
BAHAMAS PETROLEUM COMPANY PLC

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the tenth Annual General Meeting (Meeting) of Bahamas Petroleum Company plc (Company) will be held at the Company's registered office at IOMA House, Hope Street, Douglas, Isle of Man, IM1 1AP on 17 September 2019 at 11 a.m., for the purpose of considering and, if thought fit, passing the following resolutions ("Resolutions"):

ORDINARY RESOLUTIONS

- Resolution One:** *As an ordinary resolution, THAT the Directors' Report and the Financial Statements for the year ended 31 December 2018 together with the Independent Auditor's Report, as dispatched to shareholders on 11 June 2019 in compliance with Article 158 of the Company's Articles of Association, be received.*
- Resolution Two:** *As an ordinary resolution, THAT Mr. William Schrader, who retires by rotation and, being eligible, offers himself for reappointment, be reappointed as a director of the Company.*
- Resolution Three:** *As an ordinary resolution, THAT Mr. James Smith, who retires by rotation and, being eligible, offers himself for reappointment, be reappointed as a director of the Company.*
- Resolution Four:** *As an ordinary resolution, THAT PricewaterhouseCoopers LLC of 60 Circular Road, IM1 1SA, United Kingdom, the retiring auditors, as auditors of the Company, be reappointed to hold office until the conclusion of the next general meeting at which accounts are laid and to authorise the directors to determine their remuneration.*

SPECIAL RESOLUTIONS

- Resolution One:** *As a special resolution, THAT*
- (i) the entry by the Company into a conditional agreement for a £10.25 million convertible loan facility (the "Conditional Convertible Loan") with Bizzell Capital Partners Pty Ltd, an Australian-domiciled investment firm acting on behalf of entities associated with Mr. Stephen Bizzell and Mr. Mark Carnegie ("BCI") is approved and ratified,*
 - (ii) the issue of 25 million options to BCI to subscribe for ordinary shares in the capital of the Company, for a term of four years and with an exercise price of 2p per share (the "Convertible Tranche One Options") pursuant to the terms of the Conditional Convertible Loan, is approved, and*
 - (iii) subject to agreement being reached between the Company and BCI on the terms of the definitive long-form legal documentation governing the Conditional Convertible Loan by no later than 30 November 2019, and subject to satisfaction of all conditions precedent under that documentation and completion of the convertible loan note investment under that documentation by 31 March 2020, the issue of 12.5 million options to BCI to subscribe for ordinary shares in the capital of the Company, for a term of four years and with an exercise price of 2.5p per share and the issue of 12.5 million options to BCI to subscribe for ordinary shares in the capital of the Company, for a term of four years and with an exercise price of 3p per share (together the "Convertible Second and Third Tranche Options") pursuant to the agreement for the Conditional Convertible Loan, is approved.*

Resolution Two: *As a special resolution, THAT the Directors be and hereby are granted the authority, pursuant to Article 6.7 of the Company's Articles of Association, to allot and issue up to a further 1,800,000,000 new ordinary shares in the capital of the Company, as if the pre-emption provisions contained within Article 6.3 of the Company's Articles of Association did not apply to such allotment and issue, provided that such authority, unless renewed, shall expire on 31 December 2020, but shall extend to the making, before such expiry, of an offer or agreement which would or might require ordinary shares to be allotted after such expiry and the Directors may allot ordinary shares in pursuance of such offer or agreement as if the authority conferred hereby had not expired.*

Resolution Three: *As a special resolution, THAT*

- (i) the cancellation of 68.85 million options over ordinary shares in the Company be approved,*
- (ii) the creation of a pool of up to 200 million new options over ordinary shares in the Company be approved, expiring on the date that is five years after the date of grant, for allocation by the Board, in three tranches as follows:*
 - a. Series A: A total pool of 50,000,000 options, vested and immediately exercisable, at an exercise price of 2.22p,*
 - b. Series B: A total pool of up to 75,000,000 options, that will vest and become exercisable at such point in time as the Board, having consulted with the relevant advisers to the Company, determines that the cost of an initial exploration well is fully funded on an unconditional basis (defined as the Company either securing a farm-in or securing capital via debt or equity or a combination of both in excess of \$25 million, or any combination thereof), at an exercise price of 2.4p, and*
 - c. Series C: A total pool of up to 75,000,000 options, that will vest and become exercisable at such point in time as the initial exploration well commences (defined as once a rig is mobilised, that being when the contracted drilling rig, following inspection by BPC and any necessary customs authorisations, leaves the port of origination by a distance of 1 nautical mile), at an exercise price of 2.8p,*
- (iii) an initial allocation be approved of 50,000,000 of Series A, 50,000,000 of Series B and 50,000,000 of Series C of these new options be approved, with the balance of the available pool, being 25,000,000 of Series B and 25,000,000 of Series C, reserved for future allocations at the discretion of the Board, and*
- (iv) the issue of 116,698,188 fully paid ordinary shares in satisfaction of deferred pay obligations up to 31 July 2019 be approved, such shares only to be issued at such time as the Board, having consulted with the relevant advisers to the Company, determines that the drilling of an exploration well is fully funded on an unconditional basis.*

Resolution Four: *As a special resolution, THAT the Directors be and hereby are granted the authority, pursuant to Article 6.7 of the Company's Articles of Association, to immediately allot and issue 7,200,000 warrants over new ordinary shares in the capital of the Company to Shore Capital, with an exercise period of 2 years from the date of grant and exercise price of 1.6 pence per ordinary share, as if the pre-emption provisions contained within Article 6.3 of the Company's Articles of Association did not apply to such issue.*

Attached to this Notice of Annual General Meeting is a letter from the Chairman **which contains the Directors' unanimous recommendation that you vote in favour of all of the Resolutions (whether Ordinary Resolutions or Special Resolutions) to be proposed at the Annual General Meeting.** Attached to the Notice of Annual General Meeting are explanatory notes setting out the rationale for the various Special Resolutions being proposed. Shareholders are encouraged to read these explanatory notes carefully and in full.

This Notice of Annual General Meeting will be despatched to Shareholders by no later than 23 August 2019, and has on 21 August 2019 been posted on the Company's website (www.bpcplc.com). Copies can also be obtained in person at the Registered Office.

Dated 21 August 2019

BY ORDER OF THE BOARD
Benjamin Proffitt
Company Secretary

Registered office:

IOMA House, Hope Street
Douglas, Isle of Man, IM1 1AP, United Kingdom

Notes:

- 1) A member entitled to attend and vote at the Annual General Meeting may appoint one or more proxies to attend and (on a poll) vote instead of him. A proxy need not be a member of the Company.
- 2) A Form of Proxy is provided with this Notice of Annual General Meeting. Completion and return the Form of Proxy will not prevent a member from attending the Annual General Meeting and voting in person.
- 3) To be effective, the Form of Proxy and any power of attorney or other authority under which it is signed (or a notarially certified copy of such authority) must be deposited with Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, not less than 48 hours before the time of the holding of the Annual General Meeting or any adjournment thereof.
- 4) In the case of joint holders, the vote of the senior who attends to vote, whether in person or by proxy, will be accepted to the exclusion of votes of the joint holders. For this purpose seniority is determined by the order in which the names stand in the register of members.
- 5) If you have any questions relating to return of the Form of Proxy, please telephone the Company's registrars on 0871 664 0300. Calls cost 12p per minute plus your phone company's access charge. If you are outside the United Kingdom, please call +44 371 664 0300. Calls outside the United Kingdom will be charged at the applicable international rate. We are open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the proposals described in this circular nor give any financial, legal or tax advice.
- 6) Every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative (not being himself a member entitled to vote), shall on a show of hands have one vote and on a poll every member present in person or by proxy or (being a corporation) by a duly authorised representative shall have one vote for each share of which he is the holder. A special resolution is passed either (i) on a show of hands by a majority of not less than 75 per cent. of the votes cast by such members as are present and eligible to vote at the relevant meeting; or (ii) on a poll of members of the Company by a majority of not less than 75 per cent. of the votes cast by members present and eligible to vote at the meeting.
- 7) Pursuant to Regulation 22(1) of the Uncertificated Securities Regulations 2005 of the Isle of Man (SD No. 754/05), the Company has specified that only those members registered on the register of members of the Company at close of business on 13 September 2019 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 that time shall be disregarded in determining the rights of any person to attend and vote at the meeting. Holders of the Firm Placing Shares will be entitled to vote at the Annual General Meeting.
- 8) Where a corporation is to be represented at the Annual General Meeting by a personal representative, such personal representative must, if requested, provide a certified copy of the resolution of its directors or other governing body authorising the appointment of the representative before being permitted to exercise any power on behalf of the corporation, and the Company has determined that for these purposes such copy of the resolution must be deposited at the Company's registered office address not later than 48 hours before the time appointed for the Annual General Meeting.
- 9) If the Chairman of the Annual General Meeting, as a result of any proxy appointments, is given discretion as to how the votes the subject of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interests in the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure Guidance and Transparency Rules, the Chairman will make the necessary notifications to the Company and the UK Financial Conduct Authority ("FCA"). As a result any member holding 3 per cent. or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure and Transparency Rules, need not make a separate notification to the Company and the Financial Services Authority.
- 10) As at 21 August 2019, being the last practicable date prior to the printing of this Notice of Annual General Meeting, the Company's issued share capital consisted of 1,692,719,096 Ordinary Shares carrying one vote each. Therefore, the total number of voting rights in the Company as at 21 August 2019 is 1,692,719,096.

BAHAMAS PETROLEUM COMPANY PLC

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

EXPLANATORY INFORMATION FOR SHAREHOLDERS IN RELATION TO SPECIAL RESOLUTIONS TO BE PROPOSED AT THE ANNUAL GENERAL MEETING OF THE COMPANY ON 17 SEPTEMBER 2019

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IMPORTANT NOTICES

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. It contains information on the Special Resolutions to be voted on at the Annual General Meeting of the Company to be held at 11:00am on 17 September 2019. If you are in any doubt about the contents of this document or as to the 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 United Kingdom' Financial Services and Markets Act 2000 ("FSMA").

If you have sold or otherwise transferred all of your Ordinary Shares, please immediately forward this document, together with the accompanying Form of Proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold or transferred only part of your holding of Ordinary Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. The London Stock Exchange has not itself examined or approved the contents of this document.

This document contains no offer of transferable securities to the public within the meaning of section 102B of the FSMA, the Act or otherwise. Accordingly, this document does not constitute a prospectus within the meaning of section 85 of the FSMA and has not been drawn up in accordance with the Prospectus Rules or approved by the FCA or any other competent authority.

