of Mexico**
- 1.450 million BOE (National Geographic Magazine June 2014)
- BP Well Macomb
- 350 million oil, 1.7 tcf gas, 75 million NGL

**Southern Gulf of Mexico Petroleum System**
- 90.3 billion barrels of Oil, 103.7 tcf gas

**Florida GOM Shelf**
- 4.8 billion oil, 9.6 tcf gas, 0.5 billion NGL

**Cuba**
- 4.8 billion oil, 9.6 tcf gas, 0.5 billion NGL

**NO OIL EXPLORATION UNTIL FURTHER NOTICE**

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Legend:
- Onshore Oil and Gas
- Offshore Oil and Gas
- Total U.S. onshore production in 2007 was 7,800 Bbo and 247 Tcf.
- Total U.S. production in 2007 was 5.66 Bbo and 3.48 Tcf.
- Total U.S. production in 2007 was 5.47 Bbo and 2.77 Tcf.

SRTM Image Southern USA
Showing Awarded & Applied Bahamas Petroleum Company Licences in the Bahamas

**THUNDER HORSE**
- International Petroleum
- 90,000 B/D

**75 MILLION NGL**

**NORTH COAST**
- 90,000 B/D

**90,000 B/D**

**103.7 TCF NATURAL GAS**

**1.7 TCF NATURAL GAS**

**5.8 BILLION BARRELS**

**75 MILLION NGL**

**4.8 BILLION BARRELS**

**9.6 TCF NATURAL GAS**

**2.77 TCF NATURAL GAS**

**5.66 BILLION BARRELS**

**3.48 TCF NATURAL GAS**

**5.47 BILLION BARRELS**

**2.77 TCF NATURAL GAS**

**5.66 BILLION BARRELS**

**2.77 TCF NATURAL GAS**
Google Image showing Generalised Gulf Stream
Middle East Oil Map with overlay of Bahamas licences for size comparison only - Bahamas Petroleum Corporation owns no licences outside The Commonwealth of Bahamas.
Historical Bahamas Activity

- Five wells drilled in The Bahamas between 1947-1986
  - Indicate active petroleum systems based on the presence of oil shows of varying quality, abundant reservoirs and seals, indications of source rocks and hydrocarbon saturations from log interpretation

- Due largely to the lack of deepwater drilling capability and seismic expertise, all licences were abandoned prior to 1988, with the exception of Kerr McGee who undertook a nominal program north of the Bahamas Islands, subsequently exiting in 2006

- All Bahamian Government geological technical data was destroyed in 1980’s hurricanes

- No compelling incentive for international exploration activity post-1985 given crashes in oil and commodity prices from 1986 to 2003 led companies to remain in more conventional producing areas

<table>
<thead>
<tr>
<th>WELL</th>
<th>YEAR</th>
<th>OPERATOR</th>
<th>TOTAL DEPTH</th>
<th>AGE AT TOTAL DEPTH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andros Island – 1</td>
<td>1947</td>
<td>Superior</td>
<td>4.446m</td>
<td>Early Cretaceous</td>
</tr>
<tr>
<td>Cay Sal – 1</td>
<td>1959</td>
<td>Bahamas</td>
<td>5.763m</td>
<td>Jurassic or Early Cretaceous</td>
</tr>
<tr>
<td>Long Island – 1</td>
<td>1970</td>
<td>Bahamas Gulf</td>
<td>5.351m</td>
<td>Jurassic or Early Cretaceous</td>
</tr>
<tr>
<td>Great Isaac – 1</td>
<td>1971</td>
<td>Bahamas</td>
<td>5.440m</td>
<td>Jurassic</td>
</tr>
<tr>
<td>Doubloon Saxon – 1</td>
<td>1986</td>
<td>Tenneco</td>
<td>6.626m</td>
<td>Early Cretaceous</td>
</tr>
</tbody>
</table>

Source: The Commonwealth of The Bahamas
Bahamas Petroleum Company Overview

- Bahamas Petroleum Company was formed in 2005 and listed on AIM UK through a reverse takeover in Sept 2008
  - Current market capitalisation is approx. US$148.5 million (GBP£92.8 million) (BPC: AIM)
  - Bahamas Petroleum Company plc is the first oil company to conduct new work in the highly prospective southern Bahamas region since 1987

- The Bahamas are a sparsely explored region with previous activity by major oil companies spanning 1947-1987

- First mover advantage in assembling a material portfolio of oil and gas leads in The Bahamas
  - World-class exploration with giant and super-giant leads exceeding 1bn boe
  - Compelling fiscal terms: low royalty only, no corporation tax