Strand Hanson Limited ("Strand Hanson"), which is regulated in the United Kingdom by the FCA, is acting as nominated adviser to the Company for the purposes of the AIM Rules. Persons receiving this document should note that, in connection with the matters described in this circular, Strand Hanson is acting exclusively for the Company and no one else and will not be responsible to anyone, other than the Company, for providing the protections afforded to customers of Strand Hanson for advising any other person on the transactions and arrangements described in this document. No representation or warranty, express or implied, is made by Strand Hanson as to any of the contents of this document in connection with this circular, or otherwise. Unless otherwise excluded by the FSMA or by law, Strand Hanson does not accept any liability whatsoever for the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by them, or on their behalf. Strand Hanson accordingly disclaims all and any liability which they might otherwise have in respect of this document.

This document does not constitute or form part of any offer or instruction to purchase, subscribe for or sell any shares or other securities in the Company nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with any contract therefor. The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document and/or the accompanying Form of Proxy comes should inform themselves about and observe such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction.

Cautionary note regarding forward-looking statements

This document includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will", or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the Directors' current intentions, beliefs or expectations concerning, among other things, the Group's results of operations, financial condition, liquidity, prospects, growth, strategies and the Group's markets. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual results and developments could differ materially from those expressed or implied by the forward-looking statements.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this document are based on certain factors and assumptions, including the Directors' current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group's operations, results of operations, growth strategy and liquidity. Whilst the Directors consider these assumptions to be reasonable based upon information currently available, they may prove to be incorrect. Save as required by law or by the AIM Rules, the Company undertakes no obligation to publicly release the results of any revisions to any forward-looking statements in this document that may occur due to any change in the Directors' expectations or to reflect events or circumstances after the date of this document.

Notice to overseas persons

The distribution of this document and/or the Form of Proxy in certain jurisdictions may be restricted by law and therefore persons into whose possession these documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Basis on which information is presented

In the document, references to "pounds sterling", "£", "GBP", "pence" and "p" are to the lawful currency of the United Kingdom.

In the document, references to "dollars", "\$" and "USD" are to the lawful currency of the United States of America.

References to defined terms

Certain terms used in this document are defined and explained at the section of this document under the heading "Definitions".

All times referred to in this document are, unless otherwise stated, references to London time.

DEFINITIONS

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

“Act”	the Companies Acts 1931 - 2004 (as amended);
“AIM”	the AIM Market operated by the London Stock Exchange;
“AIM Rules”	the AIM Rules for Companies published by the London Stock Exchange from time to time;
“Allocated New Options”	A subset of the New Options comprising 150,000,000 options over Ordinary Shares to be issued initially on approval by Shareholders, in the manner detailed in in the section of this document setting out explanatory materials relating to Special Resolution Three;
“Annual General Meeting” or “AGM”	The general meeting of the Company to be held at 11 a.m. on 17 September 2019 for the purposes of considering the Resolutions, and conducting other business typical for an annual general meeting of Shareholders;
“Bahamas” or “The Bahamas”	The Commonwealth of The Bahamas;
“BakerHughes GE”	Vetco Gray LLC, an operating subsidiary of BakerHughes GE, a Houston based provider of well services to the international oil and gas industry;
“BCI”	Bizzell Capital Partners Pty Ltd, an Australian-domiciled investment firm acting on behalf of interests associated with Mr. Stephen Bizzell and Mr. Mark Carnegie for the purposes of investing in BPC;
“Company” or “BPC”	Bahamas Petroleum Company plc, a company incorporated and registered in the Isle of Man with registered number 123863C;
“Competent Person’s Report” or “CPR”	the technical report produced by Ryder Scott on the Company’s assets in the southern Bahamas dated 30 June 2011;
“Conditional Convertible Loan Agreement”	The agreement between BCI and BPC in relation to a conditional convertible loan investment of £10.25 million by BCI in BPC, as described in the section of this document setting out explanatory materials relating to Special Resolution One;
“Convertible First Tranche Options”	Options to subscribe for 25,000,000 Ordinary Shares at an exercise price of 2p per Ordinary Share, to be granted to BCI as initial consideration for entry into the Conditional Convertible Loan Agreement;
“Convertible Second & Third Tranche Options”	Options to subscribe for two further tranches of Ordinary Shares, the first 12,500,000 Ordinary Shares at an exercise price of 2.5p per Ordinary Share, the second 12,500,000 million Ordinary Shares at an exercise price of 3p per Ordinary Share, both to be granted to BCI, as additional consideration for entry into the Conditional Convertible Loan Agreement, subject to completion of that agreement and draw-down of funds by BPC;
“CREST”	the computerised settlement system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in those regulations) which facilitates the transfer of title to shares in uncertificated form;
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (S.I. 2001 No. 3755) as amended;
“Deferred Pay Shares”	the entitlement of Company Directors, and certain executives and staff to receive fully paid Ordinary Shares pursuant to the agreement to defer certain fees and salaries until such a time as the Company’s first exploration well is financed;
“Directors” or “Board”	the directors of the Company whose names are set out on page 9 of this document, or any duly authorised committee thereof;
“Drilling Plan”	The BPC defined well design for an exploratory well to a depth of at least eighteen thousand feet (18,000 feet) and indicatively targeting a maximum depth of up to twenty one thousand and five hundred feet (21,500 feet) equivalent to approximately six thousand and five hundred metres (6,500 metres), consistent with

	the discharge of the Company's licence obligations in respect of the Southern Licences;
"Euroclear"	Euroclear UK & Ireland Limited, the operator of CREST;
"Existing Options"	the 68,850,000 existing options over unissued Ordinary Shares in the Company as announced by the Company on 4 April 2016;
"Existing Ordinary Shares"	the 1,692,719,096 Ordinary Shares in issue at the date of this document;
"FCA"	the UK Financial Conduct Authority;
"FEED"	Front End Engineering Design;
"Form of Proxy"	the form of proxy accompanying this document for use by Shareholders in connection with the Annual General Meeting;
"Framework Agreement"	The agreement between the Company and Seadrill for the provision of and associated pricing of a sixth-generation drilling rig during the first half of 2020 for the purpose of the implementation of the Drilling Plan, as described in Section 2 of the Additional Information for Shareholders;
"Fully Diluted Share Capital"	the issued share capital of the Company as reduced by the cancellation of the Existing Options, and then enlarged by the Deferred Pay Shares, plus the New Options, Convertible First Tranche Options and Shore Warrants, assuming they were all to be issued and, in the case of options and warrants, to be exercised;
"Fully Diluted Potential Share Capital"	the Fully Diluted Share Capital, as enlarged by the Reserved New Options, The Convertible Second & Third Tranche Options, and the General Share Issuance Capacity, assuming they were all to be issued and, in the case of options, all exercised;
"FSMA"	Financial Services and Markets Act 2000;
"General Share Issuance Capacity"	the authority of the Company, but not the obligation, to allot and issue up to 1,800,000,000 new Ordinary Shares as if the pre-emption provisions contained within Article 6.3 of the Company's Articles of Association did not apply to such allotment and issue, for which approval is being sought pursuant to Special Resolution Two;
"Group"	the Company and its subsidiaries as at the date of this document;
"Government"	the duly elected Government of The Bahamas from time to time, including its relevant ministries, departments and agencies;
"Halliburton"	Halliburton Energy Services Inc, a Houston based provider of well services to the international oil and gas industry;
"Integrated Well Services Agreement"	An agreement to be entered into between the Company and Halliburton for the provision by Halliburton of a range of essential well equipment, tools and services to the Company for the duration of the implementation of and consistent with delivery of the Drilling Plan, such agreement to be on the basis of technical specifications and associated pricing already defined in the Notice of Award;
"London Stock Exchange"	London Stock Exchange plc;
"New Options Pool"	the 200,000,000 New Options which will be available to be issued over unissued Ordinary Shares in the Company, in three series and on the terms and conditions as detailed in the section of this document setting out explanatory materials relating to Special Resolution Three;
"New Options"	the new options over Ordinary Shares to be issued from the New Option Pool;
"Notice of Award"	A separate notice issued by BPC to each of Halliburton and BakerHughes GE, appointing Halliburton as provider of a number and range of specified well services with defined associated technical specifications and pricing and appointing BakerHughes GE as provider of specified wellhead equipment and tubulars with defined associated technical specifications and pricing;

“Notice of Annual General Meeting”	the notice convening the Annual General Meeting to which this document is attached;
“Ordinary Resolutions”	Any Shareholder Resolutions defined as Ordinary by the Company Articles of Association, requiring a notice period of 14 clear days and a simple majority of votes cast in order to be passed;
“Ordinary Shares”	the Company’s ordinary shares of £0.00002 (0.002 pence) each;
“Prospectus Rules”	the prospectus rules made by the FCA pursuant to section 73A of the FSMA;
“Reserved New Options”	A subset of the New Options comprising 50,000,000 options over Ordinary Shares to be approved for issue by Shareholders but not initially allocated, and reserved for grant to future employees and/or for future incentive awards;
“Resolutions”	the resolutions set out in the Notice of General Meeting, including both the Ordinary Resolutions and the Special Resolutions;
“Seadrill”	Seadrill Limited, a company engaged in the business of the provision of drill rigs;
“Special Resolutions”	Any Shareholder Resolutions defined as Special by the Company Articles of Association, requiring a notice period of 21 clear days and a majority of 75% of votes cast in order to be passed;
“Strand Hanson”	Strand Hanson Limited, the Company’s nominated adviser for the purposes of the AIM Rules;
“Shareholders”	holders of Ordinary Shares from time to time;
“Shore Capital”	Shore Capital Stockbrokers Limited, a broker for the Company for the purposes of the AIM Rules;
“Shore Warrants”	the 7,200,000 unlisted warrants to subscribe for new Ordinary Shares at 1.6 pence per Ordinary Share to be issued to Shore Capital as compensation for services provided to the Company in its placing of Ordinary Shares in March of 2019;
“Southern Licences”	collectively the four exploration licences held by the Company in The Bahamas, individually referred to as Bain, Cooper, Donaldson and Eneas; and
“UK”	the United Kingdom of Great Britain and Northern Ireland.

LETTER FROM THE CHAIRMAN

Bahamas Petroleum Company plc

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

Directors:

William (Bill) Schrader *(Non-Executive Chairman)*

James Smith *(Non-Executive Deputy Chairman)*

Adrian Collins *(Non-Executive Director)*

Edward Shallcross *(Non-Executive Director)*

Ross McDonald *(Non-Executive Director)*

Simon Potter *(Chief Executive Officer)*

Registered Office:

IOMA House

Hope Street

Douglas

Isle of Man

IM1 1AP

21 August 2019

Dear Shareholders

Notice of Annual General Meeting and explanatory information for Shareholders

1. Introduction

The Company has today announced a series of agreements and developments that, when taken together, represent a coordinated approach towards commencement of drilling activities in The Bahamas during 2020, in accordance with its licence commitments.

The Annual General Meeting of Shareholders has been convened for 17 September 2019, at which a number of Resolutions will be put to Shareholders for approval. Several of these Resolutions are Ordinary Resolutions, and deal with ordinary business of the type typically transacted at the Annual General Meeting of the Company and which require a simple majority to approve. However, certain of the Resolutions to be tabled for consideration by Shareholders are Special Resolutions, that relate directly to the Company's plans to progress towards drilling activities, and therefore require approval by a 75% super-majority of Shareholders voting at the Annual General Meeting.

The main purpose of this letter and attached explanatory notes is to set out the details of, and reasons for, the Special Resolutions, describe how passage of the Special Resolutions relate to successful delivery of the core objectives of the Company, and thus explain why the Directors unanimously consider that the Special Resolutions to be proposed at the Annual General Meeting are in the best interests of the Company and its Shareholders as a whole, and to recommend that you vote in favour of all of the Resolutions to be proposed at the Annual General Meeting.

It is important that Shareholders understand the rationale for this range of linked activities and associated Special Resolutions, which is directly related to the Company now embarking on a course toward drilling of an initial exploration well during the first half of 2020, activity which the Directors consider to be the bedrock of future Shareholder value in our Company.

2. Business Background

The Company's business currently is focussed and single-purpose: we have five licences for oil exploration covering approximately 16,000 km² (4 million acres) in the territorial waters of The Bahamas. The Company has four exploration licences in the southern territorial waters of The Bahamas, referred to as Bain, Cooper, Donaldson, Eneas (these four

licences together referred to as the “**Southern Licences**”) and a fifth, the Miami licence, in the northern territorial waters of The Bahamas. The main licences of interest and focus are the Southern Licences.

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

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

The Southern Licences are commercially co-joined, meaning that the drilling of an initial exploration well on one of the Southern Licences will satisfy the work obligation in respect of all of the Southern Licences. **Everything we are doing as a Company, including the proposal of the various Special Resolutions to Shareholders for approval, is in the single-minded pursuit of this goal: drilling an initial exploration well in the Southern Licences, in a safe and responsible manner, within the timeframe that is consistent with our obligations under the licences.**

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

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

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

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

3. Technical Work To Date

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

In 2010, the Company recorded the first modern offshore seismic survey in the southern Bahamas since the 1980s. Interpretation of this 2D seismic acquisition programme confirmed the presence of several large structures, providing the basis for an independent Competent Person’s Report (“CPR”) completed by Ryder Scott in July 2011. The CPR included the Bain, Cooper and Donaldson licensed areas, highlighting the existence of multiple fold and fault structures and an

estimated mean 2 – 3 billion barrels unrisks recoverable oil resources from several different stacked reservoir intervals (with a high case of 7 billion barrels unrisks recoverable oil resources).

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

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

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

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

- Stock Tank Oil Initially In Place (“STOIP”) assessed for the prospect structures as 8.4 billion barrels, with an upside of up to 28 billion barrels;
- Applying a recovery factor in the range of 20% - 40% to the Moyes STOIP volumetrics would result in an unrisks Estimated Ultimate Recoverable (“EUR”) in the range of 1.6 billion to 2.9 billion barrels (mean), and up to 9 billion barrels (upside); and,
- Moyes independently calculated the probability of success (“PoS”) factors for each of the stacked reservoirs assessed, the majority of which were calculated in the 25 - 35% range.

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

Combining all of the technical work and interpretation, the Company was able to build on earlier well design efforts to develop a range of potential well locations and well plan options, based upon in-depth reviews of wells previously drilled in The Bahamas. A particular issue affecting historical exploration well drilling performance was the slow rate of penetration (“ROP”) of the drill bit. Studies were initiated taking account of recent technology and drilling philosophy developments, whilst also adopting and implementing global standards and best practices. The results of these studies suggested that significant improvements could be made to ROP, thus substantially reducing the predicted time it would take to drill any chosen well. Based on these studies, BPC estimated that an exploration well to a depth of up to 6,500 meters (21,500 feet) would take between 40 and 70 days to drill and assess. Further, well cost updates have incorporated the substantial reduction in global rig rates and availability, to arrive at the current well cost estimates (refer to Section 5, Well Location, Historical Cost Estimates and Funding Strategy, below).

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

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

4. Regulatory Backdrop

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

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

In April 2018, in accordance with these new regulatory requirements, the Company also submitted to the Government its EMP, which includes amongst other things an H₂S plan, an Oil Spill Contingency Plan and an Emergency Response Plan, incorporating desktop simulations of a worst-case discharge scenario, which has become mandatory in other jurisdictions in the region, to underpin effective response plans. The Government, via the BEST Commission, has appointed international petroleum consultants Black and Veatch ("B&V") to advise them on the review of this document. **The Company is presently engaged in dialogue with the BEST Commission (and through them, with B&V) and the Government in relation to the finalisation of the EMP and thus the EA, which relies heavily on site-specific and rig-specific data.** Given the criticality of the rig and its operations equipment, capacities and emergency response programmes to completing the EA, the Framework Agreement (as described in Section 6 below) affords BPC access to the technical and other rig specific data necessary to complete this aspect of the approval process. **The intention the Government has articulated to the Company is to complete this process during 2019, ahead of when drilling is scheduled to occur during 2020 in satisfaction of the Company's Southern Licences' obligation.**

5. Well Location, Historical Cost Estimates and Funding Strategy

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

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

BPC now estimates the total cost of an initial exploration well (including mobilisation and demobilisation) to be in the range of US\$25 million to US\$30 million, and up to approximately US\$50 million in aggregate should the Company elect to pursue a concurrent two well exploration campaign. This is a significant reduction from prior estimates, principally attributable to the rate at which the rig will be provided (as per the Framework Agreement between BPC and Seadrill), as well as the expected improvement in ROP based upon the technical advances in drill bit technology, and the ability to source a rig out of the Gulf of Mexico resulting in lower estimated logistical and support costs.

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

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

The Company is now embarking on a course to undertake drilling of the initial exploration well during the first half of 2020, with or without a farm-in. Whilst there has been protracted delay in securing a farm-in partner, BPC's licence obligation to drill a well in 2020 is immutable. Moreover, the Board's view is that drilling as soon as practicable remains the most efficient route to generating shareholder value, and the current state of the global rig market and the resulting substantially reduced well cost estimate (both highlighted above) means it is now more feasible for the Company to consider undertaking the well on its own. The package of critical supply and service contracts (as described in Section 6 below) and finance and other arrangements (as described in Sections 7, 8, 9 below), and the associated Special Resolutions being put to Shareholders for approval, comprise a coordinated approach to how we propose to do this.

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

6. Critical Supply and Service Contracts

To enable the Company to commence drilling activity in a timely manner during 2020, as required by the licence obligations on the Southern Licences, a number of critical tasks must be addressed in advance. These include completion of detailed well planning and design work, securing access to a rig and provision of required integrated well services, procurement of long-lead time items, finalising the logistical plan along with associated supply base location and set-up, finalising pricing for other critical equipment and services, and completion of all necessary permitting processes. Many of these tasks cannot be adequately completed without first knowing the specifications of the specific rig and equipment that will be used to undertake the work, and having full access to rig specific and site specific information.

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

- **Rig Provider: The Company has entered into a Framework Agreement with Seadrill, one of the world's largest offshore drill rig companies, which will see the provision of a sixth-generation drilling rig during the first half of 2020, with delivery from the rig's current working location in the nearby Gulf of Mexico.** The Framework Agreement provides clarity and certainty around potential access to a suitable rig, in the timeframe required, and fixes the price

for the rig (in accordance with industry practice, quoted as a day-rate in US dollars per day). Critically, with the benefit of the Framework Agreement in place, BPC (along with Seadrill's input and support) is now able to move towards finalising detailed logistical and design work, ensure compatible equipment and supplies are available and scheduled, and to complete the associated permitting processes in good time for an orderly commencement of drilling.

- **Integrated Well Service Provider:** At the same time, and following a process of extensive discussion and mutual due diligence, **the Company has been able to secure the services (and agree prices for those services) of an integrated well services provider, Halliburton, a leading provider of integrated well services to the global oil and gas industry.** Under this appointment, Halliburton will provide a range of essential well equipment, tools and services for the Drilling Plan. The Company has also appointed BakerHughes GE, another leading international service provider to the oil industry, as provider for wellheads and tubulars. The involvement of Halliburton and BakerHughes GE at a sufficiently early stage will also allow for their participation in final design, so as to further assure successful achievement of the objectives for the drilling of the well. The Company has issued a Notice of Award to each of Halliburton and BakerHughes GE as part of this process, which notices have been accepted, as a precursor to the parties seeking to conclude necessary long-form documentation.

Shareholders' attention is drawn to the fact that whilst the Framework Agreement provides certainty in relation to the setting of a rig price and certain key commercial parameters and timings, the final provision of a rig remains subject to entry into a definitive long-form contract which will be subject to Seadrill board approval (the "Rig Contract"). Moreover, given that BPC will require the financial capacity to fulfil the Rig Contract, the Framework Agreement stipulates that BPC has until 11 October 2019 (or such longer date as the parties may mutually agree) to demonstrate such financial capacity to Seadrill. Similarly, the Notices of Award with each of Halliburton and BakerHughes GE now need to be followed up with the finalisation and entry into long form documentation ("Call Off Contracts"), containing terms and conditions customary in the industry, whilst including the technical specifications and pricing already established in the Notices of Award.

Additional details of the Framework Agreement are provided in Section 2 of the Additional Information for Shareholders, and details of the Notices of Award are provided in Section 3 of the Additional Information for Shareholders.

7. Financing Arrangements

As noted, the pricing and timeline parameters encapsulated in the Framework Agreement with Seadrill for the provision of a sixth-generation drilling rig, and the Notices of Award for integrated well services from Halliburton and wellhead equipment from BakerHughes GE, have allowed the Company to obtain a significant degree of certainty as to the estimated total drilling costs, based upon a specific Drilling Plan under the now defined market conditions.

BPC now estimates the total cost of an initial exploration well (including mobilisation and demobilisation) to be in the range of US\$25 million to US\$30 million, and up to approximately US\$50 million should the Company elect to pursue a concurrent two-well exploration campaign.

BPC's principal strategy to secure the funding needed for its intended Drilling Plan remains to secure a farm-in, which the Company continues to pursue. Indeed, the Company considers that the reduced drilling cost estimates might result in a farm-in proposal becoming viable with an increased number of potential partners. However, as noted previously, the process of seeking to secure a farm-in partner is yet to produce a successful outcome. At the same time, BPC's licence obligation to drill a well in 2020 is immutable, and a considerable amount of necessary work is required to commence ahead of that. Moreover, drilling as soon as practicable remains, in the Board's view, the most efficient and likely route to generate Shareholder value.