- Partial farm-out strategy to fund major costs retaining 100% ownership in some areas
  - Maintain meaningful working interest positions while reducing exploration risk

- Size and scale of the opportunity is significant
  - Attractive to Majors and NOCs who are increasingly active in the region

- Statoil farm-in signed mid-2009 validates the farm-out strategy
  - Subject to Government approval of applications
  - In discussion with others and more deals expected in near term

- Recent results and near-term seismic and drilling program
  - New 2D seismic (194 km) acquired June 2010
  - More new seismic arrangements underway
  - Plans to drill in Q4 2011
Bahamas Petroleum Company’s Technical Data Set – A Competitive Advantage

Bahamas Petroleum Company has the only Comprehensive Data Set of Bahamas Geology and Geophysics

- Bahamas Petroleum Company undertook a successful global search for data which could cost in excess of US$500M to acquire today
- Search and acquisition of original seismic data, well logs and chance finds of the original well cores took 4 years and cost over $4 million
- In 2005 well cores were discovered by Bahamas Petroleum Company in an industry-donated university storage warehouse in New Orleans (post Hurricane Katrina)
- Bahamas Petroleum Company undertook a thorough evaluation of the exploration data set including digitising the original analog well logs
- Logs were re-evaluated by Schlumberger and other parties using industry’s latest technologies
- No other party has such a comprehensive data set and no other Company has acreage in the southern region of The Bahamas
Corporate History – First Mover Advantage

Bahamas Petroleum Company is founded by Alan Burns

Bahamas Petroleum Company submits licence applications

Board expands to include Michael Proffitt as Financial Director

Five licences approved by Governor General

Bahamas Petroleum Company applies for additional licences

Bahamas Petroleum Company completes RTO onto AIM market through acquisition of Falkland Gold & Minerals

Licence awarded and reassigned November 2006

Paul Crevello joins Bahamas Petroleum Company as Chief Operating Officer

US$12 Million Spent on Geological, Geophysical and Well Core Acquisition Evaluation and Processing

Ministry of Energy grants the licence application

Bahamas Petroleum Company signs Statoil joint exploration Agreement on three licenses

30 August 2010 - Bahamian Government announces temporary freeze on licence applications

Announces commencement of Seismic and environmental survey

19 April 2010 – Ministry gazettes Bahamas Petroleum Company-Statoil Cay Sal applications

20 July 2010 – Bahamas Petroleum Company Applies for 2 additional licences & tenders for additional seismic

New seismic planned to mature a prospect for Q4 2011

2008

May-05

Oct-06

Dec-06

Jan-07

Feb-07

Apr-07

May-07

June-07

July-07

Aug-07

Sept-07

Oct-07

Nov-07

Dec-07

Jan-08

Feb-08

March-08

April-08

May-08

June-08

July-08

Aug-08

Sept-08

Oct-08

Nov-08

Dec-08

Jan-09

Feb-09

March-09

April-09

May-09

June-09

July-09

Aug-09

Sept-09

Oct-09

Nov-09

Dec-09

Jan-10

Feb-10

March-10

April-10

May-10

June-10

July-10

Aug-10

Sept-10

Oct-10

Nov-10

Dec-10

2011

2012

* Awards pending
## Bahamas Petroleum Company Board & Senior Management

### Alan Burns: Chairman & Chief Executive Officer – Isle of Man
- Alan Burns is founder of the Bahamas Petroleum Company Group and has a successful 37 year career in the oil business including founding Hardman Resources, which was sold to Tullow Oil in 2006 for AUD$1.6bn
- Involved in 28 new oil and gas field discoveries and developments including original Uganda discovery

### Dr Paul Crevello: Director & Chief Operating Officer – USA
- Dr Paul Crevello is a carbonate reservoir oilfield expert and has wide international experience in the discovery of major oilfields
- Considerable experience in Bahamas geological investigation

### Michael Proffitt: Non-Executive director – Isle of Man
- Michael Proffitt is formerly an international banker with Barclays as worldwide chairman of Barclays International. He is a former resident of the Bahamas and is well known in the Bahamian business world

### Dursley Stott O.B.E: Non-Executive director – Isle of Man
- Dursley Stott has played an important part in the Isle of Man's financial growth during the last 50 years and is a founder of a successful stockbroking firm on the Island
- Experienced international businessman
Bahamas Petroleum Company Technical Team, Consultants & Capabilities