Given these circumstances the Board considers it imperative that at the same time as continuing to pursue a farm-in the Company should take steps to put viable alternative financing solutions in place. Doing so at this time will provide BPC with an expanded range of financing options, will allow the Company to demonstrate financial capacity to the Government and various potential farm-in partners and contractors, allow certain long-lead time work items to commence, strengthen the Company's hands in farm-in and other financing negotiations, and ultimately enable drilling even in the event that a farm-in is not concluded in an acceptable time frame, or on acceptable terms.

Therefore, the Company has now entered into a first financing arrangement, a Conditional Convertible Loan for £10.25 million, specifically so as to secure an alternative financial option towards funding of the Drilling Plan, should this be required. Additionally, the Company is presently considering a range of other financing options, as well as continuing the farm-in process.

Details of the Conditional Convertible Loan are outlined in the section of this document containing explanatory materials relating to Special Resolution One. If fully available and drawn, the Conditional Convertible Loan would provide BPC with access to approximately half the estimated costs associated with one well under the Drilling Plan. Other financing arrangements currently being considered would, in aggregate and if concluded, provide BPC with additional funding which BPC considers would be sufficient to enable the Company to meet its drilling obligations. The Conditional Convertible Loan has been structured with a view to keeping the up-front costs to BPC as low as possible, and preserving the Company's ability to "opt-out" of this financing at minimal cost if it is able to secure funding on better terms elsewhere. The Conditional Convertible Loan is conditional on Shareholder approval, and therefore Special Resolution One sets out the requisite approvals, including the details and explanation thereof.

I wish to stress that it remains the Company's strong preference to secure a farm-in. However, the ultimate objective is to drill a well, whether that be funded via a farm-in on acceptable terms, or by other means, whichever is in the best interests of the Company. Thus we are now making progress on putting in place financial arrangements needed to fund that drilling, in the event that a farm-in is unable to be secured on a timely basis or on acceptable terms.

8. General Share Issuance Authority

At the Annual General Meeting, Shareholders will also be asked to approve a temporary authority for the Company to issue up to 1,800,000,000 Ordinary Shares, which, if used in its entirety, would represent a total dilution of approximately 45%, without the need for seeking further shareholder approval, and with such capacity to be in place until the end of 2020.

It is important that Shareholders understand that the rationale for the proposed temporary general issuance authority is directly related to the Company now embarking on a course to undertake drilling of an initial exploration well during the first half of 2020, activity which we consider to be the bedrock of future Shareholder value in our Company. Prior to then, the Company must secure the funding needed to drill a well, and securing that funding will, by necessity, require some level of dilution of ownership interest (either at the equity level or at the asset level).

As already noted, our preference is for that dilution of ownership interest to occur directly at the asset level, which is what will happen if a farm-in is successfully concluded. That is, if the Company is able to secure a farm-in on acceptable terms, the farm-in partner will take a direct ownership interest in the underlying Southern Licences, and there will thus be no or little need for the Company to issue additional equity (albeit the Company's ownership interest in the underlying Southern Licences will be diluted by some agreed percentage, and a transaction of this sort may potentially require the Company to cede operatorship - and therefore some level of control - to the farm-in partner).

However, if the Company is unable to secure a farm-in on a timely basis, or on acceptable terms, or if the Company is only able to secure a partial farm-in, the Company will necessarily need to secure the required funding from alternative sources, for example the equity capital markets, or by drawing on the Conditional Convertible Loan and/or implementing one or more of the various other alternative financing proposals which the Company is evaluating. All of these alternative avenues will likely involve the issuance of material levels of new equity. Thus, having the authority in place to enable the Company to undertake issuances of Ordinary Shares over the next sixteen months as the Board deems appropriate - i.e. throughout the period in which the Company intends to be drilling in fulfilment of licence obligations - is considered advantageous, in that it will afford the Company maximum flexibility as it moves forward.

It should be noted that, given current financial resources and absent the costs of the contemplated Drilling Plan, the Company does not anticipate requiring any further working capital for the next 12 months. The authorities being requested are thus in support of securing the finance needed for the Company's Drilling Plan and maximising Shareholder value. It should also be noted that the authority being tabled for Shareholder approval is for a limited period of sixteen months, specifically being until the end of the current Southern Licence exploration period, and the authority will expire if not exercised and / or renewed by the Shareholders prior to that time.

The authority being sought requires approval of the Shareholders as a Special Resolution, and Special Resolution Two sets out the proposed resolution pertaining to this matter, including the details and explanation thereof.

9. Employee Arrangements

To date, the Company has maintained a strict focus on cost control, and on preserving cash. The Company's team of employees has thus deliberately been kept small (albeit fit-for-purpose), and a number of key executives, as well as all members of the Board, have for some time foregone all or part of their contracted cash compensation, with an agreement that deferred pay will be reimbursed in cash and / or shares at a later date when the Company has secured funding and is able to progress with operations.

Given the increased level of activity in the Company with the detailed work now required and being undertaken to prepare for drilling in 2020, it is imperative that the Company has available to it the requisite team of competent executives and technical staff. Quite simply, a well will be best conducted safely and responsibly if the right people are on board, as early as is practicable. Such qualified persons are not always instantly available, so over the past several months we have commenced the process of expanding our team, and have been able to secure the services of a number of highly qualified individuals, attracted to the robust technical merits of our project. Summary CV details of the current key team members, including new recruitments, are set out in the section of this document containing explanatory materials relating to Special Resolution Three. Discussions with a number of other candidates for other roles relevant to the Drilling Plan are also underway.

It is critical at this stage in the Company's life that the Board, executive, management and staff of the Company be retained and appropriately incentivised, such that their interests are aligned with the creation of Shareholder value through progressing to an initial exploration well.

To ensure this, we are thus proposing to cancel all outstanding existing Board / executive / employee options, and to replace them with new options that will be granted in three tranches, with vesting linked to delivery of value enhancement, and exercise prices stepping up with each tranche, all at a material premium to the Company's current share price.

The proposed new option scheme would create a pool of options available for allocation over time, and which (once fully allocated) would represent around 7.53% of the Fully Diluted Share Capital. This level of incentive ownership is consistent with that in place at several companies similar to BPC, and has been benchmarked accordingly by the Board and advisors. Initially, however, the intention is that only 75% of this pool will be allocated, with the balance retained for allocation to future recruits and to enable future incentive awards (if appropriate). I would also note that of the intended allocation, only a small percentage will be to non-executive Board members (including myself), with the majority to be distributed widely amongst executive management and other employees. That is, the people we are seeking to retain and incentivise through the grant of options are those people directly responsible for delivery of a well, and their reward will be directly linked to value creation for all Shareholders.

At the same time as introducing the new option scheme, we are proposing to approve the issuance of the Deferred Pay Shares, to discharge our outstanding deferred pay obligations. However, these Deferred Pay Shares will only be issued at such time as the Board, having consulted with the relevant advisers to the Company, determines that the initial exploration well is fully funded on an unconditional basis.

The issue of the performance-based New Options, and the issue of the Deferred Pay Shares at such time as the Board having consulted with the relevant advisers to the Company, determines that the initial exploration well is fully funded on an unconditional basis, is being put to Shareholders for approval. Special Resolution Three sets out the proposed resolution pertaining to these matters, including the details and explanation thereof.

10. Related Party Transactions

The issue of Allocated New Options to the Directors and the issue of the Deferred Pay Shares will constitute related party transactions under Rule 13 of the AIM Rules for Companies. Accordingly, given there are no independent Directors, Strand Hanson Limited, the Company's Nominated Adviser, considers that the terms of the proposed issue of the options are fair and reasonable insofar as the Company's Shareholders are concerned.

11. Notice of Annual General Meeting

A Notice convening the Annual General Meeting of the Shareholders of the Company, to be held at the Company's registered office at IOMA House, Hope Street, Douglas, Isle of Man, IM1 1AP on 17 September 2019 at 11 a.m. has been

prepared, has been posted to the Company's website as of 21 August 2019, and by no later than 23 August 2019 will be despatched to Shareholders. These explanatory materials comprise an appendix to the Notice of Annual General Meeting, and are intended to provide explanation to Shareholders of the rationale for the various Special Resolutions to be proposed at the Annual General Meeting.

The Annual General Meeting will address both the Company's regular Ordinary Resolutions as required by the Articles of Association, and table for consideration the Special Resolutions (explanations for which are included in this document). The Ordinary Resolutions will be proposed as such, and will require a simple majority of the Shareholders voting in person or by proxy in favour of the resolution at the Annual General Meeting. The Special Resolutions will be proposed as such, and will require a super-majority of seventy-five per cent. (75%) or more of the Shareholders voting in person or by proxy in favour of the resolution at the Annual General Meeting.

The Form of Proxy for use at the Annual General Meeting accompanies the Notice of Annual General Meeting. Whether or not you intend to be present at the Annual General Meeting, the Form of Proxy should be completed and signed in accordance with the instructions thereon and returned to the Company's registrars, Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, as soon as possible, but in any event so as to be received by no later than 48 hours before the time appointed for the Annual General Meeting. Unless the Form of Proxy is received by this date and time, it will be invalid. Alternatively, CREST members who wish to appoint a proxy or proxies via CREST may do so in accordance with the procedures set out in the Notice of Annual General Meeting and the Form of Proxy. **The completion and return of the Form of Proxy or appointment of a proxy via CREST will not preclude Shareholders from attending the Annual General Meeting and voting in person should they so wish.**

12. Recommendation

The Directors consider the approval of the Ordinary Resolutions and the Special Resolutions to be proposed at the Annual General Meeting to be in the best interests of the Company and its Shareholders as a whole, and, accordingly, unanimously recommend Shareholders to vote in favour of all of the Ordinary Resolutions and Special Resolutions, as they and their associated parties intend to do in respect of their beneficial holdings, which in aggregate total 16,295,000 Ordinary Shares, representing approximately 1 percent of the current issued share capital.

Yours faithfully

Bill Schrader
Non-Executive Chairman

**EXPLANATORY INFORMATION RELATING TO SPECIAL RESOLUTIONS:
SPECIAL RESOLUTION ONE: APPROVAL OF CONDITIONAL CONVERTIBLE LOAN**

Rationale:

The Company has entered into a Framework Agreement with Seadrill which, subject to a long-form contract and Seadrill board approval processes, will see the provision of a sixth-generation drilling rig during the first half of 2020. Seadrill is one of the world's largest offshore drill rig companies.

At the same time, the Company has issued a Notice of Award to Halliburton, a leading international oil industry contractor, for the purposes of providing essential integrated well services to facilitate the Company's intended drilling campaign, and a Notice of Award to BakerHughes GE, another leading international oil industry consultant, for the purposes of providing wellhead equipment and large tubulars. The Framework Agreement and the Notices of Award do not require Shareholder approval, but details in relation to these key operational developments are set out in Section Two and Section Three of the Additional Information for Shareholders, respectively.

Based on the pricing parameters set out in the Framework Agreement and the service proposals submitted by Halliburton and BakerHughes GE, the Company has been able to estimate with a significantly greater level of certainty the total costs of the intended Drilling Plan and subsequent evaluation period, through the course of 2020. **BPC estimates that it will be possible to implement the Company's Drilling Plan for an initial exploration well in the range of US\$25 million to US\$30 million, or up to approximately US\$50 million should the Company elect to pursue a concurrent two-well exploration campaign (inclusive of mobilisation and demobilisation costs).** This is a significant reduction on previous cost estimates.

BPC has to-date been seeking to address its funding needs via a "farm-in" - a common oil industry form of financing whereby a third party (usually a company with existing industry operations and expertise) agrees to pay for all or some of the cost of drilling, in exchange for a direct ownership interest in the relevant underlying assets (which in BPC's case would involve a farm-in partner taking a direct ownership interest in the four Southern Licences). The extent of the farm-in partner's ownership interest is a matter for commercial negotiation. Other key commercial terms to be agreed in any farm-in agreement would be the extent (if any) to which a farm-in partner might make a further cash payment direct to BPC in respect of "back costs", and whether the farm-in partner would require BPC to cede operatorship of the project.

Securing a farm-in continues to be BPC's preferred funding model, and the Company continues in discussions with various potential farm-in partners. The Company's intention remains to conclude a farm-in on acceptable terms, and in a time frame consistent with the Company's current Drilling Plan and licence obligations.

However, given that BPC's licence commitment is now fixed as being to commence an initial exploration well during 2020, and given the amount of preparatory work required ahead of commencing operations (much of which must commence imminently) the Board considers it imperative to put in place alternative viable financial sources. Doing so at this time will provide BPC with an expanded range of financing options to choose from, will allow BPC to demonstrate financial capacity to the Government and potential farm-in partners and contractors, allow long-lead time work items to commence (for example, environmental baseline sampling), strengthen the Company's position in ongoing farm-in negotiations, and ultimately enable drilling to commence even if a farm-in is not concluded.

With this in mind, the Company has been able to agree terms for a £10.25 million (approximately US\$12.5 million) Conditional Convertible Loan, an alternative financial option for funding of the Drilling Plan should this be required. Additionally, the Company is presently considering a number of other alternative financing options to a farm-in. If available and drawn, the Conditional Convertible Loan would provide BPC with access to approximately half the estimated well cost, and when combined with other financing proposals currently being considered, in aggregate (and if concluded) would provide BPC with sufficient funding to enable it to meet its drilling obligations during 2020, even absent a suitable farm-in.

The Company wishes to highlight that at this stage, certain aspects of the Conditional Convertible Loan are conditional on further developments and satisfaction of various condition precedent, and thus access to the funding is not assured. Furthermore, the Conditional Convertible Loan is subject to Shareholder approval, and therefore Special Resolution One sets out the requisite approvals.

It remains the Company's preference to secure a farm-in, and thus potentially not have to make use of the Conditional Convertible Loan. For this reason, the Conditional Convertible Loan has been structured with a view to keeping the up-

front cost to BPC as low as possible, and to ensuring that the Company's ability to "opt-out" of this financing at minimal cost if it is able to secure funding on better terms elsewhere. However, if for whatever reason BPC is unable to secure a farm-in, or if the farm-in process takes longer than required, the Company considers that having this finance arrangement in place will be advantageous for the reasons detailed in this document.

Conditional Convertible Loan Facility - Summary Details:

The Company has entered into an agreement for a conditional convertible loan investment (the "**Conditional Convertible Loan**") of £10.25 million (approximately US\$12.5 million, or approximately half the estimated cost of the initial exploration well). Amongst other conditions as detailed further below, the Conditional Convertible Loan is subject to Shareholder approval.

The Conditional Convertible Loan agreement is with Bizzell Capital Partners Pty Ltd, an Australian-domiciled investment firm acting on behalf of interests associated with Mr. Stephen Bizzell and Mr. Mark Carnegie for the purposes of investing in BPC ("BCI"). Mr. Bizzell and Mr. Carnegie each have a track record of successful investment in a number of early-stage oil and gas exploration businesses around the world. The Company's Commercial Director, Mr. Eytan Uliel, worked for Mr. Carnegie from 1999 - 2006. Further, investment funds associated with Mr. Carnegie and Mr. Bizzell were also variously early-stage investors in Arrow Energy Limited and Dart Energy Limited, Australian-listed companies at which both the Company's Chief Executive Mr. Simon Potter and the Company's Commercial Director previously worked. Arrow Energy Limited was acquired by a consortium of Shell and Petrochina in 2011, and Dart Energy Limited was acquired by AIM-listed iGas Energy Plc in 2014.

For the information of Shareholders, the key terms of the Conditional Convertible Loan are summarised as follows:

- *Amount:* £10.25 million (approximately US\$12.5 million, being approximately half the estimated cost of an initial exploration well)
- *Use of funds:* Well finance and general strategic purposes
- *Form of investment:* Convertible loan notes ("**Notes**")
- *Note Subscribers:* Bizzell Capital Partners Pty Ltd and / or nominees of Bizzell Capital Partners Pty Ltd, Mr. Stephen Bizzell and Mr. Mark Carnegie
- *Term:* 3 years
- *Coupon:* 12% per annum, payable annually in arrears; BPC can elect to capitalise interest accrued on the Notes
- *Priority and Security:* On a return of capital (by way of liquidation or otherwise) the Notes will rank senior to all Ordinary Shares on issue to the extent of the principal plus unpaid interest, and shall be secured by a first ranking security over all the assets and undertakings of BPC, and will rank senior to all other debt of BPC
- *Conversion:* BCI may at any time prior to maturity elect to convert the Notes (principal plus any accrued interest) into fully paid ordinary shares in BPC at a 25% premium to the price of BPC's next capital raising (if any) or at 6p per share, whichever is the lower
- *Early Redemption:* BPC will have no right to redeem the Notes prior to the end of the 3 year term; BCI will be entitled to redeem the Notes at a 110% premium to face value if, as at 31 December 2020, employment and executive retention arrangements between nominated key executives and the Company are on terms that are not satisfactory to BCI
- *Dividends:* No dividends must be declared or paid whilst the Notes are on issue
- *Documentation:* The parties will work in good faith to agree and enter into definitive long-form legal documentation as soon as possible, but in any event by no later than 30 November 2019. Subject to definitive documentation being entered into and subject to satisfaction of all conditions precedent as described below, BCI must subscribe for the Notes ("**Completion**") by 31 March 2020
- *Conditions to Completion:* Completion of the subscription for the Notes by BCI will be subject to a number of conditions first being met or satisfied or otherwise waived by BCI. These include:
 - Completion of due diligence on BPC, to the satisfaction of BCI;
 - BPC having raised sufficient funds (to the reasonable satisfaction of BCI) to meet the balance cost of the intended Drilling Plan in full, plus the operating costs of the Company for a period of at least 24 months from the date of Completion, such funding to be secured through one or a combination of either a farm-in and/or a capital raising via issue of Ordinary Shares at a price of 2p per Ordinary Share or higher;

- the Company having entered into such binding agreements and contracts with reputable international companies as is necessary and sufficient to enable the Company to conduct the Drilling Plan at the estimated cost of those operations, including a contract for provision of a drilling rig with a reputable international rig company, and a contract for integrated well services with a reputable international service company;
- the Company securing all necessary permits and approvals for drilling from the Government, including all necessary environmental permits;
- the Company's Shareholders in general meeting having first approved the investment by BCI; and
- employment and executive retention arrangements between nominated key executives and the Company being on terms satisfactory to BCI.
- BCI will be paid fees as follows:
 - Options to subscribe for 25,000,000 Ordinary Shares in BPC with an exercise price of 2p per share (ie: an approximate 25% premium to the Ordinary Share price on the last trading day immediately prior to the date of entry into the Conditional Convertible Loan agreement, being 20 August 2019), exercisable at any time within the four year period from their date of issue (the "**Convertible First Tranche Options**");
 - on Completion, an establishment fee equal to 2% of the Notes face value (i.e. £205,000), with such establishment fee to be offset against the investment subscription for the Notes; and
 - on Completion, two further tranches of options to subscribe for Ordinary Shares in BPC, of 12,500,000 options per tranche, the first with an exercise price of 2.5p per Ordinary Share (i.e. an approximate 60% premium to the Ordinary Share price immediately prior to entry into the Conditional Convertible Loan agreement) and the second with an exercise price of 3p per Ordinary Share (i.e. an approximate 90% premium to the Ordinary Share price immediately prior to entry into the Conditional Convertible Loan agreement), exercisable at any time within the four year period from the date of their issue (the "**Convertible Second & Third Tranche Options**").
 - If Shareholder approval of the Conditional Convertible Loan is not obtained, or if Shareholder approval is obtained and BPC subsequently exercises its opt-out right as described further below, BCI will be entitled to receive and retain the Convertible First Tranche Options. On the other hand, the Convertible Second & Third Tranche Options will only be issued and the Establishment Fee will only become payable on Completion - i.e. once all conditions precedent are satisfied and funds are advanced to BPC. To the extent Completion does not occur for any reason, BPC shall not be obliged to issue the Second & Third Tranche Options or pay the Establishment Fee.
- *BPC Opt-Out Right*: At any time prior to entry into definitive long-form documentation, BPC may elect to opt-out of the proposed investment (if, for example, BPC is able to raise funds on better terms elsewhere), without penalty other than BCI will be entitled to retain the Convertible First Tranche Options as consideration. If BPC opts-out of the proposed investment because it has secured funds on better terms at a corporate level, BCI will have the ability to participate in that fund raising in an amount up to £10.25 million on terms equal to all other investors in that fund raising. If BPC opts-out of the proposed investment because BPC has secured funds on better terms via an asset level transaction, such as a farm-in, BCI will retain the right to make a smaller Convertible Note investment of £3.4 million, and the establishment fees and the amount of Convertible Second & Third Tranche options will be pro-rated accordingly.
- *Board Rights*: Effective from Completion (i.e. only once all conditions precedent are satisfied and funds are advanced to BPC) and until such time as the Notes are redeemed, BCI will have the right to appoint two (2) directors to the Board of BPC (but, for so long as both Simon Potter and Eytan Uliel are members of the Board, the right of appointment shall be reduced to only one (1)).

Attention is drawn to the fact that, as detailed above, the Conditional Convertible Loan remains subject to completion of due diligence, and negotiation and entry into of definitive long-form legal documentation, and thereafter access to the £10.25 million of funding would require the Company first having secured funding for the balance of the initial exploration well Drilling Plan plus 24 months operating costs, and for a number of other conditions to have first been satisfied. Nonetheless, the Directors consider the Conditional Convertible Loan agreement to be of considerable value, in that it would provide roughly half of the capital required to complete the Drilling Plan and therefore substantially reduces the overall amount of finance required to be raised by the Company from alternative sources, thus affording much greater flexibility both in terms of farm-in discussions and consideration of other financing options.