- Dr Paul Crevello has over thirty years experience in US domestic and international exploration in more than 40 countries
  - University of Miami (Master of Science in Marine Geology and Geophysics) and Colorado School of Mines (Doctor of Philosophy in Geology and Geologic Engineering)
  - Marathon Oil (1978-1994) directed worldwide carbonate geologic exploration research
  - Founded SE Asia’s first university petroleum studies in 1994 and founded Petrex Asia in 1997, developing into a leading technical consulting firm
  - Numerous awards and distinctions from international societies for authorship and invited papers on carbonate and sandstone reservoirs, AAPG International Distinguished Speaker, Chairman of Joides Ocean Drilling Program and served on numerous committees and ancillary societies
  - Conducted research exploration in The Bahamas since 1975

- Standing U.S. Consultants
  - Dr. Richard Inden, carbonate sedimentology/reservoir expert with over 40 years of experience
  - Dr. Chuck Kluth, structural geologist, formerly head (retired) of Chevron structural group
  - Dr. Jon Kirtpatrick, geophysicist and seismic specialist in carbonate exploration and exploitation
  - Dr. Bill Pearson, gravity and magnetics specialist with over 35 years experience
  - Dr. Mark Rowan, structural geologist, expert in Gulf of Mexico and fold and thrust belts
  - Mr. Jock Drummond, seismic processing expert
  - Prof. Dr. Paul Olsen, Triassic-Jurassic Atlantic rift basin expert

- Unparalleled global expertise in similar-age Jurassic-Cretaceous tectonic reservoir settings as The Bahamas: Golden Lane and Poza Rico fields, Mexico; the northern Gulf Smackover to Stuart City - Glen Rose fields, Middle East fields stretching from Oman, Abu Dhabi, UAE, Saudi Arabia, Iran and Iraq

- Field expertise include Cantarell and Golden Lane-Poza Rico of the southern Gulf of Mexico, Gwahar of Saudi Arabia, Arzannah UAE, Yates Field, Texas
Why Bahamas?

Overview

- One of the most politically stable countries, with an uninterrupted parliamentary democracy of over 275 years
- Excellent fiscal terms and English based Rule of Law
- Benefits from proximity to extensive oil field service and infrastructure providers in US Gulf of Mexico (GoM)
- Close proximity to energy-hungry US market, both in the GoM and along the US Atlantic coast

Industry in the Bahamas

- Freeport is the major industrial centre of The Bahamas, with container facilities, oil off-loading terminals, dry dockage and oil storage terminal. Borco is the largest storage terminal in the Caribbean, and Statoil recently acquired South Riding Point Terminal for $263 million and have committed to several hundred million dollars in upgrades to the facility and job growth.
- Ship registration under The Bahamas flag is the world's fifth largest fleet and the world's largest registry for oil tankers with several thousand vessels. Many of the most respected international ship-owning companies fly the Bahamian flag, including Exxon International, Maersk Line, Teekay Shipping, and Chevron. Registered luxury vessels include the ships of Norwegian Cruise Lines and Holland-America Cruises along with cargo steamers, frigates, freighters, tankers and tugboats.

Commonwealth of The Bahamas

- Population: 335,047
- GDP (US$ Bn): 9.2
- GDP per capita (US$): 29,700
- Unemployment Rate (%): 14.2%
- Median Age (years): 29.9
- Literacy: 96%
- Education expenditures (% GDP): 3.6%
- Key industries: Tourism, banking, cement, oil transshipment, salt, rum, aragonite, pharmaceuticals

Source: CIA World Fact Book, Bahamas Department of Statistics
Why Bahamas? Compelling Fiscal Terms

Royalty Rates and Leases terms:

<table>
<thead>
<tr>
<th>Production Level</th>
<th>Royalty Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil Production, up to 75,000 bopd</td>
<td>12.5%</td>
</tr>
<tr>
<td>Oil Production, up to 75,000 to 150,000 bopd</td>
<td>15.0%</td>
</tr>
<tr>
<td>Oil Production, up to 150,000 to 250,000 bopd</td>
<td>17.5%</td>
</tr>
<tr>
<td>Oil Production, up to 250,000 to 350,000 bopd</td>
<td>20.0%</td>
</tr>
<tr>
<td>Oil Production, in excess of 350,000 bopd</td>
<td>25.0%</td>
</tr>
</tbody>
</table>

Gas Production

Rentals: $0.92 per acre per annum charged for the area of a lease, but these are deductible from Royalty payments.

Income taxes: Nil in The Bahamas.

Comparison of Licensee Revenues – GoM vs. Bahamas

The increased potential return to the licence holder in the Bahamas is largely due to zero corporate income tax.