Attention is also drawn to the fact, and Shareholders should note that, in the event the Conditional Convertible Loan is not approved, or if the Conditional Convertible Note agreement is cancelled by the Company exercising its opt-out right,) the Company will remain obligated to issue to BCI the Convertible First Tranche Options.

Special Resolution:

The Special Resolution to be put to Shareholders in relation to the Conditional Convertible Loan is as follows:

Special Resolution One:

As a special resolution, THAT

- (i) the entry by the Company into a conditional agreement for a £10.25 million convertible loan facility (the "Conditional Convertible Loan") with Bizzell Capital Partners Pty Ltd, an Australian-domiciled investment firm acting on behalf of entities associated with Mr. Stephen Bizzell and Mr. Mark Carnegie ("BCI") is approved and ratified,*
- (ii) the issue of 25 million options to BCI to subscribe for ordinary shares in the capital of the Company, for a term of four years and with an exercise price of 2p per share (the "Convertible Tranche One Options") pursuant to the terms of the Conditional Convertible Loan, is approved, and*
- (iii) subject to agreement being reached between the Company and BCI on the terms of the definitive long-form legal documentation governing the Conditional Convertible Loan by no later than 30 November 2019, and subject to satisfaction of all conditions precedent under that documentation and completion of the convertible loan note investment under that documentation by 31 March 2020, the issue of 12.5 million options to BCI to subscribe for ordinary shares in the capital of the Company, for a term of four years and with an exercise price of 2.5p per share and the issue of 12.5 million options to BCI to subscribe for ordinary shares in the capital of the Company, for a term of four years and with an exercise price of 3p per share (together the "Convertible Second and Third Tranche Options") pursuant to the agreement for the Conditional Convertible Loan, is approved.*

**EXPLANATORY INFORMATION RELATING TO SPECIAL RESOLUTIONS:
SPECIAL RESOLUTION TWO: APPROVAL OF GENERAL SHARE ISSUANCE AUTHORITY**

Rationale:

At the Annual General Meeting, Shareholders will be asked to approve a temporary authority of the Company to issue up to 1,800,000,000 additional Ordinary Shares (including options and warrants as may be required) without the need for seeking further Shareholder approval, at any time in the period prior to the end of 2020. If all issued, this would represent a total dilution of approximately 45% on a fully diluted shares in issue basis. The authority being sought requires approval of the Shareholders as a Special Resolution.

The rationale for this proposal is directly related to the Company now embarking on a course to undertake drilling of an initial exploration well during the first half of 2020, activity which Directors consider to be the bedrock of future Shareholder value creation. Prior to commencing drilling, the Company must secure the funding needed for that activity, and securing that funding will, of necessity, require some level of dilution of ownership interest.

As noted repeatedly throughout this document, the Company's primary strategy remains to fund the drilling of an initial exploration well through a farm-in. Under a farm-in arrangement, a third party will provide all or part of the funding necessary to pay for the well costs (and potentially some payment to BPC in relation to BPC's past costs), in exchange for a direct participatory interest in the Company's underlying assets (i.e. the four Southern Licences).

If the Company is able to meet this objective and secure a farm-in on acceptable terms and in an acceptable timeframe, there will be little or no need to issue additional Ordinary Shares to fund well costs (albeit the Company's ownership interest in the underlying Southern Licences will necessarily be diluted at the asset level, and depending on farm-in negotiations and the requirements of potential farm-in partners, this would likely result in a material dilution in ownership interest in the Southern Licences, as well as potentially ceding operatorship to a farm-in partner with a corresponding reduction in operational control).

However, if the Company is unable to secure a farm-in on acceptable terms, or if the Company is only able to secure a partial farm-in, or if the farm-in process takes longer than anticipated, then in order to meet its licence commitments the Company will need to secure the required funding from alternative sources, and doing so would likely include the need to issue a material number of new Ordinary Shares. For example, if the Company were to seek to rely for part of its funding needs on the Conditional Convertible Loan, the Company would secure £10.25 million which would, at the election of BCI, be convertible into Ordinary Shares of the Company. Similarly, other funding solutions which the Company is currently considering, might require the issue of Ordinary Shares. Other funding sources may also become available that represent a better value proposition for Shareholders as compared to a farm-in, for example, funding via the private placement of Ordinary Shares on AIM, or via an entitlement offer to all existing Shareholders, or a combination thereof.

Furthermore, even if the Company is successful in being able to conclude a farm-in, depending on the ultimate farm-in partner and the terms of the relevant farm-in agreement that may be entered into, the Company may be required to issue some Ordinary Shares as part of the overall farm-in transaction, and/or might be obligated to pay certain success fees to various consultants and advisers, which fees the Company may be required to pay in the form of Ordinary Shares or options or warrants, or which the Company could elect to pay in the form of Ordinary Shares or options or warrants should the Company wish to preserve available cash resources.

In summary, therefore, if the Company is unable to secure a farm-in on a timely basis, or on acceptable terms, or if the Company is only able to secure a partial farm-in, or if alternative funding sources become available that represent a better value proposition for Shareholders as compared to a farm-in, in order to meet licence obligations the Company may seek and rely on alternative sources of finance, all which will likely involve the issuance of material levels of new Ordinary Shares (albeit the extent is presently unknowable).

The Board thus considers that, as the Company progresses towards drilling activities and in view of the current funding sources available to and being considered by the Company, having the timely ability to undertake material issuances of Ordinary Shares would be advantageous, affording the Company maximum flexibility as it moves forward (including a stronger position in potential farm-in negotiations).

Shareholders should note that the authority being tabled for Shareholder approval is for a period of sixteen months only, to the end of 2020. That is, the authority is temporary, and in respect of a time period directly linked to the remainder of the current term of the Southern Licences, in which the Company's intends to be drilling in fulfilment of licence obligations.

Special Resolution:

The Special Resolution to be put to Shareholders in relation to the Company's general share issuance authority is as follows:

Special Resolution Two:

As a special resolution, THAT the Directors be and hereby are granted the authority, pursuant to Article 6.7 of the Company's Articles of Association, to allot and issue up to a further 1,800,000,000 new ordinary shares in the capital of the Company, as if the pre-emption provisions contained within Article 6.3 of the Company's Articles of Association did not apply to such allotment and issue, provided that such authority, unless renewed, shall expire on 31 December 2020, but shall extend to the making, before such expiry, of an offer or agreement which would or might require ordinary shares to be allotted after such expiry and the Directors may allot ordinary shares in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

**EXPLANATORY INFORMATION RELATING TO SPECIAL RESOLUTIONS:
SPECIAL RESOLUTION THREE: APPROVAL OF ISSUE OF NEW OPTIONS AND DEFERRED PAY SHARES**

Rationale:

As the Company moves forward toward the Drilling Plan it is essential that a suitably qualified, experienced and capable team is in place. Qualified persons are not always instantly available, so over the past several months the Company has commenced the process of expanding its team, and has been able to secure the services of a number of highly qualified individuals, attracted to the robust technical merits of our project. In tandem, the Company is seeking to ensure that the team is appropriately retained, and incentivised to achieve creation of Shareholder value through progressing to successful, timely and safe delivery of an initial exploration well. Ability to retain and recruit key personnel at this critical stage in the Company's operations is, in the Board's view, essential.

Further, for many years, certain key executives, and all members of the Board, have foregone contracted salary and remuneration on the basis that this would be repaid, in a combination of cash and shares when the Company has secured funding and is able to progress with operations. The amount of this deferral has accumulated over time. As part of preparing for operations, securing funding and solidifying the team, the Board is proposing to approve the issuance of the Deferred Pay Shares, to discharge the Company's outstanding deferred pay obligations. However, these Deferred Pay Shares will only be issued at such time as the Board having consulted with the relevant advisers to the Company determines that the initial exploration well is fully funded on an unconditional basis.

Personnel Profiles:

For the information of Shareholders, brief profiles of key personnel that now comprise the Company's leadership team, including certain new executives, are set out below. Discussions with a number of candidates for other roles relevant to the Drilling Plan are currently taking place.

Simon Potter Chief Executive Officer	Industry Experience: Qualifications: Notable prior roles: Base:	40 years oil & gas / mining sector B.Sc. (Hons) Geology, M.Sc. Management Science CEO - Hardman Resources, Dart Energy, various roles (20 years) at BP and TNK-BP Bahamas
Eytan Uliel Commercial Director (non-Board)	Industry Experience: Qualifications: Notable prior roles: Base:	25 years O&G / resources & commercial BA / LLB CFO and CCO - Dart Energy, Arrow Energy Bahamas
Ben Proffitt Finance Director (non-Board)	Industry Experience: Qualifications: Notable prior roles: Base:	10 years O&G / resources CA, Bsc, Company Secretary Founder & CEO, BDP Orbita Ltd Isle of Man
Randolph Hiscock Technical Director (non-Board)	Industry Experience: Qualifications: Notable prior roles: Base:	30 years exploration new ventures M.Sc. and B.Sc. (Hons - Geology), MBA (Oil & Gas) Head of Caribbean / Latin America new ventures, Shell (10 years), Encana (20 years) Florida / Canada
David Bond Drilling Director (non-Board)	Industry Experience: Qualifications: Notable prior roles: Base:	35-year offshore drilling, including ultra-deep-water in Africa B.Sc. (Hons) Mechanical Engineering International Drilling and Completions Manager - Woodside, Drilling Director - Ophir Energy Bahamas / Asia

Richard Turner Drilling Manager	Industry Experience: Qualifications: Notable prior roles: Base:	40 years managing complex drilling operations Degreed Petroleum Engineer Variety of international locations with majors / independent oil companies; engineering, operations and management expertise Houston
Jane Bond Chief Geoscientist	Industry Experience: Qualifications: Notable prior roles: Base:	25 years geology, geophysics, petrophysics, res. eng. Mgt. B.Sc. Geology and Mathematics, M.Sc. in Geophysics Lead Reservoir Engineer/Senior Geoscientist (Ophir Energy Ltd, Reliance), Senior Geoscientist/Reservoir Engineer, Petrophysicist (Woodside/Shell) Bahamas / Asia
Roberta Quant Environmental Scientist	Industry Experience: Qualifications: Notable prior roles: Base:	15 years Environmental management BA (Hons) Law, B.Sc. Ocean Engineering, M.Sc. Environmental Engineering. Called to Bar (Bahamas) Technical Officer at Bahamas Environment Science and Technology Commission Bahamas
Jobeth Coleby-Davis General Counsel	Industry Experience: Qualifications: Notable prior roles: Base:	10 years, specialty in Bahamian oil and gas law B.Sc. Law and Business, M.Sc. Energy Law and Policy. Called to Bar (UK and Bahamas) Current member of the Bahamian Senate (Upper House) Bahamas

Proposed Incentive Arrangements:

At present, a total of 68.85 million options over Ordinary Shares are on issue to various board members, executives, employees and consultants to the Company. These options were issued on 1 April 2016, and are subject to vesting and exercise conditions as detailed in the announcement of 4 April 2016.