Exploration licence - 12 years in total based on 3-year renewal periods

1) Initial 3 year award
2) 1st Renewal (years 4-6) @ 100% of acreage – renewal requires commitment to spud well before end of year 4
3) 2nd Renewal (years 7-9) @ 50% - requires well drilled at 2 year intervals
4) 3rd Renewal (years 10-12) - requires well drilled every 2 years

Production licence – 30 years plus additional 10 years (subject to approval of extension)
## Bahamas Petroleum Company (Red/Yellow) & Bahamas Petroleum Company / Statoil JV (Blue) Exploration Licences

### Asset (1)

<table>
<thead>
<tr>
<th>Licence Area</th>
<th>Holder</th>
<th>Licence Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Bahamas – Bain Licence (offshore) 775,468 acres 3,138 km²</td>
<td>Bahamas Petroleum Company</td>
<td></td>
</tr>
<tr>
<td>The Bahamas – Cooper Licence (offshore) 777,934 acres 3,148 km²</td>
<td>Bahamas Petroleum Company</td>
<td></td>
</tr>
<tr>
<td>The Bahamas – Donaldson Licence (offshore) 778,855 acres 3,152 km²</td>
<td>Bahamas Petroleum Company</td>
<td></td>
</tr>
<tr>
<td>The Bahamas – Eneas Licence (offshore) 780,316 acres 3,158 km²</td>
<td>Bahamas Petroleum Company</td>
<td></td>
</tr>
<tr>
<td>The Bahamas – Miami Licence (offshore) 760,973 acres 3,080 km²</td>
<td>Bahamas Petroleum Company</td>
<td></td>
</tr>
</tbody>
</table>

### Application (2)

<table>
<thead>
<tr>
<th>Licence Area</th>
<th>Holder</th>
<th>Licence Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Bahamas – Islamorada Licence (offshore) 777,900 acres 3,148 km²</td>
<td>Bahamas Petroleum Company / Statoil</td>
<td></td>
</tr>
<tr>
<td>The Bahamas – Zapata Licence (offshore) 776,200 acres 3,141 km²</td>
<td>Bahamas Petroleum Company / Statoil</td>
<td></td>
</tr>
<tr>
<td>The Bahamas – Falcons Licence (offshore) 774,600 acres 3,135 km²</td>
<td>Bahamas Petroleum Company / Statoil</td>
<td></td>
</tr>
</tbody>
</table>

### Application (3)

<table>
<thead>
<tr>
<th>Licence Area</th>
<th>Holder</th>
<th>Licence Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Bahamas – Santaren Licence (offshore) 760,100 acres 3,076 km²</td>
<td>Bahamas Petroleum Company</td>
<td></td>
</tr>
<tr>
<td>The Bahamas – Andros Licence (offshore) 774,500 acres 3,134 km²</td>
<td>Bahamas Petroleum Company</td>
<td></td>
</tr>
</tbody>
</table>

* Cay Sal and 3rd Round Licence Applications contingent on lifting of Government imposed application freeze – see page 25.

(1) *Interest for all licences: 100%*
(2) Statoil – Bahamas Petroleum Company Limited Joint Venture Applications - there is no certainty that they will be granted
(3) July 2010 applications with 100%-WI - there is no certainty that they will be granted
Bahamas Petroleum Company Technical Achievements (2006-2010)

- Retrieved and described original core and cutting samples
- Completed modern computer workstation analysis: seismic, well logs, gravity and magnetics
- Petrophysics well log analysis on original digital and scanned logs
- Seismic and borehole structural geologic analysis
- Risk analysis, cost comparison and reservoir simulations
- Geochemistry and petroleum systems evaluation
- Shot new advanced 2D seismic, gravity and magnetics on its 100% owned areas in June 2010
- Conducted environmental survey on Cay Sal

36 leads confirmed

* Cay Sal and 3rd Round Licence Applications contingent on lifting of Government imposed application freeze (see page 25)
Numerous hydrocarbon shows throughout all wells
Bahamas Petroleum Company’s BH 2010 - 2D Seismic Survey (June 2010)
Figure 1: showing stratigraphic variations, amplitude and frequency variations possibly associated with porosity and/or fluid, C4 structure with potential gas chimney indicators and water bottom features.

Figure 2: showing hydrocarbon signatures, with polarity reversal, frequency absorption, amplitude dimming and due to gas cloud diffusion.
Figure 3: showing amplitude dimming and chimney features due to insitu gas.

Figure 4: showing flat reflectors possibly due to fluid interface
Introduction:

Bahamas Petroleum Corporation (Bahamas Petroleum Company) acquired 194 kilometers of 2D seismic data in July 2010 in order to evaluate the capabilities of improving seismic data quality through modern acquisition techniques, and processing algorithms utilizing massive computer power.

Analysis:

Data results of this survey show better data quality than previous vintages acquired most recently in the 1980’s. Vintage geologic and seismic data (1986) previously documented the potential presence of multiple >500MMboe fields. These historical studies and recent independent consultant reports (2007-2010) indicate that the area has a high probability for oil, which is supported by oil shows in exploratory and ODP (Ocean Drilling Program) wells drilled in The Bahamas, well tests from offshore Florida Keys and offshore Cuba. Bahamas Petroleum Company’s June 2010 seismic confirms the previous work and reduces risk placed on hydrocarbon presence.

Bahamas Petroleum Company’s 2010 data is more suitable for both structural and stratigraphic interpretation, as well as advanced analyses for hydrocarbon and porosity detection, through amplitude and velocity variation, and frequency absorption due to hydrocarbons.

The new data present clear evidence of large structures (figure 1) with continuous layering of probable reservoirs and seals across the breadth of the folds and hydrocarbon fluid flow features including chimneys or vents, and direct hydrocarbon indicators as can be seen in figures 2 and 3. There is further evidence from the sections of likely fluid controlled amplitude variations and flat-spots (figure 4) which may indicate fluid interfaces of various phases of hydrocarbon contacts. Vertical chimneys into the sea bottom as well as amplitude dimming and frequency absorption in figures 2 and 3 are direct evidence of in situ escaping hydrocarbons from well charged structures. Typically the light ends of the hydrocarbons escape through micro-faults and fractures and provide indicators of hydrocarbons preserved within the structure.

The types of features observed over the structures and along rock layers are indicative of an oil-prone system with minor amounts of lighter ends escaping to the surface. The abundance of hydrocarbon indicators supports recent consulting studies that proposed the petroleum system is operative (see APT summary of report posted on Bahamas Petroleum Company website).

Summary:

Bahamas Petroleum Company’s 2010 seismic acquisition and processing program successfully demonstrates the advantages of modern acquisition and processing systems and computer power. As well as imaging large structures with over 700 hundreds of milliseconds (2-way time; i.e., ~4000 feet) of closure, there are numerous geophysical indications of porosity variations and hydrocarbons in the system. It is anticipated that a closely spaced 2D grid or 3D will prove up drillable prospects by the end of the year.

J. (Jock) Drummond
Dr. Norman S. Neidell
Identified Giant & Super-Giant Leads

<table>
<thead>
<tr>
<th>Tenneco Resource est</th>
<th>Max Case 100% Structural Fill bn bbl</th>
<th>Most Likely Case 50% Structural Fill bn bbl</th>
<th>Minimum Case 33% Structural Fill bn bbl</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manta Ray</td>
<td>1.447</td>
<td>0.543</td>
<td>0.049</td>
</tr>
<tr>
<td>Sand Shark</td>
<td>1.386</td>
<td>0.244</td>
<td>0.071</td>
</tr>
<tr>
<td>Blue Fin</td>
<td>3.469</td>
<td>0.406</td>
<td>0.069</td>
</tr>
<tr>
<td>Lion Fish</td>
<td>1.322</td>
<td>0.268</td>
<td>0.16</td>
</tr>
<tr>
<td>Blue Marlin</td>
<td>1.94</td>
<td>0.439</td>
<td>0.238</td>
</tr>
<tr>
<td>Grouper</td>
<td>6.492</td>
<td>1.665</td>
<td>0.837</td>
</tr>
<tr>
<td>Hammer Head</td>
<td>1.007</td>
<td>0.299</td>
<td>0.121</td>
</tr>
<tr>
<td><strong>TOTAL for play in billion barrels</strong></td>
<td><strong>17.063</strong></td>
<td><strong>3.864</strong></td>
<td><strong>1.545</strong></td>
</tr>
</tbody>
</table>

*Based on volumetrics work by consultant petrophysicist. Numbers represent a highly speculative assessment of potential resource.

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Tenneco & Bahamas Petroleum Company Lead maps and resources of same structures. Bahamas Petroleum Company was unable to identify Tenneco’s named leads relative to Bahamas Petroleum Company’s.

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<table>
<thead>
<tr>
<th>Bahamas Petroleum Company Resource est</th>
<th>Max Case 100% Structural Fill bn bbl</th>
<th>Most Likely Case 50% Structural Fill bn bbl</th>
<th>Minimum Case 33% Structural Fill bn bbl</th>
</tr>
</thead>
<tbody>
<tr>
<td>C1</td>
<td>11.947</td>
<td>4.420</td>
<td>1.770</td>
</tr>
<tr>
<td>C2</td>
<td>5.865</td>
<td>2.170</td>
<td>.870</td>
</tr>
<tr>
<td>C3</td>
<td>3.693</td>
<td>1.366</td>
<td>.550</td>
</tr>
<tr>
<td>C4</td>
<td>2.791</td>
<td>1.030</td>
<td>.410</td>
</tr>
<tr>
<td><strong>TOTAL for play in billion barrels</strong></td>
<td><strong>24.296</strong></td>
<td><strong>8.989</strong></td>
<td><strong>3.600</strong></td>
</tr>
</tbody>
</table>
Corporate Overview