The Company considers that it would be beneficial to amend the Company's incentive arrangements, to ensure uniform and clear incentives for all key personnel going forward, including new recruits. The Company also considers that incentives should be clearly aligned to the creation of shareholder value through a focus on achievement of the Company's core objective: progressing to the Drilling Plan.

Therefore, by agreement with relevant existing option holders the Company intends to cancel all existing Board / executive / employee / consultant options on issue, and make available for allocation an aggregate of up to 200,000,000 New Options. Of these, a relatively small number (9,000,000, being less than 5% of the New Options) will be allocated to non-executive Directors, with the balance (191,000,000) available for allocation to executives, management, staff and professional consultants. Initially, the intention is that only 150,000,000 of the New Options will be allocated (the "Allocated New Options"), with the balance of 50,000,000 New Options remaining unallocated and retained should they be required for future recruitment of additional team members, or should the grant of future incentive awards become appropriate.

The New Options will be issued in three tranches on uniform terms and conditions as described below. New Options will all have strike prices in excess of the current share price, such that the New Options will only be of value if the Company's share price increases. All New Options, if not exercised, will expire 5 years after the date of issue.

The New Options, if fully distributed (and after taking into account the issue of all other proposed Ordinary Shares, options and warrants), would represent approximately 7.53% of the Company's Fully Diluted Share Capital (i.e. as enlarged by the other proposals set out herein). The Directors consider this to be an appropriate level of executive / employee incentive ownership, in line with general market practice and that in place at several similar companies to BPC, and has been benchmarked accordingly by the Board and advisors, considering the nature of the Drilling Plan.

The New Options will consist of three series, the key terms of which are as follows:

- **Series A:** A total pool of 50,000,000 New Options, fully vested and immediately exercisable, with an exercise price of 2.22p per New Option, representing an approximately 40% premium to the share price prevailing on the date immediately prior to publication of the Notice of Annual General Meeting (and consistent with the exercise price of existing options being cancelled). If all exercised, these Series A New Options would result in net cash inflow for the Company of £1,110,000. The Series A tranche of New Options will be fully distributed.
- **Series B:** A total pool of up to 75,000,000 New Options, that will vest and become exercisable at such point in time as the Board, having consulted with the relevant advisers to the Company, determines that the cost of an initial exploration well is fully funded (defined as the Company either securing a farm-in or securing capital via debt or equity or a combination of both in excess of US\$25 million, or any combination thereof), at an exercise price of 2.4p per New Option, representing an approximate 50% premium to the share price prevailing on the date immediately prior to publication of the Notice of Annual General Meeting. If all exercised, these Series B New Options would result in £1,800,000 net cash inflow for the Company. 50,000,000 of the Series B New Options will initially be distributed, with the balance (25,000,000) reserved for future grants.
- **Series C:** A total pool of up to 75,000,000 New Options, that will vest and become exercisable at such point in time as the initial exploration well commences (defined as once a rig is mobilised, that being when the contracted drilling rig, following inspection by BPC and any necessary customs authorisations, leaves the port of origination by a distance of 1 nautical mile), at an exercise price of 2.8p per New Option, representing an approximate 75% premium to the share price prevailing on the date immediately prior to publication of the Notice of Annual General Meeting. If all exercised, these Series C New Options would result in £2,100,000 net cash inflow for the Company. 50,000,000 of the Series C New Options will initially be distributed, with the balance (25,000,000) reserved for future grants.

New Options will initially be allocated as follows:

Non-Executive Board:

OPTIONHOLDER	SERIES A	SERIES B	SERIES C
William Schrader	1,500,000	750,000	750,000
James Smith	750,000	375,000	375,000
Eddie Shallcross	750,000	375,000	375,000
Ross McDonald	750,000	375,000	375,000
Adrian Collins	750,000	375,000	375,000

Management and Executives:

OPTIONHOLDER	SERIES A	SERIES B	SERIES C
Simon Potter Chief Executive Officer	20,000,000	15,000,000	25,000,000
Other executives, employees and consultants, in aggregate	25,500,000	32,750,000	22,750,000
TOTAL ALLOCATED OPTIONS	50,000,000	50,000,000	50,000,000
NEW OPTIONS			
Unallocated (Reserved for future recruitments / allocations)	n/a	25,000,000	25,000,000
TOTAL NEW OPTION POOL	50,000,000	75,000,000	75,000,000

The New Options will not be quoted or traded on AIM. However, on exercise, the Company will make application for the new Ordinary Shares arising to be admitted for trading on AIM.

Deferred Pay Shares:

For a number of years certain key executives and consultants, and all members of the Board, have foregone part of their contracted cash remuneration, on the basis that this would be repaid, in a combination of cash and shares, at a later date when the Company has secured funding and is able to progress with operations. As part of preparing for operations, securing funding, and solidifying the team, the Board considers that it is now an appropriate time to address this matter, and for the Company to discharge its obligations in this regard. The Board is thus proposing to approve the issuance of the Deferred Pay Shares, to discharge the Company's outstanding deferred pay obligations. However, these Deferred Pay Shares will only be issued at such time as the Board, having consulted with the relevant advisers to the Company, determines that the initial exploration well is fully funded on an unconditional basis.

The following new Ordinary Shares are thus proposed to be issued in satisfaction of the Company's deferred pay obligations incurred up to 31 July 2019:

Recipient	Deferred Pay Shares
Directors:	
William Schrader	7,601,289
James Smith	4,970,074
Eddie Shallcross	5,847,147
Ross McDonald	4,970,074
Adrian Collins	5,847,147
Simon Potter	63,567,276
Total Directors	92,534,795
Other Executives and Staff	23,895,183
Total Deferred Pay Shares	116,698,188

Whilst approval for the issue of these Ordinary Shares in satisfaction of the Company's deferred pay obligations is being sought, **Shareholders should note that such Ordinary Shares will only be issued at such time as the initial exploration well is fully funded on an unconditional basis.**

The new Ordinary Shares proposed to be issued in satisfaction of the Company's deferred pay obligations relate only to those deferred pay obligations incurred up to 31 July 2019. Deferred pay obligations that may be incurred in the period commencing 1 August 2019 will be settled by the Company in due course, in either cash or shares (at the Company's discretion).

After taking into account the issue of all other proposed new Ordinary Shares, options and warrants described elsewhere in the balance of this document, the Deferred Pay Shares would represent approximately 5.86% of the Company's Fully Diluted Share Capital, and 3.02% of the Company's Fully Diluted Potential Share Capital.

When issued (i.e. only once the Board, having consulted with the relevant advisers to the Company, determines that the initial exploration well is fully funded on an unconditional basis) the Company will make application for the Deferred Pay Shares to be admitted for trading on AIM.

Special Resolution:

The Special Resolution to be put to Shareholders in relation to the New Options and the Deferred Pay Shares is as follows:

Special Resolution Three:

As a special resolution, THAT

- (i) the cancellation of 68.85 million options over ordinary shares in the Company be approved,*
- (ii) the creation of a pool of up to 200 million new options over ordinary shares in the Company be approved, expiring on the date that is five years after the date of grant, for allocation by the Board, in three tranches as follows:*
 - a. Series A: A total pool of 50,000,000 options, vested and immediately exercisable, at an exercise price of 2.22p,*
 - b. Series B: A total pool of up to 75,000,000 options, that will vest and become exercisable at such point in time as the Board, having consulted with the relevant advisers to the Company, determines that the cost of an initial exploration well is fully funded on an unconditional basis (defined as the Company either securing a farm-in or securing capital via debt or equity or a combination of both in excess of US\$25 million, or any combination thereof), at an exercise price of 2.4p, and*
 - c. Series C: A total pool of up to 75,000,000 options, that will vest and become exercisable at such point in time as the initial exploration well commences (defined as once a rig is mobilised, that being when the contracted drilling rig, following inspection by BPC and any necessary customs authorisations, leaves the port of origination by a distance of 1 nautical mile), at an exercise price of 2.8p,*
- (iii) an initial allocation be approved of 50 million of Series A, 50,000,000 of Series B and 50,000,000 of Series C of these new options be approved, with the balance of the available pool, being 25,000,000 of Series B and 25,000,000 of Series C, reserved for future allocations at the discretion of the Board, and*
- (iv) the issue of 116,698,188 fully paid Ordinary Shares in satisfaction of the Company's deferred pay obligations up to 31 July 2019 be approved, such shares only to be issued at such time as the Board, having consulted with the relevant advisers to the Company, determines that the drilling of an exploration well is fully funded on an unconditional basis.*

**EXPLANATORY INFORMATION RELATING TO SPECIAL RESOLUTIONS:
SPECIAL RESOLUTION FOUR: APPROVAL OF SHORE WARRANTS**

Rationale:

As announced on 15th March 2019, the Company undertook a placement of Ordinary Shares to raise US\$2.5 million. Shore Capital acted as broker to the Company for that placement, and as part of Shore Capital's agreed remuneration, the Company agreed to issue to Shore Capital the Shore Warrants, being warrants to be issued 7,200,000 Ordinary Shares with an exercise period of 2 years from the date of grant, and with an exercise price of 1.6 pence per warrant. At the time, the Company was unable to issue Shore Warrants, as to do so would have exceeded the Company's then approved share issuance capacity. Consequently, Shore Capital agreed to a deferred issuance of the Shore Warrants on the basis that the Company table the issue of the Shore Warrants for approval at the next Annual General Meeting of the Company's Shareholders.

The Shore Warrants will not be quoted or trade on AIM. However, on exercise, the Company will make application for the new Ordinary Shares arising to be admitted for trading on AIM.

Shareholders should note that if the issue of the Shore Warrants is not approved, the Company will remain obliged to issue the Shore Warrants at such time as the Company's share issuance authority allows (which would be if Special Resolution Three is approved, or if that Special Resolution is not approved, in January of 2020 when the Company's general share issuance authority under its Articles of Association is automatically refreshed).

Special Resolution:

The Special Resolution to be put to Shareholders in relation to the Shore Warrants is as follows:

Special Resolution Four:

As a special resolution, THAT the Directors be and hereby are granted the authority, pursuant to Article 6.7 of the Company's Articles of Association, to immediately allot and issue 7,200,000 warrants over new Ordinary Shares in the capital of the Company to Shore Capital, with an exercise period of 2 years from the date of grant and exercise price of 1.6 pence per Ordinary Share, as if the pre-emption provisions contained within Article 6.3 of the Company's Articles of Association did not apply to such issue.