Enterprise Value

<table>
<thead>
<tr>
<th>Enterprise Value</th>
<th>GBP</th>
<th>USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>0.943</td>
<td>0.151</td>
</tr>
<tr>
<td>52 Week High</td>
<td>0.943</td>
<td>0.151</td>
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<tr>
<td>52 Week Low</td>
<td>0.270</td>
<td>0.427</td>
</tr>
<tr>
<td>Shares Outstanding</td>
<td>984.5</td>
<td>-</td>
</tr>
<tr>
<td>Market Cap (mm)</td>
<td>92.8</td>
<td>148.5</td>
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<tr>
<td>Cash and Cash Equivalents (mm)</td>
<td>2.1</td>
<td>3.4</td>
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<tr>
<td>Debt (mm)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Enterprise Value (mm)</td>
<td>90.7</td>
<td>145.1</td>
</tr>
</tbody>
</table>

Cash balance as of June 2010
2,896,398 unalisted options held by Ambrian (former nomad)

Current Shareholders

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>Shares Held</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>RAB Capital</td>
<td>60,311,650</td>
<td>6.13%</td>
</tr>
<tr>
<td>TD Waterhouse</td>
<td>47,492,268</td>
<td>4.82%</td>
</tr>
<tr>
<td>Hargreaves Lansdown Asset Management</td>
<td>44,555,808</td>
<td>4.53%</td>
</tr>
<tr>
<td>JM Finn &amp; Co</td>
<td>42,565,554</td>
<td>4.32%</td>
</tr>
<tr>
<td>Barclays Wealth</td>
<td>39,246,649</td>
<td>3.99%</td>
</tr>
<tr>
<td>Majedie Asset Management</td>
<td>36,949,086</td>
<td>3.75%</td>
</tr>
<tr>
<td>Halifax Share Dealing</td>
<td>36,818,053</td>
<td>3.74%</td>
</tr>
<tr>
<td>Blackrock Investment Management (UK)</td>
<td>35,349,253</td>
<td>3.59%</td>
</tr>
<tr>
<td>Burns Family Investments*</td>
<td>34,820,000</td>
<td>3.54%</td>
</tr>
<tr>
<td>Legal &amp; General Investment Management</td>
<td>33,605,572</td>
<td>3.41%</td>
</tr>
<tr>
<td>Squaregain</td>
<td>29,139,853</td>
<td>2.96%</td>
</tr>
<tr>
<td>Petroleum Geoscience *</td>
<td>17,730,000</td>
<td>1.81%</td>
</tr>
<tr>
<td>Petrexasia Consulting*</td>
<td>15,300,000</td>
<td>1.56%</td>
</tr>
<tr>
<td>Gumbo Investments*</td>
<td>12,360,000</td>
<td>1.26%</td>
</tr>
<tr>
<td>Total Management &amp; Founders</td>
<td>80,575,000</td>
<td>8.18%</td>
</tr>
<tr>
<td>Total - Top 25 Shareholders</td>
<td>644,233,088</td>
<td>65.44%</td>
</tr>
<tr>
<td>Total Shares in Issue</td>
<td>984,482,698</td>
<td></td>
</tr>
</tbody>
</table>

* Director Shareholdings

Organisational Structure

Historical Capitalisation & Value Creation

Note: Past performance of the Company or its shares is not a guide to future performance
Note: Past performance of the Company or its shares is not a guide to future performance
Licence Application Update - August 31, 2010

Bahamas Petroleum Company News Release – 31 August 2010:

Bahamas Petroleum Company, the AIM quoted oil and gas exploration company with licences in The Commonwealth of The Bahamas, notes the announcement from the Ministry of the Environment (Government of The Bahamas), issued late yesterday, concerning oil exploration in the country.

Included below is the full text of the announcement:

"MINISTRY OF THE ENVIRONMENT - OIL EXPLORATION IN THE BAHAMAS

Nassau: The Public is advised that The Ministry of the Environment (Government of The Bahamas) has suspended consideration of all applications for oil exploration and drillings in the waters of The Bahamas. The Ministry seeks, by this decision, to maintain and safeguard an unpolluted marine environment for The Bahamas, notwithstanding the potential financial benefits of oil explorations. Additionally all existing licences will be reviewed to ascertain any legal entitlement for renewal.

Given recent events involving oil exploration and the efforts to prevent pollution, this prudent safeguard is essential to preserving the most vital natural resource of The Bahamas, its environment.

The Ministry will work diligently to complete and have in place, very stringent and environmental protocols for oil exploration prior to any further consideration of applications, given that oil is likely to be located in the marine environment of The Bahamas.

The Ministry of The Environment believes that this prudent policy requirement is in the best interest of The Bahamas and the social, economic and environmental wellbeing of future generations of Bahamian citizens and visitors.

The Hon. Earl D. Deveaux, MP
Minister of The Environment
30th August 2010"

Bahamas Petroleum Company understands and appreciates the position of the Government of The Bahamas in delaying the granting of new applications and its reviews given the drilling bans in place in US waters until the cause of the Macondo well blowout are fully determined and appropriate new controls are put in place.

In the meantime the Company will continue to process and seismically explore its existing granted licences, which contain the majority of Bahamas Petroleum Company's targets. The Directors believe that by the time Bahamas Petroleum Company's drilling program is more definitive, the situation brought about by the Macondo incident will become clear and that appropriate and stringent controls will be in place. Bahamas Petroleum Company is committed to working with the Government of the Bahamas to ensure that the highest exploration and environmental standards are in place.

Recently Bahamas Petroleum Company completed a baseline sampling in the southern Bahamas to establish the presence of oil and tar balls prior to any possibility of contamination arriving from the BP spill. The sampling showed the presence of pre-existing tar balls and oil seeps washed ashore that were not from the BP source. This oil appears to be sourced from natural seeps and possibly oil tanker spillage. Bahamas waters have through traffic of a large percentage of the world's oil tankers.

Alan Burns commented, "Whilst we note this short term situation, there are exploration activities including drilling, proceeding in adjacent Cuban waters and significant previous drilling within the Company's current licence areas that we believe do not face the same geological risks as those encountered in the US Gulf of Mexico.

"We enjoy a good relationship with Bahamian authorities and are confident that this situation will be resolved quickly."
GOVERNMENT has suspended the consideration process for all oil exploration and drilling applications until the country has stringent environmental protocols in place to mitigate against a catastrophic oil well leak.

According to Environment Minister Earl Deveaux, the new stipulation comes in response to British Petroleum’s (BP) devastating oil leak in the Gulf of Mexico - which threatened fragile marine ecosystems and fishing industries - and the large volume of oil exploration applications inundating the government.

"The Ministry of the Environment has suspended consideration of all applications for oil exploration and drillings in the waters of the Bahamas. The ministry seeks, by this decision, to maintain and safeguard an unpolluted marine environment for the Bahamas notwithstanding the potential financial benefits of oil explorations," said a statement released by Dr Deveaux yesterday. The release added that all existing licenses will be reviewed to ascertain any legal entitlement for renewal.

"We are not seeking to interfere with any existing licenses and the people who have licenses know of the policy. The recent events showed us that (a) oil if it is to be found, will likely be in the marine environment and (b) we want to maintain an unpolluted environment.

"And so before we explore for oil we want to have the most stringent environmental protocols in place," said Mr Deveaux when asked to clarify this point yesterday.

Bahamas Petroleum Company Plc recently partnered with Norwegian oil heavyweight Statoil to search for oil in some 2.5 million acres in Cay Sal Bank and hold five licenses for oil exploration. The government has not issued any licenses for oil drilling in Bahamian waters.

Environment Permanent Secretary Ronald Thompson said that while the ministry has yet to draft the necessary safety protocols, government will frame its future policies around existing ones from other countries. "We haven't drafted any but there are ones that are in existence in other places where oil is current being harvested or explored. We will in short order review all of those and come up with what we think will be the best (policies) for the Bahamas," said Mr Thompson.

Deepwater Horizon's oil rig exploded on April 20, killing 11 workers, and leaking an estimated 4.9 million barrels of oil from BP's underwater well. Yesterday's statement said that calamity underscored the need for precautions. "Given recent events involving oil exploration and the efforts to prevent pollution, this prudent safeguard is essential to preserving the most vital natural resource of the Bahamas - its environment," said the statement.

Speaking to The Tribune, Mr Deveaux said more stringent protocols could have prevented BP's disaster. "Everything we learned about BP suggests that there were a few mishaps that could have been avoided," he said.

In May, Dr Deveaux said it would be "impractical and unreasonable" for the Bahamas to shy away from oil exploration or drilling as a consequence of the environmentally devastating oil leak off the coast of the US state of Louisiana.