ADDITIONAL INFORMATION FOR SHAREHOLDERS:**1. ANALYSIS OF CHANGES TO SHARE CAPITAL AS A RESULT OF PROPOSED SPECIAL RESOLUTIONS**

Special Resolutions for various matters are being put to Shareholders that would, subject to approval, see the capital structure of the Company change considerably. Therefore, the following information is provided to assist Shareholders in more fully understanding the impact of the proposed Special Resolutions.

Stage 1: Immediately following receipt of Shareholder Approval:

Subject to Shareholder approval, the following will occur:

- BCI will be issued with the Convertible First Tranche Options as follows:
 - 25,000,000 Convertible First Tranche Options - exercise price 2p
- The existing 68.5m Board / executive / employee / consultant options currently on issue will be cancelled, and replaced with the issuance of the following New Options, as follows:
 - 50,000,000 Series A New Options - exercise price 2.22p per Ordinary Share
 - 50,000,000 Series B New Options - exercise price 2.4p per Ordinary Share
 - 50,000,000 Series C Options - exercise price 2.8p per Ordinary Share
- An additional 116,698,188 Deferred Pay Shares will be issued in respect of satisfying certain deferred pay obligations of the Company (such Deferred Pay Shares only to be issued at such time as the Board, having consulted with the relevant advisers to the Company, determines that the initial exploration well is fully funded on an unconditional basis)
- Shore Capital will be issued the Shore Warrants in settlement of outstanding fee obligations, as follows:
 - 7,200,000 Shore Warrants - exercise price 1.6p per Ordinary Share

Thus, following the Annual General Meeting (and assuming all Special Resolutions are approved), the Ordinary Shares, warrants and options that may be on issue in the capital of the Company can be summarised as follows:

ITEM	Number	% of Total
Ordinary Shares on issue		
Ordinary Shares	1,692,719,096	84.99%
Deferred Pay Shares	116,698,188	5.86%
Total Ordinary Shares on issue	1,809,417,284	90.85%
New Options on issue		
Series A New Options	50,000,000	2.51%
<i>Non-executive Directors</i>	4,500,000	
<i>Executives & employees</i>	45,500,000	
Series B New Options	50,000,000	2.51%
<i>Non-executive Directors</i>	2,250,000	
<i>Executives & employees</i>	47,750,000	
Series C New Options	50,000,000	2.51%
<i>Non-executive Directors</i>	2,250,000	
<i>Executives & employees</i>	47,750,000	
Total New Options on issue	150,000,000	7.53%
Convertible First Tranche Options	25,000,000	1.26%
Shore Warrants	7,200,000	0.36%
FULLY DILUTED SHARE CAPITAL	1,991,617,284	100%

Stage 2: Potential future dilutions:

Assuming all of the various Special Resolutions are approved by Shareholders, the Company will also have the authority to issue additional Ordinary Shares in the period to 31 December 2020 without the need for further Shareholder approval (including warrants and options) as may be required to secure the funding needed for the Company's intended Drilling Plan (although these will not be issued immediately and, depending on the outcome of farm-in discussions and consideration of alternative funding solutions, may ultimately not need to be issued at all).

In addition, assuming all of the various Special Resolutions are approved by Shareholders, the Company will have approved the potential issuance of certain additional tranches of options (although these will not be issued immediately and depending on presently unknown future circumstances their issue may not ultimately be required). In aggregate, these potential issuances of additional Ordinary Shares and warrants/options are summarised as follows:

- A general authority to issue up to 1,800,000,000 new Ordinary Shares (inclusive of options and warrants), at any time prior to 31 December 2020, without the need for additional Shareholder approval
- An additional reserved pool of New Options, the issue of which will be at the discretion of the Board in the future, as may be required for ongoing recruitment and future employee / executive incentive awards:
 - 25,000,000 unallocated Series B New Options - exercise price 2.4p per Ordinary Share
 - 25,000,000 unallocated Series C New Options - exercise price 2.8p per Ordinary Share
- Subject to completion of the Conditional Convertible Loan and advancement of funds to the Company, the issue to BCI of the Convertible Second & Third Tranche Options as follows:
 - 12,500,000 Convertible Second Tranche Options - exercise price 2.5p per Ordinary Share
 - 12,500,000 Convertible Third Tranche Options - exercise price 3p per Ordinary Share

As highlighted previously, it is not presently known whether and to what extent the Company would make use of this general share issuance authority. However, for illustrative purposes, assuming that all of the above noted additional Ordinary Shares, warrants and options were to be issued in full, the Company would expect to realise an amount in excess of US\$25 million (i.e. the amount required to fund the Company's intended drilling campaign and meet licence commitments), and the overall capital structure of the Company (Ordinary Shares, warrants and options on issue) would then indicatively expand as follows:

ITEM	Number	% of Total
Ordinary Shares on issue		
Ordinary Shares	1,692,719,096	43.78%
Deferred Pay Shares	116,698,188	3.02%
Additional Ordinary Shares pursuant to special issuance authority	1,800,000,000	46.55%
Total Ordinary Shares on issue	3,609,417,284	93.35%
New Options on issue		
Series A New Options	50,000,000	1.29%
<i>Non-executive Directors</i>	4,500,000	
<i>Executives & employees</i>	45,500,000	
Series B New Options	75,000,000	1.94%
<i>Non-executive Directors</i>	2,250,000	
<i>Executives & employees</i>	72,750,000	
Series C New Options	75,000,000	1.94%
<i>Non-executive Directors</i>	2,250,000	
<i>Executives & employees</i>	72,750,000	
Total New Options on issue	200,000,000	5.17%
Convertible First Tranche Options	25,000,000	0.65%
Convertible Second Tranche Options	12,500,000	0.32%
Convertible Third Tranche Options	12,500,000	0.32%
Shore Warrants	7,200,000	0.19%
FULLY DILUTED POTENTIAL SHARE CAPITAL	3,866,617,284	100%

ADDITIONAL INFORMATION FOR SHAREHOLDERS:

2. FRAMEWORK AGREEMENT FOR THE PROVISION OF A SIXTH GENERATION DRILLING RIG: SUMMARY OF KEY TERMS

The company has entered into a Framework Agreement for the provision of a sixth-generation drilling rig during the first half of 2020 (the “**Framework Agreement**”). The Framework Agreement is entered into with Seadrill, one of the world’s largest drilling companies.

Based on the rate agreed in the Framework Agreement and current general market conditions, BPC has reassessed the total cost of its intended Drilling Plan, which is now estimated to be in the range of US\$25 million to US\$30 million for an initial exploration well, and up to approximately US\$50 million for a concurrent two-well campaign. The Framework Agreement contemplates the capacity for BPC to pursue a two-well campaign, should BPC elect.

The purpose of the Framework Agreement is to record the commercial desire of the parties to work together for the purposes of Seadrill offering a drilling rig to BPC in order that it can undertake the Drilling Plan, to stipulate the process by which that working relationship shall be developed over the coming months leading up to entry into a definitive legal agreement for provision of the drilling rig (the “**Rig Contract**”) and thereafter conduct of drilling operations, to set out certain key commercial terms, schedule and operating parameters to be included in the Rig Contract, and to define the pre-conditions to entry into the Rig Contract. It should be noted therefore that the governing document in relation to provision of the drill rig will be the Rig Contract, which remains to be entered into and is subject to Seadrill’s Board approval process for contract commitment.

Further, the Framework Agreement requires BPC, on or before 11 October 2019 (or such later date as the parties may mutually agree) to notify Seadrill that it wishes to “Go-Firm”. Along with a Go-Firm notice BPC must provide Seadrill evidence of BPC’s finance capacity in order to enter into the Rig Contract. At the same time, the parties must confirm the rig selection and critical Drilling Plan dates.

Seadrill, subject to said Rig Contract, will make available to BPC a sixth generation semi-submersible, priced on a day rate basis of US\$215,000 per day (with a similar rate for mobilisation and demobilisation). Seadrill has already identified two specific suitable rigs to be made available currently operating in the Gulf of Mexico (however Seadrill has the right to substitute these for a rig of equal or better specification).

The parties have identified an estimated timeframe in which the rig will be delivered to BPC, as being in the period 1 January 2020 to 30 June 2020 with execution of the Drilling Plan expected to take between 40 - 90 days following delivery of the rig. BPC has agreed to use the rig for a minimum number of 60 days (inclusive of mobilisation and demobilisation) but BPC can (subject to mutual agreement) request Seadrill to relocate the rig to an alternate location for drilling of a 2nd exploration well.

Given the criticality of the rig operation to completing BPC’s Environmental Authorisation (“EA”), Seadrill has agreed to provide assistance to BPC as may reasonably be required for the purpose of completing the EA, including in particular provision of all technical and other rig specific data.

If the Rig Contract is not entered into by the 11 October 2019 required date (or such date as may be extended by mutual agreement) then the Framework Agreement may be cancelled by either party without penalty.

ADDITIONAL INFORMATION FOR SHAREHOLDERS:

3. NOTICE OF AWARD: DETAILS OF APPOINTMENT OF HALLIBURTON AS INTEGRATED WELL SERVICES PROVIDER

In addition to the drilling rig, rig support services are an important part of successful drilling of a well. Following a process of detailed technical discussions, analysis and mutual due diligence, Halliburton has agreed to participate with BPC for the provision of various essential integrated well services and equipment provision. To this end a Notice of Award has been issued to Halliburton, and has been accepted by Halliburton, for the provision of services as follows:

- Downhole drilling equipment (Rotary Steerable, MWD and other BHA components)
- Wireline Services
- Drilling Fluids
- Mud Logging
- Drill Bits
- Cementing services (final rig choice dependent)
- Cement equipment

It is expected that a detailed Integrated Well Services Contract containing terms and conditions customary in the industry (often referred to as a "Call-Off Contract"), including the technical specifications and pricing already established in the Notice of Award, will be finalised with Halliburton in the coming months (and in any event the Notice of Award requires this to be completed by no later than 30 November 2019), during which time detailed well planning work with Halliburton will continue.

A Notice of Award has also been issued to BakerHughes GE for the supply of wellhead equipment and running tool rental and large tubulars (36" and 20"). As with Halliburton it is expected that a detailed Call-Off Contract containing terms and conditions customary in the industry, and including the technical specifications and pricing already established in the Notice of Award, will be finalised in the coming months (and in any event the Notice of Award requires this to be completed by no later than 30 November 2019). Again, detailed well planning work with BakerHughes GE will continue during this time.

The Company expects that contracts for other required services not included in the package of integrated well services with Halliburton and wellhead equipment with BakerHughes GE, such as supply vessels, helicopter support, engineering and support personnel and logistics, will be placed over the coming months.

In anticipation of future operations, BPC has also applied for and been accepted for membership of Oil Spill Response Limited, the largest international industry-funded cooperative which exists to respond to oil spills wherever in the world they may occur, by providing preparedness, response and intervention services. OSRL is wholly owned by environmentally responsible oil and gas companies, and the organisation's membership represents the majority of global oil production.