"The world is not going to shy away from oil because of this accident. This is not the first or the last," he said at the time. He also said earlier that proper management of resources would be vital to any oil discovery in Bahamian waters.
Cuba Ramps up Exploration Activity

World class operators have been attracted to Cuba and The Bahamas

In 2005 Repsol with partners Statoil and India ONGC drilled a well 60 miles west of Cay Sal bank. The group plans to drill another one of two wells this year in the same area. In 2009, based on knowledge of the Cuban petroleum province, Statoil joint ventured with Bahamas Petroleum Company to explore the Cay Sal bank.

Other recent Cuban exploration news:
- November 17, 2010 – Gazprom, the Russian oil company farms into four Petronas Offshore Cuba Blocks earning a 30% stake. First Well 2011.
- “Russia’s Zarubezhneft to drill Cuba oil shelf in 2011 – CEO”
  - Source: RIA Novosti, Moscow + Cubastandard.com 14 July 2010
- “Russian Oil Company JSC Zarubezhneft Opens Office in Cuba”
  - Source: Latin America Herald Tribune + Cubastandard.com 25 June 2010
- “Cuban offshore oil exploration preparations”
  - Source: Reuters 01 Aug 2010

* Cay Sal and 3rd Round Licence Applications contingent on lifting of Government imposed application freeze (see page 25)
Industrial Port, Grand Bahamas

Borco Oil storage terminal at Freeport Industrial Port is the largest oil storage facility in the Caribbean

Tanker off-loading at Freeport Industrial Harbour, Grand Bahama
Great Isaac Oolite – Anhydrite Reservoir – Seal Pairs

OOID GRAINSTONE - PRESERVED INTERGRANULAR (IG) & LEACHED OOID GRAIN MOLDS (OM) POROSITY EXCELLENT RESERVOIR POROSITY (BLUE DYE) & PERMEABILITY CHARACTERISTICS

ANHYDRITE – SEAL ROCK
Conclusions of the Report "The Bahamas: Petroleum system evaluation and hydrocarbon charge potential"


The following conclusions are excerpted from an independent technical report that has bearing on the hydrocarbon analysis of Bahamas Petroleum Company's acreage.

SUMMARY

A regional geochemical review study has been carried out on behalf of Bahamas Petroleum Company Limited on the Bahamas area with the specific objective of assessing:

1) The likelihood of the presence of source rocks within or adjacent to the area of interest (AOI);
2) The likely thermal maturity of the potential source rocks to generate oil or gas;
3) The evidence for the presence of mature generative source rocks in the area of interest.

The conclusions are as follows:

Source rocks:
• It is believed that there are source rocks of sufficient quality and maturity to generate significant volumes of hydrocarbons in the Bahamas although they are poorly quantified in the very few wells drilled in this very large area.

Maturity:
• Geothermal gradients are believed to be genuinely low in the area of interest but given the thicknesses of sediment accumulated at the depths where the potential source rocks are likely to exist, these source rocks should have been oil generative. Current low temperatures will be conducive to the preservation of hydrocarbon accumulations.

Manifestation:
• Live hydrocarbon shows have been encountered during drilling of at least four of the five deep wells drilled in the Bahamas and even in a number of the relatively shallow stratigraphic boreholes (ODP/DSDP) in or close to the AOI;
• Sea bottom sediment sampling has recorded the possible presence of migrated hydrocarbons of thermogenic origin in several drop cores close to the location of the Doubloon Saxon-1 well; isotopes suggest oil prone source;
• There is evidence of hydrocarbon seepage in the form of an area of seismic opacity in the near surface close to one of the recently mapped seismic leads likely caused by vertically migrating gas.

Preservation:
• Hydrocarbon accumulations derived from the Bahamian source rocks are thought most likely to occur in deep prospects in the fore deep close to the known Cuban effective source rock system.
• Hydrocarbon quality is likely to be influenced by the source rock system and provide aromatic oils and (depending on the source) possible traces of sulfur.
• Gravities are likely to be in the 35 to 40° API range. Degradation processes are unlikely to have negatively affected oils generated.

Dr Steve Thompson
Patrick Barnard
Applied Petroleum Technology (UK)
Key Conclusions

- First mover advantage in assembling acreage in The Bahamas
- Oil province with world-class exploration potential
- Strategy to use farm outs and also retain 100% owned acreage
- Size and scale of the opportunity attractive to Majors and NOCs
- Statoil Hydro farm-in signed mid 2009 validates the strategy
- Modern seismic acquired June 2010 confirms the Company’s petroleum assessment
- Planning further 2D and 3D seismic in Q4 2010 and in discussion with drilling companies for drilling in late 2011
- In discussion with other potential partners and more deals expected in time

Bahamas Petroleum Company believes there are supergiant oilfields to be found in Bahamas waters and is working on its own and with partners to find them